

M

COMPANIES FORM No. 395

004 00107

Particulars of a mortgage or charge

395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

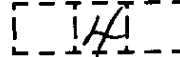
*insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number



003840096

Name of company

* Keele Residential Funding Plc (the "**Company**")

Date of creation of the charge

13 July 2007

Description of the instrument (if any) creating or evidencing the charge (note 2)

Debenture dated 13 July 2007 (the "**Debenture**") made between the Company, KRF Holdings Limited ("**Holdco**"), KRF Managment Limited ("**KML**"), Citibank, N A (the "**Bond Trustee**"), Citicorp Trustee Company Limited (the "**Security Trustee**"), Financial Security Assurance (UK) Limited ("**FSA**"), and University of Keele (the "**University**")

Amount secured by the mortgage or charge

All obligations covenanted to be discharged by the Company in Schedule 1 Clause 1 of this form (The Company's Covenant to Pay) and all the obligations of Holdco pursuant to Schedule 1 Clause 2 of this form (Holdco Guarantee) (the "**Secured Obligations**")

Names and addresses of the mortgagees or persons entitled to the charge

Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, Canary Wharf, London

Postcode E14 5LB

Presentor's name address and
reference (if any)

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

Time critical reference

907611/70-40101121/SRG

For official Use (06/2005)

Mortgage Section

Post room

TUESDAY



LD2

L3ONHRIP

24/07/2007

COMPANIES HOUSE

368

Short particulars of all the property mortgaged or charged

See attached Schedule 2

Please do not
write in
this margin

**Please complete
legibly, preferably
in black type, or
bold block
lettering**

Particulars as to commission allowance or discount (note 3)

N/A

Signed Lyford Chance LLP

Date 24 July 2007

On behalf of ~~XXXXXXXXXXXX~~ [chargee] †

**A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge
(See Note 5)**

† delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395) If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398) A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No 398 is submitted
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given
- 3 In this section there should be inserted the amount or rate per cent of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his,
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return The rate of interest payable under the terms of the debentures should not be entered
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is **Companies House, Crown Way, Cardiff CF14 3UZ**

**SCHEDULE 1 TO FORM 395 DATED 24 JULY 2007 FOR KEELE RESIDENTIAL
FUNDING PLC (COMPANY NUMBER 003840096)**

1 THE COMPANY'S COVENANT TO PAY

The Company has covenanted with the Security Trustee as trustee that it shall on demand of the Security Trustee discharge all obligations which the Company may at any time have to the Security Trustee (whether for its own account or as trustee for the Beneficiaries) or any of the other Beneficiaries under or pursuant to the Finance Documents (including the Debenture), whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity) (which shall include, without limitation, any obligations of the Company to FSA which may from time to time arise by way of subrogation) and the Company shall pay to the Security Trustee when due and payable every sum at any time owing, due or incurred by the Company to the Security Trustee (whether for its own account or as trustee for the Beneficiaries) or any of the other Beneficiaries in respect of any such liabilities **provided that** neither such covenant nor the Security constituted by the Security Documents shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or Security to be unlawful or prohibited by any applicable law

2 HOLDCO GUARANTEE

2 1 Holdco Guarantee

Holdco irrevocably and unconditionally guarantees to the Security Trustee as trustee for the Beneficiaries the due and punctual observance and performance of all the terms, conditions and covenants on the part of the Company contained in the Finance Documents (including, without limitation, the obligations of the Company in respect of the Bonds and the Guarantee and Indemnity Agreement)

2 2 Indemnity

Holdco irrevocably and unconditionally agrees as a primary obligation to pay to each Beneficiary from time to time on demand by the Security Trustee such sums as may be necessary to indemnify each Beneficiary from and against any loss incurred by such Beneficiary as a result of any of the obligations of the Company under or pursuant to the Finance Documents (including, without limitation, the obligations of the Company in respect of the Bonds and the Guarantee and Indemnity Agreement) being or becoming void, voidable, unenforceable or ineffective as against the Company for any reason whatsoever, whether or not known to the Beneficiaries or any of them or any other person, the amount of such loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from the Company

2 3 Additional Security

The obligations of Holdco in this clause shall be in addition to and independent of every other security which any Beneficiary may at any time hold in respect of any of the Company's obligations hereunder

