

**EXECUTION VERSION**

# **MORTGAGE SALE AGREEMENT**

20 MARCH 2018

**CHARTER MORTGAGES LIMITED**  
as Servicer and Seller

and

**CHARTER COURT FINANCIAL SERVICES LIMITED**  
as CCFS and Legal Title Holder

and

**PRECISE MORTGAGE FUNDING 2018-2B PLC**  
as Issuer

and

**U.S. BANK TRUSTEES LIMITED**  
as Security Trustee

**ALLEN & OVERY**

Allen & Overy LLP

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**THIS AGREEMENT** (this **Agreement**) is made on 20 March 2018

**BETWEEN:**

- (1) **CHARTER MORTGAGES LIMITED** (registered number 06749495), a private limited company incorporated under the laws of England and Wales, whose registered office is at 2 Charter Court, Broadlands, Wolverhampton WV10 6TD (the **Servicer** and **Seller**);
- (2) **PRECISE MORTGAGE FUNDING 2018-2B PLC** (registered number 11196223), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Issuer**);
- (3) **CHARTER COURT FINANCIAL SERVICES LIMITED** (registered number 06749498), a private limited company incorporated under the laws of England and Wales, whose registered office is at 2 Charter Court, Broadlands, Wolverhampton WV10 6TD (**CCFS and Legal Title Holder**); and
- (4) **U.S. BANK TRUSTEES LIMITED**, (registered number 2379632), a company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (acting in its capacity as **Security Trustee**).

**WHEREAS:**

- (A) The Seller has acquired from the Legal Title Holder the beneficial interest in a portfolio of mortgage loans originated by the Legal Title Holder under its trading name of Precise Mortgages to individual borrowers and UK incorporated registered limited companies secured over residential properties located in England and Wales.
- (B) The Seller has agreed to sell, and the Issuer has agreed to purchase, on the Closing Date the Portfolio on the terms and subject to the conditions set out in this Agreement.

**IT IS HEREBY AGREED** as follows:

**1. DEFINITION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule made between, amongst others, the parties hereto on or about the Closing Date (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto, the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of the Master Definitions and Construction Schedule.
- 1.2 For the purposes of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Transaction Documents are, so far as applicable, incorporated herein. In the event of an inconsistency between a term of a Transaction Document (other than this Agreement) and a term of this Agreement, the term of this Agreement prevails to the extent of the inconsistency.
- 1.3 A party may satisfy an obligation to provide a list of the Loans and their Related Security by providing it in a document stored upon electronic or digital media (including, but not limited to, a CD) in a format acceptable to the Issuer and the Security Trustee (each acting reasonably).

- 1.4 The Standard Documentation contained in or identified as Exhibit 1 to this Agreement may be provided in a document stored upon electronic or digital media (including, but not limited to, a CD) in a format acceptable to the Issuer and the Security Trustee (each acting reasonably).

## **2. SALE AND PURCHASE OF THE LOANS AND THEIR RELATED SECURITY**

- 2.1 Subject to the terms and conditions of this Deed, the Seller agrees to sell and the Issuer agrees to purchase, on each Closing Date the Seller's whole right, title, interest and benefit in and to the Loans comprising the Portfolio (details of which are set out in Exhibit 2 hereto), provided that such obligation of the Issuer to purchase Loans shall be conditional on the delivery by Seller to the Servicer (on behalf of the Issuer) the following documents:

- (a) an up to date, complete and accurate list of the Loans and their Related Security which it is proposed will comprise the Portfolio which may be provided in a document stored upon electronic or digital media (including, but not limited to, a CD) in a form acceptable to the Issuer and the Security Trustee (each acting reasonably);
- (b) copies of the Insurance Policies relating to the Loans and their Related Security;
- (c) a copy of the board minutes of the Seller authorising the entry of the Seller into the Transaction Documents, certified by an Authorised Signatory of the Seller;
- (d) a duly executed assignment of Insurance Policies substantially in the form set out in Schedule 5 (Assignment of Insurance Policies);
- (e) a solvency certificate signed by an Authorised Signatory of the Seller dated as at the Closing Date in a form acceptable to the Issuer and the Security Trustee; and
- (f) a power of attorney dated as at the Closing Date, substantially in the form set out in Schedule 3 (Legal Title Holder Power of Attorney), duly executed by the Legal Title Holder.

- 2.2 It shall be a term of any sale referred to in this Clause 2 that the Seller shall sell with full title guarantee to the Issuer, and the Issuer shall purchase:

- (a) subject where applicable to the subsisting rights of redemption of the Borrower, and the terms of the Mortgage Conditions, all right, title, interest and benefit of the Seller in and to each Loan and its Related Security including for the avoidance of doubt but without limitation (other than as herein before expressly excluded):
  - (i) all sums of principal, interest or any other sum payable from time to time under such Loan and the right to demand, sue for, recover, receive and give receipts for all principal moneys payable or to become payable under each such Loan and the interest and all other sums to become due thereon or thereunder on or after or in respect of any period on or after the Closing Date including all sums of interest and other sums payable (but not paid before the Closing Date), in respect of any period before the Closing Date and the right to demand, sue for, recover, receive and give receipts for all such sums; and
  - (ii) the benefit of and the right to sue on all covenants and undertakings in favour of the Seller in respect of each such Loan and its Related Security and the right to exercise all powers of the Seller in relation to each such Loan and its Related Security; and
- (b) all the Seller's right, title, interest, and benefit in and to the Related Security relating to such Loans and, to the extent they are assignable, in and to any causes and rights of action (and the net proceeds thereof) in favour of the Seller, present and future, against any person in

connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with any such Loan and its Related Security or affecting any decision to make or acquire the relevant Loan.

- 2.3 To the extent any rights or powers referred to in Clauses 2.1 and 2.2 are not (or cannot be) effectively assigned or transferred pursuant to this Clause 2, the Seller hereby declares itself a trustee of such rights, interests or powers for the benefit of the Issuer.

### **3. CONSIDERATION AND COMPLETION**

- 3.1 The total consideration payable by the Issuer to the Seller for the purchase of the Loans shall comprise:
- (a) the initial payment by the Issuer to the Seller of the Initial Consideration (which shall be paid in accordance with Clause 3.4) on the Closing Date; and
  - (b) the deferred consideration consisting of the RC1 Payments and RC2 Payments payable pursuant to the applicable Priority of Payments, the right to such payments being represented by the RC1 Residual Certificates and the RC2 Residual Certificates, respectively, to be issued and delivered to, or at the direction of, the Seller on the Closing Date.
- 3.2 The Seller agrees to transfer to the Issuer within two Business Days of the Closing Date an amount equal to all Collections received on the Loans and their Related Security from (and including) 1 March 2018 to (but excluding) the Closing Date.
- 3.3 Completion in relation to the sale and purchase of Loans shall take place on the Closing Date.
- 3.4 On the Closing Date, the Borrower will satisfy its obligation to pay the Initial Consideration in accordance with Clause 3.1(a) by telegraphic transfer or some other method which transfers same day value by the Issuer on the Closing Date and the Issuer shall, on the Closing Date, issue and deliver 100 RC1 Residual Certificates and 100 RC2 Residual Certificates to the Seller (or to such other person as the Seller may direct).
- 3.5 The parties hereto acknowledge that completion on the Closing Date of the sale to the Issuer of all of the Seller's right, title, interest and benefit in and to the Loans and their Related Security shall occur upon consideration being made under Clause 3.4 (and subject to the satisfaction of the conditions in Clause 2.1) provided that the matters described in Clauses 5.2, 5.4 and 5.6 shall not occur until the relevant time indicated in Clause 5 (Perfection of the Sale).
- 3.6 The Legal Title Holder undertakes that from the Closing Date until the perfection of the assignments in accordance with Clause 5 (Perfection of the Sale) (or, if earlier, until delivery to or at the direction of the Issuer and/or the Security Trustee), that it shall use all reasonable endeavours to ensure that, save for Title Deeds held at the Land Registry, all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by the Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) or its solicitors or agents and the Title Deeds are held in dematerialised form or are returned to the Borrower's solicitors, such Title Deeds are held on the basis that they (other than the dematerialised copies of the Title Deeds) shall be returned to the Legal Title Holder or the Servicer or its solicitors or agents.

### **4. DECLARATIONS OF TRUST**

- 4.1 Notwithstanding the sales effected by this Agreement but without prejudice to the terms of the Non-DD Collection Account Declaration of Trust, the Non-DD Collection Account Accession Undertaking and the Collection Accounts Declaration of Trust, if at, or at any other time after, the Closing Date (but prior to any repurchase in accordance with Clause 7 (Warranties and

Repurchase)) either the Seller or the Legal Title Holder holds, or there is held to its order, or it receives, or there is received to its order, any property, interests, rights or benefits and/or the proceeds thereof (including the proceeds of any claim under the Insurance Policies) hereby agreed to be sold to the Issuer (and not repurchased by the Seller or the Legal Title Holder (as applicable) pursuant to Clause 7 (Warranties and Repurchase)), the Seller and the Legal Title Holder each undertakes to each of the Issuer and the Security Trustee that, subject to Clause 5 (Perfection of the Sale), it will promptly remit, assign and/or transfer the same to the Issuer or, if appropriate, the Security Trustee or as any of them shall direct and until it does so or to the extent that the Seller or the Legal Title Holder (as the case may be) is unable to effect such remittance, assignment, or transfer, it will hold such property, interests, rights or benefits and/or the proceeds thereof upon bare trust for the Issuer and/or the Security Trustee (as applicable).

- 4.2 If at, or any time after, the Closing Date the Issuer holds, or there is held to its order, or it receives, or there is received to its order, any property, interests, rights or benefits relating to any Loan and its Related Security repurchased by the Seller or the Legal Title Holder (as applicable) pursuant to Clause 7 (Warranties and Repurchase) and/or the proceeds thereof, the Issuer undertakes to the Seller and the Legal Title Holder that it will remit, assign, re-assign or transfer the same to the Seller or the Legal Title Holder (as applicable), as the case may require, and until it does so or to the extent that the Issuer is unable to effect such remittance, assignment, re-assignment or transfer, the Issuer undertakes to hold such property, interests, rights or benefits and/or the proceeds thereof upon bare trust for the Seller or the Legal Title Holder (as applicable) as the beneficial owner thereof or as the Seller or the Legal Title Holder (as applicable) may direct, provided that the Issuer shall not be in breach of its obligations under this Clause 4.2 if, having received any such monies and paid them to third parties in error, it pays an amount equal to the monies so paid in error to the Seller or the Legal Title Holder (as applicable) in accordance with the Servicing Agreement.

