

MR01

Particulars of a charge



Companies House

231949/13

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form must be delivered to the Registrar for registration
21 days beginning with the day after the date of creation or
delivered outside of the 21 days it will be rejected unless it
court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form
scanned and placed on the public record Do not send the original

WEDNESDAY



LD2

L46T0H5L

06/05/2015

#28

COMPANIES HOUSE

Official use

1 Company details

Company number 0 9 3 8 6 6 5 3

Company name in full RESIDENTIAL MORTGAGE SECURITIES 28 PLC

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 0 6 0 5 2 0 1 5

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name WELLS FARGO TRUST CORPORATION LIMITED

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4 Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

NONE

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5 Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ **Yes**☐ **No****6 Floating charge**

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ **Yes** Continue☐ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ **Yes****7 Negative Pledge**

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ **Yes**☐ **No****8 Trustee statement ^①**

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X White & Case LLP.

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name TITU BASU

Company name WHITE & CASE LLP

Address 5 OLD BROAD STREET

Post town LONDON

County/Region LONDON

Postcode E C 2 N 1 D W

Country UNITED KINGDOM

DX

Telephone 0207 532 1418



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9386653

Charge code. 0938 6653 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 6th May 2015 and created by RESIDENTIAL MORTGAGE SECURITIES 28 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th May 2015

P

Given at Companies House, Cardiff on 12th May 2015



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

WHITE & CASE

Dated 6 May 2015

Deed of Charge and Assignment

between

Residential Mortgage Securities 28 PLC
as Issuer

Wells Fargo Trust Corporation Limited
as Security Trustee

and others

We certify that this is a true copy
of the original.

NAME: White & Case LLP.

WHITE & CASE

White & Case LLP
5 Old Broad Street
London EC2N 1DW

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WHITE & CASE

This Deed of Charge and Assignment is executed as a deed on 6 May 2015

Between:

- (1) **Residential Mortgage Securities 28 PLC** whose registered number is 09386653 and whose registered office is at 35 Great St Helen's, London EC3A 6AP (the "**Issuer**"),
- (2) **Wells Fargo Trust Corporation Limited** whose registered number is 4409492 and whose registered office is at One Plantation Place, 30 Fenchurch Street, London EC3M 3BD in its capacity as trustee for and on behalf of the Noteholders (the "**Trustee**", which expression shall include such company and all other persons or companies for the time being acting under the Trust Deed or under this Deed in the capacity of trustee or trustees and as the "**Security Trustee**", which expression shall include such company and all other persons or companies for the time being acting under this Deed in the capacity of security trustee or security trustees),
- (3) **Kensington Mortgage Company Limited** whose registered number is 3049877 and whose registered office is at Reading International Business Park, Basingstoke Road, Reading RG2 6DB, United Kingdom in its capacities as cash/bond administrator under the Cash/Bond Administration Agreement (the "**Cash/Bond Administrator**"), as mortgage administrator under the Mortgage Administration Agreement (the "**Mortgage Administrator**"), as special servicer under the Special Servicer Agreement (the "**Special Servicer**"), as trustee under the Collection Accounts Declaration of Trust ("**KMC**"), and the lender under the Subordinated Loan Facility,
- (4) **St James's Park Mortgage Funding Limited** whose registered number is 03261513 and whose registered office is at Reading International Business Park, Basingstoke Road, Reading RG2 6DB, United Kingdom ("**SIPMF**"),
- (5) **Battersea Park Mortgage Funding Limited** whose registered number is 03530410 and whose registered office is at Reading International Business Park, Basingstoke Road, Reading RG2 6DB, United Kingdom ("**BPMF**"),
- (6) **Hyde Park Mortgage Funding Limited** whose registered number is 03007536 and whose registered office is at Reading International Business Park, Basingstoke Road, Reading RG2 6DB, United Kingdom ("**HPMF**"),
- (7) **Richmond Park Mortgage Funding Limited** whose registered number is 03597946 and whose registered office is at Reading International Business Park, Basingstoke Road, Reading RG2 6DB, United Kingdom ("**RPMF**"),
- (8) **Finsbury Park Mortgage Funding Limited** whose registered number is 03437350 and whose registered office is at Reading International Business Park, Basingstoke Road, Reading RG2 6DB, United Kingdom ("**FPMF**", and together with KMC, SJPMF, BPMF, HPMF, RPMF and FPMF, the "**Legal Title-Holders**" and each a "**Legal Title-Holder**"),
- (9) **Kayl PL S.à r.l.** being a société à responsabilité limitée (limited liability company) incorporated under the laws of Luxembourg with registered office at 5, rue Eugène Ruppert, L-2453, Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés) under number B 189 847 (the "**Seller**" or "**Kayl**") and the subordinated lender under the Subordinated Loan Agreement (the "**Subordinated Lender**"),

- (10) **Kensington Group Limited** whose registered number is 03050321 and whose registered office is at Reading International Business Park, Basingstoke Road, Reading RG2 6DB, United Kingdom (the “**Guarantor**”),
- (11) **Société Générale Bank & Trust** of 11 Avenue, Emile Reuter, L-2420 Luxembourg in its capacities as principal paying agent (the “**Principal Paying Agent**”) and as agent bank (the “**Agent Bank**”) under the Paying Agency Agreement,
- (12) **Wells Fargo Bank N.A., London Branch** acting through its office at One Plantation Place, 30 Fenchurch Street, London EC3M 3BD, United Kingdom in its capacities as account bank under the Bank Agreement (the “**Account Bank**”), as investment account provider under the Investment Account Agreement (the “**Investment Account Provider**”) and as GIC provider under the GIC Agreement (the “**GIC Provider**”),
- (13) **Barclays Bank PLC** whose registered number is 01026167 acting through its office at 1 Churchill Place, London E14 5HP, United Kingdom (the “**Collection Account Bank**”),
- (14) **Structured Finance Management Limited** whose registered number is 03853947 and whose registered office is at 35 Great St Helen’s, London EC3A 6AP, United Kingdom (the “**Corporate Services Provider**” and “**Mortgage Administration Facilitator**”),
- (15) **Residential Mortgage Securities 28 Parent Limited** whose registered number is 09386674 and whose registered office is at 35 Great St Helen’s, London EC3A 6AP, United Kingdom (the “**Covenantor**”),
- (16) **Wells Fargo Bank International** acting through its office at 5th Floor, Harbourmaster Place, I F S C , Dublin, Ireland, in its capacity as the standby cash/bond administrator (the “**Standby Cash/Bond Administrator**”), and
- (17) Any other person who accedes to this Deed of Charge and Assignment by way of the Accession Undertaking

Whereas:

- (A) This Deed of Charge and Assignment is supplemental to the Trust Deed dated 20 March 2015 and made between the Issuer and the Trustee constituting the Notes (as defined in Schedule 5 (*Master Definitions Schedule*))
- (B) Each other Secured Creditor appoints the Security Trustee to act as security trustee under and in connection with the Charged Obligation Documents

Now this Deed witnesses and it is hereby agreed and declared as follows

1. Definitions

- 1.1 Unless otherwise defined in this Deed or the context requires otherwise words and expressions used in this Deed have the meanings and instructions ascribed to them in the Master Definitions Schedule set out in Schedule 5 (*Master Definitions Schedule*) hereto
- 1.2 References herein to the Security Trustee, the Covenantor, the Legal Title-Holders, KMC as trustee under the Collection Accounts Declaration of Trust, the Cash/Bond Administrator, the Standby Cash/Bond Administrator, the Mortgage Administrator, the Mortgage Administration Facilitator, the Special Servicer, the Principal Paying Agent, the Agent Bank, the Collection Account Bank, the Account Bank, the Investment Account Provider, the GIC Provider, the Subordinated Lender, the Guarantor and the Corporate Services Provider include references to successors and persons deriving title under or through them respectively

- 1 3 References herein to the Notes include the Conditions appertaining thereto and any references to an amount of money due or payable by reference to the Notes shall include any sum covenanted to be paid by the Issuer under the Trust Deed in respect of the Notes
- 1 4 Where reference is made in this Deed to
- (a) the Mortgage Administration Agreement,
 - (b) the Special Servicer Agreement,
 - (c) the Cash/Bond Administration Agreement,
 - (d) the Standby Cash/Bond Administration Agreement,
 - (e) the Kayl/Issuer Mortgage Sale Agreement,
 - (f) the Bank Agreement,
 - (g) the Collection Account Agreement;
 - (h) the Investment Account Agreement,
 - (i) the GIC Agreement,
 - (j) the Subordinated Loan Agreement,
 - (k) the Collection Accounts Declaration of Trust,
 - (l) the Paying Agency Agreement,
 - (m) the Corporate Services Agreement,
 - (n) the Issuer/ICSD Agreement,
 - (o) the Subordinated Loan Facility, and
 - (p) the Retention Letter,
- (and together with any agreement entered into between the Issuer and a secured party to this Deed, the “**Charged Obligation Documents**”),
- the provisions to which reference is made shall be deemed to be included in this Deed to the extent necessary to give effect thereto
- 1 5 The clause headings in this Deed shall not affect its interpretation and references to Clauses, sub-clauses and Schedules shall, unless the context otherwise requires, be to clauses and sub-clauses of and schedules to this Deed
- 1 6 Unless the context otherwise requires, words denoting the singular number only shall include the plural number also and vice versa, words denoting one gender only shall include the other genders and words denoting persons only shall include firms and corporations and vice versa
- 1 7 For the avoidance of doubt, but subject to Clause 9 (*The Security Trustee's Powers*), references to the Security Trustee in this Deed are to it acting in its capacity as security trustee under these presents for the Secured Creditors and each of them, as the case may require
- 1 8 Any reference herein to an enactment, a statute or statutory provision is a reference to it as already amended and includes a reference to any repealed enactment which it may re-enact, with or without amendment, and to any future re-enactment and/or amendment and/or consolidation of it

- 1 9 Any reference herein to any agreement or other document shall be deemed to refer to such agreement or document as modified, amended, restated, supplemented and/or replaced from time to time
- 1 10 By their execution of this Deed
- (a) each of the Security Trustee, the Covenantor, KMC as trustee under the Collection Accounts Declaration of Trust, the Cash/Bond Administrator, the Standby Cash/Bond Administrator, the Mortgage Administrator, the Mortgage Administration Facilitator, the Special Servicer, the Principal Paying Agent, the Agent Bank, the Account Bank, the Investment Account Provider, the GIC Provider, the Subordinated Lender, the Guarantor, the Seller and the Corporate Services Provider acknowledge, and consent to, the assignment pursuant to Clause 3 5 (*Contractual and Other Rights*) of the contracts referred to in sub-clause 3 5(a) to which they are a party, and
 - (b) each of the Investment Account Provider, the Account Bank and the GIC Provider consent to the charging of the Bank Accounts and the Collection Accounts under Clause 3 6 (*Bank Accounts and Collection Accounts*)
- 1 11 Any reference herein to “set-off” includes claims of compensation, rights of retention and rights to balance accounts on insolvency

2. The Issuer’s Covenant to Pay

The Issuer acknowledges to the Security Trustee the Issuer’s liability in respect of the Secured Amounts and further covenants with and undertakes to the Security Trustee (for its own account and as security trustee for the other Secured Creditors) that it shall duly and punctually pay and discharge

- (a) all moneys and liabilities whatsoever which from time to time become due, owing or payable by the Issuer
 - (i) to the order of the Security Trustee and/or any Receiver under this Deed, the Trust Deed or the Conditions at the times and in the manner provided herein or therein,
 - (ii) under or in respect of the Notes, and/or
 - (iii) to the Security Trustee on any account whatsoever, whether as principal or surety and whether or not directly with another, and
- (b) all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to each of the other Secured Creditors in accordance respectively with each of the other relevant Transaction Documents

3. Security

3 1 The English Mortgages

- (a) The Issuer, by way of first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and as the registered owner or as the person entitled to be registered as owner and subject in each case to the proviso for redemption hereinafter contained and to the provisos for redemption or cesser contained in the Loan Conditions, HEREBY CHARGES to the Security Trustee by way of first fixed equitable charge all the Issuer’s right, title, interest and benefit present and future in, to and under the English Loans, the English Mortgages and Collateral Security in the Mortgage Pool and all monies assured by or to become

payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the title deeds and documents relating to the English Property and the English Mortgages in the Mortgage Pool including (without prejudice to the generality of the foregoing) any consents, postponements, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the English Mortgages and Collateral Security in the Mortgage Pool (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of the Loans TO HOLD the same unto the Security Trustee absolutely for the Security Trustee itself and on trust, subject to the terms of this Deed, for the various other persons to whom the Secured Amounts from time to time become due, owing or payable

- (b) The Issuer agrees to execute and deliver such documents, and in such form, and to take such other steps as the Security Trustee shall reasonably consider necessary to enable the Security Trustee to perfect a first fixed equitable charge over the English Mortgages and all sums secured thereby

3 2 Insurance Contracts

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Security Trustee all the Issuer's right, title, interest and benefit present and future in, to and under the Insurance Contracts (including for the avoidance of doubt those Insurance Contracts relating to Scottish Mortgages), to the extent that the Insurance Contracts have been assigned to the Issuer pursuant to the Kayl/Issuer Mortgage Sale Agreement, and all monies assured by or to become payable under the same and the benefit of all covenants and rights relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Security Trustee absolutely for the Security Trustee itself and on trust, subject to the terms of this Deed, for the various other persons to whom the Secured Amounts from time to time become due, owing or payable

3 3 The Scottish Mortgages and Scottish Charges

The Issuer, as beneficial owner and subject to the proviso for redemption hereinafter contained, hereby undertakes to the Security Trustee and binds and obliges itself

- (a) upon the delivery to it of any SLR Transfer pursuant to clause 2 2 1 of the Kayl/Issuer Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the discharge and payment of the Secured Amounts a Standard Security substantially in the form set out in Schedule 1 (*Form of Standard Security (Land Register)*) in respect of the Issuer's whole right title and interest in and to all of the Scottish Mortgages to which the Issuer is beneficially entitled, title to which is registered or is in the course of registration in the Land Register of Scotland,
- (b) upon the delivery to it of any Sasine Register Transfer pursuant to clause 2 2 1 of the Kayl/Issuer Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the discharge and payment of the Secured Amounts a Standard Security substantially in the form set out in Schedule 2 (*Form of Standard Security (Sasine Register)*) in respect of the Issuer's whole right title and interest in and to all of the Scottish Mortgages to which the Issuer is beneficially entitled, title to which is recorded or is in the course of being recorded in the General Register of Sasines,
- (c) at the time of delivery of any Scottish Sub-Securities in accordance with the preceding provisions of this Clause 3 3 simultaneously to deliver to the Security

Trustee the relevant SLR Transfer and the relevant Sasine Register Transfer pertaining to the Scottish Mortgages specified in the said Scottish Sub-Securities,

- (d) if and when called upon to do so by the Security Trustee (but subject to the provisions of the Kayl/Issuer Mortgage Sale Agreement) to take all such steps as are necessary to perfect legal title to the Scottish Mortgages, including without limitation, the registration and recording of the Issuer as heritable creditor under such Scottish Mortgages in the Registers of Scotland, and
- (e) to execute and deliver such documents, and in such form, and to take such other steps as the Security Trustee shall reasonably consider necessary to enable the Security Trustee to perfect a first ranking heritable security over the Scottish Mortgages and all sums secured thereby

3 4 Scottish Trust Security

- (a) The Issuer as holder of the beneficial interest therein, and subject to the proviso for redemption hereinafter contained, undertakes forthwith on the execution of each Scottish Declaration of Trust to execute and deliver to the Security Trustee a Supplemental Deed of Charge in substantially the form set out in Schedule 3 (*Form of Supplemental Deed of Charge*) The other parties to this Deed consent to the entering into of such Supplemental Deeds of Charge and the Security Trustee authorises and instructs the Issuer to intimate and give notice to the relevant Legal Title-Holder(s) of the assignments in security made thereunder as provided therein
- (b) The Issuer undertakes to the Security Trustee at the time of delivery of each Supplemental Deed of Charge under the terms of sub-clause 3 4(a) simultaneously to deliver to the Security Trustee the Scottish Declaration(s) of Trust specified therein
- (c) Each Legal Title-Holder undertakes to execute each such Supplemental Deed of Charge to which it is a party as trustee under each Scottish Declaration of Trust granted by it

3 5 Contractual and Other Rights

- (a) The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Security Trustee all its right, title, interest and benefit present and future in, to and under the Charged Obligation Documents and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party (other than the Trust Deed (and any deed expressed to be supplemental thereto and this Deed)), including without limitation all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof TO HOLD the same unto the Security Trustee absolutely for the Security Trustee itself and on trust, subject to the terms of these presents, for the various other persons to whom the Secured Amounts from time to time become due, owing or payable
- (b) Notwithstanding such assignment each of the parties hereto (other than the Issuer) agrees with the Issuer that the Charged Obligors may continue to make all payments becoming due to the Issuer under any of Charged Obligation Documents direct to the Issuer or, as the case may be, the Cash/Bond Administrator in the manner envisaged by such agreements (which payment shall constitute a good discharge by the person

making the payment) until receipt of express written notice from the Security Trustee or the Receiver requiring such payments to be made elsewhere, which notice shall not be given at any time prior to the giving of an Enforcement Notice

3 6 Bank Accounts and Collection Accounts

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed equitable charge to the Security Trustee, all the Issuer's right, title, benefit and interest present and future in, to and under the Bank Accounts, Collection Accounts and any other accounts with any bank or financial institution in which the Issuer now or in the future has an interest (to the extent of its interest), and all sums of money and securities which may now be or hereafter are from time to time standing to the credit of the Bank Accounts, Collection Accounts and any other accounts with any bank or financial institution in which the Issuer now or in the future has an interest (to the extent of its interest), together with all interest accruing from time to time thereon and the debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Security Trustee absolutely for the Security Trustee itself and on trust, subject to the terms of these presents, for the various other persons to whom the Secured Amounts from time to time become due, owing or payable

3 7 Authorised Investments

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed equitable charge to the Security Trustee, all its right, title, interest and benefit present and future in, to and under the Authorised Investments and all moneys, income and proceeds to become payable thereunder or thereon and the benefits of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Security Trustee absolutely for the Security Trustee itself and on trust, subject to the terms of these presents, for the various other persons to whom the Secured Amounts from time to time become due, owing or payable

3 8 Floating Charge

The Issuer, by way of further security for the payment or discharge of the Secured Amounts, with full title guarantee and as the registered owner or as the person entitled to be registered as owner and subject to the proviso for redemption hereinafter contained and subject where relevant to the provisos for redemption or cesser contained in the Mortgage Pool and the rights of re-assignment, re-assignment and re-transfer contained in the Charges, HEREBY CHARGES by way of first floating charge to the Security Trustee, the whole of its undertaking and all its property and assets, except for the assets specifically secured by means of fixed charge above or otherwise assigned as security by this Clause 3 (but excepting from the foregoing exclusion all property assets, rights and interests situated in or governed by the law of Scotland, all of which property, assets, rights and interests are charged by the floating charge hereby created), present and future, TO HOLD the same unto the Security Trustee absolutely for the Security Trustee itself and on trust, subject to the terms of these presents, for the various other persons to whom the Secured Amounts from time to time become due, owing or payable

The Issuer declares that

- (a) each floating charge created under this Deed is a "qualifying floating charge" for the purposes of paragraph 14 2(a) of Schedule B1 to the Insolvency Act 1986, and
- (b) paragraph 14 of Schedule B1 of the Insolvency Act 1986 shall apply to this Deed

The floating charge created by this Clause 3.8 shall be deferred in point of priority to the fixed charges which remain outstanding under or pursuant to this Deed from time to time and any rights of the Issuer to deal with the assets subject to the floating charge shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge over the same

In addition and without prejudice to any other event resulting in a crystallisation of the floating charges created under or pursuant to this Deed or any other right the Security Trustee may have, the Security Trustee may, by notice in writing to the Issuer (and so far as permitted by applicable law), declare that the floating charges created under or pursuant to this Deed shall (so far as permitted by applicable law) be converted into first specific fixed charges over such of the undertaking, property and assets of the Issuer as the Security Trustee may specify in such notice at any time if

- (a) any event has happened which constitutes an Event of Default, or
- (b) the Security Trustee believes that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, attachment, execution, diligence or other legal process levied or is otherwise in jeopardy, or
- (c) the Security Trustee considers that it is desirable in order to protect the priority of the Security

In addition and without prejudice to any other event resulting in a crystallisation of the floating charge created under or pursuant to this Deed and without prejudice to any rule of law which may have a similar effect, subject as provided below, each such floating charge shall (so far as permitted by applicable law) automatically and without notice be converted with immediate effect into a fixed charge as regards

- (a) all property, assets or undertaking of the Issuer subject to such floating charge, upon
 - (i) the presentation of a petition for the compulsory winding-up of the Issuer,
 - (ii) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Issuer or the appointment of an administrator over the Issuer,
 - (iii) an application or pending application being made for the making of an administration order in relation to the Issuer,
 - (iv) an administrator being appointed in relation to the Issuer,
 - (v) the presentation or making of an application for a warrant of execution, writ of *fiat facias*, garnishee order or charging order in respect of any of the assets of the Issuer subject to such floating charge, and/or
 - (vi) the service of an Enforcement Notice, and/or
- (b) any property, assets or undertaking of the Issuer which become subject to a Security Interest in favour of any person other than the Security Trustee or which is/are the subject of a sale, transfer or other disposition, in either case, contrary to the covenants and undertakings contained in the Transaction Documents, immediately prior to such Security Interest arising or such sale, transfer or other disposition being made

The Issuer will promptly upon crystallisation execute over the assets charged pursuant to this Clause 3.8 a fixed charge or security in favour of the Security Trustee in such form as the Security Trustee shall reasonably require

The floating charge created by this Clause 3 8 may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the court

3 9 **Notice and Forms**

Within the statutorily prescribed period the Issuer will, in relation to the sub mortgage and assignment of the Loans, the English Mortgages and the other relevant Assigned Rights, send a duly completed Form MR01 and a certified copy of this Deed of Charge and, in relation to the assignation of the Issuer's beneficial interest in a Scottish Declaration of Trust, send a duly completed Form MR01 and a certified copy of the relevant Supplemental Deed of Charge, pursuant to Section 859A of the Companies Act 2006 and promptly following receipt, deliver a copy of the certificates of registration to the Security Trustee or such other person(s) as the Security Trustee may instruct

3 10 **Further acquired items**

For the avoidance of doubt (and subject to Clause 3.4 (*Scottish Trust Security*)) it is hereby confirmed that reference herein to Loans, Mortgages, English Charges, Insurance Contracts and related items include those which are hereafter assigned or transferred to or otherwise acquired by the Issuer (whether pursuant to the Kayl/Issuer Mortgage Sale Agreement or otherwise) and that the security created by or pursuant to Clauses 3 1 (*The English Mortgages*) to 3 7 (*Authorised Investments*) (both inclusive) are, and are intended to be, specific and fixed assignments and assignations by way of security of, or specific and fixed charges or standard securities over (as the case may be), the items to which they relate, both present and future acquired

3 11 **No Transfer of Obligations**

Notwithstanding anything else in this Deed, it is hereby agreed that the Security Trustee does not assume, nor shall the Security Trustee be obligated to perform, any obligations of any other party to this Deed (including, for the avoidance of doubt, the making of further advances to Borrowers) and nothing herein shall be construed so as to transfer any of such obligations to the Security Trustee

4. Redemption and Release

4 1 Upon proof being given to the satisfaction of the Security Trustee by any or all of the relevant Charged Obligors as to the full, final, irrevocable and unconditional payment or discharge by the Issuer of all the Secured Amounts, the Security Trustee will at the request and cost of the Issuer release, re-convey, retrocess, re-transfer or re-assign (as appropriate) the Charged Property to the Issuer or other person entitled thereto of whom the Security Trustee has written notice *provided that* no assurance, security, disposition or payment which may be avoided or which must be repaid on bankruptcy, liquidation or otherwise under any enactment relating to bankruptcy or under Sections 238 to 245 of the Insolvency Act and no release, re-conveyance, re-transfer, re-assignment, retrocession, settlement or discharge given or made by the Security Trustee on the faith of any such assurance, security, disposition or payment shall prejudice or affect the right of the Security Trustee to enforce the security constituted hereby in respect of the full extent of the monies and liabilities hereby secured. It is hereby agreed that such security shall be deemed to have been and to have remained held by the Security Trustee as and by way of security for the payment to or to the order of the Security Trustee of all or any sums which may become due and owing to or to the order of the Security Trustee in respect of the monies and liabilities hereby secured