2.4 Continuing Obligations

The obligations of Holdco in this clause shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the obligations of the Company under the Finance Documents (including the Debenture) and shall continue in full force and effect until final payment in full of all amounts owing by the Company under the Finance Documents and total satisfaction of all respective, actual and contingent obligations of the Company under the Finance Documents (subject always to Clause 3.6 (*Settlement Conditional*) of the Debenture)

**SCHEDULE 2 TO FORM 395 DATED 24 JULY 2007 FOR KEELE
RESIDENTIAL FUNDING PLC (COMPANY NUMBER 003840096)**

1 FIXED CHARGES, ASSIGNMENT AND FLOATING CHARGE

1.1 Fixed Charges

Each Obligor (including the Company) hereby charges with full title guarantee in favour of the Security Trustee as trustee for the Beneficiaries as security for the payment and discharge of the Secured Obligations, by way of first fixed charge (which so far as it relates to land in England and Wales vested in any of the Obligors at the date hereof shall be a charge by way of legal mortgage) all of its right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party)

- 1.1.1 the Real Property other than any assigned pursuant to Clause 4.2 (*Assignments*) of the Debenture,
- 1.1.2 all the Tangible Moveable Property other than any assigned pursuant to Clause 4.2 (*Assignments*) of the Debenture,
- 1.1.3 the Insurances,
- 1.1.4 the Accounts,
- 1.1.5 in the case of the Company, a sub-charge of the Refurbishment Account, the Charged Balance and any Permitted Investment,
- 1.1.6 the intellectual property;
- 1.1.7 any goodwill and rights in relation to the uncalled capital of such Obligor,
- 1.1.8 the investments,
- 1.1.9 in the case of Holdco, the Company Shares and all other Related Assets, and
- 1.1.10 all Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to the Security Documents) and all Related Rights

1.2 Assignments

Each Obligor (including the Company) hereby assigns with full title guarantee to the Security Trustee as trustee for the Beneficiaries as security for the payment and discharge of the Secured Obligations and subject to the provision for reassignment contained in Clause 21 (*Release of Security*) of the Debenture all of its right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such assignment from any third party and to any right to any asset arising under any project document)

- 1.2.1 the proceeds of any of the Insurances and all Related Rights,

- 1 2 2 any agreements, contracts, deeds, undertakings, guarantees, warranties or other documents now or hereafter entered into by or given to it in respect of the Real Property including the Re-provisioning Agreement and all documents now or hereafter in existence necessary to enable the Security Trustee to perfect the same and all the proceeds of any payment of any claims, awards or judgments paid or payable to it under or in respect of the same (including but without limitation all liquidated and ascertained damages payable to it thereunder) and all its rights or remedies now or hereafter in existence arising thereunder;
- 1 2 3 in the case of the Company only, all landlord covenants (as set out in the Leases), all tenant covenants (as set out in the Sub-Lease) and all covenants, agreements, undertakings or obligations entered into or to be entered into by the University (including those set out in the Letting Services Agreement and the Re-provisioning Agreement but excluding those set out in any Occupancy Agreement) or by any other party to any leases or to any licences, debentures, rent deposit agreements, or other deeds or documents supplemental or collateral to any lease or other agreement and of all guarantees or indemnities in any of the aforesaid,
- 1 2 4 all chattels now or at any time hereafter hired, leased or rented by it to any other person together in each case with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract,
- 1 2 5 all present and future licences held in connection with the business carried on upon the Real Property or any part thereof,
- 1 2 6 all rights and claims to which it is now or may hereafter become entitled in relation to all moneys now or at any time hereafter standing to the credit of any of the Accounts and/or the Refurbishment Account opened or maintained with any bank and all rights relating or attaching thereto (including the right to interest) and to the proceeds of such Accounts,
- 1 2 7 all present and future book and other debts and monetary claims now or at any time hereafter due or owing to it which are not otherwise subject to a fixed charge or assigned (whether at law or in equity) to the Security Trustee by or pursuant to the Security Documents and all rights relating thereto including any security, guarantees, indemnities or remedies therefore,
- 1 2 8 all investments to which it is now or may hereafter become entitled,
- 1 2 9 all rights and claims to which it is now or may hereafter become entitled in relation to its uncalled capital,