## **5. PERFECTION OF THE SALE**

- 5.1 The Legal Title Holder shall notify the Issuer and the Security Trustee that a Perfection Event (other than a Perfection Event under paragraph (d) of that definition) has occurred promptly after it becomes aware of the same.
- 5.2 In the case of Loans and their Related Security, completion of transfer by way of assignment of the legal title of the Loans and their Related Security to the Issuer will be completed on or before the 20th Business Day after any Perfection Event occurs. If the Loans and their Related Security are sold pursuant to the exercise of the Call Option, the Issuer or (if at the time the Call Option is exercised the Issuer does not hold the Whole Legal Title) the Legal Title Holder (if applicable), upon receipt of a direction from the Issuer and at the sole cost and expense of the Issuer, shall promptly transfer the Whole Legal Title in the Loans and their Related Security comprising the Portfolio to the Legal Title Transferee and, upon completion of such transfer, deliver to the Legal Title Transferee or as the Legal Title Transferee may direct (a) all accounts, books and records which show all transactions, payments, receipts and proceedings and (b) the Title Deeds, in respect of the Loans and their Related Security comprising the Portfolio.
- 5.3 For the avoidance of doubt, prior to the completion of the assignment or transfer (as appropriate) of any Loan and its Related Security to the Issuer pursuant to Clause 5.2, with effect from the Closing Date, legal title to each Loan and its Related Security in the Portfolio shall be vested in the Legal Title Holder and sole beneficial title and interest thereto shall be vested in the Issuer. Prior to perfection of the transfer of the legal title to Loans and their Related Security pursuant to this Clause 5, the Legal Title Holder undertakes (to the extent that any of the following is vested in it) to hold all right, title, interest and benefit (both present and future) in and under (a) the Loans and their Related Security, following the acquisition of such Loans and their Related Security by the Issuer and (b) any sums that are or may become due in respect thereof, on trust for the Issuer (excluding from such trust

any Loans and their Related Security which have been repurchased by the Seller or the Legal Title Holder (as applicable)).

5.4 Prior to the transfer of legal title to any Loan and its Related Security to the Issuer, the Legal Title Holder shall hold such legal title, insofar as it relates to such Loan and its Related Security, as bare nominee on trust for the Issuer absolutely.

5.5 Perfection of the transfer and assignment in accordance with Clause 5.2 of:

- (a) Mortgages in the Portfolio shall be effected by means of a transfer in the form of the relevant Land Registry Transfer set out in Part 1 (Legal Title Holder Registered Transfer) of Schedule 2 (Register of Transfers);
- (b) the Loans and their Related Security shall be effected through notification to the relevant Borrowers and/or guarantors and/or insurers or other relevant third parties of the sale and transfer or assignment of the relevant Loans and their Related Security,

and, in each case, notice shall be given to each Borrower or any other relevant person of the charge by the Issuer of the Issuer's interest in that Borrower's Loan and its Related Security to the Security Trustee pursuant to the Deed of Charge.

5.6 Perfection of the transfer of other Related Security comprised in the Portfolio not catered for in Clause 5.5 (including in respect of any Mortgage over unregistered land), shall be in such form as the Issuer and the Security Trustee may require.

5.7 Prior to perfection pursuant to Clause 5.2, the Issuer and the Security Trustee will not:

- (a) submit or require the submission of any notice, form, request or application to, or pay any fee for the registration or recording of, or the noting of any interest at the Land Charges Department of the Land Registry in relation to, the Issuer's or Security Trustee's interests in the Portfolio;
- (b) give or require the giving of any notice to any Borrower or any other relevant person of (i) the sale or transfer of that Borrower's Loan and its Related Security to the Issuer or (ii) the charge by the Issuer of the Issuer's interest in that Borrower's Loan and its Related Security to the Security Trustee pursuant to the Deed of Charge;
- (c) send or require to be sent to any solicitor, licensed conveyancer or other person who has acted on behalf of the Legal Title Holder in respect of any Mortgage with respect to which the Legal Title Holder has not received a complete set of the Title Deeds, a letter or other communication requiring such solicitor, licensed conveyancer or other person to hold such documents to the order of the Issuer or the Security Trustee (as the case may be); or
- (d) take any other step or action analogous to those in paragraphs (a) to (c) above.

5.8 Within twenty five (25) Business Days following perfection of the assignments or transfers contemplated by this Agreement pursuant to Clause 5.2, the Legal Title Holder will do all of the acts, matters or things (including, for the avoidance of doubt, those acts, matters and things referred to in Clauses 5.5 and 5.6) as the Security Trustee or the Issuer requires, including completing registration formalities, providing a bulk transfer of Direct Debit Mandates and, in the case of all Borrowers who do not make payment under the Direct Debiting Scheme, ensuring that all Borrowers will be instructed to make all payments under the Loans directly to the Deposit Account or such replacement bank account as the Security Trustee or the Issuer requires in order to give effect to the terms of the assignments contemplated in this Agreement.



- 5.9 The Seller shall indemnify on demand, each of the Issuer and the Security Trustee from and against any and all costs, fees and expenses (including legal fees and expenses and any Irrecoverable VAT thereon) which may be properly incurred by the Issuer and/or the Security Trustee and by reason of the doing of any act, matter or thing in order to perfect legal title to the Loans and their Related Security (where entitled to do so under this Clause 5) but excluding any such costs, fees and expenses incurred in connection with the transfer of the Whole Legal Title to the Legal Title Transferee following the exercise of the Call Option by the Option Holder in accordance with the terms of the Deed Poll.
- 5.10 The Issuer (subject to the prior written consent of the Security Trustee) shall, as soon as reasonably practicable following receipt of notification to it, or its agents, of completion of the registration or recording of the transfer of all of the relevant Mortgages comprised in the Portfolio and other acts required to perfect the transfer of the relevant Loans and their Related Security comprising the Portfolio to the Issuer, give notice thereof to the Legal Title Holder and with such notice return the Legal Title Holder Power of Attorney.

## **6. UNDERTAKINGS**

- 6.1 The Issuer undertakes to the Legal Title Holder that it will at all times, prior to the transfer of legal title to the Loans and their Related Security to the Issuer in accordance with Clause 5 (Perfection of the Sale) (or will direct the relevant Servicer at all times to), use reasonable endeavours to administer and enforce (and exercise its powers and rights and perform its obligations under) the Loans and their Related Security comprised in the Portfolio in accordance with the policies set out at Schedule 6 (Legal Title Holder's Policies) to this Agreement (subject to such changes made by the Legal Title Holder prior to transfer of legal title to the Loans and their Related Security in accordance with Clause 5 (Perfection of the Sale) in accordance with the standard of a Reasonable, Prudent Residential Mortgage Lender).
- 6.2 The Legal Title Holder undertakes to the Issuer that, in the event that any Borrower establishes that it has at any time prior to the Closing Date, paid to the Legal Title Holder any amounts in excess of sums due to the Legal Title Holder as at the date of payment under the Mortgage Conditions applicable to that Loan, the Legal Title Holder will reimburse the Borrower for such overpayment together with any interest, cost or other expense associated therewith. The Legal Title Holder further agrees to hold the Issuer harmless against any such claims and to indemnify the Issuer on an after-Tax basis in relation to any costs, expense, loss or other claim which may arise in connection therewith.
- 6.3 Each of the Seller and the Legal Title Holder undertakes to the Issuer and the Security Trustee that, pending perfection of the assignment after the occurrence of any event under Clause 5 (Perfection of the Sale):
- (a) it shall not do or omit to do any act or thing which might, in the opinion of the Security Trustee, prejudice the interests of the Issuer and/or the Security Trustee in the Portfolio;
  - (b) it shall promptly notify the Issuer and the Security Trustee in writing if it receives written notice of any litigation or claim calling into question in any material way the Legal Title Holder's or the Issuer's title to any Loan or its Related Security comprised in the Portfolio or (in the case of the Seller) if it becomes aware of any material breach of any of the Loan Warranties in respect of any Loan or its Related Security comprised in the Portfolio or other obligations of the Seller or the Legal Title Holder under this Agreement (unless such breach is not material and either the breach is rectified or such Loan and their Related Security is repurchased by the Seller or the Legal Title Holder);
  - (c) it shall, if required to do so by the Issuer or the Security Trustee, lend its name to, and take such other steps as may reasonably be required in relation to legal proceedings to the extent

necessary to protect, preserve and enforce its title or the Issuer's or the Security Trustee's title to or interest in respect of the relevant Loans or their Related Security comprised in the Portfolio and the Issuer will have power of attorney to act in the name of the Legal Title Holder pursuant to the Legal Title Holder Power of Attorney, provided that the Legal Title Holder is reimbursed by the Issuer subject to and in accordance with the relevant Priority of Payments for the reasonable legal expenses and costs of such proceedings; and

- (d) it shall use all reasonable endeavours to obtain as soon as reasonably possible that information which accurately and definitively identifies the relevant Mortgages (which may, for the avoidance of doubt, include the relevant title number) comprised in the Portfolio which are registered at the Land Registry.

- 6.4 The Legal Title Holder undertakes to the Issuer and the Security Trustee, that pending perfection of the assignments of the Loans and their Related Security following the occurrence of any event under Clause 5 (Perfection of the Sale), it shall promptly notify the Issuer and the Security Trustee in writing if it receives written notice of any litigation or claim calling into question in any material way the Legal Title Holder's or the Issuer's title to any Loan or its Related Security comprised in the Portfolio or if it becomes aware of any material breach of any of the Loan Warranties in respect of any Loan or its Related Security comprised in the Portfolio or other obligations of the Legal Title Holder under this Agreement.
- 6.5 The Legal Title Holder undertakes to the Issuer and the Security Trustee that it shall grant security powers of attorney to the Issuer and the Security Trustee substantially in the form set out in Schedule 3 (Legal Title Holder Power of Attorney).
- 6.6 The Seller undertakes to the Issuer and the Security Trustee that if it purchases any Notes or other positions in the securitisation constituted by the Transaction Documents, such purchase will be exceptional and may only be made at arm's length.