4 2 If, pursuant to clause 8 (*Substitute Loans, Cash Repayment and Borrow-Backs*) of the Kayl/Issuer Mortgage Sale Agreement, (a) a Repurchase Event occurs or (b) the aggregate

amount of Borrow-Backs to be made during an Interest Period exceeds the amount of Principal Collections as at the immediately preceding Determination Date and the Issuer becomes obliged to sell and re-transfer or re-assign to Kayl, the Guarantor or any affiliate thereof (as applicable) its Mortgage Rights in relation to any Mortgage Loan, the Security Trustee shall, against written confirmation by the Issuer of its receipt of the requisite consideration for such sale pursuant to clause 8 (*Substitute Loans, Cash Repayment and Borrow-Backs*) of the Kayl/Issuer Mortgage Sale Agreement, release such Mortgage Loan from the Security

5. Restrictions on Exercise of Certain Rights

5.1 Subject to the proviso to this Clause, each of the Secured Creditors (other than the Security Trustee) hereby agrees with the Security Trustee that

- (a) it shall not be entitled to take, and shall not take, any steps whatsoever to enforce the security created by or pursuant to Clause 3 (*Security*), or to direct the Security Trustee to do so, and
- (b) it shall not be entitled to take, and shall not take, any steps (including without limitation, the exercise of any right of set-off) for the purpose of recovering any of the Secured Amounts owing to it or any other debts whatsoever owing to it by the Issuer or procuring the winding-up, examination, administration which includes, for the avoidance of doubt, filing of documents with a court or service of a notice of intention to appoint an administrator or liquidation of the Issuer or the making of a court protection order in relation to the Issuer in respect of any of its liabilities whatsoever,

provided that, if the Security Trustee or the Receiver, having become bound to do so, fails to serve an Enforcement Notice and/or, subject to the proviso to the final paragraph of Condition 2 (*Status, Security and Administration*) of the conditions of each class of Notes, to take any steps or proceedings to enforce such security pursuant to Clause 9 (*The Security Trustee's Powers*) or Clause 10 (*Receiver*) within a reasonable time, and such failure is continuing, the Secured Creditors shall be entitled to take any such steps and proceedings as they shall deem necessary (other than the presentation of a petition for the winding-up of, or for an administration order in respect of, the Issuer)

5.2 Notwithstanding the security created by this Deed but subject to Clause 6 (*Upon Enforcement*), the Security Trustee and the Secured Creditors agree, and the Issuer concurs, that

- (a) amounts may and shall be withdrawn from the Bank Accounts and the Collection Accounts, in the amounts contemplated, and for application in accordance with, the Bank Agreement, the Collection Account Agreement, the Investment Account Agreement and the Administration Agreements,
- (b) payments may be made by the Issuer of the commissions, expenses and other amounts payable by the Issuer relating to or otherwise in connection with the issue of the Notes out of proceeds from the issue of the Notes, and
- (c) payments to be made under the Transaction Documents may be made by the Issuer and in accordance with the directions of the Issuer, subject as provided in the Transaction Documents

Any amount so withdrawn shall be released and discharged from the Security Interest created under this Deed

- 5 3 Subject to Clause 5 2 above and Clause 5 4 below, no other payments may be made out of any of the Bank Accounts or the Collection Accounts without the prior written approval of the Security Trustee
- 5 4 Pending the giving, and in respect of the Account Bank and the Investment Account Provider, the receipt by it, of an Enforcement Notice, the amounts standing to the credit of the Bank Accounts, the Collection Accounts and the Authorised Investments and the proceeds thereof from time to time shall be invested and applied in accordance with the Bank Agreement, the Collection Account Agreement, the Investment Account Agreement and the Cash/Bond Administration Agreement, and, if the Cash/Bond Administrator fails to ensure that this is the case, the Security Trustee may (but shall not be obliged to) take steps to do so itself
- 5 5 No recourse under any obligation, covenant, undertaking or agreement of the Issuer contained in this Deed or in any of the Transaction Documents shall be made against any shareholder, officer or director of the Issuer as such, by the enforcement of any assignment or by any proceeding, by virtue of any statute or otherwise (except in the case of fraud), it being expressly agreed and understood that this Deed and the Transaction Documents are corporate obligations of the Issuer and no liability shall attach to, or be incurred by, the shareholders, officers, agents, or directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants and agreements of the Issuer contained in this Deed or in any of the Transaction Documents, or implied therefrom, and that any and all personal liability for breach by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or certification, of every such shareholder, officer, agent or director is hereby expressly waived by the Issuer as a condition of any consideration for the execution of this Deed

5 6 Limited Recourse

(a) Insufficient Recoveries

If, or to the extent that, after the Charged Property has been realised and the proceeds thereof have been applied in accordance with the Post-Enforcement Priority of Payments the amounts recovered on realisation of the Charged Property are insufficient to pay or discharge amounts due from the Issuer to the Secured Creditors in full for any reason, the Issuer or its directors, officers, agents or shareholders will have no liability to pay or otherwise make good any such insufficiency

(b) Non-Petition

No Secured Creditor may take any corporate action or other steps or legal proceedings for the winding-up, dissolution, arrangement, reconstruction or reorganisation of the Issuer or for the appointment of a liquidator, receiver, administrative receiver, administrator, trustee, manager or similar officer in respect of the Issuer or over any or all of its assets or undertaking, save as permitted by this Deed

The Secured Creditors acknowledge that the Security Trustee shall not be bound to take any steps or institute any proceedings after the service of an Enforcement Notice or take any other action to enforce the security constituted by or pursuant to this Deed unless the Security Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing

6. Upon Enforcement

- 6 1 Notwithstanding the security rights created by, or pursuant to, this Deed, the Security Trustee and each of the Secured Creditors hereby agrees, and the Issuer concurs, that from the time of

the giving of an Enforcement Notice, no amount may be withdrawn from any of the Bank Accounts or the Collection Accounts except to the extent that it is applied in accordance with the Post-Enforcement Priority of Payments or as otherwise permitted by the provisions of the Transaction Documents that are applicable after the giving of an Enforcement Notice

- 6 2 Notwithstanding the security rights created by, or pursuant to, this Deed, the Security Trustee and each of the Secured Creditors hereby agrees, and the Issuer concurs, that any monies whatsoever recovered by each of them or on their behalf whether by the Security Trustee or otherwise after the giving of an Enforcement Notice, shall be applied in accordance with the Post-Enforcement Priority of Payments. The Cash/Bond Administrator shall advise the Security Trustee of such amounts as soon as reasonably practicable after delivery of an Enforcement Notice
- 6 3 The Security will become enforceable upon the occurrence of an Event of Default (as defined in Condition 9(a) (*Events of Default*)), *provided that*, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either a sufficient amount would be realised to allow discharge in full of all amounts owing in respect of the Rated Notes or the Security Trustee is of the opinion, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Security Trustee, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing in respect of the Rated Notes
- 6 4 Without prejudice to the provisions of Clause 6 2 and Clause 6 3, the Security Trustee and each of the Secured Creditors hereby agree, and the Issuer concurs, that
- (a) in the exercise or non-exercise of its powers in relation to the Charged Property the Security Trustee shall be required to have regard only to the interests of the Noteholders in accordance with the Conditions and shall not be required to have regard to the interests of the other Secured Creditors or to act upon or comply with any direction or request of the other Secured Creditors,
 - (b) the Security Trustee shall remain Security Trustee of the Charged Property at all times while it remains Security Trustee in relation to the Notes and shall not be liable to be removed at the behest of any Secured Creditor (other than the Noteholders),
 - (c) if the Security Trustee determines (in respect of which determination, the provisions of sub-clause 6 4(a) shall apply) to sell, refinance or otherwise dispose of the Loans and their related Mortgages or any interest therein (the “Assets”), the Security Trustee shall appoint an investment bank selected by it to invite bids (each a “Bid”) for the purchase or financing of the Assets by way of competitive tender (and based on such assumptions as the Security Trustee or the relevant investment bank may select),
 - (d) if the investment bank appointed pursuant to sub-clause 6 4(c) receives a Bid or Bids, subject to sub-clause 6 4(e), the Security Trustee shall sell the Assets at a price no less than that contained in the Bid or, in the case of more than one Bid, the highest Bid, and
 - (e) nothing in this sub-clause shall, whether or not, following the appointment in sub-clause 6 4(c), the Security Trustee has received a Bid or Bids
 - (i) prevent the Security Trustee from declining to sell the Assets or otherwise postponing any sale, or
 - (ii) require the Security Trustee to sell the Assets,

if, in either case, the Security Trustee determines (in respect of which determination, the provisions of sub-clause 6.4(a) shall apply) that it is in the interests of the Noteholders to do so

7. Continuance of Security and Conflict

- 7.1 Without prejudice to the generality of the foregoing, the security created by, and the covenants, undertakings and provisions contained in, this Deed (and any deed entered into and expressed to be supplemental hereto) shall remain in force as a continuing security to the Security Trustee (for itself and on trust for the various other persons to whom the Secured Amounts from time to time become due, owing or payable) notwithstanding any intermediate payment, settlement of account or any other act, event or matter whatsoever, except only the execution by or on behalf of the Security Trustee under seal of an absolute and unconditional release or the execution by or on behalf of the Security Trustee of a receipt for all (and not part only) of the Secured Amounts, which receipt the Security Trustee is hereby authorised to execute on behalf of all other persons to whom any of the Secured Amounts are due, owing or payable
- 7.2 In relation to the Security Trustee's duties, obligations and responsibilities as security trustee to the Secured Creditors in relation to the Charged Property and under or in connection with these presents, the Security Trustee and the other Secured Creditors hereby agree, and the Issuer concurs, that the Security Trustee shall discharge these by performing and observing its duties, obligations and responsibilities as security trustee to the Noteholders in accordance with the provisions of, and subject to the provisions in favour of the Security Trustee contained in, these presents and the Transaction Documents
- 7.3 All the provisions of the Trust Deed relating to the exercise by the Security Trustee of its powers, trusts, authorities, duties, rights and discretions shall apply, *mutatis mutandis*, to the discharge by the Security Trustee of its powers, trusts, authorities, duties, rights and discretions under this Deed
- 7.4 Without prejudice to the generality of the foregoing, the Security Trustee shall, in its exercise of such powers, trusts, authorities, duties, rights and discretions, have regard only to the interests of the Noteholders in accordance with the Conditions. The Security Trustee shall have no regard to the interest of any other Secured Creditor of the Issuer and no such Secured Creditor shall have any claim against the Security Trustee for so doing except in the case of fraud, gross negligence or wilful default. Each of the Secured Creditors (other than the Security Trustee and the Noteholders) acknowledges that the Security Trustee shall not be bound to take any steps or institute any proceedings after the service of an Enforcement Notice or to take any other action to enforce the security constituted by this Deed unless the Security Trustee shall first have been indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing

8. Expenses

The Issuer further covenants with and undertakes to the Security Trustee to reimburse, pay or discharge (on the basis of a full indemnity) all costs, charges, liabilities and expenses properly incurred by the Security Trustee, the Receiver or any attorney, manager, agent or delegate appointed by the Security Trustee under this Deed, the Trust Deed or any of the other Transaction Documents in connection with

- 8.1 the preparation, execution, registration or perfecting of this Deed or any other document relating hereto, which for the avoidance of doubt includes any amendments thereto,

- 8 2 its appointment hereunder, the carrying out of the trusts and duties under or in connection with this Deed and the Trust Deed or any other of the Transaction Documents,
- 8 3 the exercise, or the attempted or purported exercise by or on behalf of the Security Trustee or the Receiver of any of the powers of the Security Trustee or the Receiver, and
- 8 4 any other action taken by or on behalf of the Security Trustee or the Receiver with a view to or in connection with the recovery of the Secured Amounts from the Issuer or any other person or the enforcement of the security for the Secured Amounts,

together, in each case, with any VAT or similar tax charged or chargeable in respect thereof

The indemnity contained in this Clause 8 shall survive the discharge and release of the whole or any part of the Charged Property from the Security

9. The Security Trustee's Powers

- 9 1 Section 103 of the Act shall not apply to this Deed and forthwith after the service of an Enforcement Notice the security created by this Deed shall become immediately enforceable and the powers conferred by the Act and this Deed immediately exercisable without the restrictions contained in the Act, but subject to the proviso to the final paragraph of Condition 2 of the Notes, and the Issuer shall be deemed to be in default within the meaning of Condition 9(1)(b) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970
- 9 2 The provisions of the Act relating to the power of sale are hereby extended as if such extensions were contained in the Act and the exercise of the statutory power of sale conferred on mortgagees by the Act shall be free from the restrictions imposed by Section 101(1) and (2) of the Act which shall not apply to this Deed, but without limiting the Security Trustee's power to enter into possession of the Charged Property or into receipt of the income therefrom or the Security Trustee's other rights, subject to compliance with any specific restrictions imposed on the Security Trustee in these presents or in the Administration Agreements in relation to dealing with the Charged Property, to authorise the Security Trustee at its absolute discretion, subject as aforesaid, and upon such terms as it may think fit
- (a) to dispose of the Charged Property, or any interest in the same, and to do so for shares, debentures or any other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price in respect of such disposal at a later date or dates, or an agreement to make periodical payments, whether or not any such agreement is secured by a Security Interest or a guarantee, or for such other consideration whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges (and nothing shall preclude any such disposal being made to any person the Security Trustee thinks fit, including the Secured Creditors or any person associated with any of them),
 - (b) with a view to, or in connection with, the disposal of the Charged Property, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate,
 - (c) to take possession of, get in and collect the Charged Property,
 - (d) to carry on and manage or concur in managing the business of the Issuer,
 - (e) to appoint and engage employees, managers, agents and advisers (and nothing shall preclude the Secured Creditors or any person associated with any of them) upon such terms as to remuneration and otherwise for such periods as it may determine, and to dismiss them, except that the Security Trustee's liability under the Transaction

Documents for the indemnification, remuneration and expenses of the Agents will be limited to the amounts for the time being held by the Security Trustee in respect of the Notes on the terms of the Trust Deed and/or the Paying Agency Agreement,

- (f) in connection with the exercise, or the proposed exercise, of any of its powers or in order to obtain payment of its remuneration or reimbursement of its expenses (in each case, whether or not already due), to borrow or raise money from any person, without security or on the security of the Charged Property (either in priority to this security or otherwise) and generally in such manner and on such terms as it may think fit,
- (g) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Charged Property,
- (h) to transfer all or any of the Charged Property and/or of the liabilities of the Issuer to any other company or body corporate, whether or not formed or acquired for the purpose and whether or not a subsidiary or associated company of the Security Trustee, the Secured Creditors or a company or body corporate in which the Security Trustee or any Secured Creditor has an interest,
- (i) to call up all or any portion of the uncalled capital (if any) for the time being of the Issuer,
- (j) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Property which it may consider expedient as effectually as if it were solely and absolutely entitled to the Charged Property,
- (k) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, acts or things which it may consider appropriate, and
- (l) to pay and discharge out of the profits and income of the Charged Property and the monies to be made by it in carrying on any such business as aforesaid the expenses incurred in and about the carrying on and management of any such business as aforesaid or in the exercise of any of the powers conferred by this Clause 9.2 or otherwise in respect of the Charged Property and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by Clause 6.2

- 9.3 Each relevant Legal Title-Holder and the Issuer (each for itself only) hereby covenants and agrees and undertakes that if at any time after the security constituted by or pursuant to this Deed shall have become enforceable, and the Security Trustee or any Receiver shall so require, they will join together in directing the Issuer or the Mortgage Administrator to sell or dispose of all or any part of the Scottish Trust Property on terms previously approved by the Security Trustee or any Receiver and/or in causing the trusts constituted by any Scottish Declaration of Trust to be wound up or performed and they will take all actions and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of the Scottish Trust Property or any part thereof in accordance with the terms of the relevant Scottish Declaration of Trust and this Deed. Each relevant Legal Title-Holder and the Issuer (each for itself only) hereby acknowledge and consent to the foregoing as trustees and beneficiary respectively in terms of each Scottish Declaration of Trust.
- 9.4 The Security Trustee and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by either of them under this Deed. Any such delegation may be made upon the terms (including the power to

sub-delegate) and subject to any regulations, which the Security Trustee or such Receiver (as the case may be) may think fit *Provided that* the Security Trustee or the Receiver, as appropriate, has exercised reasonable care in the selection of any such delegate, neither the Security Trustee nor any Receiver will be in any way liable or responsible to the Issuer for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate

- 9 5 The powers conferred by this Deed in relation to the Security or any part thereof on the Security Trustee or on any Receiver of the Charged Property or any part thereof shall be in addition to and not in substitution for the powers conferred on mortgagees or heritable creditors or receivers under the Act and the Insolvency Act 1986 (or the Conveyancing and Feudal Reform (Scotland) Act 1970 if appropriate) and where there is any ambiguity or conflict between the powers contained in any of such Acts and those conferred by this Deed the terms of this Deed shall prevail
- 9 6 Without prejudice to any other rights of the Security Trustee and subject to the terms of the Transaction Documents, the Security Trustee may from time to time at any time after any part or parts of the Security becomes enforceable
- (a) enter into, make, execute, sign, deliver and do all such contracts, agreements, deeds, receipts, payments, assignments, assignations, transfers, conveyances, assurances and things and bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Charged Property as it may think expedient,
 - (b) exercise or refrain from exercising, in such manner as in its absolute discretion the Security Trustee shall think fit, all or any of the rights, powers, authorities, discretions or remedies of the Issuer under or in relation to the Charged Property or incidental to the ownership thereof and, in particular but without limiting the generality of the foregoing, exercise all rights to vote or to give any consent or notification or make any declaration in relation to such Charged Property For the avoidance of doubt, the Security Trustee shall not be required to have regard to the interests of the Issuer in the exercise or non-exercise of any such rights, powers, authorities, discretions and remedies or to comply with any direction given by the Issuer in relation thereto, and
 - (c) demand, sue for and take any advice or institute any proceedings to recover or obtain payment of any amounts which may then be due and payable to the Issuer but which remains unpaid under or in respect of the Charged Property or any part thereof either in its own name or in the name of the Issuer
- 9 7 The Security Trustee may at any time after the Security has become enforceable, without notice and notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any existing accounts of the Issuer whether in its own name or jointly with others and held by it or any Secured Creditor and may set-off or transfer all or any part of any credit balance or any sum standing to the credit of any such account (whether or not the same is due to the Issuer from the Security Trustee or relevant Secured Creditor and whether or not the credit balance and the account in debit or the Secured Amounts are expressed in the same currency in which case the Security Trustee is hereby authorised to effect any necessary conversions at its prevailing rates of exchange) in or towards satisfaction of any of the Secured Amounts (and on or at any time after the Security has become enforceable the Security Trustee may make such application notwithstanding any specified maturity of any deposits), but subject always to the Post-Enforcement Priority of Payments, and may in its absolute discretion estimate the amount of any liability of the Issuer which is contingent or unascertained and thereafter set-off such estimated amount and no amount shall be payable by the Security Trustee to the Issuer unless and until all the Secured Amounts have been ascertained and fully repaid or discharged in accordance with the Post-Enforcement Priority of Payments

- 9 8 Any moneys which under the trusts of this Deed may be invested by the Security Trustee (or by the Cash/Bond Administrator or any other agent on its behalf) after the Security created under or pursuant to this Deed shall have become enforceable may be invested in the name of the Security Trustee or in the name of any nominee on its behalf and under the control of the Security Trustee in any investments and the Security Trustee may at any time vary or transfer (or direct the Cash/Bond Administrator to vary or transfer) or exchange any of such investments for or into other such investments as the Security Trustee in its absolute discretion may determine, and shall not be responsible (save where any loss results from the Security Trustee's breach of trust, fraud, wilful default, bad faith or negligence or that of its officers or employees acting as agents of the Security Trustee) for any loss occasioned by reason of any such investments whether by depreciation in value or otherwise, *provided that* such investments were made in accordance with the foregoing provisions. If a bank or institution with which any monies placed on deposit in accordance with this Clause is the Security Trustee or an affiliate of the Security Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer
- 9 9 If the Issuer for any reason fails to observe or punctually to perform any of its obligations to the Security Trustee, whether under this Deed, the Trust Deed or any of the Transaction Documents, the Security Trustee shall have power, on behalf of or in the name of the Issuer or otherwise, to perform the obligation and to take any steps which the Security Trustee may (but shall not be obliged to do so), in its absolute discretion, consider appropriate with a view to remedying, or mitigating the consequences of, the failure, but so that the exercise of this power, or the failure to exercise it, shall in no circumstances prejudice the Security Trustee's other rights under this Deed and the Security Trustee shall have no liability to anyone whatsoever for acting or not acting (as the case may be)

10. Receiver

- 10 1 At any time after this Deed becomes enforceable or after any application is made for the appointment of, or notice is given of the intention to appoint, an administrator in relation to the Issuer the Security Trustee may appoint such person or persons (including an officer or officers of the Security Trustee) as it thinks fit to be receiver or receivers of the Charged Property or any part or parts thereof
- 10 2 The Security Trustee may not appoint an administrative receiver, receiver, manager or receiver and manager pursuant to Clause 10 1 above solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the Court
- 10 3 The Security Trustee may remove the Receiver appointed by it whether or not appointing another in his place, and the Security Trustee may also appoint another receiver if the Receiver resigns
- 10 4 The exclusion of any part of the Charged Property from the appointment of the Receiver shall not preclude the Security Trustee from subsequently extending his appointment (or that of the Receiver replacing him) to that part
- 10 5 The Receiver shall, so far as the law permits, be the agent of the Issuer and (subject to the Companies Act 1985, the Companies Act 2006 and the Insolvency Act 1986, each as amended from time to time) the Issuer shall be solely responsible for his acts and defaults and liable on any contracts or engagements made or entered into by him, and in no circumstances whatsoever shall the Security Trustee, or any Secured Creditor be in any way responsible or have any liability for any fraud, misconduct, negligence or default of his. Notwithstanding the generality of the foregoing, such Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations from time to time made and given by the Security

Trustee The Security Trustee shall not in any way be responsible or have any liability for any misconduct or negligence on the part of any Receiver

- 10 6 The remuneration of the Receiver may be fixed by the Security Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise) and the restrictions in Section 36 of the Insolvency Act 1986 shall not apply, but such remuneration shall be payable by the Issuer alone, and the amount of such remuneration may be debited by the Security Trustee to any account of the Issuer, but shall, in any event, form part of the Secured Amounts and accordingly be secured on the Charged Property under the security created by this Deed
- 10 7 The Receiver may be invested by the Security Trustee with such of the powers exercisable by the Security Trustee under this Deed as the Security Trustee may think fit
- 10 8 The Receiver shall in the exercise of his powers conform to the regulations and directions from time to time made and given by the Security Trustee
- 10 9 The Security Trustee may from time to time and at any time require any such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be so given but the Security Trustee shall not be bound in any case to require any such security
- 10 10 Save so far as otherwise directed by the Security Trustee all monies from time to time received by such Receiver shall be paid over to the Security Trustee to be held by it on the trusts declared by Clause 3 (*Security*)
- 10.11 The Security Trustee may pay over to such Receiver any monies constituting part of the Charged Property to the extent that the same may be applied for the purposes of this Deed by such Receiver and the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver
- 10 12 Sections 109(6) and (8) of the Act (application of monies received by receiver) shall not apply in relation to the Receiver
- 10 13 Subject to any relevant provisions of the Insolvency Act 1986, the Security Trustee may, at its discretion, by any instrument or deed or notice of appointment, appoint one or more persons to be the administrator of the Issuer at any time after
- (a) the Security becomes enforceable,
 - (b) being requested to do so by the Issuer,
 - (c) any application having been made to the court for an administration order under the Insolvency Act 1986,
 - (d) any person having ceased to be an administrator as a result of any event specified in paragraph 90 of Schedule B1 to the Insolvency Act 1986, or
 - (e) any notice of intention to appoint an administrator having been given by any person or persons entitled to make such appointment under the Insolvency Act 1986
- 10 14 Where any such appointment is made at a time when an administrator continues in office, the additional administrator shall act either jointly or concurrently with the existing administrator previously appointed hereunder, as the appointment specifies
- 10 15 Subject to any applicable order of a Court in England and Wales, the Security Trustee may replace any administrator, or seek an order replacing the administrator, in any manner allowed by the Insolvency Act 1986

10 16 Where the administrator was appointed by the Security Trustee under paragraph 14 of Schedule B1 to the Insolvency Act 1986, the Security Trustee may, by notice in writing to the Issuer, replace the administrator in accordance with paragraph 92 of Schedule B1 to the Insolvency Act 1986

10 17

(a) Every such appointment shall take effect at the time and in the manner specified by the Insolvency Act 1986, and

(b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charges created hereunder

10 18 If at any time and by virtue of any such appointment(s) any two or more persons shall hold office as administrators of the same assets or income, such administrators may act jointly or concurrently as the appointment specifies so that, if appointed to act concurrently, each one of such administrators shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the functions conferred on an administrator by the Insolvency Act 1986

10 19 Every such instrument, notice or deed of appointment, and every delegation or appointment by the Security Trustee in the exercise of any right to delegate its powers herein contained, may be made in writing under the hand of any manager or officer of the Security Trustee or any other authorised person of any delegate

10 20 In exercising his functions hereunder and under the Insolvency Act 1986, the administrator acts as agent of the Issuer and does not act as agent of the Security Trustee.