1 2 10 all rights, title and interest of it under or in respect of the Assigned Contracts and in respect of all ancillary documentation entered into or to be entered into pursuant to the Relevant Documents and Related Assets,

1 2 11 all rights to which it is now or may hereafter become entitled in respect of the proceeds of any order of the court made pursuant to Sections 238(3), 239(3) or 244 of the Insolvency Act 1986, and

1 2 12 all rights and claims to which it is now or may hereafter become entitled in relation to the Charged Balance and any Permitted Investment

1 3 Floating Charge

Each Obligor (including the Company) hereby charges with full title guarantee in favour of the Security Trustee as trustee for the Beneficiaries as security for the payment and discharge of the Secured Obligations by way of first floating charge the whole of its undertaking and assets, present and future Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this clause

1 4 Other Fixed Charges

To the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4 1 (*Fixed Charges*) of the Debenture or assigned by Clause 4 2 (*Assignments*) of the Debenture the Company hereby charges with full title guarantee to the Security Trustee as trustee for the Beneficiaries as security for the payment and discharge of the Secured Obligations and subject to the provision for reassignment contained in Clause 21 (*Release of Security*) of the Debenture all its right, title and interest from time to time in and to the Real Property and any present or future leasehold or freehold property in which the Company has an interest and any Related Rights (subject to obtaining any necessary consent to such assignment from any third party) and to any right to any asset arising under any Project Document

1 5 Real Property

A reference in this Form 395 to a mortgage, assignment or charge of any freehold or leasehold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights

2 DEFINED TERMS

2 1 In this Form 395 the following terms have the following meanings

"Accounts" means each of the Debt Service Account, the Debt Service Reserve Account, the KRF Distributions Account, the Stamp Duty Reserve Account, the Insurance Proceeds Account, the KRF Collection Account, the Holdco Distributions Account, the Operating Account, the Retained Rent Account, the Tax Reserve Account, the Deferred Premium Account, the Maintenance Reserve Account, the Cash

Collateralisation Account and the KRF Refurbishment Account and "**Account**" means any of them, each as defined in the Debenture

"**Accounts Agreement**" means the accounts agreement dated on or about the date hereof between the Company, Holdco, the Security Trustee, the Bond Trustee, FSA, the Account Bank and the University

"**Account Bank**" has the meaning given to it in the Accounts Agreement

"**Agreement for Lease**" means the agreement dated on or about the date hereof entered into between the University (as landlord) and the Company (as tenant) in respect of the Reversionary Lease, the Sub-Lease, the Supplemental Lease and the Re-provisioning Agreement.

"**Assigned Contracts**" means the Project Documents, the Paying Agency Agreement and the Accounts Agreement.

"**Beneficiaries**" means each of FSA, the Bond Trustee, the Bondholders, the Subordinated Creditor, the Security Trustee, the Account Bank and the Principal Paying Agent

"**Bond Trust Deed**" means the trust deed made on or about the date of the Debenture between the Company, the Bond Trustee and FSA constituting the Bonds

"**Bonds**" means the £137,450,000 2 108 per cent Index-Linked Guaranteed Secured Bonds due 2047 of the Company

"**Campus**" has the meaning given to it in the Leases

"**Charged Balance**" has the meaning given to it in the University Refurbishment Account Charge and Assignment

"**Charged Property**" means the Company Charged Property and/or the Holdco Charged Property (as the case may be)

"**Company Charged Property**" means all the assets of the Company from time to time charged (whether fixed or floating) in favour of, or assigned (whether at law or in equity) to, the Security Trustee by or pursuant to the Security Documents

"**Company Shares**" means 50,000 ordinary shares in the Company of £1 00 each

"**Controlling Creditor**" means FSA, unless and until such time as the Security Trustee has received notice from the Bond Trustee that an FSA Event of Default has occurred, in which case, unless such FSA Event of Default has been cured to the satisfaction of the Bond Trustee or waived by the Bond Trustee, the Controlling Creditor means the Bond Trustee

"**Deed of Variation**" means a deed of variation dated on or about the date hereof made between (1) the University and (2) the Company to vary the Existing Lease

"Deferred Premium Account" means account no 11710370 in the name of the Company - Deferred Premium Account (CBNA) held with the Account Bank

"Existing Lease" has the meaning given to it in the Letting Services Agreement

"Finance Documents" means the Bond Documents, the Guarantee and Indemnity Agreement, the Indemnification Deed, the Accounts Agreement and the Security Documents and, in respect only of the claims against the Company of the Subordinated Creditor thereunder, the Leases and the Letting Services Agreement, each as defined in the Debenture.