## **7. WARRANTIES AND REPURCHASE**

- 7.1 On the Closing Date, the Seller shall represent and warrant to the Issuer and the Security Trustee, with reference to the facts and circumstances then subsisting, that:
  - (a) it is duly incorporated and validly existing under the law of England and Wales;
  - (b) it has the power, authority and capacity to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery, of the Transaction Documents to which it is a party, as well as the transactions contemplated thereunder;
  - (c) no Insolvency Event has occurred in respect of it;
  - (d) the obligations expressed to be assumed by it in the Transaction Documents to which it is a party are legal, valid, binding and enforceable obligations, subject to any laws from time to time in effect relating to bankruptcy, insolvency, reorganisation or any other laws or procedures affecting generally the enforcement of creditors' rights and by the general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and are enforceable against it in accordance with their respective terms;
  - (e) it has obtained and maintains in effect all authorisations, approvals, licences and consents required in connection with its business to manage the Loans and their Related Security under this Agreement pursuant to any requirement of law and any regulatory direction applicable to the Seller in the United Kingdom;

- (f) the entry into, performance by it of, and the transactions contemplated by the Transaction Documents to which it is a party do not and will not conflict in any material respect with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under:
  - (i) any existing law, court order or regulation applicable to it;
  - (ii) its constitutional documents; or
  - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument;
- (g) the Transaction Documents to which it is a party have been duly executed and delivered by it; and
- (h) it has complied in all material respects with the terms of the Transaction Documents to which it is a party and in all material respects with all applicable laws and regulations.

7.2 The Seller hereby makes the Loan Warranties in relation to each of the Loans and their Related Security on the Closing Date in favour of the Issuer and the Security Trustee.

7.3 Each statement comprised in the Loan Warranties shall be construed as a separate statement and (save as expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other such statement.

7.4 The Seller acknowledges:

- (a) that the Loan Warranties are made with a view to inducing the Issuer and the Security Trustee either to enter into this Agreement and the other Transaction Documents to which it is a party or to inducing the Issuer to agree to purchase the Loans and their Related Security comprising the Portfolio;
- (b) that each of the Issuer and the Security Trustee has entered into this Agreement and the other Transaction Documents to which it is a party in reliance upon the Loan Warranties notwithstanding any information in fact possessed or discoverable by the Issuer and/or the Security Trustee or otherwise disclosed to any of them; and
- (c) that prior to entering into this Agreement and the other Transaction Documents to which each is a party neither the Issuer nor the Security Trustee has made any enquiries of any matter.

7.5 The Security Trustee and the Issuer acknowledge that they have not entered into this Agreement in reliance upon any representation, warranty or undertaking other than those set out in this Agreement or upon any other enquiry, investigation or search whatsoever.

7.6 The Issuer's and the Security Trustee's sole remedy in respect of a breach of any of the Loan Warranties shall be to take action under this Clause 7.

7.7 In respect of any actual or alleged breach of Clause 7.2, the Issuer shall, as applicable:

- (a) notify the Seller as soon as reasonably practicable following any claim by any person of or arising from such actual or alleged breach and thereafter keep the Seller informed in relation to such claim;

- (b) not settle or compromise any such claim made or otherwise do anything which may be prejudicial to the position of the Seller in relation thereto having regard to this Agreement, except pursuant to the written directions of the Seller or with the Seller's prior written approval, such directions and approval not to be unreasonably withheld; and
- (c) comply with the Seller's reasonable directions as to answering, disputing, defending, compromising, settling, or otherwise in relation to the claim made or initiated (including the instruction of particular legal advisers), and if and to the extent required by the Seller, do such things as the Seller may reasonably require to enable and authorise the Seller or persons nominated by the Seller to answer, dispute, defend, compromise, settle or otherwise deal with any such claim, or mitigate loss or potential loss on behalf of the Issuer,

subject in each case to the Seller indemnifying the Issuer and the Security Trustee against the consequences (including the direct costs) of complying with the Seller's directions and requirements.

7.8 On each Calculation Date, the Legal Title Holder shall determine whether any Loan was a Significant Deposit Loan as at the immediately preceding Collection Period Start Date and:

- (a) the Legal Title Holder shall promptly notify to each of the Servicer, the Seller and the Issuer and Security Trustee (with a copy to the Rating Agencies) of any such Significant Deposit Loans; and
- (b) the Issuer shall serve on the Legal Title Holder a Loan Repurchase Notice (in duplicate) substantially in the form set out in Schedule 4 (Loan Repurchase Notice) requiring the Legal Title Holder to repurchase the relevant Significant Deposit Loan and its Related Security in accordance with Clause 7.11.

7.9 After either of the Seller (in relation to a repurchase for material breach of a Loan Warranty) or the Legal Title Holder (in circumstances where a Loan is determined to be Significant Deposit Loan) becomes aware of any event and/or fact which may reasonably give rise to an obligation under any Clause of this Agreement to repurchase any Loan and its Related Security it shall notify the Issuer and the Security Trustee in writing thereof as soon as reasonably practicable (and, in any event, before the later to occur of: (i) 10 Business Days of becoming aware of such event or fact, and (ii) for so long as the Seller is the Servicer, on the date that the immediately following Servicer Report is due).

7.10 In the event of a material breach of any of the Loan Warranties in respect of any Loan and/or its Related Security comprised in the Portfolio made under Clause 7.2:

- (a) the Issuer shall give notice to the Seller as soon as reasonably practicable and in any event within 30 days of discovery of such breach or breaches, specifying the Loans and/or the Related Security to which such breach or breaches relate and (in reasonable detail having regard to its level of knowledge) the facts giving rise to such breach or breaches and where practicable what, in its reasonable opinion, is its best estimate (on a without prejudice basis) of the amount of any warranty claim; and
- (b) the Seller shall use all reasonable endeavours to remedy the matter giving rise to any breach of a Loan Warranty at any time within 35 days from and including the date upon which the Issuer or the Security Trustee gives notice under paragraph (a).

Where the matter giving rise to the breach of a Loan Warranty is capable of being remedied but the Seller fails to remedy such matter within the above 35 day period or the relevant breach is not capable of being remedied, then the Issuer shall serve upon the Seller (with a copy to the Security Trustee) a Loan Repurchase Notice in duplicate substantially in the form set out in Schedule 4 (Loan

Repurchase Notice) requiring the Seller to repurchase the relevant Loan and its Related Security in accordance with Clause 7.11.

- 7.11 Upon receipt of a Loan Repurchase Notice duly signed on behalf of the Issuer, the Seller (in relation to a repurchase for material breach of a Loan Warranty) or the Legal Title Holder (in circumstances where a Loan is determined to be Significant Deposit Loan) shall promptly sign and return a duplicate copy, and the Seller or the Legal Title Holder (as applicable) shall be required to repurchase from the Issuer, and the Issuer shall accordingly assign or transfer to the Seller or the Legal Title Holder (as applicable) free from the Security created by or pursuant to the Deed of Charge, the relevant Loan or Loans and its (or their) Related Security at a price equal to the Current Balance of the relevant Loan or the aggregate of the Current Balances of the relevant Loans (disregarding for the purposes of such calculation the extent to which the Current Balance of such relevant Loan(s) have been reduced as a result of the exercise of any set-off right which the relevant Borrower(s) have against the Legal Title Holder, the amount of any such reduction in the Current Balance) (as applicable) as at the last day of the Monthly Period immediately preceding the date of such repurchase plus an amount equal to the Repurchase Cost (if any) in connection with such repurchase. Completion of such repurchase pursuant to this Clause 7.11 and the payment of the purchase price pursuant to Clause 7.12 shall take place on the date specified by the Issuer in the Loan Repurchase Notice, provided that the date so specified by the Issuer shall be no earlier than 15 days and no later than 35 days after receipt by the Seller or the Legal Title Holder (as applicable) of the Loan Repurchase Notice.
- 7.12 On any relevant repurchase date, the Seller or the Legal Title Holder (as applicable) shall pay to the Deposit Account (or as the Issuer shall direct) an amount equal to the Current Balance of the relevant Loan (or the aggregate of the Current Balances of the relevant Loans, as the case may be) (disregarding for the purposes of any such calculation the extent to which the Current Balance of such relevant Loan(s) have been reduced as a result of the exercise of any set-off right which the relevant Borrower(s) have against the Legal Title Holder, the amount of any such reduction in the Current Balance) as at the last day of the Monthly Period immediately preceding the date of such repurchase plus an amount equal to the Repurchase Costs (if any) in connection with such repurchase. The Issuer agrees to transfer (or procure the transfer) to the Seller within two Business Days of the date of such repurchase an amount equal to all Collections received on the relevant Loan(s) and their Related Security from (but excluding) the last day of the Monthly Period immediately preceding the date of such repurchase to (but excluding) the date of such repurchase.
- 7.13 On the date of completion of any repurchase of a Loan or Loans and its (or their) Related Security in accordance with this Clause 7, the Security Trustee shall be deemed to give its consent to such repurchase and the release of such Loan or Loans and its (or their) Related Security from the Security if the Security Trustee receives written confirmation from an Authorised Signatory of each of (a) the Issuer and (b) the Seller or the Legal Title Holder (as applicable), that the repurchase has been made in accordance with this Clause 7 and the purchase price for such Loan or Loans and its (or their) Related Security has been paid to the Deposit Account in accordance with Clause 7.12 above.
- 7.14 If the assignment to the Issuer of such Loan or Loans and its (or their) Related Security has been perfected in accordance with Clause 5 (Perfection of the Sale), the Issuer shall deliver to the Seller or the Legal Title Holder (as applicable) on the date of completion of the repurchase of such Loan or Loans and its (or their) Related Security:
- (a) a transfer of the relevant Mortgage to the Seller or the Legal Title Holder (as applicable) in the form of the relevant Land Registry Transfer (or, if the transfer is in respect of unregistered land, in the form agreed between the Issuer and the Seller or the Legal Title Holder (as applicable));

- (b) if notice has previously been given to the relevant Borrower of the sale of that Borrower's Loan and its Related Security to the Issuer, give further notice to the Borrower of the repurchase of that Borrower's Loan and its Related Security by the Seller or the Legal Title Holder (as applicable);
- (c) a re-assignment of the rights of the Issuer in respect of the relevant Related Security other than the relevant Mortgage, in a form reasonably acceptable to the Seller or the Legal Title Holder (as applicable);
- (d) a notification to the Servicer that all further sums due in respect of such repurchased Loans and their Related Security are for the Seller's or the Legal Title Holder's account (as applicable).