10 21 Every administrator shall be entitled to remuneration for his services in the manner fixed by or pursuant to the Insolvency Act 1986

11. Protection of Third Parties

11 1 The Secured Amounts shall become due for the purposes of Section 101 of the Act and the statutory powers of sale and of appointing a receiver which are conferred upon the Security Trustee as varied and extended by this Deed and all other powers shall in favour of any purchaser be deemed to arise and be exercisable immediately after the execution of this Deed

11 2 No purchaser from or other person dealing with the Security Trustee and/or the Receiver shall be concerned to enquire whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or whether the Secured Amounts remain outstanding, or whether any event has happened to authorise the Security Trustee and/or the Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power, or whether the requirements of the proviso to the final paragraph of Condition 2 (*Status, Security and Administration*) have been satisfied, and the title and position of such a purchaser or other persons shall not be impeachable by reference to any of those matters

11 3 The receipt of the Security Trustee or the Receiver shall be an absolute and a conclusive discharge to a purchaser or such other person and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or the Receiver or, if applicable, the Secured Creditors

12. Protection of Security Trustee and Receiver

12.1 Neither the Security Trustee, nor the Receiver, nor any Secured Creditor shall be liable in respect of any loss or damage which arises out of the exercise, or the attempted or purported

exercise of, or the failure to exercise, any of their respective powers, unless such loss or damage is caused by its or his fraud, negligence or wilful default

- 12 2 The Security Trustee shall accept without investigation, requisition or objection such right and title as the Issuer may have to the Charged Property and shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Charged Property whether such defect or failure was known to the Security Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not
- 12 3 Without prejudice to the provisions of the Mortgage Administration Agreement, neither the Security Trustee nor the Receiver shall be under any obligation to insure any of the Charged Property or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance
- 12 4 Neither the Security Trustee nor the Receiver shall be responsible for any loss, cost, damage, expense or liability occasioned to the Charged Property, however caused, by the Administrators, whether or not acting in accordance with the Administration Agreements, or any other person (including any bank, broker, depository, warehouseman or other intermediary or by any clearing system or the operator thereof), or otherwise, unless such loss is occasioned by the fraud, negligence or wilful default of the Security Trustee or the Receiver respectively
- 12 5 Neither the Security Trustee nor any Receiver will be liable for any decline in the value nor any loss realised upon any sale or other disposition of any Charged Property pursuant to the Trust Deed or other Transaction Document
- 12 6 Neither the Security Trustee nor the Receiver shall be under any obligation to monitor or supervise the functions of the Issuer or the Administrators or any other person under any of the Transaction Documents and each of the Security Trustee and the Receiver shall be and is hereby entitled and authorised to assume without enquiry, in the absence of actual knowledge or express notice to the contrary, that each of the Issuer and the other parties hereto and thereto is duly performing and observing all the covenants and provisions contained in the Transaction Documents relating to it and on its part to be performed and observed and that no event has happened which constitutes (and/or which with the giving of notice and/or the lapse of time and/or the Security Trustee making any relevant determination and/or issuing any relevant certificate, would constitute) an Event of Default
- 12 7 Neither the Security Trustee nor the Receiver shall have any responsibility whatsoever to any other party hereto or to any Noteholder as regards any deficiency which might arise because the Security Trustee or the Receiver is subject to any tax in respect of the Charged Property or any part thereof or any income therefrom or any proceeds thereof
- 12 8 Without prejudice to the generality of the foregoing, entry into possession of the Charged Property shall not render the Security Trustee or the Receiver liable to account as mortgagee or heritable creditor in possession or to be liable for any loss on realisation or for any default or omission on realisation or for any default or omission for which a mortgagee or heritable creditor in possession might be liable unless such loss, default or omission is caused by its fraud, negligence or wilful default, and if and whenever the Security Trustee or the Receiver enters into possession of the Charged Property, it shall be entitled at any time at its pleasure to go out of such possession
- 12 9 Each of the Issuer and the Secured Creditors agrees and acknowledges that in the event of the enforcement of the Security or the appointment of a Receiver, the Security Trustee shall not be obliged to indemnify out of its own money any such Receiver for any of its costs, charges, liabilities or expenses or to advance, in whatever form, any moneys to such a Receiver or any other person arising out of or in connection with such enforcement or to carry on or to require

any Receiver to carry on, any business carried on from time to time in connection with the Charged Property

- 12 10 Neither the Security Trustee nor the Receiver shall be obliged (whether or not directed to do so by the Noteholders) to perfect legal title to any Mortgage or Charge in its name if, in its opinion, such perfection would or might result in the Security Trustee or the Receiver, as the case may be, becoming liable to or incurring any obligation to any Borrower under a Mortgage and Charge and, in its opinion, there is or would be insufficient cash to discharge, in accordance with the provisions of this Deed such liabilities or obligations as and when they arise

13. Indemnity

- 13 1 Without prejudice to the right of indemnity given by law to trustees, the Issuer further covenants with the Security Trustee, each Secured Creditor and the Receiver fully to indemnify each of them and their respective officers, employees and agents from and against all liabilities, losses, damages, costs, charges, expenses, actions, proceedings, claims and demands which any of them may incur or may be made against it (in the case of the Security Trustee, whether before or after this Deed has become enforceable) including VAT.

- (a) in consequence of anything done or purported to be done or omitted by any of them under or in connection with these presents or any of the other Transaction Documents to which the Security Trustee is a party or of any failure by the Issuer to comply with its obligations to any of them under or in connection with these presents or any other Transaction Document, or
- (b) in consequence of any payment in respect of the Secured Amounts (whether made by the Issuer or a third person) being impeached or declared void for any reason whatsoever,

save to the extent that the same arise as a result of the fraud, negligence or wilful default of the provisions of this Deed or any of the Transaction Documents by the person claiming to be entitled to be indemnified

- 13 2 The Issuer covenants with and undertakes to each of the Security Trustee, the Secured Creditors and the Receiver to pay the amounts payable under Clauses 8 (*Expenses*) and 13 1 on demand or, in the case of remuneration and fees payable to the Security Trustee under the Trust Deed, on the due dates for payment thereof, with interest as well after as before judgment or decree at the rate of 2 per cent per annum above the base rate from the date on which they were paid, charged or incurred by the Security Trustee, a Secured Creditor, or the Receiver (as the case may require) or, in the case of remuneration and fees payable to the Security Trustee as aforesaid, the due date for payment thereof, until payment, as well after as before any judgment or decree
- 13 3 Unless otherwise specifically stated in any discharge of this Deed the provisions of Clause 8 (*Expenses*) and this Clause 13 shall continue in full force and effect notwithstanding such discharge

14. Further Assurances and Power of Attorney

- 14 1 If so requested by the Security Trustee after the giving of an Enforcement Notice or after the Seller, the Guarantor, the Legal Title-Holders, the Issuer, the Mortgage Administrator or the Security Trustee is obliged to give notice or execute any documents pursuant to clause 6 1 of the Kayl/Issuer Mortgage Sale Agreement and after the perfection of the Issuer's interest pursuant to clause 6 (*Further Assurance*) of the Kayl/Issuer Mortgage Sale Agreement, the Issuer, the Mortgage Administrator and/or the Legal Title-Holders (as the case may be) shall

execute in favour of the Security Trustee such documents in relation to the Charged Property and give or join in giving such notice thereof to the relevant Borrowers, insurers and other persons, and all in such form as the Security Trustee or the Receiver may require at the Issuer's cost

- 14 2 The Issuer further covenants with and undertakes to the Security Trustee, and the Secured Creditors and with each of them, from time to time upon demand to execute, at the Issuer's own cost, any document or to do any act or thing which the Security Trustee or the Receiver may properly specify with a view to perfecting or improving any security created or intended to be created by or pursuant to this Deed or facilitating the exercise, or the proposed exercise of any of their powers, *provided that* this Clause 14 2 shall not extend to matters which are the subject of Clause 14 1
- 14 3 For good and valuable consideration the Issuer irrevocably and as security for the interests of the Security Trustee and every Receiver hereunder hereby appoints the Security Trustee and every Receiver severally to be its attorney and its agent (with full power to appoint substitutes and to delegate, including power to authorise the person so appointed to make further appointments) on behalf of the Issuer and in its name or otherwise, to execute any document with power to date the same and to do any act or thing which the Security Trustee or such Receiver (or such substitute or delegate) may, in its or his absolute discretion, consider appropriate in connection with the exercise of any of the powers of the Security Trustee or the Receiver or which the Issuer is obliged to execute or do whether under these presents or otherwise, and, without prejudice to the generality of its power to appoint substitutes and to delegate or to sub-clause 9 2(e), the Security Trustee may appoint the Receiver as its substitute or delegate, and any person appointed the substitute or delegate of the Security Trustee shall, in connection with the exercise of the said power of attorney, be the agent of the Issuer
- 14 4 References in Clause 8 (*Expenses*) and Clause 13 (*Indemnity*) to the Security Trustee and the Receiver shall include references to any substitute or delegate appointed under Clause 14 3
- 14 5 The Issuer hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause

15. Other Security Etc.

- 15 1 This security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice, any other Security Interest, right of recourse or other right whatsoever which the Security Trustee or any Secured Creditor may now or at any time hereafter hold or have (or would apart from this security hold or have) as regards the Issuer or any other person in respect of the Secured Amounts
- 15 2 The restriction on consolidation of mortgages contained in Section 93 of the Act shall not apply in relation to the security created by this Deed
- 15 3 The powers which this Deed confers on each of the Security Trustee, the Receiver, and the Secured Creditors are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as it or he thinks appropriate, and it or he may, in connection with the exercise of its or his powers, join or concur with any person in any transaction, scheme or arrangement whatsoever, and the Issuer acknowledges that its or his respective powers shall in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing

16. Warranties and Covenants

- 16 1 The Issuer hereby warrants to the Security Trustee for itself and on trust for the Noteholders and to the other Secured Creditors and to each of them, that it is at the date of this Deed entitled in equity to such of the Charged Property as is purported to be transferred to it pursuant to the Kayl/Issuer Mortgage Sale Agreement, subject to the subsisting rights of redemption of Borrowers but otherwise free from Security Interests and that it has taken all necessary steps to enable it to charge or assign by way of security the Charged Property in accordance with Clause 3 (*Security*) and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Property, *provided that* none of the Legal Title-Holders, the Guarantor or the Mortgage Administrator shall have any rights against the Issuer in relation to any breach of this warranty to the extent that such breach results directly or indirectly from any breach by any of the Legal Title-Holders, the Guarantor or the Mortgage Administrator of any representation, warranty or other obligation given or owed by it to the Issuer
- 16 2 Save with the prior written consent of the Security Trustee or as provided in or envisaged by any of the Transaction Documents, the Issuer hereby covenants with and represents, warrants and undertakes to the Security Trustee, for itself and on trust for the Noteholders and with the Secured Creditors and with each of them, that
- (a) it will not create or permit to exist upon or affect any of the Charged Property any Security Interest whatsoever other than as created by, or in accordance with, the Transaction Documents,
 - (b) it will not transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option, present or future, or right to acquire, any of the Charged Property or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so, except that the Issuer
 - (i) may sell all of the Mortgages at a price equal to the aggregate Balances of the Mortgages at the date of completion of such sale together with an amount equal to all other amounts due under such Mortgages at a price equal to or greater than an amount being the aggregate of (a) the aggregate Principal Amount Outstanding of the Senior Notes on the relevant Interest Payment Date on which the Senior Notes are to be redeemed, (b) the accrued interest on the Senior Notes on the relevant Interest Payment Date on which the Senior Notes are to be redeemed, (c) any expenses incurred in connection with such sale, (d) if there is a shortfall between the amount standing to the credit of the Reserve Ledger as at the relevant Interest Payment Date and the Reserve Fund Required Amount, an amount equal to that shortfall, and (e) amounts required under the then applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date in accordance with Condition 5(e) (*Optional Redemption in Full*) or 5(f) (*Optional Redemption for Taxation or Other Reasons*) of the conditions of each class of Notes,
 - (ii) may (and may agree to), in respect of all or any part of its assets or undertaking, transfer, sell, lend, pledge, part with or otherwise dispose of or deal with, or grant any option over any present or future right to acquire any of its assets or undertaking or any interest, estate right title or benefit therein where contemplated in or provided for in the Transaction Documents and where the proceeds of the same are applied *inter alia*, in or towards the redemption of the Notes in accordance with the terms and conditions of the Notes and the terms of the Transaction Documents;

- (c) it shall ensure that save as permitted by the Transaction Documents, no person other than the Issuer and the Security Trustee shall have any equitable interest in the Charged Property,
- (d) it shall give such notices of assignment in relation to the Charged Property as may be required pursuant to the Kayl/Issuer Mortgage Sale Agreement or by the Security Trustee (except, in the circumstances described in Clause 14.1 of this Deed, the notices referred to in clause 5.1 of the Kayl/Issuer Mortgage Sale Agreement),
- (e) so long as any of the Notes remains outstanding it will not have an interest in any bank or securities account other than the Bank Accounts or Authorised Investments save as may be permitted by the Security Trustee,
- (f) it shall not
 - (i) engage in any activity which is not, or hold any capital assets (other than the Mortgage Pool) the holding of which is not, reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in,
 - (ii) open nor have any interest in any account whatsoever with any bank or other financial institution other than the Bank Accounts and Collection Accounts held with the Account Bank, the Collection Account Bank, the Investment Account Provider or any other accounts with any bank or financial institution charged in accordance with Clause 3.6 (*Bank Accounts and Collection Accounts*), save where such account is immediately charged in favour of the Security Trustee so as to form part of the Security described in Condition 2 (*Status, Security and Administration*) and where the Security Trustee receives an acknowledgement from such bank or financial institution of the security rights and interests of the Security Trustee and an agreement that it will not exercise any right of set off it might otherwise have against the account in question,
 - (iii) hold any shares or other interest in any company (including but not limited to, an interest in the capital or income of a company or voting rights in a company), or have any subsidiaries or employees or premises,
 - (iv) act as a director of any company, or
 - (v) carry on any trade or business or any activities other than those contemplated by the Transaction Documents and shall not carry on such trade, business or activities as contemplated by the Transaction Documents prior to the Issue Date,
- (g) it shall not pay any dividend or make any other distribution to its shareholders other than as contemplated by the Transaction Documents,
- (h) it shall not incur any indebtedness in respect of borrowed money (other than under any subordinated loan agreements) whatsoever or give any guarantee in respect of any obligation of any person,
- (i) it shall not consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person,
- (j) it shall not permit any of the Charged Obligation Documents, the Insurance Contracts relating to the Mortgages owned by the Issuer or the priority of the security interests created thereby to be amended, invalidated, rendered ineffective, terminated or discharged, or consent to any variation of, or exercise of any powers of consent or

waiver pursuant to the terms of the Trust Deed and the Conditions, or permit any party to any of the Charged Obligation Documents or Insurance Contracts or any other person whose obligations form part of the Security to be released from such obligations, or dispose of any Mortgage save as envisaged in the Transaction Documents,

- (k) it (a) is not (and never has been) a member of a VAT group, (b) is not, and is not liable to be, and will not be, registered (or part of any registration) for VAT in the United Kingdom immediately prior to entering into the Transaction Documents, and will not voluntarily become registered (or part of any registration) for VAT in the United Kingdom, and (c) does not and will not make or receive any supplies for VAT purposes otherwise than in accordance with the Transaction Documents,
- (l) it (a) was incorporated in England and Wales under the Companies Act 2006 and has been, and shall be, resident for tax purposes solely in, and has had, and shall have, its usual place of abode in the United Kingdom, and (b) does not have, and will not have, any business establishments or fixed establishments outside the United Kingdom for VAT purposes,
- (m) it has not done any of the things specified in sub-clauses 16 2(f) and 16 2(j),
- (n) it is not a party to the transaction for the purposes of securing a tax advantage for any other person within the meaning of Section 1139 Corporation Tax Act 2010 (formerly Section 840ZA Income and Corporation Taxes Act 1988),
- (o) it will at all times comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents,
- (p) it will duly and promptly pay and discharge all taxes imposed upon it or its assets unless such taxes are, in the opinion of the Security Trustee, being contested in good faith by the Issuer,
- (q) ~~it shall at all times~~ retain at least one Independent Director, and
- (r) within 21 days from the date of this Deed and any Supplemental Deed of Charge, it shall deliver to the registrar of companies a duly completed Form MR01 together with a certified copy of this Deed or any Supplemental Deed of Charge (as applicable) for registration in accordance with Section 859A of the Companies Act 2006,

provided that none of the Legal Title-Holders, the Guarantor or the Mortgage Administrator shall have any rights against the Issuer in relation to any breach of these covenants and undertakings to the extent that such breach results directly or indirectly from any breach by the Legal Title-Holders, the Guarantor or the Mortgage Administrator of any of the representations, warranties, or other obligations given or owed by it to the Issuer

In giving any consent to the foregoing, the Security Trustee may request the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Security Trustee may deem expedient in the interest of the Noteholders

- 16 3 Save with the prior written consent of the Security Trustee or as provided in or envisaged by any of the Transaction Documents, the Covenantor hereby covenants with and represents, warrants and undertakes to the Security Trustee, for itself and on trust for the Noteholders and with the Secured Creditors and with each of them that

- (a) the Covenantor shall procure that the Issuer will not become a member of a group of companies for the purposes of VAT,

- (b) the Covenantor will not enter into any transaction in circumstances where Section 710 or 713 Corporation Tax Act 2010 (formerly Sections 767A and 767AA Income and Corporation Taxes Act 1988), or Sections 109B-109F Taxes Management Act 1970, or Section 190 Taxation of Chargeable Gains Act 1992 will, or may, apply to impose a charge to corporation tax on the Issuer,
 - (c) the Covenantor will not engage in any activity which is not reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Covenantor shall engage in,
 - (d) the Covenantor does not have any employees,
 - (e) it will maintain its “**centre of main interests**” (for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 (the “**EU Insolvency Regulation**”) and the Cross-Border Insolvency Regulations 2006, SI 2006/1030 (“**UNCITRAL Regulations**”)) in the United Kingdom, and
 - (f) it will not maintain an “**establishment**” (as that expression is defined in the EU Insolvency Regulation and the UNCITRAL Regulations) in any jurisdiction other than the United Kingdom
- 16 4 If the Issuer for any reason fails to observe or punctually to perform any of its obligations to the Security Trustee, whether under this Deed, the Trust Deed, and any of the Transaction Documents or otherwise, the Security Trustee shall have power, on behalf of or in the name of the Issuer or otherwise, to perform the obligation and to take any steps which the Security Trustee may (but shall not be obliged to do so), in its absolute discretion, consider appropriate with a view to remedying, or mitigating the consequences of, the failure, but so that the exercise of this power, or the failure to exercise it, shall in no circumstances prejudice the Security Trustee’s other rights under this Deed and the Security Trustee shall incur no liability whatsoever for so acting or not acting (as the case may be)

17. Application to Court

The Security Trustee may at any time after the giving of an Enforcement Notice apply to the Court for an order that the terms of this Deed or the trusts of this Deed or any of them be carried into execution under the direction of the Court and for the appointment of a Receiver of the Charged Property or any part thereof and for any other order in relation to the administration of the terms of this Deed or the trusts of these presents or any of them as the Security Trustee shall deem fit and it may assent to or approve any application to the Court made at the instance of any of the holders of the Most Senior Class and shall be indemnified and/or secured and/or prefunded by the Issuer against all the costs, charges and expenses incurred by it in relation to any such applications or proceedings

18. Miscellaneous

- 18 1 No failure on the part of the Security Trustee and the Secured Creditors to exercise, and no delay on their part in exercising, any right or remedy under this Deed will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy Subject as provided herein to the contrary, the rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law
- 18 2 Any waiver and any consent by the Security Trustee and the Secured Creditors under this Deed must be in writing and may be given subject to any conditions thought fit by the Security Trustee Any waiver or consent shall be effective only in the instance and for the purpose for which it is given

- 18 3 The Issuer will pay all stamp duties, land registry, Registers of Scotland and similar fees, filing and registration fees and other transaction taxes required in relation to or for the purpose of procuring the execution, validity, enforceability or carrying into effect of this Deed and the security created hereby and keep the Security Trustee and the Secured Creditors indemnified against any failure or delay in paying the same
- 18 4 No variation of this Deed shall be effective unless it is in writing and signed by an authorised signatory of each of the parties hereto (subject to the provisions of clause 4 (*Variation*) of the Standby Cash/Bond Administration Agreement)
- 18 5 It is hereby acknowledged and agreed that each of Kayl, the Legal Title-Holders and the Guarantor are a party to this Deed for the purposes of acknowledging the rights of the Issuer pursuant to the Kayl/Issuer Mortgage Sale Agreement By its execution of this Deed, neither Kayl nor the Guarantor shall assume or have any of the obligations or liabilities of the Issuer or the Legal Title-Holders hereunder
- 18 6 The execution of this Deed by the Secured Creditors shall be deemed to constitute a notice and intimation to such Secured Creditors of the security created by the Issuer under this Deed (including, without limitation any charge or assignment by way of security in respect of the Issuer's rights as against such Secured Creditor) and constitutes an acknowledgement of receipt of such notice
- 18 7 Without prejudice to the rights of the Noteholders to transfer the Notes, a Secured Creditor shall not assign, transfer or create any trust or interest in (whether by way of security or otherwise howsoever) all or any of its rights or interest under this Deed to any person (a "**Transferee**") unless that Transferee undertakes (in favour of the Security Trustee, the Issuer and each other Secured Creditor) to be bound by the provisions of this Deed, as if it had been named as an original Secured Creditor, any such assumption of obligations by a Transferee to be without prejudice to all obligations of the transferor hereunder which shall continue to subsist
- 18 8 The Security Trustee shall be entitled to rely on (and to accept as conclusive evidence save in the case of manifest error) a certificate from each Secured Creditor as to the amounts owed to such Secured Creditor under the Transaction Documents The Security Trustee shall not take into account for the purpose of the application of moneys in accordance with the relevant Priority of Payments any amounts of which it has not been notified by the intended recipient on or prior to the date in question
- 18 9 For the purposes of determining the amounts payable pursuant to Clause 6.2 and the Post-Enforcement Priority of Payments, a Secured Creditor will, at all times, promptly provide the Security Trustee and/or any Receiver on request with a certificate setting out detailed information as to the amount of the Secured Amounts to which such Secured Creditor is entitled and such other information as the Security Trustee and/or any Receiver may require to enable or facilitate the Security Trustee and/or any Receiver to perform its functions under this Deed or under any of the Transaction Documents, such certificate to be in a form required by the Security Trustee and/or any Receiver
- 18 10 In any action, proceedings or claim relating to this Deed or the Security, a statement as to any amount due to any Secured Creditor or of the Secured Amounts or any part thereof or a statement of any amounts which have been notified to the Security Trustee as being amounts due to any Secured Creditor which is certified as being correct by an officer of the Security Trustee or an officer of the relevant Secured Creditor shall, save in the case of manifest error, be conclusive evidence that such amount is in fact due and payable

19. Notices

19.1 All communications relating to this Deed shall be given by letter, fax, or electronic communication

- (a) if to the Issuer, to it at:
Residential Mortgage Securities 28 PLC
35 Great St Helen's
London EC3A 6AP

Fax +44 (0) 20 7398 6325
Email directors-uk@sfmeurope.com
Attention The Directors
- (b) if to the Principal Paying Agent or Agent Bank, to it at
Société Générale Bank & Trust
11 Avenue
Emile Reuter
L-2420 Luxembourg

Fax +352 24 15 75
Email Events_bonds@sgss.socgen.com / Newissues.sgbtlux@sgss.socgen.com
Attention SGSS/SBO/CIS/ISS – Issuers Services
- (c) if to the Security Trustee, to it at

Wells Fargo Trust Corporation Limited
One Plantation Place
30 Fenchurch Street
London EC3M 3BD

Fax no +44 (0) 20 7149 7220
Email cts.spglondon2@wellsfargo.com
Attention Raphael Pariser
- (d) if to the Seller, Kayl or the Subordinated Lender, to it at
5, rue Eugène Ruppert
L-2453, Luxembourg