"Financial Guarantee" means the financial guarantee and the endorsement thereto issued by FSA in respect of the Bonds

"Finance Liabilities" means the indebtedness of the Company and/or Holdco to the Beneficiaries under the Finance Documents

"Finance Liabilities Discharge Date" means the date upon which all Finance Liabilities have been fully and irrevocably paid or discharged and no further Finance Liabilities are capable of becoming outstanding

"FSA Event of Default" means

- (a) any amount which is due and payable by FSA under the terms of the Financial Guarantee is not paid by FSA on the date it is due and payable thereunder, or
- (b) FSA disclaims, disaffirms, repudiates and/or challenges the validity of any of its obligations under the Financial Guarantee or takes legal proceedings to do so, or
- (c) the Financial Guarantee ceases to be in full force and effect, or
- (d) FSA files any petition or commences any case or proceeding in respect of itself under any insolvency or bankruptcy law in any applicable jurisdiction; or
- (e) an encumbrancer takes possession of, or any receiver, administrative receiver, trustee, assignee, custodian, liquidator, administrator, or similar official is appointed in respect of all or substantially all of the business or assets of FSA, or
- (f) an administration order or a winding up order is made against FSA other than for the purposes of and followed by a reconstruction, unless during or following such reconstruction, it becomes or is declared to be insolvent, or
- (g) anything analogous to any of the events specified in paragraphs (d), (e) or (f) above occurs under the laws of any applicable jurisdiction.

"FSMA" means the Financial Services and Markets Act 2000

"Guarantee and Indemnity Agreement" means an agreement made on or about the date of the Debenture between the Company, Holdco and FSA pursuant to which, *inter alia*, FSA has agreed to issue the Financial Guarantee subject to the satisfaction of certain conditions precedent, in particular the payment of a financial guarantee fee to FSA, and the Company has agreed, *inter alia*, to reimburse FSA for, and to FSA being subrogated to the rights of the Bondholders in respect of, any payments made by FSA under the Financial Guarantee

"Holdco Charged Property" means all the assets of Holdco from time to time charged (whether fixed or floating) in favour of, or assigned (whether in law or in equity) to, the Security Trustee by or pursuant to the Security Documents

"Insurances" means all insurances effected pursuant to Schedule 5 (*Insurance Requirements*) of the Debenture and any other contracts of insurance taken out by or for the benefit of the Company or Holdco and **"Insurance"** shall be construed accordingly

"Investments" means any stocks, shares, debentures, securities and other investments, assets, rights or interests falling within any paragraph in Part 2 of Schedule 2 to the FSMA whether held directly by or to the order of the Company or, as the case may be, Holdco or by any trustee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, fiduciary or clearance system)

"Leases" means the Existing Lease, the Deed of Variation, the Supplemental Lease, the Reversionary Lease and the Agreement for Lease (subject, however, to the terms of the Re-provisioning Agreement), each as defined in the Debenture

"Letting Services Agreement" means the letting services agreement entered into by the University and the Company dated 13 July 2007

"Monetary Claims" means any book and other debts and monetary claims owing to the Company and any proceeds thereof (including any claims or sums of money deriving from or in relation to any Investment, the proceeds of any Insurances, any court order or judgment, any contract or agreement to which the Company is a party and any other assets, property, rights or undertaking of the Company).