- 7.15 Upon completion of any purchase, transfer, re-transfer or repurchase of any Loan and its Related Security pursuant to this Clause 7, each of the Seller and the Legal Title Holder shall cease to be under any further obligation to hold any Loan Files, Title Deeds or other documents relating to such Loan or Loans and its (or their) Related Security to the order of the Issuer and the Security Trustee and if the Issuer or the Security Trustee holds or has under its control the Loan Files and other documents relating to such Loan or Loans and its or their Related Security, it will return them (or direct the return) to the Seller or the Legal Title Holder (as applicable). Any such purchase, transfer, re-transfer or repurchase by the Seller or the Legal Title Holder (as applicable) of or in respect of a Loan or Loans and its (or their) Related Security shall constitute a discharge and release of the Seller from any claims which the Issuer or the Security Trustee may have against the Seller arising from the breach of any Loan Warranties in relation to that Loan and its Related Security only but shall not affect any rights arising from a breach of any other express provision of this Agreement or any Loan Warranty in relation to any other Loan and/or other Related Security.
- 7.16 The parties to this Agreement may waive any breach of, or amend, the Loan Warranties only if they have obtained the written consent of the Security Trustee at or prior to the time the amendment or waiver takes place. The Security Trustee shall be entitled to consent to such waiver or amendment provided that the then current ratings of the Notes will not be downgraded, withdrawn or qualified as a result.
- 7.17 If a breach of a Loan Warranty arises in respect of any Loan and/or its Related Security and (in either case) no repurchase requirement arises in respect of the Seller pursuant to this Clause 7, neither the Issuer nor the Security Trustee shall have any further claim against the Seller in respect of, or in relation to, such breach of Loan Warranty in relation to that Loan and/or its Related Security. For the avoidance of doubt, save as provided for in this Clause 7, the Seller is not obliged to repurchase any Loan or its Related Security comprised in the Portfolio.
- 7.18 If the Seller or the Legal Title Holder (as applicable) makes any payment to the Deposit Account (or as the Issuer shall direct) in full satisfaction of any claim made by the Issuer or the Security Trustee in relation to any breach of Loan Warranty, the Issuer or the Security Trustee, as the case may be, shall assign to the Seller or the Legal Title Holder (as applicable) such rights as they have against any third party which relate to such claim.
- 7.19 If a Loan has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is due to be repurchased pursuant to this Clause 7, the Seller or the Legal Title Holder (as applicable) shall not be obliged to repurchase the Loan and its Related Security but shall instead indemnify the Issuer and the Security Trustee against any loss, costs or expenses, suffered by reason of any Loan Warranty relating to or otherwise affecting that Loan being untrue or incorrect by reference to the facts subsisting at the date on which the relevant Loan Warranty was given, provided that the amount of such indemnity shall not exceed the sum of (i) the Current Balance of the Loan that would have been payable by the Borrower in respect of such Loan on and after the relevant completion date for the repurchase in relation to such Loan had the Loan existed and complied with

each of the Loan Warranties set out in Schedule 1 (Loan Warranties) as at such date; and (ii) interest thereon from such relevant completion date at the weighted average yield of the Loans in the relevant Portfolio, as calculated by the Servicer.

- 7.20 The Seller (in relation to the breach of a Loan Warranty) and the Legal Title Holder (in circumstances where a Loan is determined to be Significant Deposit Loan) are liable to repurchase any Loan and its Related Security which either party is required to repurchase in accordance with this Clause 7 and the Seller or the Legal Title Holder (as applicable) may notify the Issuer and the Security Trustee as to who will make the repurchase in relation to each occasion to which the repurchase obligation arises.

## **8. CRR UNDERTAKING**

- 8.1 CCFS undertakes to the Issuer and the Security Trustee that, for so long as any Notes remain outstanding, it will:

- (a) retain on an ongoing basis, a material net economic interest of not less than 5 per cent. in the nominal value of the securitisation (the **Retained Exposures**) in accordance with Article 405 of the CRR, Article 51 of the AIFM Regulation and Article 254 of the Solvency II Regulation (which in each case, does not take into account any corresponding national measures);
- (b) at all relevant times comply with the disclosure obligations imposed on sponsor or originator credit institutions under Article 409 of Part Five of the CRR and provide the Issuer access to the data and information referred to in Article 409 of Part Five of the CRR necessary to meet that disclosure obligation, subject always to any requirement of law, provided that CCFS will not be in breach of such undertaking if CCFS fails to so comply due to events, actions or circumstances beyond CCFS's control; and
- (c) not sell, hedge or otherwise mitigate (and shall procure that none of its Affiliates shall sell, hedge or otherwise mitigate) the credit risk under or associated with the Retained Exposures, except to the extent permitted under the CRR, the AIFM Regulation or the Solvency II Regulation.

- 8.2 As at the Closing Date, such interest will comprise retention of randomly selected exposures equivalent to no less than 5% of the nominal value of the securitised exposures, where such exposures would otherwise have been securitised in the transaction affected by the Issuer, as required by the text of each of paragraph (c) of Article 405(1) of the CRR, paragraph (c) of Article 51(1) of the AIFM Regulation and paragraph (c) of Article 254(2) of the Solvency II Regulation.

## **9. FURTHER ASSURANCE**

- 9.1 The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents that may be necessary or desirable to give full effect to the transactions contemplated by this Agreement (but subject always to Clause 5 (Perfection of the Sale)).
- 9.2 The Seller and the Legal Title Holder shall provide all reasonable co-operation to the Issuer and the Security Trustee to enable them to carry out their respective duties and enforce their rights under the Transaction Documents. Without prejudice to the generality of the foregoing, the Seller and the Legal Title Holder shall:
- (a) subject to Clause 12 (Confidentiality), upon reasonable prior notice and during normal office hours, permit the Issuer, the Security Trustee and their authorised employees and agents and other persons nominated by the Security Trustee and approved by the Seller or the Legal

Title Holder (as the case may be) (such approval not to be unreasonably withheld or delayed), to review the Loans, Loan Files and any Related Security in relation to the Portfolio; and/or

- (b) give promptly all such information and explanations relating to the Loans and their Related Security as the Issuer and/or the Security Trustee may reasonably request (including a list of the Loans and their Related Security in the Portfolio),

provided that prior to completion of the transfer of the legal title to the Loans and their Related Security in accordance with Clause 5 (Perfection of the Sale), neither the Seller nor the Legal Title Holder shall be under any obligation to provide any information or documentation to any person other than the Issuer and/or the Security Trustee or their respective employees and/or professional advisors or allow such person access to the Loan Files or Title Deeds if to do so would result in a breach of the applicable Loan Agreement or the Data Protection Act.

## **10. CONSEQUENCES OF BREACH**

Without prejudice to Clauses 6 (Undertakings) and 7 (Warranties and Repurchase),

- (a) the Issuer and the Security Trustee severally acknowledge to and agree with the Seller and the Legal Title Holder; and
- (b) the Security Trustee acknowledges to and agrees with the Issuer,

that neither the Seller nor the Legal Title Holder shall have any liability or responsibility (whether, in either case, contractual or tortious, express or implied) for any loss or damage for or in respect of any breach of, or any act or omission in respect of, any of its obligations hereunder other than loss or damage directly (and not indirectly or consequentially) suffered by the Issuer by reason of such breach, act or omission. For this purpose (and without limiting the scope of the above exclusion in respect of indirect or consequential loss or damage) any loss or damage suffered by the Issuer or such assets as a result of the breach, act or omission in question also having been or given rise to an Event of Default or enforcement of the Security created by the Deed of Charge shall be treated as indirect or consequential loss or damage, provided that this sentence shall not apply to any direct or non-consequential loss or damage arising from any such breach, act or omission.

## **11. SUBORDINATION**

The Seller and the Legal Title Holder agree with the Issuer and the Security Trustee that on the enforcement of any Mortgage any sums owed to the Seller or the Legal Title Holder (as the case may be) by a Borrower and which are secured under such Mortgage and the rights and remedies of the Seller or the Legal Title Holder (as the case may be) in respect of the sums owed to the Seller or the Legal Title Holder (as the case may be) shall at all times be subject and subordinated to any sums owed to the Issuer by the Borrower and which are secured under such Mortgage and to the rights and remedies of the Issuer in respect of such sums owed to the Issuer by the Borrower.

## **12. CONFIDENTIALITY**

### **12.1 Confidentiality of information**

Each party to this Agreement agrees that during the term of this Agreement and thereafter it shall keep confidential and it shall not disclose to any person whatsoever, any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may have obtained as a result of the execution of this Agreement or of which it may otherwise have come into the possession of as a result of the performance of its obligations in respect of the Transaction.



## **12.2 Disapplication of confidentiality provisions**

The parties to this Agreement shall use all reasonable endeavours to prevent any such disclosure referred to in Clause 12.1 (Confidentiality of information), provided that Clause 12.1 (Confidentiality of information) shall not apply:

- (a) to the disclosure of any information to any person insofar as such disclosure is expressly permitted by this Agreement;
- (b) to the disclosure of any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents or as a result of a breach of this Clause 12;
- (c) to the disclosure of any information with the consent of all the parties hereto;
- (d) to the disclosure of any information which is or becomes public knowledge otherwise than disclosure being made in breach of this Clause 12 or as a result of the unauthorised or improper conduct of the recipient;
- (e) to the disclosure of any information:
  - (i) to any of the Rating Agencies;
  - (ii) in order to obtain the admission of the Notes to the Official List;
  - (iii) in connection with the admission of the Notes to trading on the Irish Stock Exchange; or
  - (iv) which is necessary or desirable to provide to prospective investors in the Notes;
- (f) to any extent that disclosure is required pursuant to any law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or taxation authority (including any official bank examiners or regulators or the Irish Stock Exchange or the Central Bank);
- (g) to the extent that the recipient needs to disclose any information to any of its employees, provided that before any such disclosure the relevant party shall make the relevant employees aware of its obligations of confidentiality under this Agreement and shall at all times procure compliance with such obligations by such employees;
- (h) to the extent that the recipient needs to disclose the same for the exercise, protection or enforcement of any of its rights under any of the Transaction Documents or, in the case of the Security Trustee and the Note Trustee, for the purpose of discharging, in such manner as it thinks fit, its duties or obligations under or in connection with the Transaction Documents in each case to such persons as require to be informed of such information for such purposes (including, without prejudice, to any Noteholder or Certificateholder or other Secured Creditor) or, in the case of the Security Trustee and the Note Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor trustee;
- (i) to the disclosure of any information to a prospective successor party and additional or successor parties on the basis that the recipient will hold such information confidential upon substantially the same terms as this Clause 12; or

- (j) to the disclosure of any information to professional advisers to, or agents of, any party to this Agreement who receive the same under a duty of confidentiality.

### **13. MERGER**

Any corporation into which any party to this Agreement may be merged or converted, or any corporation with which any party to this Agreement may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any party to this Agreement shall be a party, or any corporation, including affiliated corporations, to which the relevant party shall sell or otherwise transfer (i) all or substantially all of its assets; or (ii) all or substantially all of its corporate trust business shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws and subject to any credit rating requirements set out in this Agreement become the relevant successor party under this Agreement without the execution or filing of any paper or any further act on the part of the parties to this Agreement, unless otherwise required by the Issuer, and after the said effective date all references in this Agreement to the relevant party shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to the Issuer and (following delivery of an Enforcement Notice) the Security Trustee by the relevant party.

### **14. NON-PETITION**

- 14.1 Each party to this Agreement hereby agrees that it will be bound by the provisions of Clause 22.1 (Non-Petition in relation to the Issuer) of the Deed of Charge.
- 14.2 This Clause 14 shall survive the termination of this Agreement.

### **15. LIMITED RECOURSE**

- 15.1 The parties to this Agreement hereby acknowledge and agree that all obligations of the Issuer to the parties to this Agreement in respect of amounts owing to the parties pursuant to this Agreement are subject to the terms of Clause 22.2 (Limited Recourse) of the Deed of Charge.
- 15.2 This Clause 15 shall survive the termination of this Agreement.

### **16. NOTICES**

#### **16.1 In writing**

All notices and other communications to be made under or in respect of this Agreement must be in writing and, unless otherwise stated, may be given in person, by post or by fax and shall be sent to each relevant party using the details set out in Schedule 1 (Notices) of the Master Definitions and Construction Schedule. Unless it is agreed to the contrary, any consent or agreement required under this Agreement must be given in writing.

#### **16.2 Changes**

Any party to this Agreement may change its contact details by giving five Business Days' notice to the other parties.

### **16.3 Effectiveness**

Any notice or communication given under this Clause 16 but received on a day which is not a Business Day or after 5 p.m. in the place of receipt will only be deemed to be given on the next Business Day in that place. Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 5 p.m. on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post.

### **16.4 Disclosure to the Rating Agencies**

The Security Trustee shall, as soon as practicable following receipt of a request in writing from any of the Rating Agencies, provide such Rating Agency with a copy of any notice, written information or report sent or made available by the Security Trustee to the Secured Creditors except to the extent that such notice, information or report contains information which is confidential to third parties or which the Security Trustee is otherwise prohibited from disclosing to such Rating Agency.

## **17. LANGUAGE**

17.1 Any notice given in connection with this Agreement must be in English.

17.2 Any other document provided in connection with this Agreement must be:

- (a) in English; or
- (b) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

## **18. NON-MERGER**

Any term of this Agreement to which effect is not given on the Closing Date (including in particular the liability of the Seller under the Loan Warranties and the indemnity in Clause 5.8 (Perfection of the Sale)) shall not merge and shall remain in full force and effect notwithstanding the sale and purchase contemplated by this Agreement.

## **19. NO AGENCY OR PARTNERSHIP**

It is hereby acknowledged and agreed by the parties that nothing in this Agreement shall be construed as giving rise to any relationship of agency, save as expressly provided herein, or partnership between the parties and that in fulfilling its obligations hereunder, each party shall be acting entirely for its own account.

## **20. PAYMENTS/VAT**

20.1 Except as otherwise specifically provided, all payments to be made pursuant to this Agreement shall be made in sterling in immediately available funds without exercising or seeking to exercise any right of set-off as may otherwise exist and shall be deemed to be made when they are received by the payee and shall be accounted for accordingly unless failure to receive any payment is due to an error by the payee's bank.

20.2 Any sum (or other consideration) payable (or provided) by the Issuer to the Seller or the Legal Title Holder pursuant to this Agreement shall be deemed to be inclusive of any VAT chargeable on any supply or supplies for which that sum (or other consideration) is the consideration (in whole or in

part) for VAT purposes and section 89 of the Value Added Tax Act 1994 shall not apply to affect the amount of such sum (or other consideration) payable (or provided) and accordingly no additional amount shall be payable by the Issuer in respect of such VAT. In the event that the Issuer is required to account to a tax authority for VAT in respect of any supply made to it by the Seller or the Legal Title Holder, the Seller or the Legal Title Holder (as applicable) shall pay to the Issuer (subject to the Issuer being or becoming registered for VAT) the amount of VAT for which the Issuer is accountable to that tax authority in respect of that supply, but only to the extent that the Issuer is not entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- 20.3 Any sum payable (or provided) by the Seller or the Legal Title Holder to the Issuer pursuant to this Agreement shall be deemed to be exclusive of any VAT chargeable on any supply or supplies for which that sum (or other consideration) is the consideration (in whole or in part) for VAT purposes. If VAT is chargeable on a supply made by the Issuer to the Seller or the Legal Title Holder, the Seller or the Legal Title Holder (as applicable) shall pay to the Issuer (subject to the Issuer being or becoming registered for VAT and producing a valid VAT invoice) the amount of VAT for which the Issuer is accountable in addition to, and at the same time as paying (or providing), the sum (or other consideration) payable (or provided) pursuant to this Agreement.

## **21. WAIVERS AND VARIATION**

No waiver of this Agreement or any provision(s) of this Agreement shall be effective unless it is in writing and executed by (or by some person duly authorised by) each of the parties hereto. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

## **22. ASSIGNMENT AND SALE**

- 22.1 Subject always to the provisions of Clause 23 (Change of Security Trustee), no party hereto shall be entitled to assign all or any part of its rights or obligations hereunder to any other party without the prior written consent of each of the other parties hereto (which shall not, if requested, be unreasonably withheld) save that the Issuer shall be entitled to assign whether by way of security or otherwise all or any of its rights under this Agreement without such consent to the Security Trustee pursuant to the Deed of Charge and the Security Trustee may at its sole discretion assign all or any of its rights under or in respect of this Agreement without such consent to any successor or additional Security Trustee in exercise of its rights under the Deed of Charge.
- 22.2 The Seller acknowledges that on the assignment pursuant to the Deed of Charge by the Issuer to the Security Trustee of the Issuer's rights under this Agreement, the Security Trustee may enforce such rights in the Security Trustee's own name without joining the Issuer in any such action (which right the Seller hereby waives) and the Seller hereby waives as against the Security Trustee any rights or equities in its favour arising from any course of dealing between the Seller and the Issuer.

## **23. CHANGE OF SECURITY TRUSTEE**

- 23.1 If there is any change in the identity of the Security Trustee in accordance with the Deed of Charge, the Seller and the Issuer shall execute such documents and take such action as the successor or additional Security Trustee and the outgoing Security Trustee may reasonably require for the purpose of vesting in the successor or additional Security Trustee the rights and obligations of the outgoing Security Trustee hereunder and releasing the outgoing Security Trustee from its future obligations under this Agreement and the Seller shall give notice thereof to the Rating Agencies.
- 23.2 It is hereby acknowledged and agreed that by its execution of this Agreement the Security Trustee shall not assume or have any of the obligations or liabilities of the Seller or the Issuer hereunder and that the Security Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement. For the

avoidance of doubt, the parties to this Agreement acknowledge that the rights, powers and obligations of the Security Trustee are governed by the Deed of Charge. Any liberty, power or right which may be exercised or determination which may be made under this Agreement by the Security Trustee may be exercised or made in the Security Trustee's absolute discretion without any obligation to give reasons therefor and the Security Trustee shall not be responsible for any liability occasioned by so acting if acting pursuant to the Deed of Charge without prejudice to its express obligations assumed hereunder. For the avoidance of doubt and without prejudice to the obligations of the Issuer, neither the Security Trustee nor any receiver appointed pursuant to the Deed of Charge shall be liable to pay any amounts under this Agreement.

#### **24. AMENDMENTS**

Subject to Clause 25.7 (Modification to Transaction Documents) of the Deed of Charge, any amendment, modification or variation to this Agreement may only be made with the prior written consent of each party to this Agreement.

#### **25. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

#### **26. PARTIAL INVALIDITY**

The invalidity, illegality or unenforceability of a provision of this Agreement does not affect or impair the continuation in force of the remainder of this Agreement.

#### **27. COUNTERPARTS**

This Agreement may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same agreement and any party to this Agreement may enter into the same by executing and delivering a counterpart (including by facsimile). This Agreement shall be fully effective and binding on each party hereto upon at least one copy of this Agreement having been executed and delivered by that party notwithstanding that any other person expressed to be a party to this Agreement has not then executed and delivered this Agreement and notwithstanding whether any such other party has executed or executes and has delivered or delivers a counterpart of this Agreement.

#### **28. GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

#### **29. SUBMISSION TO JURISDICTION**

Each party to this Agreement hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement (including a dispute relating to any non-contractual obligations arising out of or relating to this Agreement), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

**SIGNATORIES**

**IN WITNESS WHEREOF** the parties hereto have executed and delivered this Agreement as a deed on the day and year first before written.

**EXECUTED and DELIVERED as a DEED by  
CHARTER MORTGAGES LIMITED**

as Servicer and Seller  
acting by its attorney  
in the presence of this witness

Witness Signature: *MA Rhodes*

Full Name: **MATTHEW A. RHODES**

Address:

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) *MA Rhodes*  
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)

) Charter Court Financial Services  
) 2 Charter Court  
) Broadlands  
) Wolverhampton  
) WV10 6TD

**EXECUTED and DELIVERED as a DEED by  
CHARTER COURT FINANCIAL  
SERVICES LIMITED**

as CCFS  
acting by its attorney  
in the presence of this witness

Witness Signature: *MA Rhodes*

Full Name: **MATTHEW A. RHODES**

Address:

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*[Signature]*

Priya Jeyaseelan

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Michael Leong  
Authorised Signatory



## **SCHEDULE 1**

### **LOAN WARRANTIES**

- (a) Each Loan was originated by the Legal Title Holder and was at the time of origination, and continues to be, denominated in Sterling;
- (b) the particulars of the Loans set out in Exhibit 2 (Details of the Portfolio) hereto were complete, true and accurate;
- (c) each Loan and its Related Security was made on the terms of the Standard Documentation without any material variation thereto and nothing has been done subsequently to add to, lessen, modify or otherwise vary the express provisions of any of the same in any material respect (other than in cases where the Legal Title Holder's prior consent was obtained);
- (d) all of the Borrowers are (i) individuals and were aged 25 years or older as at the date of execution of the Loan or (ii) UK incorporated registered limited companies;
- (e) the rate of interest under each Loan is charged monthly in accordance with the Standard Documentation, including any offer letter and the terms thereof;
- (f) all fees are either charged to the relevant Borrower in accordance with the Standard Documentation or waived in accordance with the practice of a Reasonable, Prudent Residential Mortgage Servicer;
- (g) at least one Monthly Instalment due in respect of each Loan has been paid by the relevant Borrower;
- (h) no Borrower is an employee or director of the Legal Title Holder or the Seller;
- (i) each Loan is either a Fixed Rate Loan or a Floating Rate Loan;
- (j) each Loan has a term ending no later than January 2053;
- (k) no Loan is a Flexible Loan;
- (l) the Mortgage Conditions for each Loan do not require the Legal Title Holder or the Seller to agree to any Further Advance or any Port;
- (m) the Mortgage Conditions for each Loan do not permit Payment Holidays;
- (n) as at the Cut-Off Date, the total amount of interest or principal in arrears, together with any fees, commissions and premiums payable at the same time as that interest payment or principal repayment, on any Loan did not exceed more than the amount of the Monthly Instalment then due;
- (o) to the extent legally assignable, the benefit of all valuation reports and certificates of title which were provided to the Legal Title Holder not more than two years prior to the date of this Agreement can be validly assigned to the Issuer without obtaining the consent of the relevant valuer, solicitor or licensed conveyancer;
- (p) the amount outstanding under each Loan is a valid debt to the Legal Title Holder (as holder of the legal title to the Loan) from the Borrower arising from advances of money to the Borrower and, except for any Loan and its Related Security which is not binding by virtue of UTCCR or CRA, the terms of each Loan and its Related Security constitute valid, binding and legally enforceable obligations of the relevant parties except that (i) enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights

generally and the courts' discretion in relation to equitable remedies and (ii) the warranty only applies in relation to interest and principal payable by the Borrower;

- (q) subject in certain appropriate cases to the completion of an application for registration or recording at the Land Registry, the whole of the Current Balance on each Loan and all future interest, fees, costs and expenses payable under or in respect of such Loan is secured by a Mortgage or Mortgages over a residential property and each Mortgage constitutes a valid and subsisting first charge by way of legal mortgage;
- (r) no Loan is wholly or partly regulated by the CCA or by the FSMA as a regulated credit agreement under article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) or treated as such, or, to the extent that it is so regulated or partly regulated or treated as such, the Seller and the Legal Title Holder has complied with all of the relevant legal requirements of, and procedures set out in, the CCA or the FSMA and all secondary legislation made pursuant thereto and the FCA handbook, as applicable;
- (s) no Loan (whether alone or with any related agreement) constitutes an unfair relationship for the purposes of sections 140A to 140D of the CCA;
- (t) in relation to any leasehold Property, in any case where the Legal Title Holder has received written notice from the relevant landlord that it is or may be taking reasonable steps to forfeit the lease of that Property, the Legal Title Holder has taken such reasonable steps (if any) and in such time as would be taken by a Reasonable, Prudent Residential Mortgage Lender to protect its security and the Loan;
- (u) with the exception of certain allowable fees being added to the aggregate balance of the Loan, the original advance being made under each Loan was more than £25,001 but less than £1,720,000 as at the relevant date of origination;
- (v) not more than six months prior to the grant of each Loan, the Legal Title Holder received a valuation report from a valuer on the relevant property (or such other form of report concerning the valuation of the relevant property as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender), the contents of which were such as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender;
- (w) prior to the taking of each Mortgage (other than a remortgage), the Legal Title Holder: (i) instructed its solicitor or licensed conveyancer to carry out an investigation of title to the relevant property and to undertake such other searches, investigations, enquiries and other actions on behalf of the Legal Title Holder as are set out in the instructions which the Legal Title Holder issued to the relevant solicitor or licensed conveyancer as are set out in the Council for Mortgage Lenders' Handbook for England and Wales in relation to Loans (or such comparable, predecessor or successor instructions and/or guidelines as may for the time being be in place), subject only to such variations made on a case by case basis as would have been acceptable to a Reasonable, Prudent Residential Mortgage Lender at the relevant time; and (ii) received a certificate of title from the solicitor or licensed conveyancer or referred to in sub paragraph (i) relating to such property, the contents of which were such as would have been acceptable to a Reasonable, Prudent Residential Mortgage Lender at that time;
- (x) to the best of the Seller's knowledge and belief, no Property has been let or sub let otherwise than by way of: (i) an assured shorthold tenancy which meets the requirements of Section 19A or Section 20 of the Housing Act 1988; or (ii) an assured tenancy;
- (y) all of the Properties are residential properties located in England or Wales;

- (z) in relation to each Mortgage, the Borrower has good and marketable title to the relevant Property (subject to registration of the title at the Land Registry) free from any encumbrance (except the Mortgage and any subsequent ranking mortgage) which would materially adversely affect such title and, without limiting the foregoing, in the case of a leasehold Property:
  - (i) the lease cannot be forfeited on the bankruptcy of the tenant; and
  - (ii) any requisite consent of the landlord to, or notice to the landlord of, the creation of the Related Security has been obtained or given;
- (aa) the Legal Title Holder has instructed its solicitors to take all steps necessary to perfect the Legal Title Holder's title to each Mortgage with all due diligence and there are no cautions, notices, inhibitions or restrictions which would prevent the registration or recording of the Mortgage in due course;
- (bb) the Legal Title Holder has not waived any of its rights under or in relation to a Loan or its Related Security which would materially reduce the value of the Loan;
- (cc) the terms of the loan agreement or Related Security relating to each Loan are not "unfair terms" within the meaning of the UTCCR or CRA but this warranty shall only be construed as to apply in respect of principal and interest due or charged on the Loan and not in respect of any Early Repayment Charges;
- (dd) so far as the Seller is aware, in relation to each Mortgage every person who, at the date upon which the relevant Loan was made, had attained the age of 18 and who had been notified to the Legal Title Holder as residing or being about to reside in a Property subject to a Mortgage, is a tenant (or person related to a tenant);
- (ee) the Mortgage Conditions for each Loan require the Property over which the Loan is secured to be insured to an amount not less than the full reinstatement cost as determined by the relevant valuer or automated valuation model (as applicable);
- (ff) save for Title Deeds held at the Land Registry, all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by the Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) or its solicitors or agents or the Title Deeds are held in dematerialised form or are returned to the Borrower's solicitors;
- (gg) the Legal Title Holder has legal title to, and the Seller has good and marketable equitable to, and immediately prior to the sale of such Loan, is the absolute unencumbered beneficial owner of, each Loan and its Related Security, subject in each case only to this Agreement, the Borrowers' equity of redemption and subject to registration or recording at the Land Registry of the Seller as proprietor of the relevant Mortgage;
- (hh) the Legal Title Holder has not received written notice or is aware of any litigation or claim which may have a material adverse effect on the Legal Title Holder's title to any Loan or Related Security;
- (ii) the Seller has made all notifications as required under the provisions of the Data Protection Act 1998 to enable it to perform its obligations under the Transaction Documents to which it is a party;
- (jj) the Legal Title Holder has at all relevant times held, and continue to hold a registration under the Data Protection Act 1998 or equivalent;
- (kk) all formal approvals, consents and other steps necessary to permit a legal and equitable or beneficial transfer of the Loans and their Related Security to be sold under this Agreement have been obtained or taken;

- (ll) the Legal Title Holder or the Servicer has kept such accounts, books and records as are necessary to show all material transactions, payments, receipts and proceedings relating to that Loan and its Related Security and all such accounts, books and records are in the possession of the Legal Title Holder or the Servicer;
- (mm) the Legal Title Holder has at all relevant times held, and continues to hold, authorisation and appropriate permissions from the FCA for conducting all regulated activities specified in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended) carried on by it in respect of each Loan;
- (nn) the Legal Title Holder has complied with all applicable material requirements of law or of any person who has regulatory authority which has the force of law in respect of the Loan and its Related Security;
- (oo) so far as the Seller is aware, neither they nor the Legal Title Holder nor any of their agents have received written notice of any litigation, claim, dispute or complaint (in each case, subsisting, threatened or pending) in respect of any Borrower, Loan or Related Security which (if adversely determined) would have a material adverse effect on amounts recoverable in relation to the Loans;
- (pp) the Servicer has created and maintained all records in respect of the Mortgages in accordance with the requirements of the FCA and any other applicable requirements of law or of any person who has regulatory authority which has the force of law;
- (qq) no Loan or Related Security is cancellable under the Financial Services (Distance Marketing) Regulations (2004) (as amended) or under any other applicable law;
- (rr) prior to the granting of each Loan, the Lending Criteria and all other conditions precedent to making the Loan were satisfied in all material respects, subject to such exceptions as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender;
- (ss) the brochures, application forms, offers, offer conditions and marketing material distributed by Legal Title Holder to the Borrower when offering a Loan to a Borrower: (i) do not conflict in any material respect with the terms applicable to the relevant Loan and its Related Security at the time that the Loan was entered into; and (ii) do not conflict with and would not prohibit or otherwise limit (A) the assignment of the Loans and their Related Security to the Issuer; and (B) the administration of the Loans and their Related Security by the Servicer or by a successor servicer following the occurrence of a Servicer Termination Event;
- (tt) no Loan is guaranteed by a third party save where the guarantee constitutes a legal, valid and binding obligation of the guarantor, enforceable in accordance with the relevant deed of guarantee;
- (uu) other than with respect to Monthly Instalments (subject to Loan Warranty (n) and to the qualification set out in Loan Warranty (x)), no Borrower is or has, since the date of the execution of the relevant Loan, been in material breach of any obligation owed with respect to the relevant Loan or its Related Security; and no steps have been taken by the Legal Title Holder to enforce any Related Security, provided that a Borrower will not be deemed to be in material breach of the relevant Loan as a result of a failure to obtain buildings insurance where such failure in relation to a Loan is covered under the Block Insurance Policies;
- (vv) no act or circumstance has occurred which will adversely affect the Properties in Possession Cover or entitle the insurers to refuse payment or reduce the amount payable;
- (ww) no Loan or its Related Security is subject to any right of rescission, set off, lien, counterclaim or defence;

- (xx) no Loan advanced to a Borrower that is an individual which is assigned under this Agreement consists of or includes any "stock" or "marketable securities" within the meaning of section 125 of the Finance Act 2003, "chargeable securities" for the purposes of section 99 of the Finance Act 1986 or a "chargeable interest" for the purposes of section 48 of the Finance Act 2003;
- (yy) no Loan advanced to a Borrower that is not an individual which is assigned under this Agreement consists of or includes or a "chargeable interest" for the purposes of section 48 of the Finance Act 2003 and each such Loan is one or both of:
  - (i) a "debenture" which is not a "marketable security" for the purposes of paragraph 25 of Schedule 13 to the Finance Act 1999;
  - (ii) "exempt loan capital" (that is, loan capital that is exempt from stamp duty on transfer under section 79(4) Finance Act 1986);
- (zz) none of the Property (other than the Loans) which is assigned under this Agreement consists of or includes any "stock" or "marketable securities" within the meaning of section 125 of Finance Act 2003, "chargeable securities" for the purposes of section 99 Finance Act 1986 or a "chargeable interest" for the purposes of section 48 of the Finance Act 2003;
- (aaa) in the case of each Mortgage provided to a UK incorporated registered limited company, such Mortgage has been duly registered at Companies House; and
- (bbb) the value of the Properties in connection with each Loan has been determined at origination in accordance with the standards and practices of the RICS Valuation Standards (including those relating to competency and required documentation) by an individual valuer who is an employee or a contractor of a valuer firm engaged by the Legal Title Holder and accredited to Legal Title Holder' valuers' panel, who is a fellow, member or associate member of the Royal Institution of Chartered Surveyors and whose compensation is not affected by the approval or non-approval of the Loan. Each Valuation Report includes, where applicable, three comparable properties providing evidence for the valuation of each Property.

## **SCHEDULE 2**

### **REGISTER OF TRANSFERS**

#### **PART 1**

##### **LEGAL TITLE HOLDER REGISTERED TRANSFER**

**In the form of the Land Registry Form TR4 with such amendments as the Issuer may reasonably require to give effect to the Mortgage Sale Agreement or in such other form as the Issuer may reasonably require to take account of changes in law or practice.**

## **PART 2**

### **ISSUER REGISTERED TRANSFER**

**In the form of the Land Registry Form TR4 with such amendments as the Seller or the Legal Title Holder (as applicable) may reasonably require to give effect to any Loan Repurchase Notice in accordance with the Mortgage Sale Agreement or in such other form as the Seller or the Legal Title Holder (as applicable) may reasonably require to take account of changes in law or practice.**

### SCHEDULE 3

#### LEGAL TITLE HOLDER POWER OF ATTORNEY

**THIS DEED OF POWER OF ATTORNEY** is made on 20 March 2018 by:

**CHARTER COURT FINANCIAL SERVICES LIMITED** (registered number 06749498), a private limited liability company incorporated under the laws of England and Wales, whose registered office is at 2 Charter Court, Broadlands, Wolverhampton WV10 6TD (the **Legal Title Holder**).

**IN FAVOUR OF** each of:

- (1) **PRECISE MORTGAGE FUNDING 2018-2B PLC** (the **Issuer**); and
- (2) **U.S. BANK TRUSTEES LIMITED** (the **Security Trustee**).

**WHEREAS:**

By virtue of a mortgage sale agreement dated on or about the Closing Date and made between, *inter alios*, (1) the Legal Title Holder, (2) the Issuer, and (3) the Security Trustee (the **Mortgage Sale Agreement**) provision was made for the execution by the Legal Title Holder of this Power of Attorney.

**NOW THIS DEED WITNESSETH** as follows:

1. Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Master Definitions and Construction Schedule made between, amongst others, the parties hereto on or about the Closing Date (as the same may be amended, varied or supplemented from time to time with the consent of the parties to the Master Definitions and Construction Schedule) and this Power of Attorney shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of the Master Definitions and Construction Schedule.
2. The Legal Title Holder irrevocably and by way of security for the performance of the covenants, conditions and undertakings on the part of the Legal Title Holder contained in the Mortgage Sale Agreement **HEREBY APPOINTS** each of the Issuer and the Security Trustee and any Receiver and/or Appointee appointed from time to time in respect of the Issuer or its assets (each an **Attorney**) severally to be its true and lawful attorney for the Legal Title Holder and in the Legal Title Holder's name or otherwise to do any act, matter or thing which any Attorney considers necessary or desirable for the protection, preservation or enjoyment of that Attorney's interest in the Loans and their Related Security and/or which ought to be done under the covenants, undertakings and provisions contained in the Mortgage Sale Agreement (in each case subject to the terms of the Mortgage Sale Agreement) including any or all of the following:
  - (a) to execute, sign, seal and deliver any conveyance, assignment or transfer of or trust over the Loans or any of them to the Issuer and its successors in title or to any other person or persons entitled to the benefit thereof;
  - (b) to execute, sign, seal and deliver any conveyance, assignment or transfer of or trust over the Related Security or any item comprised therein (to the extent only that such item or items relate to the Loans) to the Issuer and its successors in title or to any other person or persons entitled to the benefit thereof or entitled to be registered at the Land Registry as proprietor or registered owner thereof;



- (c) to do every other act or thing which the Legal Title Holder is obliged to do under the Mortgage Sale Agreement or which that Attorney may otherwise consider to be necessary, proper or expedient for fully and effectually vesting or transferring the interests sold thereunder in the Loans and their Related Security or any or each of them and/or the Legal Title Holder's estate right and title therein or thereto in or to the Issuer and its successors in title or to any other person or persons entitled to the benefit thereof (as the case may be) in the same manner and as fully and effectually in all respects as the Legal Title Holder could have done including any of the acts referred to in Clause 5.5 (Perfection of the Sale) of the Mortgage Sale Agreement;
  - (d) to exercise its rights, powers and discretions under the Loans including the right to fix the rate or rates of interest payable under the Loans in accordance with the terms thereof;
  - (e) to discharge the Mortgages or any of them and to sign, seal, deliver and execute such receipts, releases, surrenders, discharges, instruments and deeds as may be requisite or advisable in order to discharge the relevant Property or Properties from the Mortgages or any of them; and
  - (f) to exercise all the powers of the Legal Title Holder in relation to such Loans and their Related Security including for the avoidance of doubt to demand, sue for and receive all monies due and payable under the Loans and their Related Security or any other collateral security or related right.
- 3. Each Attorney shall have the power by writing under its hand by an officer of the Attorney from time to time to appoint a substitute who shall have power to act on behalf of the Legal Title Holder as if that substitute shall have been originally appointed Attorney by this Power of Attorney (including the power of further substitution) and/or to revoke any such appointment at any time without assigning any reason therefor.
  - 4. Each of the Attorneys may delegate to one or more person all or any of the powers referred to in Clause 2 on such terms as it thinks fit and may revoke any such delegation at any time.
  - 5. The Legal Title Holder hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorneys shall lawfully do or cause to be done in and concerning the Loans or their Related Security by virtue of this Power of Attorney.
  - 6. The laws of England shall apply to this Power of Attorney and any non-contractual obligations arising out of or in relation to this Power of Attorney and the interpretation thereof.
  - 7. A person who is not a party to this Power of Attorney may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
  - 8. Each party to this Power of Attorney hereby irrevocably submits to the exclusive jurisdiction of the English courts and hereby irrevocably agrees that all claims in respect of any action or proceeding arising out of or relating to this Power of Attorney may be heard and determined by such courts.

**IN WITNESS WHEREOF** the Legal Title Holder has executed and delivered this document as a deed the day and year first before written.

**EXECUTED and DELIVERED as a DEED by** )  
**CHARTER COURT FINANCIAL SERVICES** )  
**LIMITED** )  
acting by its attorney )  
in the presence of this witness )  
 )  
Witness Signature: )  
 )  
Full Name: )  
 )  
Address: )

## SCHEDULE 4

### LOAN REPURCHASE NOTICE

To: [Charter Mortgages Limited  
2 Charter Court  
Broadlands  
Wolverhampton  
WV10 6TD  
(the **Seller**)]<sup>1</sup>

[Charter Court Financial Services Limited  
2 Charter Court  
Broadlands  
Wolverhampton  
WV10 6TD  
(the **Legal Title Holder**)]<sup>2</sup>

CC: U.S. Bank Trustees Limited  
125 Old Broad Street  
Fifth Floor  
London EC2N 1AR  
(the **Security Trustee**)

From: Precise Mortgage Funding 2018-2B PLC  
35 Great St. Helen's,  
London  
EC3A 6AP  
(the **Issuer**);

For the purpose of this notice, the **Principal Agreement** shall mean the Mortgage Sale Agreement dated on or about the Closing Date made between, *inter alios*, the Issuer and the Seller (as the same may be or have been amended, varied or supplemented from time to time with the consent of those parties).

Save where the context otherwise requires, words and expressions in this notice shall have the same meanings respectively as when used in the Principal Agreement.

In accordance with Clauses 7.6, 7.8, 7.10 and 7.11 of the Principal Agreement, upon receipt of this Loan Repurchase Notice by the [Seller]/[Legal Title Holder] there shall exist between the [Seller]/[Legal Title Holder] and the Issuer an agreement (the **Agreement for Sale**) for the sale by the Issuer to one of the Seller of the Loans and their Related Security more particularly described in the Schedule hereto. Completion of such sale shall take place on [ ].

The Agreement for Sale shall incorporate, *mutatis mutandis*, the relevant provisions of the Principal Agreement.

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<sup>1</sup> To be served on the Seller if there has been a material breach of a loan warranty that has not been remedied within the relevant grace periods, or is unremediable

<sup>2</sup> To be served on the Legal Title Holder if it is determined that a Loan has become a Significant Deposit Loan

Dated [●]

for and on behalf of  
**PRECISE MORTGAGE FUNDING 2018-2B PLC**

At

On

By

.....  
per pro Intertrust Directors 1 Limited, as Director

.....  
per pro Intertrust Directors 2 Limited, as Director

*On duplicate*

We hereby acknowledge receipt of and confirm the contents of the Loan Repurchase Notice dated [     ].

[Signed for and on behalf of  
**CHARTER MORTGAGES LIMITED**  
in its capacity as the Seller

..... ]

[Signed for and on behalf of  
**CHARTER COURT FINANCIAL SERVICES LIMITED**  
in its capacity as the Legal Title Holder

..... ]

## SCHEDULE 5

### ASSIGNMENT OF INSURANCE POLICIES

**THIS ASSIGNMENT** is made by way of deed on 20 March 2018

#### **BETWEEN:**

- (1) CHARTER MORTGAGES LIMITED a company incorporated in England and Wales whose registered number is 067494495 and whose registered office is at 2 Charter Court, Broadlands, Wolverhampton, West Midlands, WV10 6TD (**CML**); and
- (2) PRECISE MORTGAGE FUNDING 2018-2B PLC a company incorporated in England and Wales whose registered number is 11196223 and whose registered office is at 35 Great St. Helen's, London, United Kingdom, EC3A 6AP (the **Issuer**).

#### **WHEREAS:**

- (A) By a mortgage sale agreement (the **Mortgage Sale Agreement**) dated on or about the date hereof and made between, amongst others, CML and the Issuer certain mortgages (the **Mortgages**) were agreed to be transferred to the Issuer.
- (B) CML has the benefit of the Insurance Policies which relate to the Loans and the related Mortgages and the properties upon which they are secured (the **Properties**).
- (C) This Deed is supplemental to the said Mortgage Sale Agreement.

#### **NOW THIS DEED WITNESSETH** as follows:

Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the master definitions and construction schedule dated on or about the date of this Deed and made between, amongst others, CML and the Issuer (as amended from time to time) (the **Master Definitions and Construction Schedule**).

In relation to each Loan and its Related Security which may from time to time be purchased by the Issuer in accordance with the terms of the Mortgage Sale Agreement, and in further consideration of the sums referred to in the said Mortgage Sale Agreement, CML with full title guarantee hereby conveys, transfers and assigns unto the Issuer absolutely all the estate and all its present and future interest in the Insurance Policies including the rights to receive the proceeds of any claim to the extent that such estate, interest, and rights relate to the Properties and/or the Loans and the related Mortgages (including all monies and proceeds to become payable under any of the same and all covenants relating thereto and all powers and remedies for enforcing the same), to hold the same unto the Issuer absolutely.

CML acknowledges and agrees that such further assignment will be immediately effective unless and until such Loan and its Related Security has been acquired by the Issuer in compliance with Clause 2 (Sale and Purchase of the Loans and their Related Security) and Clause 3 (Consideration and Completion) without any further act, matter or thing by or on behalf of CML.

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

**IN WITNESS WHEREOF** the parties have caused this Deed to be executed and delivered as a Deed the day and year first before written

**EXECUTED as a DEED by** )  
**CHARTER MORTGAGES LIMITED** )  
acting by its attorney )  
)  
)  
In the presence of: )  
)  
Witness signature: )  
)  
Full name: )  
)  
Address: )

**EXECUTED as a DEED by** )  
**PRECISE MORTGAGE FUNDING 2018-2B** )  
**PLC** )  
acting by two Directors )  
)  
per pro Intertrust Directors 1 Limited )  
)  
and )  
)  
per pro Intertrust Directors 2 Limited )  
)  
In the presence of: )  
)  
Witness signature: )  
)  
Full name: )  
)  
Address: )

## **SCHEDULE 6**

### **LEGAL TITLE HOLDER'S POLICIES**

#### **PART 1**

##### **COMPLAINTS POLICY**

All complaints from Borrowers should be handled promptly and in a considerate, consistent, fair and appropriate manner in accordance with the UK Regulator's guidelines applicable to institutions regulated by the UK Regulator. A complaint for these purposes is any expression of dissatisfaction, whether oral or written and whether justified or not, from or on behalf of a Borrower about that firm's provision of a financial service.



## **PART 2**

### **RESIDENTIAL ARREARS POLICY**

The policy of the Legal Title Holder in relation to arrears is set out in the Collections and Recovery Service Specification as appended to the Servicing Agreement.

## **EXHIBIT 1**

### **STANDARD DOCUMENTATION**

#### **CCFS STANDARD DOCUMENTATION**

##### **MORTGAGE CONDITIONS**

1. Precise Mortgages General Mortgage Conditions March 2010 (England and Wales) (PMGMC 09102, 00495 (3.7) and 00495 (4.1))
2. Precise Mortgages General Mortgage Conditions November 2015 (England and Wales) (PMGMC 00495 (5.2))
3. Precise Mortgages General Mortgage Conditions August 2016 (England and Wales) (PMGMC 00495 (5.5))

##### **MORTGAGE SPECIAL CONDITIONS**

4. Precise Mortgages Offer/ Special Conditions 22 May 2013
5. Precise Mortgages Offer/ Special Conditions 6 January 2014

##### **MORTGAGE OFFER CONDITIONS**

6. Offer Conditions as at 13 May 2015

##### **MORTGAGE APPLICATION FORMS**

7. Precise Mortgages Application Form and Standard Declaration 00299 v6 20.05.2013
8. Precise Mortgages Application Form and Standard Declaration March 14
9. Precise Mortgages Residential and Buy to Let Mortgages Application Form March 2014 (Mort D7)
10. Precise Mortgages Buy to Let Mortgages Application Form – Limited companies/Limited Liability Partnership 01495 (1.8)
11. Precise Mortgages Application Form and Standard Declaration 00016
12. Precise Mortgages Residential and Buy to Let Mortgages Application Form
13. Precise Mortgages Residential and Buy to Let Mortgages Porting Application Form
14. Standard Declaration (as appended to application form 00181)
15. Standard Declaration September 2011 (Mort D5)
16. Standard Declaration December 2013 (Mort D6)
17. Standard Declaration (01495 (1.7))
18. Precise Mortgages Residential and Buy to Let Mortgages Application Form (00299)

##### **MORTGAGE DEEDS**

19. Mortgage Deed (Form of Charge filed at HM Land Registry under reference MD1251A)
20. Mortgage Deed (Form of Charge filed at HM Land Registry under reference MD1251P) (May 2015)
21. Mortgage Deed (Form of Charge by way of Additional Security filed at HM Land Registry under reference MD1251R)

#### **MORTGAGE OFFER LETTERS**

22. Precise Applicant Offer Covering letter- England and Wales- Long Term Lending (enclosing General Mortgage Conditions March 2010 England and Wales)
23. Precise Mortgage Offer Letter – Regulated Long Term Lending
24. Example of Precise Porting Mortgage Offer Letter
25. Precise Mortgage Offer Letter 2014 reference number M0000014848
26. Precise Mortgage Offer Letter February 2015
27. Precise Mortgage Offer Letter March 2015
28. Precise Mortgage Offer Letter April 2015
29. Precise Mortgage Offer Letter January 2016 reference number M0000008167
30. Precise Mortgage Offer Letter April 2016 reference number M0000013567
31. Precise Mortgage Offer Letter 12 July 2017 reference number M2201235398
32. Precise Mortgage Offer Letter 12 July 2017 reference number M2201235377
33. Precise Mortgage Offer Letter 13 July 2017 reference number M2201235368

#### **INSTRUCTIONS TO SOLICITORS**

34. Precise Mortgages Solicitors Instruction Letter – England and Wales – Long Term Lending
35. Precise Mortgages Solicitors Instruction Letter (December 2014) – Separate representation
36. Precise Mortgages Solicitors Instruction Letter (December 2014) – Joint representation

#### **CERTIFICATES OF TITLE**

37. Charter Court Financial Services Limited Certificate of Title and Request for Funds incorporating the Precise Mortgages General Mortgage Conditions March 2010
38. Charter Court Financial Services Limited Certificate of Title and Request for Funds incorporating the Precise Mortgages General Mortgage Conditions March 2010 (referring to 2007 Solicitors' Code of Conduct)
39. Charter Court Financial Services Limited Certificate of Title and request for funds incorporating the Precise Mortgages General Mortgage Conditions (referring to 2011 SRA Code of Conduct) (December 2014)

- 40. Charter Court Financial Services Limited Certificate of Title and Request for Funds (England and Wales) incorporating the Precise Mortgages General Mortgage Conditions (referring to 2011 SRA Code of Conduct) (June 2015)
- 41. Charter Court Financial Services Limited Certificate of Title and Request for Funds (England and Wales) (referring to 2011 SRA Code of Conduct) (December 2015)

#### **DEEDS OF CONSENT**

- 42. Charter Court Financial Services Limited Consent Deed

#### **DEED OF POSTPONEMENT**

- 43. Charter Court Financial Services Limited Deed of Postponement.

#### **DEED OF PRIORITIES**

- 44. Charter Court Financial Services Limited Deed of Priority

## EXHIBIT 2

### DETAILS OF THE PORTFOLIO

<b>Title Number/ Recording County</b>	<b>Property Postcode</b>	<b>Account No</b>	<b>Date advance</b>	<b>of</b>	<b>Sums Due</b>	<b>Region Code</b>
To be included on CD-ROM						