Fax 27 00 41 25 99
Email js@sutherland.lu and pneves@tpg.com
Attn John Sutherland and Pedro Fernandes das Neves
- (e) if to the Legal Title-Holders, to them at
Kensington Mortgage Company Limited
Reading International Business Park
Basingstoke Road
Reading RG2 6DB

Fax no +44 (0) 20 7597 4972
Email KMCTsyOps@kmc.co.uk
Attention Treasury Operations

With a copy to

Fax +44 (0) 20 7597 4971
Email KMCLegalNotices@kmc.co.uk

and

St James's Park Mortgage Funding Limited/Battersea Park Mortgage Funding Limited/Hyde Park Mortgage Funding Limited/Richmond Park Mortgage Funding Limited/Finsbury Park Mortgage Funding Limited
Kensington Mortgage Company Limited
Reading International Business Park
Basingstoke Road
Reading RG2 6DB

Fax no +44 (0) 20 7597 4972
Email KMCTsyOps@kmc.co.uk
Attention Treasury Operations

With a copy to

Fax +44 (0) 20 7597 4971
Email KMCLegalNotices@kmc.co.uk

- (f) if to the Guarantor, to it at
Kensington Group Limited
Reading International Business Park
Basingstoke Road
Reading RG2 6DB

Fax no +44 (0) 20 7597 4972
Email KMCTsyOps@kmc.co.uk
Attention Treasury Operations

With a copy to

Fax +44 (0) 20 7597 4971
Email KMCLegalNotices@kmc.co.uk

- (g) if to KMC, the Mortgage Administrator, the Cash/Bond Administrator, the Special Servicer, the Security Trustee under the Collection Accounts Declaration of Trust, to it at
c/o Kensington Mortgage Company Limited,
Reading International Business Park
Basingstoke Road
Reading RG2 6DB
United Kingdom

Fax no +44 (0) 20 7597 4972
Email KMCTsyOps@kmc.co.uk
Attention Treasury Operations

With a copy to

Fax +44 (0) 20 7597 4971
Email KMCLegalNotices@kmc.co.uk

- (h) if to the Standby Cash/Bond Administrator, to it at
Wells Fargo Bank International
2 Harbourmaster Place
I F S C Dublin 1
Ireland

Fax + 353 1 436 5798
Email cts spglondon2@wellsfargo com
Attention Kieran O'Brien

With a copy to

Wells Fargo Bank International
One Plantation Place
30 Fenchurch Street
London EC3M 3BD

- (i) if to the Account Bank, to it at
Wells Fargo Bank N A , London Branch
One Plantation Place
30 Fenchurch Street
London EC3M 3BD

Fax +44 (0) 207 149 7220
Email cts spglondon2@wellsfargo com
Attention Corporate Trust Services

- (j) if to the Investment Account Provider, to it at
Wells Fargo Bank N A , London Branch
One Plantation Place
30 Fenchurch Street
London EC3M 3BD

Fax +44 (0) 207 149 7220
Email cts spglondon2@wellsfargo com
Attention Corporate Trust Services

- (k) if to the Covenantor, to it at
Residential Mortgage Securities 28 Parent Limited
35 Great St Helen's
London EC3A 6AP

Fax +44 (0) 20 7398 6325
Email directors-uk@sfmeurope com
Attention The Directors

- (l) if to the Collection Account Bank, to it at
Barclays Bank PLC
1 Churchill Place
London E14 5HP
United Kingdom

Fax +44 (0) 20 7116 7643
Email marijana matic@barclays com
Attention Marijana Matic

- (m) if to the Corporate Services Provider and the Mortgage Administration Facilitator, to it at
Structured Finance Management Limited
35 Great St Helen's
London EC3A 6AP

Fax +44 (0) 20 7398 6325
Email directors-uk@sfmeurope.com
Attention The Directors

or to such other address, e-mail address or facsimile number as may from time to time be notified by any party to the other by written notice in accordance with the provisions of this Clause 19

- 19 2 Communications will take effect, in the case of a letter, when delivered, in the case of fax, when the relevant delivery receipt is received by the sender or, in the case of an electronic communication when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, *provided that* no delivery failure notification is received by the sender within 24 hours of sending such communication, *provided that* any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-Business Day in the place of receipt shall be deemed to take effect at the opening of business on the next following Business Day in such place. Any communication delivered to any party under this Deed which is to be sent by fax or electronic communication will be deemed to be a communication "in writing"
- 19 3 Notwithstanding the provisions of sub-clauses 19 1 and 19 2, any notice, demand, approval, certificate, direction or instruction given or made to the Security Trustee concerning any enforcement of the Security or the provisions of this Deed, the Notes or the Transaction Documents shall not be deemed sufficiently given or made until actually received by the Security Trustee

20. Electronic Directions

- 20 1 The Security Trustee is authorised to act on written directions conveyed by facsimile transmission or written directions or data transmissions conveyed by electronic mail or other electronic means, notwithstanding the fact that such directions do not bear an original authorised signature, provided the directions acted upon reasonably appear to the Security Trustee to be signed by a person or persons entitled to give binding directions to the Security Trustee on behalf of a Transaction Party. The parties hereto acknowledge their responsibility for the legibility, accuracy and completeness of the facsimile, electronic direction and electronic data transmissions it submits to the Security Trustee, including facsimile or electronic direction or data transmissions from duly appointed third party agents and agrees to be responsible for any adverse consequences that may result from errors caused by the quality of such facsimile or electronic data or data transmissions that were the fault of the relevant party. The Security Trustee may fully rely on the content of any facsimile or electronic direction or data transmission received, and shall have no obligation to verify its accuracy
- 20 2 Each party to this Deed acknowledges that
- (a) it understands the risks associated with communicating sensitive matters, including time sensitive matters, by facsimile or electronic means and acknowledges that, if it elects to do so, the Security Trustee may act within a reasonable time of receipt of the facsimile or electronic directions or data transmission, and

- (b) that directions and data sent by facsimile or electronic means may be less confidential or secure than directions or data transmitted by other methods

The Security Trustee shall not be liable for any loss of the confidentiality of directions and data prior to receipt by the Security Trustee

- 20 3 The Issuer agrees to indemnify, defend and hold harmless the Security Trustee, its employees, agents, affiliates, successors and assigns from and against any direct loss, cost, claim or expense it incurs as a result of the Security Trustee acting or relying upon facsimile or electronic directions or data transmission received by the Security Trustee under the authority of this provision, except such as may result from the wilful default, negligence or fraud of the Security Trustee in relation to such facsimile or electronic directions. This indemnity shall continue in effect until revoked by the Issuer in writing and delivered to the Security Trustee. This indemnity shall survive the revocation of this provision and the termination of any agreement governing the relationship between the Security Trustee and the Issuer

21. Security Trustee Provisions

- 21 1 It is hereby confirmed that the following provisions of the Trust Deed shall apply, *mutatis mutandis*, for the purposes of this Deed

- (a) clause 7 (*Remuneration and Indemnification of the Trustee*),
- (b) clause 13 (*Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000 in favour of the Trustee*),
- (c) clause 14 (*Trustee Liability for Negligence*),
- (d) clause 17 (*Trustee not Precluded from Entering into Contracts*),
- (e) clause 18 (*Modification, Waiver and Substitution*),
- (f) clause 19 (*Appointment, Retirement and Removal of the Trustee*), and
- (g) schedule 4 (*Provisions for Meetings of Noteholders*)

- 21 2 Any person appointed as, or assuming the position of, security trustee in relation to the Charged Property pursuant to the terms of this Deed shall have all the rights, powers and benefits which are vested in the Security Trustee pursuant to the terms of this Deed

22. Counterparts

- 22 1 This Deed may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument, *provided however, that* this Deed shall have no force or effect until it is executed by the last party to execute the same and shall be deemed to have been executed as delivered in the place where such last party executed this Deed

- 22 2 Notwithstanding the terms of Clause 22 1, for the purposes of Clauses 3 3 (*The Scottish Mortgages and Scottish Charges*), 3 4 (*Scottish Trust Security*) and 3 8 (*Floating Charge*) insofar as such clauses relate to the interest of the Issuer in Scottish Loans, the Scottish Mortgages and their Mortgage Rights, this Deed shall be fully effective and binding on the Issuer upon this Deed being executed and delivered by the Issuer, notwithstanding that any other person expressed to be a party hereto has not executed and delivered the same and notwithstanding whether any such person shall have executed and delivered or shall thereafter execute and deliver a counterpart hereof

23. Governing Law

- 23.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law other than Clauses 3.3 (*The Scottish Mortgages and Scottish Charges*) and 3.4 (*Scottish Trust Security*) and any terms hereof which are particular to Scots law which shall be construed in accordance with the laws of Scotland.
- 23.2 The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed and accordingly any legal action or proceeding arising out of or in connection with this Deed ("Proceedings") may be brought in such courts. Each of the parties hereto irrevocably submits to the jurisdiction of such courts and waives any objection to any Proceedings in such courts whether on the grounds of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

24. Contracts (Rights of Third Parties) Act 1999

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

In witness whereof the parties hereto have caused this Deed to be executed and delivered on the day and year first before written.

Issuer

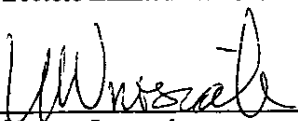
Executed as a Deed for

and on behalf of


Residential Mortgage Securities 28 PLC

acting by two directors being

SFM Directors Limited and SFM Directors (No.2) Limited



SFM Directors Limited



SFM Directors (No 2) Limited



Witness:

Name: **RANJIT GOOK**

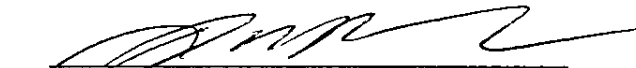
Address

White & Case LLP
5 Old Broad Street
London
EC2N 1DW


Trustee

Executed as a Deed for
and on behalf of

Wells Fargo Trust Corporation Limited
acting by its duly authorised attorney



Authorised Attorney:
Name *IRMANCO*




Witness
Name: *RANJIT GOOL*
Address **White & Case LLP**
5 Old Broad Street
London
EC2N 1DW

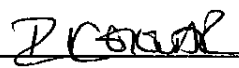
Security Trustee

Executed as a Deed for
and on behalf of

Wells Fargo Trust Corporation Limited
acting by its duly authorised attorney



Authorised Attorney.
Name *IRMANCO*



Witness
Name *RANJIT GOOL*
Address:
White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Seller and Subordinated Lender
Executed as a Deed for
and on behalf of
Kayl PL S.à r.l.
acting by its duly authorised attorneys

Authorised Attorney

[Signature] John Sutherland
B Manager

Witness

[Signature] Andrew Homer
A Manager

Name
Address

Authorised Attorney

[Signature] John Sutherland
B Manager

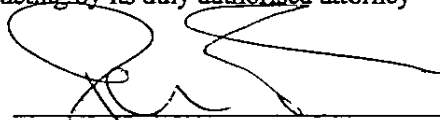
Witness

[Signature] Andrew Homer
A Manager


Name.
Address

Legal Title-Holders

**Executed as a Deed for
and on behalf of
Kensington Mortgage Company Limited
acting by its duly authorised attorney**



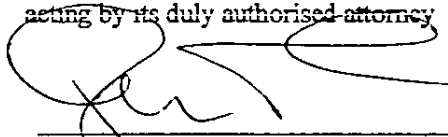
Authorised Attorney:




Witness
Name: **RANJIT GURK**
Address

White & Case LLP
5 Old Broad Street
London
EC2N 1DW

**Executed as a Deed for
and on behalf of
St James's Park Mortgage Funding Limited
acting by its duly authorised attorney**



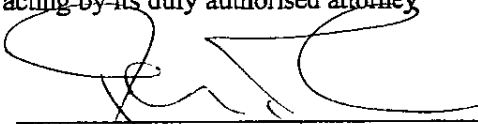
Authorised Attorney:




Witness
Name **RANJIT GURK**
Address

White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Executed as a Deed for
and on behalf of
Battersea Park Mortgage Funding Limited
acting by its duly authorised attorney

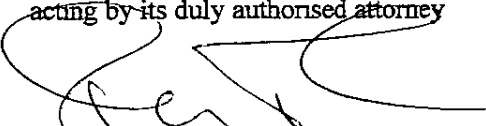


Authorised Attorney:




Witness:
Name: **RANJIT GOUR**
Address: **White & Case LLP**
5 Old Broad Street
London
EC2N 1DW

Executed as a Deed for
and on behalf of
Hyde Park Mortgage Funding Limited
acting by its duly authorised attorney



Authorised Attorney.

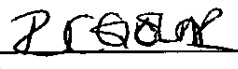


Witness.
Name: **RANJIT GOUR**
Address: **White & Case LLP**
5 Old Broad Street
London
EC2N 1DW

Executed as a Deed for
and on behalf of
Richmond Park Mortgage Funding Limited
acting by its duly authorised attorney



Authorised Attorney:



Witness

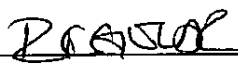
Name **RANJIT GUAR**
Address

White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Executed as a Deed for
and on behalf of
Finsbury Park Mortgage Funding Limited
acting by its duly authorised attorney



Authorised Attorney

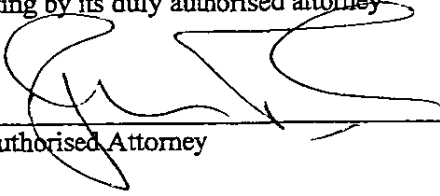


Witness:

Name **RANJIT GUAR**
Address


White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Cash/Bond Administrator and Mortgage Administrator
Executed as a Deed for
and on behalf of
Kensington Mortgage Company Limited
acting by its duly authorised attorney



Authorised Attorney

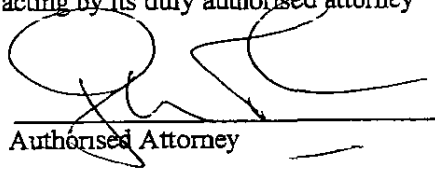
Witness
Name.
Address



RANJIT GAUR

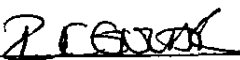
White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Guarantor
Executed as a Deed for
and on behalf of
Kensington Group Limited
acting by its duly authorised attorney



Authorised Attorney

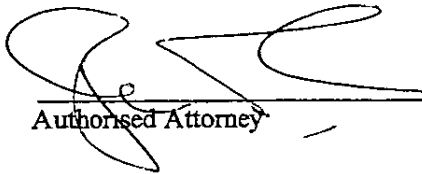
Witness:
Name
Address:




RANJIT GAUR

White & Case LLP
5 Old Broad Street
London
EC2N 1DW

KMC, Mortgage Administrator and Special Servicer
Executed as a Deed for
and on behalf of
Kensington Mortgage Company Limited
acting by its duly authorised attorney



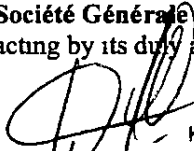
Authorised Attorney



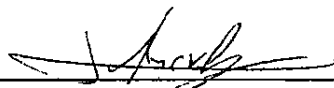
Witness:
Name **RANJIT GOUTH**
Address

White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Principal Paying Agent and Agent Bank
Executed as a Deed for
and on behalf of
Société Générale Bank & Trust
acting by its duly authorised signatories

 **Benoît WILLERS**
Head of Custody and Issuer Services

Authorised Signatory.


Witness
Name *A. ANCKLY* **A. ANCKLY**
Address *28-32 place de la Gare*
L1018 Luxembourg

Collection Account Bank
Executed as a Deed by
Barclays Bank PLC
acting by its attorney in the presence of

Witness
Name.
Address:

Principal Paying Agent and Agent Bank
Executed as a Deed for
and on behalf of
Société Générale Bank & Trust
acting by its duly authorised signatories

Authorised Signatory

Witness:

Name

Address:

Collection Account Bank
Executed as a Deed by
Barclays Bank PLC
acting by its attorney in the presence of



Witness:

Name JAMES MELACHROINOU

Address.


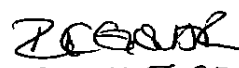
BARCLAYS BANK PLC
NON BANK FINANCIAL INSTITUTIONS
LEVEL11.....
1 CHURCHILL PLACE
LONDON E14 5HP

Account Bank and GIC Provider
Executed as a Deed by
Wells Fargo Bank N.A., London Branch
acting by its attorney in the presence of

Witness

Name

Address



RANJIT GOUR

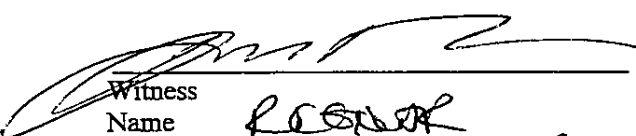
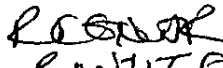
White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Investment Account Provider
Executed as a Deed by
Wells Fargo Bank N.A., London Branch
acting by its attorney in the presence of

Witness

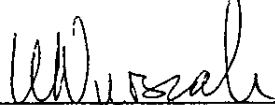
Name

Address




RANJIT GOUR

White & Case LLP
5 Old Broad Street
London
EC2N 1DW

Corporate Services Provider and Mortgage Administration Facilitator
Executed as a Deed for
and on behalf of
Structured Finance Management Limited
acting by its duly authorised signatories

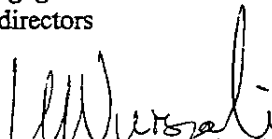


Director




Director/Secretary

Covenantor
Executed as a Deed for
and on behalf of
Residential Mortgage Securities 28 Parent Limited
acting by its two directors



per pro SFM Directors Limited



per pro SFM Directors (No 2) Limited

Standby Cash/Bond Administrator
Executed as a Deed for
and on behalf of
Wells Fargo Bank International
acting by its duly authorised signatories

Authorised Signatory:

Authorised Signatory:

Corporate Services Provider and Mortgage Administration Facilitator
Executed as a Deed for
and on behalf of
Structured Finance Management Limited
acting by its duly authorised signatories

Director

Director/Secretary:

Covenantor
Executed as a Deed for
and on behalf of
Residential Mortgage Securities 28 Parent Limited
acting by its two directors

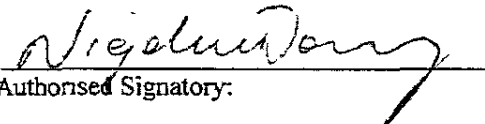
per pro SFM Directors Limited

per pro SFM Directors (No.2) Limited

Standby Cash/Bond Administrator
Executed as a Deed for
and on behalf of
Wells Fargo Bank International
acting by its duly authorised signatories



Authorised Signatory



Authorised Signatory:

Schedule 1

Form of Standard Security (Land Register)

We, **Residential Mortgage Securities 28 PLC**, incorporated under the Companies Acts in England (registered number 09386653) and having our registered office at 35 Great St Helen's, London EC3A 6AP (hereinafter referred to as the "**Company**") hereby undertake to **Wells Fargo Trust Corporation Limited** (registered number 4409492), whose registered office is at One Plantation Place, 30 Fenchurch Street, London EC3M 3BD as Security Trustee under and in the terms of the Trust Deed between us the Company and the said Wells Fargo Trust Corporation Limited dated 20 March 2015 (hereinafter referred to as the "**Trust Deed**") and the Deed of Charge (as defined below) (the said Wells Fargo Trust Corporation Limited and its successors as such trustee whomsoever being hereinafter referred to as the "**Security Trustee**") to pay and discharge the Secured Amounts (as such term is defined in the Master Definitions Schedule dated 20 March 2015 and signed for the purpose of identification by Berwin Leighton Paisner LLP and White & Case LLP as amended from time to time) and without prejudice to the foregoing generality all sums and all other obligations and liabilities due and that may become due by us the Company to the Security Trustee under and in terms of.

- (a) the Trust Deed and/or the Notes defined therein and constituted thereby and/or
- (b) the Kayl/Issuer Mortgage Sale Agreement between us the Company, the Security Trustee and others dated 20 March 2015 (hereinafter referred to as the "**Kayl/Issuer Mortgage Sale Agreement**") and/or
- (c) the Deed of Charge among us the Company, the Security Trustee and others dated 6 May 2015 (hereinafter referred to as the "**Deed of Charge**")

and any variation or alteration thereof (the "**Secured Obligations**") and in security of the payment and discharge of the Secured Obligations we do hereby GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the Schedule annexed and executed as relative hereto in favour of the party specified in the relative entry in Column 1 of the said Schedule aforesaid for all sums due and to become due over the subjects therein described, registered said respective Standard Securities in the Land Register under the Title Number specified in the relative entry in Column 4 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the "**Principal Securities**");

Together with our whole right, title and interest, present and future therein and thereto The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being shall apply

And we agree that the Standard Conditions shall be varied to the effect that (i) in the event of any breach or default in respect of the obligations and others hereby secured at any time on the part of us the Company the Standard Security hereby created shall for the avoidance of doubt be thereupon enforceable and the Security Trustee shall be entitled to call up and enforce the same in accordance with the provisions of the said Act, (ii) without prejudice to the rights and remedies of the Security Trustee under the Standard Conditions or the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if these presents had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as

the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and (iii) in so far as the provisions of the Trust Deed, the Kayl/Issuer Mortgage Sale Agreement or the Deed of Charge extend, add to, depart from or conflict with the Standard Conditions, the Trust Deed, the Kayl/Issuer Mortgage Sale Agreement and the Deed of Charge or any of them shall subject to the provisions of the said Act prevail and take effect

And we grant warrandice

And we the Company hereby in further securities of the sums, obligations and liabilities hereinbefore described ASSIGN to and in favour of the Security Trustee the whole rights and interest of us the Company in and under all bonds or Loan Agreements (and any supplemental agreements thereto or variations thereof) secured by the Principal Securities and granted by or entered into with the said respective parties whose names are specified in Column 2 of the said Schedule, the dates of the respective bonds or Loan Agreements (and any such supplemental agreements or variations thereto) being specified in the relative entry in Column 5 of the said Schedule

In witness whereof these presents typewritten on this and the preceding page are together with the Schedule annexed hereto executed in London on the [●] as follows

Subscribed for and
on behalf of the said

Residential Mortgage Securities 28 PLC

per pro SFM Directors Limited as Director

Witness
Name
Address

This is the Schedule referred to in the foregoing Standard Security (Land Register) by Residential Mortgage Securities 28 PLC in favour of Wells Fargo Trust Corporation Limited dated on or about [●]

1	2	3	4	5
Originator	Borrower's Full Name	Sum Now Due	Title Number	Date of Bond or Loan Agreement

Residential Mortgage Securities 28 PLC

per pro SFM Directors Limited as Director

Schedule 2

Form of Standard Security (Sasine Register)

We, **Residential Mortgage Securities 28 PLC**, incorporated under the Companies Acts in England (registered number 09386653) and having our registered office at 35 Great St Helen's, London EC3A 6AP (hereinafter referred to as the "**Company**") hereby undertake to **Wells Fargo Trust Corporation Limited** (registered number 4409492), whose registered office is at One Plantation Place, 30 Fenchurch Street, London EC3M 3BD as Security Trustee under and in the terms of the Trust Deed between us the Company and the said Wells Fargo Trust Corporation Limited dated 20 March 2015 (hereinafter referred to as the "**Trust Deed**") and the Deed of Charge (as defined below) (the said Wells Fargo Trust Corporation Limited and its successors as such trustee whomsoever being hereinafter referred to as the "**Security Trustee**") to pay and discharge the Secured Amounts (as such term is defined in the Master Definitions Schedule dated 20 March 2015 and signed for the purpose of identification by Berwin Leighton Paisner LLP and White & Case LLP as amended from time to time) and without prejudice to the foregoing generality all sums and all other obligations and liabilities due and that may become due by us the Company to the Security Trustee under and in terms of

- (a) the Trust Deed and/or the Notes defined therein and constituted thereby and/or
- (b) the Kayl/Issuer Mortgage Sale Agreement among us the Company, the Security Trustee and others dated 20 March 2015 (hereinafter referred to as the "**Kayl/Issuer Mortgage Sale Agreement**") and/or
- (c) the Deed of Charge among us the Company, the Security Trustee and others dated 6 May 2015 (hereinafter referred to as the "**Deed of Charge**")

and any variation or alteration thereof (the "**Secured Obligations**") and in security of the payment and discharge of the Secured Obligations we do hereby GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the Schedule annexed and executed as relative hereto in favour of the party specified in the relative entry in Column 1 of the said Schedule aforesaid, for all sums due and to become due over the subjects therein described, recorded said respective Standard Securities in the Register for the County specified as aforesaid in the relative entry in Column 3 of the said Schedule on the date specified in the relative entry in Column 4 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the "**Principal Securities**")

Together with our whole right, title and interest, present and future therein and thereto

The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being shall apply

And we agree that the Standard Conditions shall be varied to the effect that (i) in the event of any breach or default in respect of the obligations and others hereby secured at any time on the part of us the Company the Standard Security hereby created shall for the avoidance of doubt be thereupon enforceable and the Security Trustee shall be entitled to call up and enforce the same in accordance with the provisions of the said Act, (ii) without prejudice to the rights and remedies of the Security Trustee under the Standard Conditions or the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if these presents had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise

by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and (iii) in so far as the provisions of the Trust Deed, the Kayl/Issuer Mortgage Sale Agreement or the Deed of Charge extend, add to, depart from or conflict with the Standard Conditions, the Trust Deed, the Kayl/Issuer Mortgage Sale Agreement and the Deed of Charge or any of them shall subject to the provisions of the said Act prevail and take effect

And we grant warrandice and we the Company hereby in further securities of the sums, obligations and liabilities hereinbefore described ASSIGN to and in favour of the Security Trustee the whole rights and interest of us the Company in and under all bonds or Loan Agreements (and any supplemental agreements thereto or variations thereof) secured by the Principal Securities and granted by or entered into with the said respective parties whose names are specified in Column 2 of the said Schedule, the dates of the respective bonds or Loan Agreements (and any such supplemental agreements or variations thereto) being specified in the relative entry in Column 5 of the said Schedule

In witness whereof these presents type written on this and the preceding page are together with the Schedule annexed hereto executed in London on the [●] as follows

Subscribed for and
on behalf of the said

Residential Mortgage Securities 28 PLC

per pro SFM Directors Limited as Director

Witness
Name
Address

This is the Schedule referred to in the foregoing Standard Security (Sasine Register) by Residential Mortgage Securities 28 PLC in favour of Wells Fargo Trust Corporation Limited dated on or about [●]

1	2	3	4	5
Originator	Borrower's Full Name	County	Recording Date	Date of Bond or Loan Agreement

Residential Mortgage Securities 28 PLC

per pro SFM Directors Limited as Director

Schedule 3

Form of Supplemental Deed of Charge

Assignment in Security by

- (1) **Residential Mortgage Securities 28 PLC** incorporated under the Companies Act 2006 in England (registered number 09386653) and having its registered office at 35 Great St Helen's, London EC3A 6AP (the "**Issuer**"),
- in favour of
- (2) **Wells Fargo Trust Corporation Limited** whose registered number is 4409492 and whose registered office is at One Plantation Place, 30 Fenchurch Street, London EC3M 3BD in its capacity as Security Trustee for and on behalf of the Noteholders (the "**Security Trustee**", which expression shall include such company and all other persons or companies for the time being acting under the Trust Deed, the Deed of Charge or under this Deed in the capacity of trustee or trustees)

Whereas

- (A) This deed is supplemental to a Deed of Charge and Assignment dated 6 May 2015 (the "**Deed of Charge**") made between, *inter alios*, the Issuer, the Security Trustee and others,
- (B) The Security Trustee, *inter alia*, holds the security constituted or to be constituted by or pursuant to the Deed of Charge for the Secured Creditors,
- (C) Pursuant to [(i)] a Scottish Declaration of Trust by [*insert name of Legal Title-Holder*] in favour of the Issuer, dated on or about [●][and (ii)] [*insert description of any other Scottish Declarations of Trust*] (the "**Scottish Declaration[s] of Trust**"), certain Scottish Loans together with their related Scottish Mortgages and other collateral security relative thereto as more fully specified and defined therein (the "**Scottish Trust Property**") are held in trust for the Issuer by the Legal Title-Holder[s], and
- (D) This deed is made by the Issuer in favour of the Security Trustee in accordance with and pursuant to Clause 3 4 1 of the Deed of Charge

Now therefore it is agreed as follows

- 1 Words and expressions defined in the Master Definitions Schedule dated 20 March 2015 and signed for the purpose of identification by Berwin Leighton Paisner LLP and White & Case LLP as amended from time to time shall, unless the context otherwise requires, have the same meanings in this deed (including the recitals thereto).
- 2 The Issuer covenants with and undertakes to the Security Trustee and binds and obliges itself that it will duly and punctually pay or discharge the Secured Amounts in accordance with the terms of Clause 2 (*The Issuer's Covenant to Pay*) of the Deed of Charge and without prejudice to the foregoing generality all moneys and liabilities whatsoever which from time to time become due, owing or payable by the Issuer
- (a) To the order of the Security Trustee and/or any Receiver under the Deed of Charge, the Trust Deed or the Conditions at the times and in the manner provided therein,
- (b) Under or in respect of the Notes, and/or
- (c) To the Security Trustee on any account whatsoever, whether as principal or surety and whether or not directly with another, and

- (d) All monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to each of the other Secured Creditors in accordance respectively with each of the other relevant Transaction Documents
- 3 The Issuer as holder of the beneficial interest therein and subject to the proviso for redemption contained in Clause 4 (*Redemption and Release*) of the Deed of Charge HEREBY with absolute warrantice ASSIGNS to and in favour of the Security Trustee in security for the discharge and payment of the Secured Amounts the Issuer's whole right, title and interest in and to the beneficial interest in the Scottish Trust Property and in and to the Scottish Declaration[s] of Trust, surrogating and substituting the Security Trustee in its full right and place therein and thereto
- 4 The Issuer hereby undertakes to intimate (for itself and on behalf of the Security Trustee) to the Legal Title-Holder[s] as trustee under the Scottish Declaration[s] of Trust the Assignment in Security made in terms of Clause 3 hereof such intimation to be substantially in the form appearing at Part 1 of the Schedule hereto and to obtain, on the same date, an acknowledgement of such intimation from [each/the] Legal Title-Holder, such acknowledgement to be substantially in the form appearing at Part 2 of the Schedule hereto
- 5 The Issuer hereby agrees that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in and the security and other rights and powers created under and pursuant to Clause 3 (*Security*) of the Deed of Charge shall be deemed to be repeated herein *mutatis mutandis* and shall apply *mutatis mutandis* to the property referred to in Clause 3 hereof and the security and other rights and powers created under and pursuant hereto and that the whole remaining terms of the Deed of Charge shall, except in so far as inconsistent herewith apply *mutatis mutandis* hereto provided always that this deed shall be without prejudice to the Deed of Charge and all of the rights, powers, obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed
- 6 This deed shall be governed by and construed in accordance with the laws of Scotland

In witness whereof these presents typewritten on this and the two preceding pages are executed for and on behalf of the Issuer as follows

Subscribed for and on behalf of the said
Residential Mortgage Securities 28 PLC

by

per pro SFM Directors Limited
as Director

per pro SFM Directors (No 2) Limited
as Director

Witness

Name

Address

This is the schedule referred to in the foregoing Assignment in Security by Residential Mortgage Securities 28 PLC in favour of Wells Fargo Trust Corporation Limited as trustee.

Part 1

Form of Intimation

To *[insert names and addresses of the relevant Legal Title-Holders]*

WE, RESIDENTIAL MORTGAGE SECURITIES 28 PLC (registered number 09386653), a private limited company incorporated under the laws of England and Wales and having its registered office at 35 Great St Helen's, London EC3A 6AP (the "**Issuer**") refer to the assignment in security dated the date hereof (a certified copy of which is annexed hereto) granted by us, the Issuer, in favour of **WELLS FARGO TRUST CORPORATION LIMITED** (registration number 4409492), a limited liability company incorporated under the laws of England and Wales having its registered office at One Plantation Place, 30 Fenchurch Street, London EC3M 3BD as trustee (the "**Security Trustee**") (the "**Supplemental Deed of Charge**") Unless the context otherwise requires or unless otherwise defined herein, terms defined in this intimation shall have the same meaning as in the Supplemental Deed of Charge

We, hereby (on behalf of ourselves and the Security Trustee) intimate and give notice to you in your capacity as trustee under the relevant Scottish Declaration of Trust granted by you in our favour dated [●] that pursuant to the Supplemental Deed of Charge we have assigned to the Security Trustee our whole right, title and interest, present and future, in and to the Scottish Trust Property as defined in the aforementioned Scottish Declaration of Trust

Please acknowledge receipt of this intimation and your acceptance of its contents by signing the attached duplicate acknowledgement and returning a copy to us at 35 Great St Helen's, London EC3A 6AP (Email directors-uk@sfmeurope.com) (Attention The Directors)

This intimation shall be deemed to be delivered and the assignment of the Scottish Trust Property referred to above intimated to the addressee noted above on receipt by the addressee of this intimation or a copy hereof (whether by e mail, fax or otherwise), whether or not acknowledged hereon or thereon and whether or not the principal intimation is also itself physically delivered

Date [●]

for and on behalf of Residential Mortgage Securities 28 PLC

Part 2

Form of Acknowledgement

[to be attached to intimation]

To Residential Mortgage Securities 28 plc
35 Great St Helen's
London EC3A 6AP
(the "**Issuer**")
(Email directors-uk@sfmeurope.com) (Attention The Directors)

We acknowledge receipt of a form of intimation dated the date hereof (the "**Intimation**") and addressed to us by the Issuer in relation to the assignation by the Issuer of the Scottish Trust Property pursuant to the Supplemental Deed of Charge as referred to in the Intimation

By our execution hereof, we each consent to and acknowledge such notice and intimation and confirm that save under or pursuant to the Transaction Documents as at the date hereof we have not received notification of any other dealing with the relevant Scottish Trust Property or any part thereof or the relevant Scottish Declaration of Trust

Unless the context otherwise requires or unless otherwise defined herein, terms defined in this acknowledgment shall have the same meaning as in the Intimation

This acknowledgement shall be deemed to be delivered to the addressees noted above on receipt by the addressee of this acknowledgement or a copy hereof (whether by e mail, fax or otherwise), whether or not acknowledged hereon or thereon and whether or not the principal acknowledgement is also itself physically delivered

Date [●]

for and on behalf of [*insert name of Legal Title Holder*]

[

for and on behalf of [*insert name of Legal Title Holder*]]

Schedule 4

Form of Accession Undertaking

To The Security Trustee, for itself and each of the other parties to the Deed of Charge referred to below

This Undertaking is made the [●] day of [●] 20[●] by [new Secured Creditor] (the “**Acceding Secured Creditor**”) in relation to the Deed of Charge and Assignment (the “**Deed of Charge**”) dated [●] between Residential Mortgage Securities 28 PLC as Issuer and Wells Fargo Trust Corporation Limited as Security Trustee. Terms defined in the Deed of Charge shall bear the same meanings herein.

In consideration of the Acceding Secured Creditor being accepted as a Secured Creditor for the purposes of the Deed of Charge by the parties thereto as from such date, the Acceding Secured Creditor hereby confirms that, as from [date], it intends to be party to the Deed of Charge as a Secured Creditor, undertakes to perform all the obligations expressed therein to be assumed by Secured Creditors and agrees that it shall be bound by all the provisions of the Deed of Charge, as if it had been an original party thereto.

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

In witness whereof, this Undertaking has been executed as a deed by the Acceding Secured Creditor
the day and year first before written

Executed by

acting by

Address for Notices

For attention of

Countersigned by the Security Trustee
for and on behalf of
Wells Fargo Trust Corporation Limited

Date

Dated 20 March 2015

Master Definitions Schedule

relating to the issue of Notes
Initialled for the purposes of identification

by

Berwin Leighton Paisner LLP

White & Case LLP

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1. Definitions

“£”, “Pounds”, “pounds sterling” and “sterling” are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland,

“€” or “Euro” are references to the lawful currency of the member states of the European Union participating in Economic and Monetary Union as contemplated by the Treaty,

“1970 Act” means the Conveyancing and Feudal Reform (Scotland) Act 1970,

“1999 Regulations” means the Unfair Terms in Consumer Contracts Regulations 1999 as amended,

“2001 Act” means the Mortgage Rights (Scotland) Act 2001,

“2010 Act” means the Home Owner and Debtor Protection (Scotland) Act 2010,

“2010 PD Amending Directive” means Directive 2010/73/EU,

“A Noteholders” means the persons who are for the time being holders of the A Notes,

“A Notes” means the £370,500,000 Class A mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references in the Transaction Documents to an “A Note” shall be a reference to such A Note whether in global or definitive form,

“A Permanent Global Note” means the permanent Global Note which will represent the A Notes, or some of them, after exchange of the A Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“A Principal Deficiency” means a deficiency of principal amounts to make payment on the A Notes,

“A Principal Deficiency Ledger” means the sub-ledger of such name created for the purpose of recording the A Principal Deficiency, and maintained by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger,

“A Temporary Global Note” means the temporary Global Note representing the A Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“Acceding Secured Creditor” has the meaning given to it in Schedule 4 (*Form of Accession Undertaking*) to the Deed of Charge,

“Account Bank” means Wells Fargo Bank N A , London Branch (or such other replacement bank or financial institution as may be appointed from time to time in accordance with the Transaction Documents) in its capacity as provider of the Bank Accounts,

“Accrued Interest” means any accrued interest on the Loans accruing prior to the Issue Date,

“Acenden” means Acenden Limited,

“Administration Agreements” means each of the Mortgage Administration Agreement, the Cash/Bond Administration Agreement and the Special Servicer Agreement or any of them as the context may require, and “Administration Agreement” shall be construed accordingly,

“Administrators” means each of the Mortgage Administrator, the Cash/Bond Administrator and the Special Servicer or any of them as the context may require and **“Administrator”** shall be construed accordingly,

“Affiliate” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company,

“Agent Bank” means Société Générale Bank & Trust or any successor thereto,

“Agents” means the Paying Agents and the Agent Bank or any of them,

“agreed draft” means, in relation to any document, the draft of the document which has been agreed between the parties hereto and initialled on their behalf for the purpose of identification subject to any amendments agreed between the parties,

“AIFMD” means EU Directive 2011/61/EU on Alternative Investment Fund Managers,

“AIFMD Level 2 Regulation” means Commission Delegated Regulation (EU) No 231/2013 relating to the AIFMD,

“Amended and Restated Mortgage Administration Agreement” has the meaning given to it in the Standby Mortgage Administration Agreement,

“Appointee” has the meaning given to it in the Trust Deed,

“Arranger” means Morgan Stanley & Co International Plc,

“Arrears” means in relation to a Loan, such amount of a payment or repayment by which the related Borrower is in arrears up to but excluding the date on which that Loan is sold to the Issuer,

“Assets” has the meaning given to it in the Deed of Charge,

“Assigned Rights” means, in relation to a Loan, all right, title, interest, benefit and obligations of the Issuer in and to the relevant Loan and any English Charge relating to such Loan and any Mortgage Rights or security, which were sold by Kayl as Seller to the Issuer pursuant to the Kayl/Issuer Mortgage Sale Agreement,

“Assignment of Guarantees” means any assignment of Guarantees to be executed in relation to the Mortgage Pool pursuant to the Kayl/Issuer Mortgage Sale Agreement,

“Assignment of Policies” means any assignment of the Insurance Contracts to be executed in relation to the Mortgage Pool pursuant to the Kayl/Issuer Mortgage Sale Agreement,

“Auditors” means Ernst & Young LLP, the auditors for the time being of the Issuer or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Trust Deed, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Issuer,

“Authorised Denomination” means, in respect of each of the Notes, a minimum denomination of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000,

“Authorised Institution” means an institution authorised to take deposits under the FSMA,

“Authorised Investments” means investments of the funds standing to the credit of the Investment Account, where

- (a) the rate of interest earned on such investments is likely to exceed the rate of interest paid on the Investment Account,

- (b) the investments have a maturity date of 60 days or less and mature on or before 2 Business Days prior to the Interest Payment Date immediately succeeding the date on which the investments are made;
- (c) the investments are sterling gilt-edged securities or sterling demand or time deposits, certificates of deposit or short-term debt obligations (including commercial paper), and
- (d) (i) the entity to which the investments are made with is an authorised person under the FSMA and the rating of the short-term unsecured, unguaranteed and unsubordinated debt obligations of such entity is at least A-1 by S&P, or (ii) in the case of deposits, the long term unsecured and unsubordinated debt obligations of the depositary institution are rated at least A (long term) by Moody's, or otherwise the relevant investments have a short term rating of at least P-1 by Moody's or a long term rating of at least A3 by Moody's,

“Authorised Signatory” means, in relation to a party, any director or any other party or any person legally entitled to sign on behalf of that party,

“Available Principal Funds” means an amount calculated by the Cash/Bond Administrator on a Determination Date, being the aggregate of the following amounts

- (a) the Principal Collections received for the preceding Determination Period,
- (b) the proceeds of any Authorised Investments attributable to Principal Collections for the Determination Period immediately preceding the relevant Determination Date,
- (c) the amount (if any) calculated on that Determination Date pursuant to the Pre-Enforcement Revenue Priority of Payments to be the amount by which the debit balance on any of the Principal Deficiency Ledgers is expected to be reduced by the application of the Available Revenue Funds on the immediately succeeding Interest Payment Date,
- (d) on the Determination Date immediately following the redemption in full of the Class E Notes, amounts standing to the credit of the Reserve Fund Ledger,

less any amounts of Available Principal Funds which are to constitute item (f) of Available Revenue Funds and any amounts which are requested by the Borrowers for Borrow-Backs and which the Legal Title-Holder is obliged to pay

The amount of £388,034 90, which is the amount by which the total issuance of the Rated Notes and the F Notes exceeds the consideration payable by the Issuer in respect of the sale of the Loans and Collateral Security, will be made part of the Available Principal Funds on the first Interest Payment Date,

“Available Revenue Funds” means an amount calculated by the Cash/Bond Administrator on a Determination Date, being the aggregate of the following amounts

- (a) interest earned pursuant to the Investment Account Agreement and the GIC Agreement for the Determination Period immediately preceding the Determination Date and interest received on the Transaction Account for the Determination Period immediately preceding the relevant Determination Date,
- (b) the proceeds of any Authorised Investments attributable to Revenue Collections for the Determination Period immediately preceding the relevant Determination Date,
- (c) the Revenue Collections received for the Determination Period immediately preceding the relevant Determination Date,

- (d) any amount standing to the credit of the Non-Liquidity Reserve Fund Ledger if and to the extent required to make payment of certain amounts in the Pre-Enforcement Revenue Priority of Payments to the extent there will be a Shortfall on the immediately following Interest Payment Date after application of all other Available Revenue Funds (excluding paragraphs (e) and (f) below) in respect thereof,
- (e) for so long as there are any Class A Notes outstanding, any amount standing to the credit of the Liquidity Reserve Fund Ledger if and to the extent required to make payment of certain amounts in the Pre-Enforcement Revenue Priority of Payments to the extent there will be a Revenue Shortfall on the immediately following Interest Payment Date after application of all other Available Revenue Funds (including paragraph (d) above but excluding paragraph (f) below,
- (f) such amounts of Available Principal Funds on the relevant Determination Date if and to the extent required to make payment of certain amounts in the Pre-Enforcement Revenue Priority of Payments to the extent there will be (i) a Revenue Shortfall and (ii), provided the relevant PDL Condition is met, a shortfall in respect of interest on the B Notes, the C Notes, the D Notes and the E Notes, in each case on the immediately following Interest Payment Date after application of all other Available Revenue Funds (including paragraphs (d) and (e) above), and
- (g) any amounts credited to the Revenue Ledger from the Shortfall Ledger,

“**BBR**” means the Bank of England base rate of interest,

“**B Noteholders**” means the persons who are for the time being holders of the B Notes,

“**B Notes**” means the £54,600,000 Class B mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references in the Transaction Documents to a “**B Note**” shall be a reference to such B Note whether in global or definitive form,

“**B Permanent Global Note**” means the permanent Global Note which will represent the B Notes, or some of them, after exchange of the B Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“**B Principal Deficiency**” means a deficiency of principal amounts to make payment on the B Notes,

“**B Principal Deficiency Ledger**” means the sub-ledger of such name created for the purpose of recording the Principal Deficiency on the B Notes and maintained by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger,

“**B Residual Amount**” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

“**B Temporary Global Note**” means the temporary Global Note representing the B Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“**Balance**” means in relation to any Loan and on any date, the principal amount outstanding as at that date plus any other disbursement, legal expense, fee, charge or premium capitalised and added to the amounts secured by the relevant Mortgage in accordance with the conditions of the Loan on or prior to such date (including, for the avoidance of doubt, capitalised interest) less any repayments of such amounts,

“Bank Accounts” means the Transaction Account, the GIC Account and the Investment Account (or any replacement accounts for such accounts) and references to Bank Accounts shall include any or all of them as the context requires,

“Bank Agreement” means the agreement so named dated on or about the Issue Date between, *inter alios*, the Issuer and the Account Bank,

“Bank Base Rate Mortgage” means a Loan under the terms of which the interest rate tracks the Bank of England base rate,

“Banking Act” means the Banking Act 2009,

“Basic Terms Modification” means any modification to

- (a) the maturity of the Notes or the dates on which interest is payable in respect of the Notes,
- (b) any reduction of the amount due in respect of or cancellation of the principal amount of, or interest on or variation of the method of calculating the rate of interest on, the Notes,
- (c) the priority of payment of interest or principal on the Notes,
- (d) the currency of payment of the Notes or the Coupons,
- (e) the definition of Basic Terms Modification, or
- (f) the provisions concerning the quorum required at any meeting of Noteholders or the majority required to effect a Basic Terms Modification or to pass an Extraordinary Resolution,

“Basis Point Fee” has the meaning given to it in Clause 11 (*Remuneration*) of the Mortgage Administration Agreement,

“Bid” has the meaning given to it in the Deed of Charge,

“Block Buildings Policy” means the insurance policy over a group of Properties covering all fire and other commercial risks for an amount not less than the full reinstatement value of the Properties,

“Book-Entry Interests” means the beneficial interests in the Global Notes recorded by Euroclear and Clearstream, Luxembourg,

“BO” means a bankruptcy order or its Scottish equivalent,

“Borrow-Back” means a re-draw under a Flexible Loan where the relevant Borrower may, subject to certain limitations, be entitled to request a repayment from the lender of amounts representing overpayment on its Loan,

“Borrower” means, in relation to each Loan, the borrower or borrowers specified in such Loan,

“BPMF” means Battersea Park Mortgage Funding Limited, a company registered in England and Wales with company number 03530410,

“Breach of Warranty Repurchase Event” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Buildings Policies” means the buildings insurances over the Properties (including, where relevant, the Block Buildings Policy) or any of them,

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments in London,

“**Buy-to-Let Loan**” means a Loan which is intended for a Borrower who wishes to use the Loan as a means to purchase residential property for the purpose of letting to third parties,

“**C Noteholders**” means the persons who are for the time being holders of the C Notes,

“**C Notes**” means the £38,000,000 Class C mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references in the Transaction Documents to a “**C Note**” shall be a reference to such C Note whether in global or definitive form,

“**C Permanent Global Note**” means the permanent Global Note which will represent the C Notes, or some of them, after exchange of the C Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“**C Principal Deficiency**” means a deficiency of principal amounts to make payment on the C Notes,

“**C Principal Deficiency Ledger**” means the sub ledger of such name created for the purpose of recording the Principal Deficiency on the C Notes and maintained by the Cash/Bond Administrator as a sub ledger of the Principal Deficiency Ledger,

“**C Residual Amount**” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

“**C Temporary Global Note**” means the temporary Global Note representing the C Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“**Call Option Date**” means any Interest Payment Date falling on or after June 2020 in respect of an optional redemption of the Senior Notes exercisable by the Issuer in whole (but not in part),

“**Capital Requirements Directive**” or “**CRD**” means EU Directive 2006/48/EC (as amended),

“**Cash/Bond Administration Agreement**” means the agreement so named dated on or about the Issue Date between, *inter alios*, the Issuer and the Cash/Bond Administrator,

“**Cash/Bond Administration Delegation Agreement**” means the agreement so named dated on or about the Issue Date between the Cash/Bond Administrator and Wells Fargo,

“**Cash/Bond Administrator**” means KMC or any successor thereto,

“**CCA**” means the Consumer Credit Act 1974, as amended,

“**CCJ**” means a county court judgment (or its Scottish equivalent) relating to a Borrower,

“**Central Bank**” means the Central Bank of Ireland,

“**Charged Obligation Documents**” means the documents set out at clause 1 4 (*Definitions*) of the Deed of Charge and Condition 2(b)(iii) (*Security*),

“**Charged Obligors**” means all parties to the Charged Obligation Documents (other than the Issuer) having obligations whether present, future, actual or contingent to the Issuer, pursuant to any such documents,

“Charges” means, collectively, the English Charges and the Scottish Charges;

“Charged Property” means the property, assets, rights and undertakings for the time being comprised in or subject to the security contained in or granted pursuant to the Deed of Charge and references to the Charged Property shall include references to any part of it,

“Class” means any class of Notes;

“Clearing Systems” means Clearstream, Luxembourg and Euroclear;

“Clearstream, Luxembourg” means Clearstream Banking, *société anonyme*,

“Collateral Security” means the Mortgages and any other collateral security relating to the Loans including, but not limited to, any rights under the Insurance Contracts,

“Collection Account Agreement” means the agreement so named dated on or about the Issue Date between, *inter alios*, the Issuer and the Collection Account Provider,

“Collection Account Provider” means Barclays Bank PLC (or such other replacement bank or financial institution as may be appointed from time to time in accordance with the Transaction Documents) in its capacity as provider of the Collection Accounts,

“Collection Account Provider Downgrade Event” means where the Collection Account Provider fails to maintain the Collection Account Rating Agency Required Ratings,

“Collection Account Rating Agency Required Rating” means

- (a) (i) in the case of S&P, a short term senior unsecured debt rating of at least A-2 and a long term rating of at least BBB or (where the short term unsecured debt rating by S&P is less than A-2 or there is no short term rating) a long term rating of at least BBB+ by S&P, (ii) in the case of Moody's, a long term unguaranteed unsecured and unsubordinated debt rating of at least Baa3, and
- (b) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class,

“Collection Accounts” means the following accounts in the name of Kensington Mortgage Company Limited at the Collection Account Provider

- (a) Sort Code 20-19-90, Account Number 53900185,
- (b) Sort Code: 20-19-90, Account Number 33898970,
- (c) Sort Code: 20-19-90, Account Number 23341585,
- (d) Sort Code: 20-19-90, Account Number 03429970,
- (e) Sort Code: 20-19-90, Account Number 13844374,
- (f) Sort Code: 20-19-90, Account Number 73465276, and
- (g) Sort Code: 20-19-90, Account Number 33677176

or (x) such replacement account(s) as may be established from time to time so long as these accounts are subject to a declaration of trust in favour of the Issuer, the relevant account-holding bank has the rating referred to in Clause 5 (*Change of Bank or Cash/Bond Administrator*) of the Collection Account Agreement and such account-holding bank enters into an agreement on substantially the same terms as the Collection Account Agreement), or

(y) such other replacement account(s) as may be established from time to time in accordance with the Transaction Documents,

“Collection Accounts Declaration of Trust” means each declaration of trust dated on or about the Issue Date created in favour of the Issuer in respect of KMC’s interest in the Collection Accounts,

“Collection Accounts Mandate” means the instructions, provisions and signature authorities relating to the Collection Accounts agreed between the Issuer and the Collection Account Provider as amended from time to time in accordance with its terms,

“Common Safekeeper” means the Clearing Systems or such other entity which the Issuer may elect from time to time to perform the safekeeping roles,

“Common Service Provider” or **“CSP”** means the common service provider for Euroclear and Clearstream, Luxembourg appointed in respect of the Notes,

“Completion” means in relation to the Completion Mortgage Pool, the sale and purchase thereof and implementation of the other matters provided for in clause 5.2 (*Completion*) of the Kayl/Issuer Mortgage Sale Agreement,

“Completion Mortgage Pool” means the loans selected in accordance with clause 4 (*Period to Completion*) of the Kayl/Issuer Mortgage Sale Agreement and to be sold and assigned to the Issuer pursuant to the Kayl/Issuer Mortgage Sale Agreement on the Issue Date and as set out in Annexure A to the Kayl/Issuer Mortgage Sale Agreement,

“Conditions” means the terms and conditions applicable to the Notes as set out in Schedule 3 (*Terms and Conditions of the Notes*) to the Trust Deed as may from time to time be modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of such Global Note and any reference to a particularly numbered Condition shall be construed accordingly,

“Contingency Policy” means a contingency insurance policy (used where the Borrower has allowed his or her insurance policy to lapse, and where the relevant Legal Title-Holder is not aware of that lapse),

“Corporate Services Agreement” means the agreement so named dated 3 March 2015 between, *inter alios*, the Issuer and the Corporate Services Provider,

“Corporate Services Provider” means Structured Finance Management Limited, a company incorporated in England and Wales with registered number 03853947 and having its registered office at 35 Great St Helen’s, London EC3A 6AP,

“Couponholder” means the bearer of a Coupon,

“Coupons” means the bearer coupons relating to the Notes or, as the context may require, a specific number of them and includes any replacement Coupons issued pursuant to the Conditions,

“Covenantor” has the meaning given to it in the Deed of Charge,

“CPR” means the constant per annum rate of prepayment,

“CRA Regulation” means Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies,

“CRD” means EU Directive 2006/48/EC (as amended),

“CRD IV” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013,

“Cut-Off Date” means 28 February 2015;

“Cut-Off Time” has the meaning given to it in the Bank Agreement,

“D Noteholders” means the persons who are for the time being holders of the D Notes,

“D Notes” means the £14,000,000 Class D mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references in the Transaction Documents to a **“D Note”** shall be a reference to such D Note whether in global or definitive form,

“D Permanent Global Note” means the permanent Global Note which will represent the D Notes, or some of them, after exchange of the D Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“D Principal Deficiency” means a deficiency of principal amounts to make payment on the D Notes,

“D Principal Deficiency Ledger” means the sub-ledger of such name created for the purpose of recording the Principal Deficiency on the D Notes and maintained by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger,

“D Residual Amount” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

“D Temporary Global Note” means the temporary Global Note representing the D Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“Deed of Charge” means the deed so named dated on or about the Issue Date between, *inter alios*, the Issuer and the Security Trustee,

“Determination Date” means the date which falls two Business Days prior to an Interest Payment Date or, if such day is not a Business Day, the immediately preceding Business Day,

“Determination Period” means the period ending on the fourth Business Day of the calendar month in which a Determination Date falls and starting on the calendar day immediately following the fourth Business Day of the calendar month in which the immediately preceding Determination Date falls, save in respect of the first Determination Period which shall start on the Issue Date,

“Direct Debiting Scheme” means the scheme for the manual and automated debiting of bank accounts opened in accordance with the detailed rules of certain members of the Association for Payments Clearing Services,

“DPA” means the Data Protection Act 1998,

“E Noteholders” means the persons who are for the time being holders of the E Notes,

“E Notes” means the £15,200,000 Class E mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references to an **“E Note”** shall be a reference to such E Note whether in global or definitive form,

“E Permanent Global Note” means the permanent Global Note which will represent the E Notes, or some of them, after exchange of the E Temporary Global Note, which will be

substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“E Principal Deficiency” means a deficiency of principal amounts to make payment on the E Notes,

“E Principal Deficiency Ledger” means the sub-ledger of such name created for the purpose of recording the Principal Deficiency on the E Notes and maintained by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger,

“E Residual Amount” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

“E Temporary Global Note” means the temporary Global Note representing the E Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“EMIR” means European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation,

“EMIR Amendment” has the meaning given to it in the Trust Deed,

“EMU” means European Economic and Monetary Union,

“Enforcement Date” means the date specified as such in an Enforcement Notice,

“Enforcement Liabilities” means the entirety of amounts owed by a Borrower under a Loan,

“Enforcement Notice” means a notice given by the Trustee to the Issuer under Condition 9 (*Events of Default*) of the Notes,

“Enforcement Procedures” means the exercise of the rights and remedies against a Borrower, or in relation to the security for the Borrower’s obligations arising from any default by the Borrower under or in connection with such Borrower’s Loan or related security, in accordance with the procedures established by the relevant Legal Title-Holder and adopted by the Mortgage Administrator or Special Servicer, as varied from time to time in accordance with the procedures that could reasonably be expected of a Prudent Mortgage Lender as dictated by the Special Servicer and **“completion of the Enforcement Procedures”** shall be deemed to have occurred in respect of a particular Loan and its related security when the Mortgage Administrator has been notified by the Special Servicer that, having regard to the circumstances of the relevant Borrower and the then applicable Enforcement Procedures, the prospect of any further recovery of amounts due by that Borrower is remote or such further recovery is uneconomic,

“Enforcement Proceeds” means the proceeds arising from any enforcement proceedings upon a Borrower’s default, including any sale proceeds,

“Enforcement Receipts” means amounts received by the Issuer from time to time in respect of compensation payments made by Borrowers if a Loan is enforced within three years of its origination,

“English Charge” means the legal or equitable charges (if any) granted (whether by way of assignment or deposit) by the Borrowers in respect of Life Policies by way of collateral security for the payment of the monies secured by the English Mortgages,

“English Loan” means a Loan secured by an English Mortgage,

“English Mortgage” means the first ranking legal mortgage or charge of Property located in England or Wales which is security for a Loan,

“English Property” means a freehold or long leasehold residential property situated in England or Wales,

“English Security” means security created in favour of the Trustee by, and contained in or granted pursuant to the Deed of Charge;

“EU Insolvency Regulation” means Council Regulation (EC) No 1346/2000 of 29 May 2000,

“Euro Exchange Date” has the meaning given to that term in Condition 16(b) (*Redenomination*),

“Euro Exchange Notice” has the meaning given to that term in Condition 16(b) (*Redenomination*),

“Euroclear” means Euroclear Bank SA/NV or its successor;

“Eurosystem” means the European System of Central Banks as the term is used by the Governing Council of the European Central Bank,

“Eurozone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam,

“Event of Default” has the meaning given to it in Condition 9 (*Events of Default*),

“Excess Spread” means any Available Revenue in excess of senior costs and interest due on the Rated Notes,

“Exchange Date” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the cities in which the relevant Clearing System is located;

“Exchange Event” has the meaning given to it in the Trust Deed,

“Extraordinary Resolution” means

- (a) a resolution passed at a duly convened meeting of the Noteholders or the Noteholders of such Class and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 75 per cent of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 75 per cent of the votes cast on such poll, or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent of the Principal Amount Outstanding of the relevant Class or Classes of Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders,

and (in the circumstances set out in Condition 11 (*Meetings of Noteholders, Modifications, Consents, Waiver*)) an Extraordinary Resolution (other than in respect of a Basic Terms Modification) will pass unless 10 per cent or more in aggregate Principal Amount Outstanding of the Notes of such Class have informed the Trustee in the prescribed manner of their objection to such Extraordinary Resolution within 40 days after the date on which a notice containing the text of such Extraordinary Resolution which acts as an invitation to Noteholders of such Class to object to the same and details the manner in which such

objections should be made has been given to such class in accordance with the provisions of Condition 14 (*Notice to Noteholders*) by the Issuer, the Trustee or the Cash/Bond Administrator, and for so long as the Notes are listed in the Irish Stock Exchange, by making it available to any Regulatory Information Service maintained by the Irish Stock Exchange,

“F Noteholders” means the persons who are for the time being holders of the F Notes,

“F Notes” means the F1 Notes, the F2 Notes and the F3 Notes and, unless expressly stated to the contrary, all references to an **“F Note”** shall be a reference to such F Note whether in global or definitive form,

“F1 Noteholders” means the persons who are for the time being holders of the F1 Notes,

“F1 Notes” means the £5,100,000 Class F1 mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references to an **“F1 Note”** shall be a reference to such F1 Note whether in global or definitive form,

“F1 Permanent Global Note” means the permanent Global Note which will represent the F1 Notes, or some of them, after exchange of the F1 Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“F1 Principal Deficiency” means a deficiency of principal amounts to make payment on the F1 Notes,

“F1 Principal Deficiency Ledger” means the sub ledger of such name created for the purpose of recording the F1 Principal Deficiency, and maintained by the Cash/Bond Administrator as a sub ledger of the Principal Deficiency Ledger,

“F1 Residual Amount” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

“F1 Temporary Global Note” means the temporary Global Note representing the F1 Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“F2 Noteholders” means the persons who are for the time being holders of the F2 Notes,

“F2 Notes” means the £5,100,000 Class F2 mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references to an **“F2 Note”** shall be a reference to such F2 Note whether in global or definitive form

“F2 Permanent Global Note” means the permanent Global Note which will represent the F2 Notes, or some of them, after exchange of the F2 Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“F2 Principal Deficiency” means a deficiency of principal amounts to make payment on the F2 Notes,

“F2 Principal Deficiency Ledger” means the sub ledger of such name created for the purpose of recording the F2 Principal Deficiency, and maintained by the Cash/Bond Administrator as a sub ledger of the Principal Deficiency Ledger,

“F2 Residual Amount” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

"F2 Temporary Global Note" means the temporary Global Note representing the F2 Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

"F3 Noteholders" means the persons who are for the time being holders of the F3 Notes,

"F3 Notes" means the £5,100,000 Class F3 mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references to an **"F3 Note"** shall be a reference to such F3 Note whether in global or definitive form,

"F3 Permanent Global Note" means the permanent Global Note which will represent the F3 Notes, or some of them, after exchange of the F3 Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

"F3 Principal Deficiency" means a deficiency of principal amounts to make payment on the F3 Notes,

"F3 Principal Deficiency Ledger" means the sub ledger of such name created for the purpose of recording the F3 Principal Deficiency, and maintained by the Cash/Bond Administrator as a sub ledger of the Principal Deficiency Ledger,

"F3 Residual Amount" has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

"F3 Temporary Global Note" means the temporary Global Note representing the F3 Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

"FATCA" means U S Foreign Account Tax Compliance,

"FCA" means the Financial Conduct Authority or any successor authority or authorities fulfilling the regulatory role currently occupied by the FCA,

"FCA Undertaking" means the undertaking given to the FCA by KMC in January 2014 in which it agreed not to rely on a number of terms in the Money Partners Limited Mortgage Conditions Booklet 2004 England and Wales for which KMC is the lender of record,

"Final Discharge Date" means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Amounts and/or all other moneys and other liabilities due or owing by the Issuer have been paid or discharged in full,

"Final Maturity Date" means for all Notes save the X2 Notes, the Interest Payment Date falling in June 2046,

"Final RTS" means Commission Delegated Regulation (EU) No. 625/2014 supplementing the CRR,

"Financial Services Authority" or **"FSA"** means the Financial Services Authority or any successor authority or authorities fulfilling the regulatory role currently occupied by the FSA,

"First Mortgage Loan" means a Loan secured by a first ranking legal mortgage (or in Scotland a first ranking standard security) over a relevant Property,

"Fixed Interest Payment" has the meaning given to it in Condition 4(d) (*Fixed Rate of Interest*),

"Fixed Rate Notes" means the X1 Notes,

“Fixed Rate of Interest” has the meaning given to it in Condition 4(d) (*Fixed Rate of Interest*),

“Flexible Loan” means a Loan under which a Borrower may utilise a Borrow-Back or a Payment Holiday,

“Floating Rate Notes” means the A Notes, B Notes, C Notes, D Notes, E Notes, F1 Notes, F2 Notes, F3 Notes and Z Notes,

“Floating Rate of Interest” means the rate of interest as determined by the Agent Bank in accordance with Condition 4(c) (*Floating Rate of Interest*),

“Floor Level” means, in respect of a KVR Standard Mortgage Rate, 3 month Sterling LIBOR as set on the relevant Rate Setting Date plus 2 50%, and in respect of an MVR Standard Mortgage Rate, 3 month Sterling LIBOR as set on the relevant Rate Setting Date plus 1 50%,

“FPMF” means Finsbury Park Mortgage Funding Limited, a company registered in England and Wales with company number 03437350,

“FSA” means the Financial Services Authority or any successor authority or authorities fulfilling the regulatory role currently occupied by the FSA (which term, when used in relation to a date on or after 1 April 2013, shall be deemed to refer to the FCA and/or PRA (as applicable)),

“FSMA” means the Financial Services and Markets Act 2000,

“FSMA Regulated Loan” means a loan as defined by Article 61(3) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001,

“FSMA Regulated Loan Agreements” means a FSMA Regulated Loan and the agreement documenting such a loan,

“Further Advance Loan” means a Loan where KMC or any relevant affiliate in its capacity as legal title holder and lender of record decides to make a further advance to the Borrower,

“GIC Account” means the sterling-denominated account in the name of the Issuer held with the Investment Account Provider, account number 88002234, or such other replacement account as may be established from time to time in accordance with the Transaction Documents,

“GIC Account Balance” means the amounts standing at any time to the credit of the GIC Account,

“GIC Agreement” means the agreement entered into between the Issuer and the GIC Provider in relation to the GIC Account,

“GIC Interest Rate” means LIBOR minus 50 basis points, subject to a floor of zero per cent, compounding on a daily basis,

“GIC Provider” means Wells Fargo Bank N A, London Branch (or such other replacement bank or financial institution as may be appointed from time to time in accordance with the Transaction Documents),

“Global Note” means each of the Temporary Global Notes and the Permanent Global Notes,

“Group” means KMC and certain other subsidiaries thereof,

“Guarantee” means each guarantee given in support of the obligations of a Borrower under a Loan,

“Guarantor” means Kensington Group Limited or any successor thereto,

“Holding Company” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary,

“HML” means Homeloan Management Limited, a company registered in England and Wales with company number 2214839,

“HPMF” means Hyde Park Mortgage Funding Limited, a company registered in England and Wales with company number 03007536,

“ICOB” means the Insurance Conduct of Business Source book set out in the FSA Handbook,

“ICSD” means any or each of Euroclear and Clearstream, Luxembourg,

“Independent Director” means a duly appointed member of the board of directors of the Issuer who should not have been, at the time of such appointment, or at any time in the preceding five years, (i) a direct or indirect legal or beneficial owner in the Seller or any of its Affiliates (excluding *de minimis* ownership interests), (ii) a creditor, supplier, employee, officer, director, family member, manager, or contractor of the Seller or its Affiliates, or (iii) a person who controls (whether directly, indirectly, or otherwise) the Seller or its Affiliates or any creditor, supplier, employee, officer, director, manager, or contractor of the Seller or its Affiliates,

“Ineligible Loan” means any Loan which the Seller is obliged to repurchase from the Issuer pursuant to clause 8 (*Substitute Loans, Cash Repayment and Borrow-Backs*) of the Kayl/Issuer Mortgage Sale Agreement,

“Initiating Noteholder” has the meaning given to such term in Condition 14(d) (Noteholder Notices),

“Initial Available Revenue” means, on each Determination Date, the amount standing to the credit of the Revenue Ledger as at the end of the preceding Determination Period,

“Initial Sale Date” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Insolvency Act” means the Insolvency Act 1986,

“Instalment” means the monthly instalment payable by a Borrower on his Loan including interest, repayment of principal, if any, Buildings Policy premia and any other amounts payable by the relevant Borrower pursuant to the relevant Loan,

“Insurance Commissions” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Insurance Contracts” means the insurance contracts referred to in Schedule 6 (*Insurance Contracts*) of the Kayl/Issuer Mortgage Sale Agreement, including the right to receive the proceeds of any claims, in so far as they relate to the Loans and any other insurance contracts in replacement, addition or substitution therefor from time to time and which relate to the Loans including any Contingency Policies and LIOs,

“Insurances” means the insurances effected and maintained by the Mortgage Administrator to provide adequate and effective cover, *inter alia*, for the Insured Risks,

“Insured Risks” means

(a) the cost of the reinstatement of the Property Deeds,

- (b) the costs of reinstatement of the Mortgage Administrator's own premises, equipment, records, documents, files, papers, accounts and computer software,
- (c) operating risks including but not limited to public liability, directors' and officers' liability, employees' fidelity and business interruption, and
- (d) professional negligence,

"Intellectual Property" means all copyrights, patents, design rights, service marks, trade marks and trading names and all other rights which may subsist in the Mortgage Administrator's products, processes, software information and business systems,

"Interest Amount" has the meaning given to such term in Condition 4(f) (*Determination of Floating Rates of Interest and Calculation of Interest Amount*),

"Interest Determination Date" means, in the case of the first Interest Period, the Issue Date, and, for each subsequent Interest Period, the first day of an Interest Period,

"Interest Determination Ratio" has the meaning given to it in Condition 4(l) (*Determinations and Reconciliation*),

"Interest Only Loan" means a Loan under the terms of which the principal amount is not repayable before maturity and may require an endowment policy to be charged by way of collateral security or may require the deposit (but not by way of security) of a pension policy or may have no collateral as security other than the relevant Property,

"Interest Payment Date" means the 15th day in March, June, September and December in each year unless such day is not a Business Day, in which case interest shall be payable on the following Business Day,

"Interest Period" means the period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date, provided that the first Interest Period shall be the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date,

"Interest Shortfall" means, on each Determination Date, the amount by which the Initial Available Revenue for the immediately following Interest Payment Date is insufficient to provide for payment of interest on the B Notes, C Notes, D Notes, E Notes, F Notes, Z Notes or X1 Notes,

"Investment Account" means the account in the name of the Issuer at the Investment Account Provider, account number 88002238, or such other replacement account as may be established from time to time in accordance with the Transaction Documents,

"Investment Account Agreement" means the agreement so named dated on or about the Issue Date between the Issuer and the Investment Account Provider,

"Investment Account Balance" means, on any day during an Interest Period, the amount standing to the credit of the Investment Account as at close of business on such day (or if such day is not a Business Day, at close of business on the Business Day immediately preceding such day),

"Investment Account Provider" means Wells Fargo Bank N A , London Branch,

"Investment Account Rate" means in respect of an Interest Period, such rate as may be agreed from time to time between the Investment Account Provider and the Cash/Bond Administrator as agent for the Issuer,

“Invocation Event” means when the Standby Mortgage Administrator receives written notification from the Special Servicer of the termination of the Mortgage Administrator’s appointment under the Mortgage Administration Agreement,

“ISE” or “Irish Stock Exchange” means the Irish Stock Exchange Limited,

“Issue Date” means 20 March 2015,

“Issuer” means Residential Mortgage Securities 28 PLC whose registered number is 09386653 and whose registered office is at 35 Great St Helen’s, London EC3A 6AP,

“Issuer Costs and Expenses” means the costs and expenses arising in respect of the purchase of Loans and the issuance of the Notes, including without limitation fees payable to the Joint Lead Managers under the Note Purchase Agreement,

“Issuer/ICSD Agreement” means the agreement so named dated on or before the date hereof between the Issuer and each of Euroclear and Clearstream, Luxembourg,

“Issuer Payment Amount” means an amount calculated, in respect of the relevant Interest Period, as being the shortfall in interest received in respect of any Loans with a KVR Standard Mortgage Rate or MVR Standard Mortgage Rate lower than the applicable Floor Level that are no more than three months in arrears for the relevant Interest Period on the basis of the interest rates set by the Special Servicer as compared to the amounts which would have been received had the rates been set at the relevant Floor Level and on the basis that the same proportion of interest due at such Floor Level would be received in respect of the relevant Loans as was actually received,

“Issuer Turn” means retained profit of the Issuer in an amount of up to £1,500 per Interest Period for retention by the Issuer and to be recognised in the accounts of the Issuer as profit for the relevant accounting year and applied in satisfaction of the Issuer’s obligations in respect of United Kingdom corporation tax and the payment of a distribution (if any) to Parent,

“Issuer Turn Ledger” means a ledger established in the Investment Account to record the retained revenue paid to the Issuer in accordance with the Cash/Bond Administration Agreement,

“IVA” means an individual voluntary arrangement (or its Scottish equivalent),

“Joint Lead Managers” means each of Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited and Morgan Stanley & Co International Plc,

“Joint Lead Managers Related Person” means any related entities, associates, officers or employees of the Joint Lead Managers,

“Kayl” means Kayl PL S à r l (a direct wholly-owned subsidiary of Kayl Holdco),

“Kayl Holdco” means Kayl Holdco S à r l (the parent company of the Seller),

“Kayl/Issuer Mortgage Sale Agreement” means the mortgage sale agreement dated on or about the Issue Date between the Issuer, the Legal Title Holders, Kayl and the Trustee,

“Kensington Variable Rate” means the variable rate set by KMC from time to time,

“KG” means Kensington Group Limited,

“KMC” means Kensington Mortgage Company Limited, a company registered in England and Wales with company number 3049877,

“KVR Loading” means the element of the margin applicable to KVR Standard Mortgages which is determined in the discretion of the lender in accordance with and subject to the Mortgage Conditions,

“KVR Standard Mortgage” means a Loan under the terms of which interest is payable at the Kensington variable rate of interest (“KVR” or “**KVR Standard Mortgage Rate**”) set by KMC which is set quarterly at three month LIBOR plus a margin,

“Land Registry” means HM Land Registry,

“Ledgers” means the Reserve Ledger, the Liquidity Reserve Fund Ledger, the Issuer Turn Ledger, the Shortfall Ledger, the Principal Deficiency Ledger, the Principal Ledger and the Revenue Ledger,

“Legal Title-Holder” means KMC and certain other affiliates of KMC which hold the legal title to Loans,

“Legal Title-Holder Power of Attorney” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Lending Criteria” means the lending criteria as set out in Schedule 7 (*Lending Criteria*) of the Kayl/Issuer Mortgage Sale Agreement as may from time to time be applicable generally to loans and further advances made by the relevant Legal Title Holder,

“LIBOR” means the London interbank offer rate as set out in Condition 4 (*Interest*),

“LIBOR Standard Mortgage” means a Loan under the terms of which interest is payable at a variable rate of interest which is set quarterly at three-month LIBOR plus a margin,

“Life Policies” means any policy of life insurance, endowment policy and/or term assurance over which a Borrower has granted (whether by way of assignment, assignation or deposit) a (legal or equitable) charge (if any) by way of collateral security for the payment of moneys secured by the relevant Mortgage,

“LIO” means a lenders’ interest only insurance policy (which the relevant Legal Title-Holder and the beneficial owner of the relevant Loan has the benefit of),

“Liquidity Reserve Fund” means the amount reserved from time to time in the Investment Account by depositing amounts into the Investment Account and crediting the Liquidity Reserve Fund Ledger in accordance with the Cash/Bond Administration Agreement,

“Liquidity Reserve Fund Actual Amount” means an amount equal to the lesser of (i) the Liquidity Reserve Fund Required Amount, and (ii) the Reserve Fund Actual Amount,

“Liquidity Reserve Fund Ledger” means the ledger of such name created and maintained by the Cash/Bond Administrator in the Investment Account,

“Liquidity Reserve Fund Required Amount” means an amount equal to 3% of the Principal Amount Outstanding of the A Notes, from time to time,

“Listing Agent” means Wells Fargo Bank International,

“Loan” means a loan secured by a Mortgage,

“Loan Conditions” means, in relation to each Loan, the terms and conditions on which it was made,

“Loan Files” means, in relation to each Loan, the file or files (including files kept in microfiche format or similar electronic data retrieval system) containing correspondence between the Borrower and the Seller (or the relevant Legal Title-Holder on the Seller’s

behalf) and including the relevant Standard Documentation applicable to that Loan, each letter of offer in respect of a Loan and other relevant documents (excluding the Property Deeds),

“Loan Payment Date” means, in relation to any Loan and its related Mortgage, the specific day of each calendar month on which the Borrower is obliged to pay an Instalment (which day may be varied from time to time in relation to any Borrower) in any calendar month,

“Loan Rate” means in relation to a Loan, the rate of interest from time to time applicable thereto,

“Loan to Value Ratio” or **“LTV”** means the ratio, expressed as a percentage, which the amount of a Loan (exclusive of any arrangement fee) bears to the valuation of the relevant Property at origination of the Loan or, in some cases as set out in the Lending Criteria, the lower of such valuation and the sale price of such Property,

“Losses” means any losses arising in relation to a Loan in the Mortgage Pool which results in a shortfall in the amount of principal received on such Loan,

“Market Abuse Directive” means EU Directive 2003/6/EC,

“Mandates” means the Collection Accounts Mandate,

“Master Definitions Schedule” means this document,

“MCOB” means the FCA’s Mortgages and Home Finance Conduct of Business sourcebook, as the same may be amended, revised or supplemented from time to time,

“MCD” means the European Mortgage Credit Directive (2014/17/EU) published in the Official Journal of the European Union on 28 February 2014, and entered into force on 21 March 2014,

“MH/CP Documentation” means an affidavit, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 (as amended) or, (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or its relevant Property,

“Meeting” means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment),

“Money Partners” means Money Partners Limited, a company registered in England and Wales with company number 04992438,

“Money Partners Variable Rate” means the monthly Money Partners variable rate set by KMC from time to time,

“Moody’s” means Moody’s Investors Service Ltd or any of its affiliates,

“Monthly Report” means a report produced monthly and published on the Website no later than the last Business Day of each month immediately following the month that the Monthly Report relates to. The Monthly Report shall be substantially in the form set out in Schedule 2 (*Form of Monthly Report*) of the Cash/Bond Administration Agreement,

“Mortgage” means an English Mortgage or a Scottish Mortgage,

“Mortgage Administration Agreement” means the agreement so named dated on or about the Issue Date between, *inter alios*, the Issuer and the Mortgage Administrator,

“Mortgage Administration Facilitator” means Structured Finance Management Limited or any replacement or successor thereto appointed pursuant to the Mortgage Administration Agreement,

“Mortgage Administrator” means (a) KMC under the Mortgage Administration Agreement or (b) if KMC’s appointment is terminated under the Mortgage Administration Agreement, any other mortgage administrator selected by the Mortgage Administration Facilitator and appointed by the Issuer, with the approval of the Trustee,

“Mortgage Administrator Termination Event” means any of the events of default specified under the Mortgage Administration Agreement, including non-performance by the Mortgage Administrator of its obligations thereunder or if insolvency or similar events occur in relation to the Mortgage Administrator,

“Mortgage Conditions” means the mortgage conditions forming part of the Standard Documentation,

“Mortgage Early Redemption Amounts” means the compensation amounts payable by a Borrower if a Loan is redeemed (whether pre-enforcement or post-enforcement) within the Relevant Period (excluding, for the avoidance of doubt, any principal received in respect of the Loans to which the relevant Mortgages relate),

“Mortgage Early Redemption Receipts” means the Mortgage Early Redemption Amounts received by the Issuer from time to time,

“Mortgage Loan” means an English Loan or a Scottish Loan,

“Mortgage Pool” means the Completion Mortgage Pool, other than Loans which have been repaid or in respect of which funds representing principal outstanding have otherwise been received in full or which have been re-transferred to the Seller pursuant to the Kayl/Issuer Mortgage Sale Agreement or in respect of which Enforcement Procedures have been completed, and any Substitute Loans,

“Mortgage Pool 1 Lending Criteria” means the lending criteria applied in relation to the Loans originated by KMC or its affiliates between April 1996 and November 2008 as set out in Schedule 7 (*Lending Criteria*) of the Kayl/Issuer Mortgage Sale Agreement,

“Mortgage Pool 2 Lending Criteria” means the lending criteria applied in relation to the Loans originated by Money Partners Limited as set out in Schedule 7 (*Lending Criteria*) of the Kayl/Issuer Mortgage Sale Agreement,

“Mortgage Pool 3 Lending Criteria” means the lending criteria applied in relation to the Loans originated by KMC or its affiliates between September 2010 and May 2014 as set out in Schedule 7 (*Lending Criteria*) of the Kayl/Issuer Mortgage Sale Agreement,

“Mortgage Portfolio 1” means those Loans originated by KMC or its affiliates between April 1996 and November 2008,

“Mortgage Portfolio 2” means those Loans originated by Money Partners Limited,

“Mortgage Portfolio 3” means those Loans originated by KMC or its affiliates between September 2010 and May 2014,

“Mortgage Portfolios” means Mortgage Portfolio 1, Mortgage Portfolio 2 and Mortgage Portfolio 3,

“Mortgage Principal Receipts” means principal amounts received from the Loans representing monthly repayments or prepayments of principal, redemption proceeds and amounts recovered on enforcement, in each case representing principal,

“Mortgage Rights” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Mortgage Settlement and Administration Delegation Agreement” means the agreement so named dated on or about the Issue Date between the Mortgage Administrator and HML,

“Mortgagee” means in relation to a Loan and the related Mortgage the person from time to time entitled to exercise the rights of the mortgagee or heritable creditor (as the case may be) thereunder,

“Most Senior Class” means

- (a) the A Notes whilst they remain outstanding,
- (b) thereafter the B Notes whilst they remain outstanding,
- (c) thereafter the C Notes whilst they remain outstanding,
- (d) thereafter the D Notes whilst they remain outstanding,
- (e) thereafter the E Notes whilst they remain outstanding,
- (f) thereafter the F1 Notes whilst they remain outstanding,
- (g) thereafter the F2 Notes whilst they remain outstanding,
- (h) thereafter the F3 Notes whilst they remain outstanding,
- (i) thereafter the Z Notes whilst they remain outstanding,
- (j) thereafter the X1 Notes whilst they remain outstanding,
- (k) thereafter the X2 Notes whilst they remain outstanding, and
- (l) thereafter the R Notes whilst they remain outstanding,

“MVR Loading” means the element of the margin applicable to MVR Standard Mortgages which is determined in the discretion of the lender in accordance with and subject to the Mortgage Conditions,

“MVR Standard Mortgage” means a Loan under the terms of which interest is payable at the Money Partners variable rate of interest (**“MVR”** or **“MVR Standard Mortgage Rate”**) set by KMC which is set quarterly at three month LIBOR plus a margin,

“N(M)” means 31 October 2004,

“Non-Conforming Borrower” means Borrowers who at the time of origination of their Loan have been subject to a county court judgment or the Scottish equivalent, individual voluntary arrangement or bankruptcy order, are self-employed or otherwise considered by bank and building societies to be non-prime Borrowers,

“non-delaying party” has the meaning given to it in the Mortgage Administration Agreement,

“Non-Liquidity Reserve Fund” means the amount reserved from time to time in the Investment Account by depositing amounts into the Investment Account and crediting the Non-Liquidity Reserve Fund Ledger in accordance with the Cash/Bond Administration Agreement,

“Non-Liquidity Reserve Fund Actual Amount” means an amount equal to the greater of (i) the Reserve Fund Actual Amount less the Liquidity Reserve Fund Required Amount, and (ii) zero,

“Non-Liquidity Reserve Fund Ledger” means the ledger of such name created and maintained by the Cash/Bond Administrator in the Investment Account,

“Non-Liquidity Reserve Fund Required Amount” means an amount equal to the Reserve Fund Required Amount less the Liquidity Reserve Fund Required Amount,

“Noteholders” means holders of the Notes,

“Note Principal Payment” has the meaning given to it in Condition 5(c) (*Note Principal Payments, Principal Amount Outstanding and Pool Factor*),

“Note Purchase Agreement” means the note purchase agreement dated on or around 18 March 2015 between the Issuer and the Joint Lead Managers,

“Notes” means the A Notes, the B Notes, the C Notes, the D Notes, the E Notes, the F Notes, the Z Notes, the X Notes and the R Notes,

“OFT” means the Office of Fair Trading,

“Ombudsman” means the Financial Ombudsman Service,

“Ordinary Resolution” means

- (a) a resolution passed at a duly convened meeting of the Noteholders or the Noteholders of such Class and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 50 1 per cent of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 50 1 per cent of the votes cast on such poll, or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 50 1 per cent of the Principal Amount Outstanding of the relevant Class or Classes of Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders,

and (in the circumstances set out in Condition 11 (*Meetings of Noteholders, Modifications, Consents, Waiver*)) an Ordinary Resolution will pass unless 15 per cent or more in aggregate Principal Amount Outstanding of the Notes of such Class have informed the Trustee in the prescribed manner of their objection to such Ordinary Resolution within 40 days after the date on which a notice containing the text of such Ordinary Resolution which acts as an invitation to Noteholders of such Class to object to the same and details the manner in which such objections should be made has been given to such Class in accordance with the provisions of Condition 14 (*Notice to Noteholders*) by the Issuer, the Trustee or the Cash/Bond Administrator and for so long as the Notes are listed in the Irish Stock Exchange, by making it available to any Regulatory Information Service maintained by the Irish Stock Exchange,

“Original Property” means the Property which a Loan was originally secured by,

“Originator” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“outstanding” means, in relation to a Class of Notes, all the Notes of that Class which have been issued except,

- (a) those which have been redeemed in full in accordance with the Conditions,
- (b) those in respect of which the date for redemption in full has occurred and the full amount of redemption moneys (including all interest accrued on such Notes to the

date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Paying Agent as provided in Clause 2 (*Amount of the Notes and Covenant to Pay*) of the Trust Deed (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*)) and remain available for payment against presentation and surrender of Notes and/or Coupons, as the case may be,

- (c) those which have become void or in respect of which claims have become prescribed,
- (d) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes in accordance with Condition 13 (*Replacement of Notes and Coupons*),
- (e) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued pursuant to Condition 13 (*Replacement of Notes and Coupons*), and
- (f) each Temporary Global Note to the extent that it shall have been exchanged for the corresponding Permanent Global Note pursuant to its provisions and each Permanent Global Note to the extent that it shall have been exchanged for definitive Notes pursuant to its provisions,

provided that for each of the following purposes

- (i) ascertaining the right to attend and vote at any meeting of the Noteholders,
- (ii) the determination of how many Notes are outstanding for the purposes of Condition 9 (*Events of Default*) and Condition 11 (*Meetings of Noteholders, Modifications, Consents, Waiver*) and Schedule 4 (*Provisions for Meetings of Noteholders*) to the Trust Deed,
- (iii) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Most Senior Class, and
- (iv) the determination by the Trustee of whether any event or potential event is or would be materially prejudicial to the interests of the Most Senior Class,

those Notes which are beneficially held by or on behalf of the Issuer shall (unless no longer so held) be deemed not to remain outstanding and, for the purposes of this proviso, in the case of the Temporary Global Notes and the Permanent Global Notes, the Trustee shall be entitled to rely on the records of Euroclear and Clearstream, Luxembourg in relation to any determination of the nominal amount outstanding of the Temporary Global Notes and the Permanent Global Notes

“Parent” means Residential Mortgage Securities 28 Parent Limited, the parent company of the Issuer,

“Parent Share Trust Deed” means the trust deed so named and dated 3 March 2015 between the Share Trustee and the Parent,

“Parent Term Loan Agreement” means the loan agreement so named and dated 3 March 2015 between the Parent and Kayl,

“Part and Part Loans” means Loans under the terms of which the loan is effectively separated (at the option of, and at a level decided by, the Borrower) into two, principal amounts, one in respect of which the Borrower pays interest only and the other in respect of which the Borrower pays interest and principal,

“Participating Member State” means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty,

“Paying Agency Agreement” means the agreement so named and dated on or about the Issue Date between the Issuer, the Trustee and the Agents,

“Paying Agents” means the Principal Paying Agent and any additional paying agent appointed pursuant to the Paying Agency Agreement or any of them,

“Payment Holiday” means, in relation to a Flexible Loan, an amount not exceeding the amount recorded as an overpayment used by a Borrower towards all or part of that Borrower’s monthly payments;

“Payment Services Directive” has the meaning given to it in the Bank Agreement and the Investment Account Agreement,

“Payment Services Regulations” has the meaning given to it in the Bank Agreement and the Investment Account Agreement,

“PDL Condition” means in order to make up any Shortfall in respect of any Class, the conditions that the debit balance of the B Principal Deficiency Ledger not exceeding 10% of the Principal Amount Outstanding of B Notes in respect of interest on the B Notes, the C Principal Deficiency Ledger not exceeding 10% of the Principal Amount Outstanding of C Notes in respect of interest on the C Notes, the D Principal Deficiency Ledger not exceeding 10% of the Principal Amount Outstanding of D Notes in respect of interest on the D Notes and the E Principal Deficiency Ledger not exceeding 10% of the Principal Amount Outstanding of E Notes in respect of interest on the E Notes and in relation to any Class **“relevant PDL Condition”** means the condition relating to that Class

“Perfection Events” means the occurrence of any of the following

- (a) the service of an Enforcement Notice,
- (b) the Trustee determining that the Charged Property or any part thereof is in jeopardy (including due to the possible insolvency of one or more of the Seller, the Guarantor or the Legal Title-Holders),
- (c) certain insolvency events of the Seller, the Guarantor or the Legal Title-Holders, or
- (d) the Issuer, the Trustee, the Seller, the Guarantor or the Legal Title-Holders becoming obliged to provide notice of assignment or (as applicable) assignation of the Loan by order of court, by law or any relevant regulatory authority,

as more particularly described in Clause 5 1 (*Further Assurance*) of the Kayl/Issuer Mortgage Sale Agreement,

“Performance Report” means the performance report substantially in the form scheduled as Schedule 2 (*Form of Reports*) to the Cash/Bond Administration Agreement from time to time agreed between the Issuer, KMC, the Special Servicer and the Trustee,

“Permanent Global Notes” means the A Permanent Global Note, the B Permanent Global Note, the C Permanent Global Note, the D Permanent Global Note, the E Permanent Global Note, the F1 Permanent Global Note, the F2 Permanent Global Note, the F3 Permanent Global Note, the Z Permanent Global Note, the X1 Permanent Global Note, the X2 Permanent Global Note and the R Permanent Global Note,

“Pool Factor” has the meaning given to it in Condition 5(c) (*Note Principal Payments, Principal Amount Outstanding and Pool Factor*),

“Portable Loan Repurchase Event” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Ported Loan” means a Loan where the relevant Legal Title-Holder in its capacity as legal title holder and lender of record agrees with any Borrower that a Loan (which is currently secured by a Mortgage over the Original Property) may be secured by another Mortgage over Property other than the Original Property,

“Post-Enforcement Priority of Payments” means the Post-Enforcement Priority of Payments set out in Condition 2(d) (*Post-Enforcement Priority of Payments*),

“Post-Enforcement Trigger Event” means the earlier to occur of (i) the date on which the Trustee gives notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable, (ii) the Final Maturity Date, (iii) the Interest Payment Date on which the relevant Notes are redeemed in accordance with Condition 5(d) (*Optional Redemption in Full*) or Condition 5(e) (*Optional Redemption for Taxation or Other Reasons*) and (iv) the date on which the E Notes have been redeemed in full,

“Potential Event of Default” means any condition, event, act or circumstance which would or could, with the giving of notice, lapse of time, the issuing of a certificate and/or the fulfilment of any other requirement provided for in Condition 9 (*Events of Default*), become an Event of Default,

“PRA” means the Prudential Regulation Authority or any successor authority or authorities fulfilling the regulatory role currently occupied by the PRA;

“Pre-Enforcement Principal Priority of Payments” means the Pre-Enforcement Principal Priority of Payments as set out in Condition 5(b) (*Mandatory Redemption of the Notes*),

“Pre-Enforcement Priority of Payments” means the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments, as the case may be,

“Pre-Enforcement Revenue Priority of Payments” means the Pre-Enforcement Revenue Priority of Payments set out in Condition 2(c) (*Pre-Enforcement Revenue Priority of Payments*),

“Principal Amount Outstanding” means the principal amount outstanding of each note as determined in accordance with Condition 5(c) (*Note Principal Payments, Principal Amount Outstanding and Pool Factor*),

“Principal Collections” means an amount determined by the Cash/Bond Administrator on a Determination Date being the aggregate of

- (a) all repayments or prepayments of principal received by the Issuer in relation to the Loans in respect of the Determination Period ending on or immediately prior to such Determination Date,
- (b) recoveries received by the Issuer and allocable to principal upon an enforcement of the Collateral Security, and recoveries received by the Issuer and allocable to principal upon a purchase or a repurchase of the Loans by the Seller or, failing whom, the Guarantor (or an affiliate thereof), in accordance with the terms of the Kayl/Issuer Mortgage Sale Agreement in each case received by the Issuer in the Determination Period preceding such Determination Date,

“Principal Deficiency” means the amount debited from time to time to the Principal Deficiency Ledger for the purposes of recording Losses on the Mortgage Pool and/or the utilisation of principal receipts to pay a Revenue Shortfall and also to pay interest amounts on the B Notes, C Notes, D Notes and E Notes,

“Principal Deficiency Ledger” means the A Principal Deficiency Ledger, the B Principal Deficiency Ledger, the C Principal Deficiency Ledger, the D Principal Deficiency Ledger, the E Principal Deficiency Ledger, the F1 Principal Deficiency Ledger, the F2 Principal Deficiency Ledger and the F3 Principal Deficiency Ledger;

“Principal Ledger” means the ledger of such name created for the purpose of recording Principal Collections and maintained by the Cash/Bond Administrator in the Investment Account,

“Principal Paying Agent” means Société Générale Bank & Trust or any successor thereto,

“Principal Receipts” has the meaning given to it in Condition 4(l) (*Determinations and Reconciliation*),

“Principal Securities” has the meaning given to it in Schedule 1 (*Form of Standard Security – Land Register*) and Schedule 2 (*Form of Standard Security – Sasine Register*) to the Deed of Charge,

“Prior Scottish Trusts” means any and all trusts constituted by any declarations of trust governed by Scots Law made in respect of the Scottish Loans, the Scottish Mortgages and their related Collateral Security by a Legal Title-Holder in favour of the Seller on or prior to the Issue Date,

“Priority of Payments” means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable,

“Proceedings” means any suit, actions or proceedings which may arise out of or in connection with the Transaction Documents or the Notes,

“Property” means, in relation to a Loan, the English Property or Scottish Property upon which the obligations of the Borrower are secured,

“Property Deeds” means all conveyancing deeds and documents which make up the title to the Properties, the Mortgages and the English Charges,

“Proposed Replacement” means any replacement mortgage administrator proposed by the Mortgage Administration Facilitator pursuant to the terms of the Mortgage Administration Agreement,

“Prospectus” means the prospectus of the Issuer dated on or about 18 March 2015 for use in connection with the issue of the Notes and for the purposes of the Prospectus Directive,

“Prospectus Directive” means EU Directive 2003/71/EC (as amended),

“Provisional Completion Mortgage Pool” means the Mortgage Pool as at 31 December 2014 with the characteristics set out in the Prospectus,

“Prudent Mortgage Lender” means a reasonably prudent mortgage lender acting in a manner consistent with that of an experienced lender, servicer or administrator of residential mortgage loans lending to Borrowers in England, Wales and Scotland who include the recently self-employed, independent contractors, temporary employees and people who may have experienced previous credit problems being, in each case, people who generally do not satisfy the lending criteria of traditional sources of residential mortgage capital,

“Quotation Date” has the meaning given to it in the Loan Conditions,

“R Noteholders” means the persons who are for the time being holders of the R Notes,

“R Notes” means the £100,000 Class R residual notes due 2046 and, unless expressly stated to the contrary, all references to an **“R Note”** shall be a reference to such R Note whether in global or definitive form ,

“R Permanent Global Note” means the permanent Global Note which will represent the R Notes, or some of them, after exchange of the R Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“R Temporary Global Note” means the temporary Global Note representing the R Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“Rate of Interest” means the relevant Floating Rate of Interest and the Fixed Rate of Interest,

“Rate Setting Date” means

- (a) in respect of MVR Standard Mortgages, the penultimate Business Day of February, May, August and November in each year, and
- (b) in respect of KVR Standard Mortgage, the penultimate Business Day of February, May, August and November in each year,

“Rated Notes” means the A Notes, the B Notes, the C Notes, the D Notes and the E Notes,

“Rating Agencies” means S&P and Moody’s and **“Rating Agency”** means either of them,

“Rating Agency Confirmation” means written confirmation from each Rating Agency then rating the Notes that the then current ratings of each Class of Notes rated thereby will not be qualified, downgraded or withdrawn as a result of such modification, provided that (a) if any Rating Agency then rating the Notes provides a waiver or acknowledgement indicating its decision not to review or otherwise declining to review the matter for which the Rating Agency Confirmation is sought, the requirement for the Rating Agency Confirmation from the relevant Rating Agency with respect to such matter will be deemed waived and (b) the Trustee may, in accordance with the Transaction Documents, waive the requirement for a Rating Agency Confirmation to be obtained,

“Rating Agency Downgrade” means, in respect of an entity, such entity no longer has the Rating Agency Required Ratings,

“Rating Agency Required Ratings” means, in respect of an entity (such entity being the Account Bank, the Investment Account Provider and the GIC Provider), that

- (a) (i) in the case of S&P, such entity has a short term senior unsecured debt rating of at least A-1 and such entity has a long term rating of at least A or (where the short term unsecured debt rating by S&P is less than A-1 or there is no short term rating) a long term rating of at least A+ by S&P, (ii) in the case of Moody’s, such entity has a short term senior unsecured debt rating of at least A-1 and such entity has a long term rating of at least A or (where the short term unsecured debt rating by Moody’s is less than A-1 or there is no short term rating) a long term rating of at least A+ by Moody’s, and
- (b) such other ratings of such entity that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class,

“Reallocated Principal” means that part of the Principal Collections which are to be applied towards establishing the Liquidity Reserve and keeping that Liquidity Reserve credited to an amount equal to the Liquidity Reserve Required Amount,

“Receiver” means a receiver appointed under the Deed of Charge or pursuant to statutory powers, and includes more than one such receiver and any substituted receiver,

“Reconciliation Amount” has the meaning given to it in Condition 4(l) (*Determinations and Reconciliation*),

“Records” has the meaning given to it in the Mortgage Administration Agreement,

“Redenomination Date” has the meaning given to it in Condition 16(a) (*Notice of redenomination*),

“Redenomination Notes” has the meaning given to that term in Condition 16(b) (*Redenomination*)

“Reference Banks” has the meaning set out in Condition 4(j) (*Reference Banks and Agent Bank*),

“Registered Land Transfers” means in the case of English Mortgages the transfers to be executed in relation to the Mortgage Pool which comprise Loans secured over Properties comprising registered land (including Properties the subject of applications for first registration at The Land Registry) pursuant to the Kayl/Issuer Mortgage Sale Agreement,

“Registers of Scotland” means the Land Register of Scotland and/or the General Register of Sasines (as appropriate),

“Regulated Mortgage Contract” means any regulated mortgage contract under FSMA,

“Regulation S” means Regulation S under the Securities Act,

“Relevant Interest Period” has the meaning given to it in Clause 11 (*Remuneration*) of the Mortgage Administration Agreement,

“Relevant Margin” has the meaning set out in Condition 4(c) (*Rate of Interest*),

“Relevant Month End Date” has the meaning given to it in Clause 11 (*Remuneration*) of the Mortgage Administration Agreement,

“Relevant Period” means three years from the date of advance of the relevant Loan to the Borrower,

“Relevant Rules” means the rules and guidance of the Financial Services Authority or any successor regulatory authority implementing CRD,

“Repayment Loan” means a Loan under the terms of which monthly instalments covering both interest and principal are payable by the Borrower until the Loan is fully repaid by its maturity in accordance with the relevant Loan Conditions,

“Replacement Agent” has the meaning given to it in Clause **Error! Reference source not found.** (*Stocks of Notes and Coupons*) of the Paying Agency Agreement,

“Repurchase Date” means the date on which a Loan is repurchased by the Seller or, failing whom, the Guarantor (or an affiliate thereof),

“Repurchase Event” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Repurchase Price” means a cash payment to the Issuer or to such person as the Issuer may direct, in an amount equal to the aggregate of:

- (a) 100 per cent of the principal amount outstanding of the relevant Loan as at the Repurchase Date,
- (b) interest accrued but not due on the Loan as at the date of repurchase, minus an amount equal to any interest not yet accrued on such Loan as at the Repurchase Date but paid in advance to the Issuer,
- (c) an amount equal to all amounts (other than such amounts as set out in (a) and (b) above) which are due and payable as at the Repurchase Date under that Loan, and
- (d) with respect to repurchase as a result of a breach of a Warranty only, the reasonable legal costs of the Issuer incurred in relation to such repurchase,

“Reserve Fund” means the amount reserved from time to time in the Investment Account by depositing the Reserve Fund Required Amount into the Investment Account and crediting the Reserve Fund Ledger,

“Reserve Fund Actual Amount” means the amount standing to the credit of the Reserve Fund, and the Reserve Fund Required Amount will be split between a Liquidity Reserve Fund Required Amount and a Non-Liquidity Reserve Fund Required Amount,

“Reserve Fund Ledger” means the ledger of such name created for the purpose of depositing the Reserve Fund Required Amount and maintained by the Cash/Bond Administrator in the Investment Account,

“Reserve Fund Required Amount” means until such time as the A to E Notes have been repaid in full, 3.0% of the aggregate principal amount of the A to F Notes (inclusive) as at the Issue Date,

“Reserve Interest Rate” has the meaning given to such term in Condition 4(c)(11) (*Floating Rate of Interest*).

“Resulting Overdraft” has the meaning given to it in each of the Bank Agreement and the Collection Account Agreement,

“Retained Arrears” means any Arrears in respect of Loans accruing prior to the Issue Date,

“Retained Interest” means the Seller’s holding of F2 Notes, F3 Notes and/or Z Notes from time to time in an amount sufficient to satisfy the Retention Requirement,

“Retention” means at any date an amount or amounts to be advanced under a Loan but retained as at that date pending satisfaction of the Retention Conditions,

“Retention Conditions” means, in relation to a Retention, the conditions for the release of such Retention, as described in the relevant letter of offer to the relevant Borrower from the relevant Originator,

“Retention Letter” means the retention letter dated the Issue Date among the Issuer, the Security Trustee, Kayl Holdco and the Seller,

“Retention Requirement” means the requirement for the Seller to retain, on an ongoing basis as an originator within the meaning of the CRR, a material net economic interest of at least 5% in the securitisation, in accordance with Article 405(1)(d) of the CRR and Article 51(1)(d) of the AIFMD Level 2 Regulation,

“Revenue Collections” means an amount determined by the Cash/Bond Administrator on a Determination Date being the aggregate of

- (a) all payments of interest, fees, breakage costs and other sums not comprising Principal Collections, if any, received by the Issuer in relation to the Loans in the Mortgage Pool in respect of the Determination Period ending immediately prior to such Determination Date,
- (b) recoveries received by the Issuer and allocable to interest upon an enforcement of the Collateral Security, and recoveries received by the Issuer and allocable to interest upon a purchase or a repurchase of any Loans in the Mortgage Pool by the Seller, the Guarantor or any affiliate thereof in accordance with the terms of the Kayl/Issuer Mortgage Sale Agreement, in each case received by the Issuer in the Determination Period ending immediately prior to such Determination Date, and
- (c) all Mortgage Early Redemption Amounts in respect of the Determination Period ending immediately prior to such Determination Date,

“Revenue Ledger” means the ledger of such name created and maintained by the Cash/Bond Administrator in the Investment Account,

“Revenue Receipts” has the meaning given to it in Condition 4(l) (*Determinations and Reconciliation*),

“Revenue Shortfall” means, on each Determination Date, the amount by which the Initial Available Revenue for the immediately following Interest Payment Date is insufficient to provide for payment of Senior Fees and/or interest on the A Notes, of the Pre Enforcement Revenue Priority of Payments on the immediately following Interest Payment Date,

“Right of Set-Off” means any right of set-off or other equity or right as between

- (a) the relevant Borrower, or
- (b) the insurance company which is an insurer under any Life Policy,

and the Seller, such as would preclude the right to obtain judgement for the full amount expressed by the relevant Loan or Life Policy to be payable,

“Right to Buy Insurance” means an insurance policy providing insurance cover in respect of amounts advanced under a loan which will not have priority to the statutory charge or standard security arising under the Housing Act 1985 or the Housing (Scotland) Act 1987,

“Right to Buy Loan” means a Loan in respect of which the “right to buy” provisions of the Housing Act 1985 or (as applicable) the Housing (Scotland) Act 1987 apply (other than any Loan in respect of which (1) the period during which the statutory charge referred to in section 156 of the Housing Act 1985 would have existed, had the relevant circumstances applied, has expired, or (2) the period during which the seller’s Standard Security in terms of section 72 of the Housing (Scotland) Act 1987 is of effect, has expired),

“RPMF” means Richmond Park Mortgage Funding Limited, a company registered in England and Wales with company number 03597946,

“S&P” means Standard & Poor’s Ratings Services, a division of Standard & Poor’s Credit Market Services Europe Ltd,

“Sale Date” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Sasine Register Transfer” means an assignation of any Scottish Mortgages recorded (or subject to an application for recording) in the General Register of Sasines granted pursuant to the Kayl/Issuer Mortgage Sale Agreement,

“Scottish Declaration of Trust” means each declaration of trust in respect of the Scottish Loans, Scottish Mortgages and the collateral security therefor in the relevant form set out in the Kayl/Issuer Mortgage Sale Agreement,

“Scottish Loan” means a Loan secured by a Scottish Mortgage,

“Scottish Mortgage” means a first ranking Standard Security over a Scottish Property which is security for a Scottish Loan,

“Scottish Property” means a heritable or long leasehold residential property located in Scotland,

“Scottish Sub-Securities” means any Standard Securities executed pursuant to clause 3.3 (*The Scottish Mortgages and Scottish Charges*) of the Deed of Charge in the forms set out in Schedules 1 (*Form of Standard Security (Land Register)*) and 2 (*Form of Standard Security (Sasine Register)*) thereto,

“Scottish Trust Property” has the meaning given thereto in each Scottish Declaration of Trust and in relation to a Loan includes the Scottish Mortgage and other related security securing that Loan including in each case all principal sums, interest, costs, expenses and other monies secured or intended to be secured by that Scottish Mortgage,

“Screen Rate” has the meaning given to it in Condition 4(c) (*Floating Rate of Interest*),

“Secured Amounts” means any amounts owing to the Secured Creditors,

“Secured Creditors” means each of the following

- (a) the Noteholders,
- (b) the Couponholders,
- (c) the Trustee,
- (d) the Security Trustee
- (e) the Joint Lead Managers,
- (f) the Arranger,
- (g) any Receiver (in its capacity as a creditor secured by the Deed of Charge),
- (h) the Agents,
- (i) the Cash/Bond Administrator,
- (j) the Standby Cash/Bond Administrator,
- (k) the Mortgage Administrator;
- (l) the Mortgage Administration Facilitator,
- (m) the Special Servicer,
- (n) the Account Bank,
- (o) the Collection Account Provider,
- (p) the Investment Account Provider,
- (q) the Corporate Services Provider,

- (r) the Seller,
- (s) the Guarantor,
- (t) the Subordinated Lender,
- (u) the GIC Provider, and
- (v) any party who accedes to the Deed of Charge and any other person who is expressed in any deed supplemental to the Deed of Charge to be a Secured Creditor,

"Secured Obligations" has the meaning given to it in Schedule 1 (*Form of Standard Security – Land Register*) and Schedule 2 (*Form of Standard Security – Sasine Register*) to the Deed of Charge,

"Securities Act" means the United States Securities Act of 1933 as amended,

"Security" means the security created in favour of the Trustee by, and contained in or granted pursuant to the Deed of Charge,

"Security Interest" means any mortgage, sub-mortgage, Standard Security, charge, sub-charge pledge, lien, right of set-off or other encumbrance or security interest whatsoever, howsoever created or arising,

"Security Procedure Agreement" means the agreement set out in Schedule 1 to the Bank Agreement,

"Security Trustee" means Wells Fargo Trust Corporation Limited in its capacity as security trustee for the Secured Creditors appointed in respect of the Security created pursuant to the Deed of Charge and any Supplemental Deed of Charge and such term shall include its successors and assigns,

"Seller" means Kayl acting as seller of the Loans under the Kayl/Issuer Mortgage Sale Agreement,

"Senior Fees" means the fees due and payable under items (i) to (iii) of the Pre-Enforcement Revenue Priority of Payments,

"Senior Notes" means the A Notes, the B Notes, the C Notes, the D Notes, the E Notes, the F Notes and the Z Notes,

"Service Levels" means quality and timings of the Services to be effected by the Mortgage Administrator as specified in the Mortgage Administration Agreement,

"Services" means the services to be provided by the Mortgage Administrator, the Special Servicer and the Cash/Bond Administrator to the Issuer, KMC and/or the Trustee pursuant to (respectively) the Mortgage Administration Agreement, the Special Servicer Agreement and the Cash/Bond Administration Agreement,

"Share Trust" means the trust established under English law by the Share Trust Deed and made by the Share Trustee,

"Share Trust Deed" means the Parent Share Trust Deed;

"Share Trustee" means SFM Corporate Services Limited, a company registered in England and Wales with company number 03920255,

"Shortfall" means, on each Determination Date, the amount by which the Initial Available Revenue for the immediately following Interest Payment Date is insufficient to provide for

payment of items (i) to (xiii) of the Pre-Enforcement Revenue Priority of Payments on the immediately following Interest Payment Date,

"Shortfall Ledger" means the separate ledger of the Transaction Account into which advances under the Subordinated Loan Facility are initially credited and from where amounts may be debited for the payment of Issuer Payment Amounts,

"Shortfall in Senior Fees" means as at any Determination Date, any shortfall in the fees due and payable under items (i) to (v) of the Pre-Enforcement Revenue Priority of Payments,

"SPMF" means St James's Park Mortgage Funding Limited, a company registered in England and Wales with company number 03261513,

"Solvency II" means Directive 2009/138/EC,

"SLR Transfer" means an assignment of Scottish Mortgages registered (or subject to an application for registration) in the Land Register of Scotland granted pursuant to the Kayl/Issuer Mortgage Sale Agreement,

"Solvency Certificate" has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

"Special Servicer" means KMC or any successor thereto,

"Special Servicer Agreement" means the agreement so named dated on or about the Issue Date between, *inter alios*, the Issuer and the Special Servicer,

"Specified Office" has the meaning given to it in the Paying Agency Agreement,

"Standard Conditions" means the standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended),

"Standard Documentation" means the documents used by the relevant lender in connection with its activities as residential mortgage lender in relation to the origination of the relevant Loans in substantially the forms identified in Annexure C (*Standard Documents*) to the Kayl/Issuer Mortgage Sale Agreement and such other documents as may from time to time be substituted therefor or added thereto with the prior written approval of the Trustee,

"Standard Security" means a standard security in terms of the 1970 Act,

"Standard Terms and Conditions" has the meaning given to it in each of the Bank Agreement and the Collection Account Agreement,

"Standby Cash/Bond Administrator" means Wells Fargo Bank International or any successor thereto,

"Standby Cash/Bond Administration Agreement" means the agreement so named dated on or about the Issue Date between, *inter alios*, the Issuer and the Standby Cash/Bond Administrator,

"Start-Up Costs Ledger" means the separate ledger within the Transaction Account into which the Issuer will pay an amount in respect of Issuer Costs and Expenses during the first Interest Period from part of the proceeds of the issuance of the Z Notes,

"Step-Up Date" means the Interest Payment Date falling in June 2020,

"Subordinated Lender" means Kayl or any successor thereto,

“Subordinated Loan Facility” means the additional subordinated loan facility provided by the Subordinated Lender to the Issuer pursuant to which the Issuer may draw sums to fund Issuer Payment Amounts,

“Subscribed Notes” means the Notes (other than the notes to be retained by the Seller to comply with the Retention Requirement, the X Notes and the R Notes),

“Subsidiary” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006 (as amended or re-enacted from time to time),

“Substitute Loans” means such alternative residential Loans of an appropriate value which are substituted in the Mortgage Pool by the Seller following a breach of warranty,

“Substituted Obligor” has the meaning given to it in the Trust Deed,

“Substitution” has the meaning given to it in the Kayl/Issuer Mortgage Sale Agreement,

“Supplemental Deed of Charge” means an assignment in security supplemental to the Deed of Charge granted pursuant to sub-clause 3 4 1 of the Deed of Charge, and in the form set out in Schedule 3 (*Form of Supplemental Deed of Charge*) to the Deed of Charge,

“Sundry Fees” has the meaning given to it in the Mortgage Administration Agreement,

“SVR” means KVR or, as the case may be, MVR,

“SVR Standard Mortgages” means KVR Standard Mortgages and MVR Standard Mortgages,

“Taxes” means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever (and whatever called) imposed, assessed or levied by or on behalf of the United Kingdom or any political subdivision of it or by any authority of it having power to tax, and shall include any interest or penalties which may attach as a consequence of failure to pay on the due date and/or non-payment, and **“Tax”**, **“Taxation”** and similar words shall be construed accordingly,

“Temporary Global Notes” means the A Temporary Global Note, the B Temporary Global Note, the C Temporary Global Note, the D Temporary Global Note, the E Temporary Global Note, the F1 Temporary Global Note, the F2 Temporary Global Note, the F3 Temporary Global Note, the Z Temporary Global Note, the X1 Temporary Global Note, the X2 Temporary Global Note and the R Temporary Global Note,

“Three-Month Sterling LIBOR” or **“3 Month Sterling LIBOR”** means three-month LIBOR,

“Title Insurance Arrangements” means the procedure for completion of Loans the subject of title insurance,

“Title Insurance Policy” means a valid policy of insurance in respect of title (howsoever described) to the relevant Property issued by a Title Insurance Provider, and which has been approved by the lender of the Loans,

“Title Insurance Provider” means a provider of Title Insurance Policies with respect to England, Wales or Scotland as the case may be, and which has been approved by the lender of the Loans,

“Transaction Account” means the account in the name of the Issuer at the Account Bank, account number 88002237, or such other replacement account as may be established from time to time in accordance with the Transaction Documents,

“Transaction Documents” means the Master Definitions Schedule, the Bank Agreement, the Collection Account Agreement, the Cash/Bond Administration Agreement, the Standby Cash/Bond Administration Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed of Charge, the Investment Account Agreement, the Mortgage Administration Agreement, the Note Purchase Agreement, the Special Servicer Agreement, the Kayl/Issuer Mortgage Sale Agreement, the Retention Letter, each Scottish Declaration of Trust, any Scottish Sub-Securities, each Supplemental Deed of Charge, the Parent Share Trust Deed, the Parent Term Loan Agreement, the Paying Agency Agreement, the Trust Deed, the Issuer/ICSD Agreement, the GIC Agreement, the Subordinated Loan Agreement and any other document agreed between the Issuer and the Trustee to be a Transaction Document,

“Transaction Parties” means each of the following

- (a) the Trustee,
- (b) the Security Trustee,
- (c) the Agents,
- (d) the Cash/Bond Administrator,
- (e) the Standby Cash/Bond Administrator,
- (f) the Mortgage Administrator,
- (g) the Mortgage Administration Facilitator,
- (h) the Special Servicer,
- (i) the Account Bank,
- (j) the Collection Account Provider,
- (k) the Investment Account Provider,
- (l) the Corporate Services Provider,
- (m) the Seller,
- (n) the GIC Provider,
- (o) the Subordinated Lender, and
- (p) the Guarantor;

“Transfers” means the Registered Land Transfers, the Unregistered Land Transfers, the SLR Transfers and the Sasine Register Transfers or such as are applicable;

“Treaty” means the Treaty on the functioning of the European Union (as amended),

“Trust Corporation” has the meaning given to it in the Trust Deed.

“Trust Deed” means the trust deed to be entered into between the Issuer and the Trustee on or about the Issue Date,

“Trustee” means Wells Fargo Trust Corporation Limited in its capacity as trustee for the Noteholders or any successor thereto,

“UNCITRAL Regulations” means the Cross Border Insolvency Regulations 2006, SI 2006/1030,

“Unpaid Items” has the meaning given to the term in each of the Bank Agreement and the Collection Account Agreement,

“Unregistered Land Transfers” means in the case of English Mortgages the transfers to be executed in relation to the Mortgage Pool which comprise Loans secured over Properties comprising unregistered land (excluding Properties the subject of applications for first registration at The Land Registry) pursuant to the Kayl/Issuer Mortgage Sale Agreement,

“U.S.\$” and **“US dollars”** are references to the lawful currency of the United States of America,

“UTCCR” means the Unfair Terms in Consumer Contracts Regulations 1999 (the **“1999 Regulations”**) and (in so far as applicable) the Unfair Terms in Consumer Contracts Regulations 1994,

“Value Added Tax” or **“VAT”** shall be construed as a reference to value added tax as that term is used in the Value Added Tax Act 1994 and all subsequent amendments thereto, and shall include any similar tax which may be imposed in addition thereto or in place thereof from time to time,

“Verified Noteholder” means a Noteholder which has satisfied the Cash/Bond Administrator that it is a Noteholder in accordance with Condition 11(g) (*Evidence of Notes*),

“Warranties” means in relation to the Loans, the representations, warranties and undertakings referred to in clause 7.1 (*Warranties and Representations*) of the Kayl/Issuer Mortgage Sale Agreement,

“Wells Fargo” means Wells Fargo Bank International,

“X Noteholder” means the persons who are for the time being holders of the X Notes,

“X Notes” means the X1 Notes and the X2 Notes and, unless expressly stated to the contrary, all references to an **“X Note”** shall be a reference to such X Note whether in global or definitive form,

“X1 Noteholder” mean the persons who are for the time being holders of the X1 Notes,

“X1 Notes” means the £25,400,000 Class X1 fixed rate excess spread notes due 2046 and, unless expressly stated to the contrary, all references to an **“X1 Note”** shall be a reference to such X1 Note whether in global or definitive form,

“X1 Permanent Global Note” means the permanent Global Note which will represent the X1 Notes, or some of them, after exchange of the X1 Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“X1 Residual Amount” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

“X1 Temporary Global Note” means the temporary Global Note representing the X1 Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“X2 Noteholder” mean the persons who are for the time being holders of the X2 Notes,

“X2 Notes” means the £100,000 Class X2 excess spread notes due the Step-Up Date and, unless expressly stated to the contrary, all references to an **“X2 Note”** shall be a reference to such X2 Note whether in global or definitive form,

“X2 Permanent Global Note” means the permanent Global Note which will represent the X2 Notes, or some of them, after exchange of the X2 Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“X2 Temporary Global Note” means the temporary Global Note representing the X2 Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“Z Noteholders” means the persons who are for the time being holders of the Z Notes,

“Z Notes” means the £16,321,000 Class Z mortgage backed floating rate notes due 2046 and, unless expressly stated to the contrary, all references to a **“Z Note”** shall be a reference to such Z Note whether in global or definitive form,

“Z Permanent Global Note” means the permanent Global Note which will represent the Z Notes, or some of them, after exchange of the Z Temporary Global Note, which will be substantially in the form set out in Schedule 2 Part 2 (*Form of Permanent Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

“Z Residual Amount” has the meaning given to it in Condition 4(k) (*Deferral of Interest*),

“Z Temporary Global Note” means the temporary Global Note representing the Z Notes on issue, which will be substantially in the form set out in Schedule 2 Part 1 (*Form of Temporary Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility,

2. Interpretation

Each of the parties hereto agrees that in any agreement, deed or other document expressly stating that it shall be construed and interpreted in accordance with the provisions of this Clause (a **“Relevant Document”**)

2.1 references to

- (a) such Relevant Document
 - (i) are to such Relevant Document (as from time to time altered in accordance with such Relevant Document) and any other document executed in accordance with such Relevant Document (as from time to time so altered) and expressed to be supplemental to such Relevant Document, and
 - (ii) include its Schedules and references to paragraphs, Clauses, Recitals, or Schedules are (unless specified otherwise) references to such provisions of such Relevant Document,
- (b) any other agreement, deed, instrument, licence, code or other document, or to a provision contained in any of these, shall be construed, at the particular time, as a reference to it as it may then have been amended, varied, supplemented, modified, suspended, assigned or novated,
- (c) any party to any Transaction Document include its successors in title, permitted assigns and permitted transferees,

- (d) “**Notes**” are to the Notes for the time being outstanding and include any replacement Notes issued pursuant to the Conditions and, where the context so admits, the Temporary Global Notes and the Permanent Global Notes,
 - (e) “**Euroclear**” and/or “**Clearstream, Luxembourg**” include any additional or alternative clearing system approved by the Issuer, the Note Trustee and the Principal Paying Agent and permitted to hold the Temporary Global Notes and the Permanent Global Notes, provided that such alternative clearing system must be authorised to hold the Temporary Global Notes and the Permanent Global Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations,
 - (f) the records of Euroclear and Clearstream, Luxembourg are to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers’ interests in the Notes,
 - (g) an action, remedy or method of judicial proceedings for the enforcement of creditors’ rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto,
 - (h) a statute or statutory provision include that statute or provision as from time to time modified, re-enacted or consolidated,
 - (i) a “**judgment**” include any order, injunction, determination, award or other judicial or arbitral measure in any jurisdiction,
 - (j) a “**person**” include any company, partnership or unincorporated association (whether or not having separate legal personality),
 - (k) a “**company**” include any company, corporation or any body corporate, wherever incorporated,
 - (l) “**assets**” include present and future properties, revenues and rights of every description,
 - (m) “**indebtedness**” include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,
 - (n) a “**regulation**” include any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation, and
 - (o) “**the service of an Enforcement Notice**” mean the giving of an Enforcement Notice to the Issuer in accordance with the Deed of Charge,
 - (p) “**set-off**” shall be deemed to include analogous rights in other relevant jurisdictions,
- 2 2 use of the singular shall include the plural and vice versa,
- 2 3 headings are for ease of reference only and shall be ignored in interpreting such Relevant Document,
- 2 4 all notices to be given by any Party and all other communications and documentation which are in any way relevant to such Relevant Document or the performance or termination of such Relevant Document shall be in the English language,
- 2 5 the words “**include**” and “**including**” are to be construed without limitation,
- 2 6 time shall be of the essence of such Relevant Document, and

2.7 in respect of assets, rights and interests governed by Scots law, references in the Transaction Documents to

- (a) “**beneficial title**” shall be construed as references to the beneficial interest therein pursuant to a declaration of trust,
- (b) “**beneficially owned**” shall be construed as references to holding the beneficial interest therein pursuant to a declaration of trust,
- (c) “**beneficial owner**” shall be construed as the holder of the beneficial interest therein pursuant to a declaration of trust,
- (d) “**legal interest**” shall be construed as references to the whole right and title of the proprietor, heritable creditor thereof, other than the beneficial interest, and
- (e) “**legal owner**” shall be construed as “owner”

3. Variation

No variation of this Master Definitions Schedule shall be effective unless it is in writing and signed by (or by some person duly authorised by) the Issuer, the Seller, the Agents, the Custodian and the Trustee (each acting reasonably)