"Notices of Assignment" means the Notice of Assignment of Assigned Contracts, the Notice of Assignment of Charged Balance and any Permitted Investment and the Notice of Assignment of Insurances, each as set out in the Debenture

"Notices of Charge" means the notice of charge and assignment in substantially the form set out in Part A of Schedule 2 of the Debenture (in relation to the Company) and Part B of Schedule 2 of the Debenture (in relation to Holdco) and **"Notice of Charge"** means either of them

"Obligors" means the Company and Holdco in their capacity as obligors under the Finance Documents and **"Obligor"** means either of them

"Occupancy Agreement" has the meaning given to it in the Letting Services Agreement

"Paying Agency Agreement" has the meaning given to it in the Bond Trust Deed

"Permitted Encumbrance" means

- (a) an encumbrance arising under the Finance Documents,
- (b) an encumbrance arising solely by operation of law, or
- (c) an encumbrance consented to by the Controlling Creditor

"Permitted Investment(s)" means all those investments defined as such in the Debenture

"Principal Paying Agent" has the meaning given to it in the Bond Trust Deed

"Project Documents" means the Leases, the Letting Services Agreement, the GICs, the Management Services Agreements, the University Refurbishment Account Charge and Assignment and such other documents as may from time to time be agreed between the Controlling Creditor and the Company (each acting reasonably) to be a "Project Document" (and **"Project Document"** means any of them), each as defined in the Debenture

"Real Property" means

- (a) all that Existing Lease as varied by the Deed of Variation registered at the Land Registry under title number SF 422810,
- (b) all that land more particularly described in the Supplemental Lease, to be granted out of part of title numbers SF 513145, SF 516355 and SF 513724;
- (c) any freehold, leasehold or immovable property (including the leasehold property under the Leases and the benefit of the Sub-Lease), and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property,

and includes all Related Rights

"Refurbishment Account" means the account of the University which is subject to the University Refurbishment Account Charge and Assignment as described therein and sub-charged hereunder

"Related Assets" means all dividends, interest and other moneys payable in respect of the Company Shares and all other rights, benefits and proceeds in respect of or derived

from the Company Shares (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise)

"Related Rights" means, in relation to any asset,

- (a) the proceeds of sale of any part of that asset,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of the Deferred Premium Account,
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset, and
- (d) any moneys and proceeds paid or payable in respect of that asset

"Relevant Documents" in relation to any person means each of the Project Documents and each of the Finance Documents to which in each case that person is expressed to be a party

"Re-provisioning Agreement" means an agreement dated on or about the date hereof entered into or to be entered into between (1) the Company and (2) the University providing for the University to construct new student accommodation, to de-commission and demolish existing student accommodation and to require the surrender by the Company of land demised under the Leases

"Reversionary Lease" means the reversionary lease to be entered into by the University (as landlord) and the Company (as tenant) pursuant to the Agreement for Lease

"Security" means the security from time to time constituted (or purported to be constituted) by or pursuant to the Security Documents.

"Security Documents" means

- (a) the Debenture,
- (b) the Notices of Charge,
- (c) the Notices of Assignment;
- (d) any other document from time to time executed in favour of the Security Trustee for the purpose of securing all or any of the Secured Obligations, and
- (e) any deed of accession entered into in respect of (a), (b), (c) or (d) above

"Sub-Lease" has the meaning given to it in the Agreement for Lease

"Subordinated Creditor" means the University in respect only of its claims against the Company under the Leases and the Letting Services Agreement

"Supplemental Lease" means a lease expiring on the same day as the Existing Lease and demising to the Company (as tenant) parts of the Campus not included in the Existing Lease

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles and other chattels and all Related Rights

"University Refurbishment Account Charge and Assignment" means the deed dated 13 July 2007 in which the University has granted in favour of the Company security over the Refurbishment Account and permitted investments representing funds that would otherwise be held in the Refurbishment Account

2 2 Terms defined elsewhere

Terms not expressly defined in this Form 395 have the meanings given to those terms in the Debenture

3 ADDITIONAL INFORMATION

The Debenture contains

3 1 restrictions, at any time prior to the Finance Liabilities Discharge Date, on the ability of the Obligors to create or permit to subsist any encumbrance over the Charged Property or all or any of its present or future rights, claims, revenues or assets other than a Permitted Encumbrance

3 2 a covenant for further assurances

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No 03840096

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 13th JULY 2007 AND CREATED BY KEELE RESIDENTIAL FUNDING PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND KRF HOLDINGS LIMITED TO CITICORP TRUSTEE COMPANY LIMITED (SECURITY TRUSTEE) ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 24th JULY 2007.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 30th JULY 2007.

PP



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES