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in black type, or
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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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018989

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

121

3437350

Name of company

* Finsbury Park Mortgage Funding Limited (the "Company")

Date of creation of the charge

23 February 1999

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

A deed of assignment (the "Deed of Assignment") dated 23 February 1999 and made between the Company and Residential Mortgages Securities 5 plc (the "Issuer").

Amount secured by the mortgage or charge

All monies and other liabilities now or at any time hereafter becoming due or owing by the Company to the Issuer under or pursuant to Clause 8 of the Mortgage Sale Agreement (the "Obligations")

For definitions please see the Master Definitions Schedule dated 23 February 1999 and attached as Schedule 2 to this Form 395

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

Residential Mortgages Securities 5 plc whose registered office is at 200 Aldersgate Street, London EC1A 4JJ

Presentor's name address and
reference (if any):

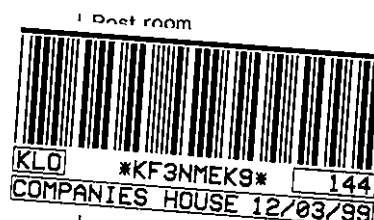
Clifford Chance
200 Aldersgate Street
London
EC1A 4JJ

London-2/252345/01

Time critical reference

JPXR/N2297/00530/CGW

For official use
Mortgage Section



Short particulars of all the property mortgaged or charged

Please see Schedule 1

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in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

None

Signed

Clifford Chance

Date

12 March 1999

On behalf of [company] ~~[mortgagee/chargee]~~[†]

[†] 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.

SCHEDULE 1

1. Assignment

- 1.1 The Company by way of security for the payment and discharge of the Obligations assigns to the Issuer with full title guarantee the Company's rights to serve a Notice of Drawdown in respect of a Tranche B Advance and receive all moneys payable to the Company in respect thereof and to apply the same in satisfaction of the Obligations, all rights of the Company to compel performance thereof, all other rights enabling the Company to enforce any such claims directly or related to such payment and all other remedies, rights, interests and benefits whatsoever accruing to or for the benefit of the Company thereunder or in respect thereof (hereafter collectively referred to as the "**Secured Assets**").
- 1.2 The Issuer will, at the request and cost of the Company, re-assign to Company the Secured Assets upon all of the Obligations having been discharged in full to the satisfaction of the Issuer and the Company having no obligations (actual or contingent) to the Issuer under or pursuant to Clause 8 of the Mortgage Sale Agreement.

2. Covenants for further assurance and negative pledge

The Deed of Assignment contains covenants for further assurance and negative pledge.

Finsbury Park Mortgage Funding Limited

Company No. 3437350

SCHEDULE 2

Please see attached Master Definitions Schedule.

Schedule 2

CONFORMED COPY

23 FEBRUARY 1999
ISSUE BY
RESIDENTIAL MORTGAGE SECURITIES 5 PLC
OF
£150,000,000
MORTGAGE BACKED FLOATING RATE NOTES, RESIDUAL CERTIFICATES AND
MORTGAGE EARLY REDEMPTION CERTIFICATES DUE 2037

MASTER DEFINITIONS SCHEDULE
RELATING TO
CLASS A NOTES PURCHASE AGREEMENT
CLASS M NOTES AND B NOTES PURCHASE AGREEMENT
COLLECTION ACCOUNT DECLARATION OF TRUST
BANK AGREEMENT
COMMITTED LOAN FACILITY
CASH/BOND ADMINISTRATION AGREEMENT
COUPONS TRANSFER AGREEMENT
DEED OF CHARGE
DEED OF ASSIGNMENT
GUARANTEED INVESTMENT CONTRACT
ISDA MASTER AGREEMENT
LIQUIDITY FACILITY AGREEMENT
MORTGAGE ADMINISTRATION AGREEMENT
MORTGAGE SALE AGREEMENT
SJPMF MORTGAGE SALE AGREEMENT
PAYING AGENCY AGREEMENT
DEPOSITORY AGREEMENT
EXCHANGE RATE AGENCY AGREEMENT
POST ENFORCEMENT CALL OPTION AGREEMENT
SPECIAL SERVICER AGREEMENT
STANDBY SERVICER AGREEMENT
TRUST DEED
AND
OTHER AGREEMENTS, OPINION LETTERS,
CERTIFICATES
AND DOCUMENTS ENTERED INTO IN CONNECTION
WITH THE
ISSUE BY
RESIDENTIAL MORTGAGE SECURITIES 5 PLC

CLIFFORD CHANCE

MASTER DEFINITIONS SCHEDULE

In any agreement or deed expressly and specifically incorporating by reference this Master Definitions Schedule the following expressions shall, except where the context otherwise requires and where otherwise defined therein, have the following meanings:

References to Instrumentholders shall be deemed to include references to the holders of the beneficial interests in such Instruments as relevant.

References to any document shall include reference to such document or agreement as varied, supplemented or replaced from time to time.

"A Note Purchase Agreement" means the purchase agreement dated 18 February 1999, as the same may be further amended from time to time, between the Issuer, FPMF, NCL and the Managers named therein;

"A Noteholders" means the several persons who are for the time being holders of the A Notes (being, if and to the extent that the A Notes are represented by the Definitive A Notes, the registered holders thereof and, if and to the extent that the A Notes are represented by the Global A Notes, the bearers thereof; and the words "holder" and "holders" and related expressions shall (where appropriate) be construed accordingly;

"A Notes" means the Original A Notes and any Further A Notes, or any of them, and includes, unless the context requires otherwise, the Detachable A Coupons and any Further Detachable A Coupons and, unless expressly stated to the contrary, all references in the Documents to an "A Note" shall be a reference to such A Note whether in global or definitive form;

"A Principal Deficiency Ledger" means the sub-ledger of such name created and maintained by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger;

"Account Bank" means Barclays;

"Account Documents" means bank mandates, instructions to the Operating Banks and any acknowledgements by the Operating Banks;

"Account Manager" means the persons from time to time nominated by the Mortgage Administrator as the manager responsible for handling the GIC Account and authorised to receive proper instructions from the Special Servicer or any other party to the Mortgage Administration Agreement;

"Actual Redemption Funds" means as at any Determination Date, an amount calculated as the aggregate of:

- (a) the amount standing to the credit of the Principal Ledger and the amount (if any) standing to the credit of the Further Advances Ledger (before the transfer of the Committed Further Advances calculated on that Determination Date from the Principal Ledger); and
- (b) the amount (if any) calculated on that Determination Date pursuant to the 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 Available Revenue Funds on the immediately succeeding Interest Payment Date,

LESS

- (i) any amount set aside by the Issuer on such Determination Date for the purchase of Substitute Loans on the immediately succeeding Interest Payment Date; and
- (ii) the Committed Further Advances calculated on such Determination Date;

"Additional Scottish Trust Property" has the meaning given thereto in any Supplemental Declaration of Trust;

"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);

"Agents" means the Principal Paying Agent, the Paying Agents, the Registrar, the Agent Bank and any Transfer Agent or any of them;

"Agent Bank" means The Chase Manhattan Bank (London Office) initially appointed as agent bank by the Issuer pursuant to the Paying Agency Agreement or such other agent bank as may (with the prior written approval of, and on terms previously approved in writing by, the Trustee) from time to time be appointed as such by the Issuer in accordance with Condition 4 of the Notes, and (except in the case of the initial Agent Bank) notice of whose appointment has been given to the Noteholders in accordance with Condition 15 of the Notes;

"Agreed Business Volumes" has the meaning specified in Schedule 1 of the Mortgage Administration Agreement;

"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;

"Applicable Procedures" has the meaning given to it in the Depository Agreement;

"Arrears" means such amount of a Loan payment or repayment by which the related Borrower is in arrears;

"Assignment of Charges" means any assignment of Scottish Charges to be executed, in the case of the Original Mortgage Pool, each Prefunded Mortgage Pool, any Further Mortgage Pool or any Substitute Loan, pursuant to sub-clause 2.3.2 of the Mortgage Sale Agreement or, in the relevant Clause of any Further Mortgage Sale Agreement as the case may be;

"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 the English Charge or the Scottish Charge relating to such Loan and any other collateral rights or security, which were sold by the Sellers to the Issuer pursuant to either Clause 2.2 of the Mortgage Sale Agreement or the relevant Clause of the Further Mortgage Sale Agreement as the context so requires;

"Assignment of Charges" means any assignment of the English Charges to be executed, in the case of the Original Mortgage Pool, any Prefunded Mortgage Pool, any Further Mortgage Pool or any Substitute Loan pursuant to sub-clause 2.3.2 of the Mortgage Sale Agreement and the relevant Clause of the Further Mortgage Sale Agreement, as the context so requires, in relation to the Original Mortgage Pool, any Further Mortgage Pool or any Substitute Loan, as the case may be;

"Assignment of Guarantees" means any assignment of Guarantees to be executed in relation to the Original Mortgage Pool and any Prefunded Mortgage Pool, any Further Mortgage Pool or any Substitute Loan pursuant to sub-clause 2.3.4 of the Mortgage Sale Agreement, and the relevant clause of any further Mortgage Sale Agreement, as the case may be;

"Assignment of Policies" means any assignment of the Insurance Contracts to be executed, in relation to the Original Mortgage Pool and any Prefunded Mortgage Pool, any Further Mortgage Pool or any Substitute Loan pursuant to sub-clause 2.3.3 of the Mortgage Sale Agreement or the relevant Clause of any Further Mortgage Sale Agreement, as the case may be;

"Auditors" means 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 Notes and Detachable A Coupons, a minimum denomination of £100,000 and integral multiples thereof and, in respect of Certificates, a nominal denomination of £1 and integral multiples thereof;

"Authorised Institution" means an institution authorised to take deposits under the Banking Act 1987;

"Authorised Investments" means any sterling denominated security, bank account or other right of or with any entity any of whose short term unsecured, unguaranteed and non-subordinated securities or debt is rated at least A-1+ from S & P or, if rated by DCR, D-1 from DCR or, with the consent of DCR/S&P the equivalent rating from another internationally recognised rating agency and which matures on or before the next Interest Payment Date following the making of such investment;

"Authorised Signatory" means (in relation to the Issuer) any director of the Issuer and in relation to any other party any person legally entitled to sign on behalf of that party;

"Available Capital Funds" means on any day during an Interest Period (including on a Determination Date) an amount represented by the amount standing to the credit of the Principal Ledger at the close of business on the preceding Business Day less, in the period between the calculation of Actual Redemption Funds on a Determination Date and the application of such Actual Redemption Funds, (a) any commitments to purchase Substitute Loans on the immediately succeeding Interest Payment Date and (b) the amount of such Actual Redemption Funds calculated on the relevant Determination Date;

"Available Revenue Funds" means on any Interest Payment Date, amounts standing to the credit of the Revenue Ledger as at close of business on the Business Day immediately preceding the immediately preceding Determination Date plus those amounts transferred or to be transferred from the Liquidity Ledger or the Reserve Ledger (and, if applicable, any other

ledger) and interest received on the GIC Account on such Interest Payment Date, in each case in accordance with the Cash/Bond Administration Agreement;

"**Authorised Agent**" has the meaning given to it in the Depository Agreement;

"**B Noteholders**" means the several persons who are for the time being holders of the B Notes (being, if and to the extent that the B Notes are represented by the Definitive B Notes, the registered holders thereof and, if and to the extent that the B Notes are represented by the Global B Notes, the bearers thereof; and the words "holder" and "holders" and related expressions shall (where appropriate) be construed accordingly;

"**B Note Interest Shortfall Ledger**" means a ledger established in order to record the interest shortfall in relation to the B Notes;

"**B Note Principal Deficiency Limit**" means initially £5,200,000, Provided that the B Note Principal Deficiency Limit shall, upon the issue of any Further Notes, be increased to such amount as is required by each of the Rating Agencies in order to ensure that the requirements as to ratings by such Rating Agency contained in Condition 16 of the Notes are satisfied upon such issue;

"**B Notes**" means the Original B Notes and any Further B Notes, or any of them, and unless expressly stated to the contrary, all references in the Documents to a "B Note" shall be a reference to such B Note whether in global or definitive form;

"**B Principal Deficiency Ledger**" means the sub-ledger of such name created and maintained by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger;

"**BACS**" means Bankers' Automated Clearing Service as amended from time to time or any scheme replacing the same;

"**BACS Amounts**" has the meaning given to it in Clause 2.1 of the Bank Agreement;

"**Balance**" means in relation to any Loan and on any date the original principal amount advanced to the Borrower 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 Mortgage Conditions on or prior to such date plus in relation to a Loan and the Mortgage relating thereto, any advance of further moneys to the Borrower thereof on the security of the relevant Mortgage after the date of completion of such Loan including advances of any retention less any repayments of such amounts; provided that on the relevant Closing Date for a Loan, the amount of Arrears of such Loan shall not be included in the Balance thereof for the purposes of Clause 3 of the Mortgage Sale Agreement or the relevant clause of any Further Mortgage Sale Agreement, as the case may be;

"**Bank Accounts**" means the GIC Account and the Collection Account (or any replacement accounts for such accounts) and references to Bank Accounts shall include any or all of them;

"**Bank Agreement**" means the bank agreement dated on or about 23 February 1999 as the same may be further amended from time to time between the Issuer, SJPMF, FPMF, Barclays, the Cash/Bond Administrator and the Trustee in relation to the operation of the Bank Accounts;

"**Barclays**" means Barclays Bank PLC acting through its branch at Broadgate Corporate Banking Centre, 155 Bishopsgate, London EC2M 3XA;

"Block Buildings Policy" means the insurance policy described in Schedule 8 to the Mortgage Sale Agreement or the relevant Schedule of the Further Mortgage Sale Agreement as the case may be and any other insurance contracts in replacement, addition or substitution therefor from time to time;

"BO" means a Bankruptcy Order;

"Book-Entry Interest" has the meaning given to it in the Depository Agreement;

"Book Entry Register" has the meaning given to it in the Depository Agreement;

"Borrower" means in relation to each Loan, the borrower specified in such Loan;

"Buildings Policies" means the buildings insurances over the Properties (including the Block Buildings Policy) or any of them;

"Business Day" means a day (other than Saturday or Sunday) on which banks are open for business in London and New York;

"C Note Amount" means the Initial C Note Amount and each Prefunded C Note Amount;

"C Note Pool Factor" shall bear the meaning ascribed to such term in Condition 5(d) of the Notes;

"C Note Principal Amount Outstanding" shall bear the meaning ascribed to such term in Condition 5(d) of the Notes;

"C Note Principal Payment" means the amount of principal repayable in respect of each of the C Notes on an Interest Payment Date in accordance with Condition 5(d) of the Notes;

"C Note Purchase Agreement" means the purchase agreement dated 18 February 1999 between the Issuer and Norland DACS 3 Limited;

"C Noteholders" means the several persons who are for the time being holders of the C Notes (being, if and to the extent that the C Notes are represented by the Definitive C Notes, the registered holders thereof and, if and to the extent that the C Notes are represented by the A Global Notes, the bearers thereof; and the words "holder" and "holders" and related expressions shall (where appropriate) be construed accordingly;

"C Notes" means the Original C Notes and any Further C Notes, or any of them, and unless expressly stated to the contrary, all references in the Documents to a "C Note" shall be a reference to such C Note whether in global or definitive form;

"Cashback Collateral Amount" means on the Initial Issue Date or, as the case may be, the relevant Prefunded Loan Purchase Date, an amount equal to the aggregate of cashback amounts potentially falling due on Cashback Mortgages;

"Cashback Mortgages" means those mortgages in the Mortgage Pool under the terms of which a Borrower receives or has received cash back following the timely payment of the first three direct debits Provided such amounts are repayable by Borrowers if the Cashback Mortgage is prepaid within the first three years;

"Cashback Receipts" means any amounts received by the Issuer from the Borrowers (in respect of Cashback Mortgages) upon a prepayment or an enforcement of Cashback Mortgages;

"Cash/Bond Administration Agreement" means the cash and bond administration agreement dated on or about 23 February 1999, as the same may be further amended from time to time, between the Issuer, FPMF, the Cash/Bond Administrator, and the Trustee;

"Cash/Bond Administration Fee" means the fees, costs and expenses payable to the Cash/Bond Administrator pursuant to Clauses 11 and 12 of the Cash/Bond Administration Agreement;

"Cash/Bond Administrator" means NCL appointed pursuant to the Cash/Bond Administration Agreement to, *inter alia*, manage all cash transactions and maintain all cash management ledgers as agent for the Issuer and the Trustee and any successor or assign;

"CCJ" means a county court judgement (or its Scottish equivalent) relating to a Borrower;

"CDI" means the Certificated Depository Interests and/or Certificateless Depository Interests;

"CedelBank" means CedelBank, société anonyme;

"Certificated Depository Interests" means collectively, in respect of each class of Instruments, the beneficial interests that shall, at all times prior to the issuance of Definitive Instruments in respect thereof, represent the right to receive 100% of the principal, interest, RC Distribution or MER Distribution, as the case may be, of the underlying Reg S Global Instrument of such class, and that in each case is issued to the Holder or its nominee by the Depository substantially in the form of Exhibit F of the Depository Agreement;

"Certificateless Depository Interests" means collectively, in respect of each class of Instruments, the beneficial interests that shall, at all times prior to the issuance of Definitive Instruments in respect thereof, represent the right to receive 100% of the principal, interest, RC Distribution or MER Distribution, as the case may be, of the underlying Rule 144A Global Instrument of such class, and that in each case is issued to the Holder or its nominee by the Depository;

"Certificates" means the Original MERCs and, unless the context requires otherwise, any Further MERCs, the Original Residual Certificates and, unless the contract requires otherwise, any Further Residual Certificates, or any of them and, unless expressly stated to the contrary, all references in the Documents to a **"Certificate"** shall be a reference to such Certificate whether in global or definitive form;

"Charged Obligation Documents" means the documents set out at Clause 1.4 of the Deed of Charge and Condition 2;

"Charged Obligors" means all parties to the Charged Obligation Documents having obligations whether present, future, actual or contingent to the Issuer, pursuant to any such documents;

"Charged Property" means the property, assets, rights and undertaking 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;

"Charges" means collectively the English Charges and the Scottish Charges;

"Chase" means The Chase Manhattan Bank;

"Closing Date" means the Original Closing Date, any Prefunded Closing Date or any Further Closing Date as the context may require;

"Collection Account" means the SJPMF Collection Account and the FPMF Collection Account and Collection Account shall mean any of them;

"Collection Account Declaration of Trust" means the SJPMF Collection Account Declaration of Trust and the FPMF Collection Account Declaration of Trust;

"Collection Policy Manual" means the document bearing such title set out in Schedule 1 of the Mortgage Administration Agreement;

"Commission" means the United States Securities and Exchange Commission;

"Committed Further Advances" on any Determination Date means the aggregate of (a) the amount of Further Advances which the Issuer is committed to advancing (but has not yet advanced) as at such Determination Date and (b) the amount, advised to the Issuer by the Special Servicer, which it is anticipated will be required by the Issuer for future Further Advances, such amount (in respect of this item (b) only) not to be greater than £250,000.

"Committed Loan Facility" means a facility granted pursuant to a revolving credit facility agreement made available from Morgan Stanley to FPMF in an aggregate amount equal to 80 per cent. of the aggregate principal balances of the Non Verified Loans on the Initial Issue Date and 60 per cent. of the aggregate principal balances of the Non Verified Loans on each Prefunded Loan Purchase Date, as the case may be, until such time as such Non Verified Loans have either been verified, pre-paid or repurchased (whichever is the earlier);

"Common Depository" means Banque Internationale à Luxembourg (acting out of its office in Luxembourg);

"Completion" means (a) in relation to the Original Loans, the sale and purchase thereof and implementation of the other matters provided for in Clause 5.2 of the Mortgage Sale Agreement, (b) in relation to the Prefunded Loans, the sale and purchase thereof and implementation of the other matters provided for in Schedule 3 of the Special Servicer Agreement, (c) in relation to each of the Further Loans, the sale and purchase thereof and implementation of the other matters provided for in Clause 5.4 of the Mortgage Sale Agreement and the relevant Clause of the Further Mortgage Sale Agreement and (d) in relation to each of the Substitute Loans, the sale and purchase thereof and implementation of other matters provided for in Clause 5.5 of the Mortgage Sale Agreement and the relevant Clause of the Further Mortgage Sale Agreement ;

"Completion Mortgage Pool" means the Original Completion Mortgage Pool, the Prefunded Mortgage Pool and the Further Mortgage Pool;

"Conditions" means the Conditions applicable to the Notes, unless the context requires reference to the MERC Conditions and/or Residual Certificates Conditions in which case the meaning will include all conditions or any of them, in the form set out in the Twelfth Schedule of the Trust Deed, as the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

"Converted Loan" means a Loan converted in accordance with the provisions of Clause 4.3 of the Special Servicer Agreement;

"Coupon Stripping" has the meaning specified in the Trust Deed;

"Coupons Transfer Agreement" means the coupons transfer agreement dated on or about 23 February 1999 between Morgan Stanley and Norland DACS 3 Limited

"Coupon Value" means an aggregate notional principal amount equal to the Principal Amount Outstanding of the A Notes;

"Counterparty" means MSCS or such other counterparty in respect of the ISDA Master Agreement;

"Counterparty Guarantor" means MSDW or the guarantor of the Counterparty from time to time;

"Custodian" means Banque Brussels Lambert;

"Custody Agreement" means the agreement dated on or about 23 February 1999 as the same may be further amended from time to time, between SJPMF, FPMF, Chase and the Custodian;

"DCR" means Duff & Phelps Credit Rating Co.;

"Declaration of Trust" means the Declaration of Trust dated 21 December 1998 and made by the Share Trustee in relation to (*inter alia*) the holding by the Share Trustee of one ordinary share of £1.00 in the Parent and one ordinary share of £1.00 in the Issuer;

"Deed of Assignment" means the deed of assignment dated on or about 23 February 1999, and made between Morgan Stanley, FPMF and the Issuer;

"Deed of Charge" means the deed of charge and assignment dated on or about 23 February 1999, as the same may be further amended from time to time between, *inter alia*, the Issuer, the Trustee, the Mortgage Administrator, the Special Servicer, the Cash/Bond Administrator, the Swap Counterparty, the Liquidity Facility Provider, and the Sellers and includes (where the context so admits) all further documents granted in terms thereof;

"Definitive A Notes" means any Original Reg S Definitive A Notes, Further Reg S Definitive A Notes, Original Rule 144A Definitive A Notes and Further Rule 144A Definitive A Notes, or any of them;

"Definitive B Notes" means any Original Reg S Definitive B Notes, Further Reg S Definitive B Notes, Original Rule 144A Definitive B Notes and Further Rule 144A Definitive B Notes, or any of them;

"Definitive Certificates" means any Definitive Residual Certificates and Definitive MERCs, or any of them;

"Definitive C Notes" means any Original Reg S Definitive C Notes, Further Reg S Definitive C Notes, Original Rule 144A Definitive C Notes and Further Rule 144A Definitive C Notes, or any of them;

"Definitive Detachable A Coupons" means any Original Reg S Definitive Detachable A Coupons, Further Reg S Definitive Detachable A Coupons, Original Rule 144A Definitive Detachable A Coupons and Further Rule 144A Definitive Detachable A Coupons, or any of them;

"Definitive Instruments" means any Definitive A Notes, Definitive Detachable A Coupons, Definitive M Notes, Definitive B Notes, Definitive C Notes, Definitive Residual Certificates and Definitive MERCs, or any of them;

"Definitive M Notes" means any Original Reg S Definitive M Notes, Further Reg S Definitive M Notes, Original Rule 144A Definitive M Notes and Further Rule 144A Definitive M Notes, or any of them;

"Definitive MERCs" means any Original Reg S Definitive MERCs, Further Reg S Definitive MERCs, Original Rule 144A Definitive MERCs and Further Rule 144A Definitive MERCs, or any of them;

"Definitive Notes" means any Original Reg S Definitive Notes, Further Reg S Definitive Notes, Original Rule 144A Definitive Notes and Further Rule 144A Definitive Notes, or any of them;

"Definitive Residual Certificates" means any Original Reg S Definitive Residual Certificates, Further Reg S Definitive Residual Certificates, Original Rule 144A Definitive Residual Certificates and Further Rule 144A Definitive Residual Certificates, or any of them;

"Depository" means The Chase Manhattan Bank, New York office;

"Depository Agreement" means the depository agreement dated on or about 23 February 1999 between Residential Mortgage Securities 5 Plc, Royal Exchange Trust Company Limited and The Chase Manhattan Bank New York Office;

"Detachable A Couponholders" means the holders for the time being of the Detachable A Coupons;

"Detachable A Coupons" means the Original Reg S Detachable A Coupons, the Further Reg S Detachable A Coupons, the Rule 144A Detachable A Coupons and the Further Rule 144A Detachable A Coupons or any of them and, unless expressly stated to the contrary, all references in the Documents to a **"Detachable A Coupon"** shall be a reference to such Detachable A Coupon whether in global or definitive form;

"Determination Date" means each day which falls three Business Days prior to an Interest Payment Date;

"Determination Period" means the period from and including one Determination Date (or the Original Closing Date) to (but excluding) the next (or first) Determination 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;

"Documents" has the same meaning as in Condition 3 of the Notes;

"dollars" and **"\$"** denote the lawful currency for the time being of the United States of America;

"DTC" means Depository Trust Company or its nominee;

"Endowment Loan" means a Loan under the terms of which no payment of principal is required until maturity of the Loan in accordance with the Loan Conditions and in respect of which collateral security in the form of an endowment policy is required;

"Enforcement Date" means the date specified as such in an Enforcement Notice;

"Enforcement Notice" means a notice given by the Trustee to the Issuer under Condition 9 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 his Loan or related security in accordance with the procedures described in the Service Specification or such other procedures as may be agreed from time to time by the Trustee with 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 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 Charges" means the legal or equitable charges granted (whether by way of assignment or deposit) by the Borrowers in favour of each of the Sellers, as the case may be in respect of the Life Policies by way of collateral security for the payment of the moneys secured by the English Mortgages;

"English Loan" means a loan secured by an English Mortgage;

"English Mortgage" means a Mortgage over an English Property;

"English Property" means a freehold or long leasehold residential property (having an unexpired term at least 35 years longer than the mortgage term) in England or Wales;

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System;

"Event of Default" means any of the events described in Condition 9 of the Instruments;

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended;

"Exchange Rate Agent" means The Chase Manhattan Bank, New York in its capacity as exchange rate agent pursuant to the Exchange Rate Agency Agreement;

"Exchange Rate Agency Agreement" means the exchange rate agency agreement between, *inter alia* Residential Mortgage Securities 5 Plc and the Chase Manhattan Bank, New York;

"Exercise Date" has the meaning given to in the Post Enforcement Call Option;

"Extraordinary Resolution" has the meaning given to it in paragraph 20 of the Eleventh Schedule of the Trust Deed;

"final maturity date" in respect of all of the Notes includes any Interest Payment Date on which the Notes are to be redeemed under Condition 5(e), (f) or (g) of the Notes;

"First Notional Amount" means the amount produced by applying the LIBOR Rate to the expected maximum aggregate balances of the Fixed Rate Mortgages;

"Fixed Rate Period" means the period from the first Interest Payment Date until or including 29 February 2000 or such other date as may be agreed with the Rating Agencies;

"FPMF" means Finsbury Park Mortgage Funding Limited;

"FPMF Collection Account" means the account in the name of FPMF at Barclays, Sort Code: 20-19-90, account number: 20085359;

"FPMF Collection Account Declaration of Trust" means the declaration of trust dated on or about 23 February 1999 over the FPMF Collection Account given by FPMF in favour of the Issuer;

"FPMF Mortgage Loans" means those Loans which FPMF warrants were originated by it;

"FPMF Power of Attorney" means the power of attorney executed by FPMF in the form set out in Schedule 6A of the Mortgage Sale Agreement;

"FSA" means the Financial Services Act 1986;

"Further A Notes" means any Further Reg S A Notes and any Further Rule 144A A Notes, or any of them;

"Further Advance" means a further advance made to a Borrower by the Issuer pursuant to Clause 9 of the Special Servicer Agreement;

"Further Advances Ledger" means the ledger of such name created and maintained by the Cash/Bond Administrator as a ledger of the GIC Account;

"Further Advances Maximum Limit" means £15,000,000 provided that the Further Advances Maximum Limit shall, upon the issue of any Further Notes, be increased by such amount as each of the Rating Agencies confirms would be required not to adversely affect the then current rating assigned by such Rating Agency to the Notes;

"Further B Notes" means any Further Reg S B Notes and any Further Rule 144A B Notes, or any of them;

"Further C Notes" means any Further Reg S C Notes and any Further Rule 144A C Notes, or any of them;

"Further Certificates" means any Further MERCs and Further Residual Certificates, or any of them;

"Further Closing Date" means, in relation to any Further Loans, the date on which Completion occurs in respect thereof;

"Further Detachable A Coupons" means any Further Reg S Detachable A Coupons and Further Rule 144A Detachable A Coupons, or any of them;

"Further Instruments" means the Further Notes, the Further Residual Certificates and the Further MERCs, or any of them;

"Further Issue" means the Further Notes issued on a Further Issue Date;

"Further Issue Date" means, in relation to any Further Notes, the date upon which such Further Notes are issued by the Issuer;

"Further Loan Schedule" means the schedule of Further Loans to be delivered by the Seller, to the Issuer on the relevant Further Closing Date signed and dated by the Seller and identifying the Further Loans to be sold on each Further Closing Date;

"Further Loans" means the loans to be sold by the Seller, to the Issuer under sub-clause 2.1.3 of the Mortgage Sale Agreement or the relevant Clauses of any Further Mortgage Sale Agreement, as the case may be, all of which are included in the relevant Further Mortgage Pool;

"Further M Notes" means any Further Reg S M Notes and any Further Rule 144A M Notes, or any of them;

"Further MERCs" means the Further Reg S MERCs and the Further Rule 144A MERCs and, unless expressly stated to the contrary, all references in the Documents to a **"Further MERC"** shall be a reference to such Further MERC whether in global or definitive form;

"Further Mortgage Pool" means the loans to be selected by the relevant Seller from a Provisional Further Mortgage Pool in accordance with Clause 4.1 of the Mortgage Sale Agreement or the relevant clause of any Further Mortgage Sale Agreement and to be sold and assigned to the Issuer pursuant to any Further Mortgage Sale Agreement on each Further Closing Date, and which are listed in the relevant Further Loan Schedule;

"Further Mortgage Sale Agreement" means any mortgage sale agreement made pursuant to any Tap Issue;

"Further Notes" means any Further A Notes, Further M Notes, Further B Notes and Further C Notes, or any of them;

"Further Principal Level A" means the amount of proceeds from the issue of the Further C Notes credited to the Start-Up Costs Ledger;

"Further Principal Level B" means the amount of proceeds from the proceeds from the issue of the Further C Notes credited to the Reserve Ledger;

"Further Reg S A Notes" means any further Reg S A Notes issued on any Further Closing Date pursuant to the Trust Deed. such notes being consolidated and forming a single series

with the Original Reg S A Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Reg S B Notes" means any further Reg S B Notes issued on any Further Closing Date pursuant to the Trust Deed, such notes being consolidated and forming a single series with the Original Reg S B Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Reg S C Notes" means any further Reg S C Notes issued on any Further Closing Date pursuant to the Trust Deed, such notes being consolidated and forming a single series with the Original Reg S C Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Reg S Certificates" means any Further Reg S MERCs and Further Reg S Residual Certificates, or any of them;

"Further Reg S Definitive A Notes" means any Further Reg S A Notes issued in registered definitive form;

"Further Reg S Definitive B Notes" means any Further Reg S B Notes issued in registered definitive form;

"Further Reg S Definitive C Notes" means any Further Reg S C Notes issued in registered definitive form;

"Further Reg S Definitive Certificates" means any Further Reg S Definitive MERCs and Further Reg S Definitive Residual Certificates, or any of them;

"Further Reg S Definitive Detachable A Coupons" means any Further Reg S Detachable A Coupons issued in registered definitive form;

"Further Reg S Global Instrument " means any Further Reg S Global Note, Further Reg S Global Detachable A Coupon, Further Reg S Global Certificate, or any of them;

"Further Reg S Definitive M Notes" means any Further Reg S M Notes issued in registered definitive form;

"Further Reg S Definitive MERCs" means any further Reg S MERCs issued in registered definitive form;

"Further Reg S Definitive Notes" means any Further Reg S Definitive A Notes, Further Reg S Definitive M Notes, Further Reg S Definitive B Notes and Further Reg S Definitive C Notes, or any of them;

"Further Reg S Definitive Residual Certificates" means any further Reg S Residual Certificates issued in registered definitive form;

"Further Reg S Detachable A Coupons" means the interest entitlement to any Further Reg S A Notes specified as the Reg S Detachable A Coupons;

"Further Reg S Global A Notes" means any Further Reg S A Notes issued in global bearer form;

"Further Reg S Global B Notes" means any Further Reg S B Notes issued in global bearer form;

"Further Reg S Global C Notes" means any Further Reg S C Notes issued in global bearer form;

"Further Reg S Global Certificates" means any Further Reg S Global MERCs and Further Reg S Global Residual Certificates, or any of them;

"Further Reg S Global Detachable A Coupons" means any Further Reg S Detachable A Coupons issued in global bearer form;

"Further Reg S Global Instrument" means any Further Reg S Global Note, Further Reg S Global Detachable A Coupon, Further Reg S Global Certificate, or any of them;

"Further Reg S Global M Notes" means any Further Reg S M Notes issued in global bearer form;

"Further Reg S Global MERCs" means any further Reg S MERCs issued on any Further Closing Date in global registered form;

"Further Reg S Global Notes" means any Further Reg S Global A Notes, Further Reg S Global M Notes, Further Reg S Global B Notes and Further Reg S Global C Notes, or any of them;

"Further Reg S Global Residual Certificates" means any further Reg S Residual Certificates issued on any Further Closing Date in global registered form;

"Further Reg S M Notes" means any further Reg S M Notes issued on any Further Closing Date pursuant to the Trust Deed, such notes being consolidated and forming a single series with the Original Reg S M Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Reg S MERCs" means any further Reg S MERCs issued on any Further Closing Date pursuant to the Trust Deed, such certificates being separate from, and not consolidated with, the Original Reg S MERCs, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Reg S Notes" means any Further Reg S A Notes, Further Reg S M Notes, Further Reg S B Notes and Further Reg S C Notes, or any of them;

"Further Reg S Residual Certificates" means any further Reg S Residual Certificates issued on any Further Closing Date pursuant to the Trust Deed, such certificates being consolidated and forming a single series with the Original Reg S Residual Certificates, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Rule 144A A Notes" means any further Rule 144A A Notes issued on any Further Closing Date pursuant to the Trust Deed, such notes being consolidated and forming a single series with the Original Rule 144A A Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Rule 144A B Notes" means any further Rule 144A B Notes issued on any Further Closing Date pursuant to the Trust Deed, such notes being consolidated and forming a single series with the Original Rule 144A B Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Rule 144A C Notes" means any further Rule 144A C Notes issued on any Further Closing Date pursuant to the Trust Deed, such notes being consolidated and forming a single series with the Original Rule 144A C Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Rule 144A Certificates" means any Further Rule 144A MERCs and Further Rule 144A Residual Certificates, or any of them;

"Further Rule 144A Definitive A Notes" means any Further Rule 144A A Notes issued in registered definitive form;

"Further Rule 144A Definitive B Notes" means any Further Rule 144A B Notes issued in registered definitive form;

"Further Rule 144A Definitive C Notes" means any Further Rule 144A C Notes issued in registered definitive form;

"Further Rule 144A Definitive Certificates" means any Further Rule 144A Definitive MERCs and Further Rule 144A Definitive Residual Certificates, or any of them;

"Further Rule 144A Definitive M Notes" means any Further Rule 144A M Notes issued in registered definitive form;

"Further Rule 144A Definitive MERCs" means any Further Rule 144A MERCs issued in registered definitive form;

"Further Rule 144A Definitive Notes" means any Further Rule 144A Definitive A Notes, Further Rule 144A Definitive M Notes, Further Rule 144A Definitive B Notes and Further Rule 144A Definitive C Notes, or any of them;

"Further Rule 144A Definitive Residual Certificates" means any Further Rule 144A Residual Certificates issued in registered definitive form;

"Further Rule 144A Global A Notes" means any Further Rule 144A A Notes issued in global bearer form;

"Further Rule 144A Global B Notes" means any Further Rule 144A B Notes issued in global bearer form;

"Further Rule 144A Global C Notes" means any Further Rule 144A C Notes issued in global bearer form;

"Further Rule 144A Global Certificates" means any Further Rule 144A Global MERCs and Further Rule 144A Global Residual Certificates, or any of them;

"Further Rule 144A Global Instrument" means any Further Rule 144A Global Note, Rule 144A Global Detachable A Coupon, Rule 144A Global Certificate, or any of them;

"Further Rule 144A Global M Notes" means any Further Rule 144A M Notes issued in global bearer form;

"Further Rule 144A Global MERCs" means any Further Rule 144A MERCs issued in global registered form;

"Further Rule 144A Global Notes" means any Further Rule 144A Global A Notes, Further Rule 144A Global M Notes, Further Rule 144A Global B Notes and Further Rule 144A Global C Notes, or any of them;

"Further Rule 144A Global Residual Certificates" means any Further Rule 144A Residual Certificates issued in global registered form;

"Further Rule 144A MERCs" means any further Rule 144A MERCs issued on any Further Closing Date pursuant to the Trust Deed, such certificates being separate from, and not consolidated with, the Original Rule 144A MERCs, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Rule 144A M Notes" means any further Rule 144A M Notes issued on any Further Closing Date pursuant to the Trust Deed, such notes being consolidated and forming a single series with the Original Rule 144A M Notes, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Rule 144A Notes" means any Further Rule 144A A Notes, Further Rule 144A M Notes, Further Rule 144A B Notes and Further Rule 144A C Notes, or any of them;

"Further Rule 144A Residual Certificates" means any further Rule 144A Residual Certificates issued on any Further Closing Date pursuant to the Trust Deed, such certificates being consolidated and forming a single series with the Original Rule 144A Residual Certificates, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Further Residual Certificates" means the Further Rule 144A Residual Certificates and the Further Reg S Residual Certificates or any of them and, unless expressly stated to the contrary, all references in the Documents to a **"Further Residual Certificate"** shall be a reference to such Further Residual Certificate whether in global or definitive form;

"GIC Account" means the account in the name of the Issuer at Barclays, Sort Code: 20-19-90, account number: 70031402;

"GIC Account Balance" means amounts standing at any time to the credit of the GIC Account;

"GIC Agreement" means the Guaranteed Investment Contract agreement;

"GIC Provider" means Barclays;

"Global A Notes" means the Original Reg S Global A Note, any Further Reg S Global A Notes, the Original Rule 144A Global A Note and any Further Rule 144A Global A Notes, or any of them;

"Global B Notes" means the Original Reg S Global B Note, any Further Reg S Global B Notes, the Original Rule 144A Global B Note and any Further Rule 144A Global B Notes, or any of them;

"Global C Notes" means the Original Reg S Global C Note, any Further Reg S Global C Notes, the Original Rule 144A Global C Note and any Further Rule 144A Global C Notes, or any of them;

"Global Certificates" means the Original Reg S Global Certificates, any Further Reg S Global Certificates, the Original Rule 144A Global Certificates and any Further Rule 144A Global Certificates, or any of them;

"Global Detachable A Coupons" means the Original Reg S Global Detachable A Coupons, any Further Reg S Global Detachable A Coupons, the Original Rule 144A Global Detachable A Coupons and any Further Rule 144A Global Detachable A Coupons, or any of them;

"Global Instruments" means the Global A Notes, the Global Detachable A Coupons, the Global M Notes, the Global B Notes, the Global C Notes, the Global Residual Certificates and the Global MERCs;

"Global M Notes" means the Original Reg S Global M Note, any Further Reg S Global M Notes, the Original Rule 144A Global M Note and any Further Rule 144A Global M Notes, or any of them;

"Global MERCs" means the Original Reg S Global MERC, any Further Reg S Global MERCs, the Original Rule 144A Global MERC and any Further Rule 144A Global MERCs, or any of them;

"Global Residual Certificates" means the Original Reg S Global Residual Certificate, any Further Reg S Global Residual Certificates, the Original Rule 144A Global Residual Certificate and any Further Rule 144A Global Residual Certificates, or any of them;

"Global Notes" means the Original Reg S Global Note, any Further Reg S Global Notes, the Original Rule 144A Global Note and any Further Rule 144A Global Notes, or any of them;

"Group" or **"Group Company"** means each of FPMF, SJPMF, Kensington Group plc and each subsidiary from time to time of Kensington Group plc;

"Guarantee" means each guarantee given in support of the obligations of a Borrower under a Loan;

"Guaranteed Investment Contract" means the agreement so named dated on or about 23 February 1999 between the Issuer, the Trustee, the Cash/Bond Administrator and the GIC Provider, as the same may be further amended from time to time in relation to the guaranteed rate of interest to be paid by the GIC Provider on monies standing to the credit of the GIC Account;

"Holder" has the meaning given to it in the Depository Agreement;

"HML" means Homeloan Management Limited;

"Income Deficiency" means on any Determination Date, the extent to which the credit balance of the Revenue Ledger is insufficient to pay or provide for payments of items 5.5.2A(i) to (x) (inclusive) of the Cash/Bond Administration Agreement;

"Initial Available Revenue" means the credit balance of the Revenue Ledger;

"Initial Issue" means the issue of Instruments on the Initial Issue Date;

"Initial Issue Date" means on or about 23 February 1999 or such later date not later than 31 February 1999;

"Initial C Note Amount" means the amount of the C Notes issued partly paid on the Initial Issue Date;

"Initial Mortgage Pool" means the portfolio of Loans listed in Annexure A of the Mortgage Sale Agreement identified as at on or about 23 February 1999;

"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;

"Instalment Month" means, with respect to any Instalment, the month in respect of which such Instalment is or became or will become due;

"Instrument Default" has the meaning given to it in the Depository Agreement;

"Instrumentholders" means the Noteholders, the Detachable A Couponholders, the Residual Certificateholders and the MERC Holders, or any of them;

"Instrument Conditions" means the Conditions, the Residual Certificate Conditions and the MERC Conditions;

"Instruments" means the Notes and the Certificates or any of them and, unless expressly stated to the contrary, all references in the Documents to an **"Instrument"** shall be a reference to such Instrument whether in global or definitive form;

"Insurance Contracts" means the insurance policies described in Schedule 8 to the Mortgage Sale Agreement and any other insurance contracts in replacement, addition or substitution therefor from time to time and which relate to the Loans;

"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 set out in Condition 4;

"Interest Differential" means any differential between the interest earned on the Prefunded Loans Ledger and the interest that would have been earned from Borrowers in respect of Mortgage Loans had the Prefunded Loan Amount been applied in the purchase of LIBOR Standard Mortgages or KVR Standard Mortgages on the Initial Issue Date;

"Interest Determination Date" means the date on which the Rate of Interest will be determined, or, in the case of the first interest period, on or about 23 February 1999;

"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 10 June 1999 and thereafter the tenth day in September, December, March and June in each year unless such day is not a Business Day, in which case the Interest Payment Date shall be the following day which is a Business Day;

"Interest Period" means the period from (and including), an Interest Payment Date (or the Initial Issue Date) to (but excluding) the next (or first) Interest Payment Date;

"Interest Rate Cap Agreements" means the interest rate cap agreements between the Issuer and the Counterparty dated on or about 23 February 1999 to hedge against the potential interest rate exposure arising from, *inter alia*, the mismatch between the floating rate interest due on the notes and the fixed rate payments due from Borrowers in respect of fixed rate mortgages;

"Interest Shortfall" means the amount by which the aggregate amount of interest paid on the relevant Notes on any Interest Payment Date in accordance with Condition 6 falls short of the aggregate amount of interest which would be otherwise payable on the relevant Notes on that Interest Payment Date;

"ISDA Credit Support Annex" means the ISDA credit support annex to be entered into by the Issuer and MSCS dated on or about on or about 23 February 1999;

"ISDA Master Agreement" means the Swap Agreement, the Interest Rate Cap Agreements, the Credit Support Annex and the relevant schedules and confirmations in relation thereto dated on or about the Initial Issue Date as the same may be further amended from time to time between the Issuer and the Swap Counterparty;

"Issue Documents" means the Trust Deed and the Paying Agency Agreement;

"Issuer" means Residential Mortgage Securities 5 plc;

"Issuer's Certificate" has the meaning given to it in the Depository Agreement;

"Issuer's Order" has the meaning given to it in the Depository Agreement;

"IVA" means an individual voluntary arrangement;

"**KG**" means Kensington Group Plc, a company registered in England and Wales with company number 3050321;

"**Kensington**" means KG, FPMF, SJPMF and the other subsidiaries of KG trading collectively as Kensington Mortgage Company;

"**KVR Discount Mortgage**" means a Loans under the terms of which the Borrower receives a discount until February 2000;

"**KVR Fixed Rate Mortgage**" means a Loan under the terms of which the Borrower pays a fixed rate of interest and thereafter pays a variable rate of interest equal to LIBOR plus a margin;

"**KVR Mortgages**" means KVR Fixed Rate Mortgages, KVR Discount Mortgages and KVR Standard Mortgages;

"**KVR Standard Mortgage**" means a Loan in respect of which interest is payable at a variable rate which is set quarterly plus a margin of between one and three per cent. plus a further margin;

"**Land Registry**" means H.M. Land Registry;

"**Lead Manager**" means in relation to the Initial Issue, Morgan Stanley and, in relation to any further issue, such manager named as such in any supplemental listing particulars;

"**Ledgers**" means the Further Advances Ledger, the Liquidity Ledger, the Reserve Ledger, the Start-up Costs Ledger, the Substitution Ledger, the Prefunded Loans Ledger, the MERR Ledger, the Principal Ledger and the Revenue Ledger;

"**Lending Criteria**" means the lending criteria set out in Schedule 9 of the Mortgage Sale Agreement or the relevant Schedule of any Further Mortgage Sale Agreement together with such variations thereto as may from time to time be applicable generally to loans and further advances made by companies within the Group;

"**Letter of Representation**" has the meaning given to it in the Depository Agreement;

"**LIBOR**" means the London interbank offer rate as defined in Condition 4;

"**LIBOR Discount Mortgage**" means a Loan under the terms of which the Borrower receives a discount over the first two years of from the date of origination of the Mortgage;

"**LIBOR Fixed Rate Mortgage**" means a Loan under the terms of which the Borrower pays a fixed rate interest for a specified period of time;

"**LIBOR-Linked Loan**" means a Loan in respect of which the interest rate payable thereunder by the Borrower from time to time is calculated as being the aggregate of a percentage as specified in the Loan Conditions relating to that Loan plus LIBOR from time to time (and as re-set on each Rate Setting Date);

"**LIBOR Mortgages**" means LIBOR Fixed Rate Mortgages, LIBOR Discount Mortgages, Cash Back Mortgages and LIBOR Standard Mortgages;

"**LIBOR Rate**" means the three month LIBOR rate applicable to the Notes during the relevant Interest Period;

"LIBOR Standard Mortgage" means a Loan under which the Borrower pays a rate of interest equal to LIBOR plus a margin;

"Life Policies" means such policies of life assurance or endowment policies in respect of Endowment Loans, Repayment Loans or Interest Only Loans which may have been deposited or assigned by way of collateral security for the payment of the sums secured under such Loans which includes any Substitute Life Policies;

"Liquidity Drawn Amount" means, on any Determination Date:

- (a) at any time prior to the Liquidity Drawdown Date, the amount then drawn under the Liquidity Facility and not repaid together with all accrued interest up to (but excluding) the related Interest Payment Date pursuant to the Liquidity Facility Agreement; and
- (b) at any time on or after the Liquidity Drawdown Date, the difference between the Liquidity Maximum Amount and the amount standing to the credit of the Liquidity Ledger on that Determination Date;

"Liquidity Drawdown Date" means the date on which the Issuer is required under the Liquidity Facility Agreement forthwith to draw down the entirety of the undrawn portion of the Liquidity Facility and credit such amount to the Liquidity Ledger;

"Liquidity Facility" means the facility entered into between the Liquidity Facility Provider, the Trustee and the Issuer pursuant to the terms of the Liquidity Facility Agreement;

"Liquidity Facility Agreement" means the agreement dated on or about 23 February 1999, as the same may be further amended from time to time, between the Issuer, the Trustee and the Liquidity Facility Provider which makes provision for the Liquidity Facility;

"Liquidity Facility Provider" means Barclays;

"Liquidity Ledger" means the ledger in the GIC Account to which drawings made by the Issuer under the Liquidity Facility are to be initially credited;

"Liquidity Maximum Amount" means £5,100,00, or, following a Further Issue such other amount as the Rating Agencies may require in order to maintain the then current rating of the Notes, and as the Liquidity Facility Provider may agree to provide;

"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 any of the Sellers 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 by agreement between the Special Servicer and the Borrower;

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

"Loans" means the Original Loans, the Prefunded Loans and/or the Further Loans or any of them as the context may require which, such of the Sellers have agreed to sell to the Issuer under Clause 2 of the Mortgage Sale Agreement or the relevant clause of any Further Mortgage Sale Agreement and which together comprise the Mortgage Pool;

"Loan to Value Ratio" or "LTV" mean the ratio, expressed as a percentage, which the amount of a Loan bears to the valuation of the relevant Property;

"London Stock Exchange" means the London Stock Exchange Limited;

"M Note and B Note Purchase Agreement" means the purchase agreement dated 18 February 1999 between the Issuer, FPMF, SJPMF, NCL and Morgan Stanley;

"M Note Interest Shortfall Ledger" means a ledger established in order to record the interest shortfall in relation to the M Notes;

"M Note Interest Shortfall Ledger" means a ledger established in order to record the interest shortfall in relation to the M Notes;

"M Noteholders" means the several persons who are for the time being holders of the M Notes (being, if and to the extent that the M Notes are represented by the Definitive M Notes, the registered holders thereof and, if and to the extent that the M Notes are represented by the Global M Notes, the bearers thereof; and the words "holder" and "holders" and related expressions shall (where appropriate) be construed accordingly;

"M Notes" means the Original M Notes and any Further M Notes, or any of them, and unless expressly stated to the contrary, all references in the Documents to an "M Note" shall be a reference to such M Note whether in global or definitive form;

"M Principal Deficiency Ledger" means the ledger of that name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Managers" means in relation to the Initial Issue, Morgan Stanley, Barclays Bank Plc and Westdeutsche Landesbank Girozentrale, London Branch and in relation to any Further Issue, the managers named as such in any supplementary listing particulars;

"Mandate" means each instruction so called and set out in the Service Specification to the Mortgage Administration Agreement conferred on HML to make decisions and take actions in connection with the administration of the Loans and Mortgages within Lending Criteria and in accordance with the Service Specification;

"MER Distribution" means the entitlement of each MERC Holder to receive, on each Interest Payment Date, an amount equal to $[A \div B]$ where:

- (a) "A" is the amount of Mortgage Early Redemption Receipts (if any) received by the Issuer in the Determination Period; and
- (b) "B" is the number of MERCs existing on the Determination Date immediately preceding the relevant Interest Payment Date;

"MERC Conditions" means the Conditions applicable to the MERCs, in the form set out in the Twelfth Schedule of the Trust Deed, as the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such MERC Conditions;

"MERC Holders" means the several persons who are for the time being the registered holders of the MERCs; and the words "holder" and "holders" and related expressions shall (where appropriate) be construed accordingly;

"MERCs" means the Original MERCs and any Further MERCs and, unless expressly stated to the contrary, all references in the Documents to a "MERC" shall be a reference to such MERC whether in global or definitive form;

"MERR Ledger" means the ledger of such name created and maintained by the Cash/Bond Administrator in the GIC Account;

"MHA Documentation" means an affidavit, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 in connection with a Scottish Mortgage or its relevant Property;

"Minimum Transfer Amount" has the meaning given to it in the ISDA Credit Support Annex;

"MIRAS Scheme" means the Mortgage Interest Relief at Source scheme provided for by Part IX of the Income and Corporation Taxes Act 1988 or any statutory re-enactment thereof as such scheme may be amended or varied from time to time;

"Morgan Stanley" means Morgan Stanley Dean Witter Principal Funding Inc;

"Mortgage" means the first legal mortgage or charge of English Property or a first-ranking standard security over Scottish Property which is security for a Loan;

"Mortgage Administration Agreement" means the mortgage administration agreement dated on or about 23 February 1999 as the same may be further amended from time to time between, *inter alios*, the Issuer, the Trustee, SJPMF, FPMF and the Mortgage Administrator;

"Mortgage Administrator" means HML in its capacity as administrator of the Loans, the Mortgages and their related security or such other administrator as is from time to time appointed as mortgage administrator under the Mortgage Administration Agreement;

"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;

"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 within three years of its origination;

"Mortgage Early Redemption Certificate" has the same definition as MERC;

"Mortgage Early Redemption Receipts" means the Mortgage Early Redemption Amounts received by the Issuer from time to time;

"Mortgage Pool" means as at any particular time:-

- (a) the Loans comprising the Original Completion Mortgage Pool other than such Loans as shall then have been re-transferred or re-assigned to FPMF pursuant to Clause 7 of the Mortgage Sale Agreement or redeemed pursuant to Clause 6 of the Mortgage Administration Agreement but including those which have been re-purchased by the Issuer as Arrears Loans;
- (b) the Prefunded Loans comprising any Prefunded Completion Mortgage Pool on each Prefunded Loan Purchase Date other than such loans as shall then have been re-transferred or re-assigned to FPMF pursuant to Clause 7 of the Mortgage Sale Agreement or redeemed pursuant to Clause 6 of the Mortgage Administration Agreement but including those which have been re-purchased by the Issuer as Arrears Loans;
- (c) the Further Loans comprising any Further Mortgage Pool other than such Further Loans as shall then have been re-transferred or re-assigned to the Seller pursuant to the relevant clause of any Further Mortgage Sale Agreement or redeemed pursuant to Clause 6 of the Mortgage Administration Agreement but including those which have been re-purchased by the Issuer as Arrears Loans;
- (d) any Substitute Loans other than Substitute Loans as shall then have been re-transferred or re-assigned to the Seller pursuant to Clause 7 of the Mortgage Sale Agreement or the relevant clause of any Further Mortgage Sale Agreement or redeemed pursuant to Clause 6 of the Mortgage Administration Agreement but including those which have been re-purchased by the Issuer as Arrears Loans; and
- (e) any other Loan transferred to the Issuer pursuant to the Mortgage Sale Agreement or any Further Mortgage Sale Agreement;

"Mortgage Sale Agreement" means the mortgage sale agreement dated on or about 23 February 1999 between the Issuer, the Special Servicer, the Trustee and FPMF;

"MSCS" means Morgan Stanley Capital Services, Inc;

"MSDW" means Morgan Stanley Dean Witter and Co.;

"NCL" means Norland Capital Limited;

"Non-Verified Loans" means Loans in respect of which the first scheduled payment from the Borrower has not yet been paid in full or has not been verified as having been paid in full;

"Noteholders" means the A Noteholders, M Noteholders, B Noteholders and C Noteholders or any of them;

"Note Libor" means an annual rate of the LIBOR for three month sterling deposits or, in the case of the first interest period at an annual rate of LIBOR for four month sterling deposits;

"Note Principal Payment" means the amount of principal repayable in respect of each of the Notes of any class other than the C Notes on an Interest Payment Date in accordance with Condition 5(d) of the Notes;

"Notes" means the Original A Notes, any Further A Notes, the Original M Notes, any Further M Notes, the Original B Notes, any Further B Notes, the Original C Notes and any Further C Notes, or any of them, and includes, unless the context requires otherwise, the Detachable A Coupons and, unless expressly stated to the contrary, all references in the Documents to a "Note" shall be a reference to such Note whether in global or definitive form;

"Notice of Further Issue" means a notice from any of the Sellers, as the case may be, to the Trustee, the Special Servicer, each of the Rating Agencies and the Issuer of the relevant Seller's, intention to sell Further Loans to the Issuer in accordance with Clause 4.3 of the Mortgage Sale Agreement or the relevant clause of any Further Mortgage Sale Agreement, in the form of Schedule 5 to the Mortgage Sale Agreement or the relevant clause of any Further Sale Agreement in the form contained therein;

"Notional Principal Amount Outstanding" means the Principal Amount Outstanding of the A Notes to which the interest entitlement on the Detachable A Coupons is referable to;

"Offering Circular" means the offering circular of 18 February 1999 issued in relation to the issue by the Issuer of the Original Notes, Original Residual Certificates and Original MERCs;

"Operating Bank" means Barclays and/or such other bank with which any of the Bank Accounts are for the time being maintained in accordance with Clause 7 of the Special Servicer Agreement and "Operating Banks" is a reference to all of them;

"Opinion of Counsel" has the meaning given to it in the Depository Agreement;

"Option" has the meaning specified in Clause 2 of the Post Enforcement Call Option Agreement;

"Original A Notes" means the Original Reg S A Notes and Original Rule 144A Notes, or any of them;

"Original B Notes" means the Original Reg S B Notes and Original Rule 144A Notes, or any of them;

"Original C Notes" means the Original Reg S C Notes and Original Rule 144A C Notes, or any of them;

"Original Certificates" means the Original MERCs and Original Residual Certificates, or any of them;

"Original Closing Date" means on or about 23 February 1999, or such other date as FPMF, the Trustee and the Issuer agree;

"Original Completion Mortgage Pool" means the loans selected from the Original Initial Mortgage Pool in accordance with Clause 4.1 of the Mortgage Sale Agreement and to be sold and assigned to the Issuer pursuant to the Mortgage Sale Agreement on the Original Closing Date;

"Original Detachable A Coupons" means the Original Reg S Detachable A Coupons and Original Rule 144A Detachable A Coupons, or any of them;

"Original Loans" means the loans to be sold under sub-clause 2.1.1 of the Mortgage Sale Agreement particulars of which are contained in Annexure A to the Mortgage Sale Agreement all of which together comprise the Original Completion Mortgage Pool;

"Original M Notes" means the Original Reg S M Notes and Original Rule 144A M Notes, or any of them;

"Original MERCs" means the Original Reg S MERCs and the Original Rule 144A MERCs and, unless expressly stated to the contrary, all references in the Documents to an **"Original MERC"** shall be a reference to such Original MERC whether in global or definitive form;

"Original Mortgage Pool" means as at any particular time:-

- (a) the Loans comprising the Original Completion Mortgage Pool other than such Loans as shall then have been re-transferred or re-assigned to FPMF pursuant to Clause 7 of the Mortgage Sale Agreement or redeemed pursuant to Clause 6 of the Mortgage Administration Agreement and which have not been repurchased by the Issuer as Arrears Loans;
- (b) any Substitute Loans other than Substitute Loans as shall then have been re-transferred or re-assigned to FPMF pursuant to Clause 7 of the Mortgage Sale Agreement or redeemed pursuant to Clause 6 of the Mortgage Administration Agreement and which have not been repurchased by the Issuer as Arrears Loans; and

any other Original Loan transferred to the Issuer pursuant to the Mortgage Sale Agreement;

"Original Notes" means the Original A Notes, Original M Notes, Original B Notes and Original C Notes, or any of them;

"Original Principal Level A" means the £3,395,000 amount of proceeds from the issue of the C Notes to be credited to the start-up cost ledger;

"Original Principal Level B" means the £755,000 amount of proceeds from the issue of the C Notes to be credited to the Reserve Ledger;

"Original Principal Level C" means approximately the £850,000 amount of proceeds from the issue of the C Notes to be credited to the Tranche C Ledger;

"Original Reg S A Notes" means the Reg S A Notes (Ordinary Coupon Only) due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Reg S B Notes" means the Reg S B Notes due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Reg S C Notes" means the Reg S C Notes due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Reg S Certificates" means the Original Reg S MERCs and Original Reg S Residual Certificates, or any of them;

"Original Reg S Definitive A Notes" means any Original Reg S A Notes issued in registered definitive form;

"Original Reg S Definitive B Notes" means any Original Reg S B Notes issued in registered definitive form;

"Original Reg S Definitive C Notes" means any Original Reg S C Notes issued in registered definitive form;

"Original Reg S Definitive Certificates" means the Original Reg S Definitive MERCs and the Original Reg S Definitive Residual Certificates or any of them;

"Original Reg S Definitive Detachable A Coupons" means any Original Reg S Detachable A Coupons issued in registered definitive form;

"Original Reg S Definitive M Notes" means any Original Reg S M Notes issued in registered definitive form;

"Original Reg S Definitive MERCs" means any Original Reg S MERCs issued in registered definitive form;

"Original Reg S Definitive Notes" means the Original Reg S Definitive A Notes, Original Reg S Definitive M Notes, Original Reg S Definitive B Notes and Original Reg S Definitive C Notes, or any of them;

"Original Reg S Definitive Residual Certificates" means any Original Reg S Residual Certificates issued in registered definitive form;

"Original Reg S Detachable A Coupons" means the interest entitlement to the Original Reg S A Notes specified as the Reg S Detachable A Coupon;

"Original Reg S Global A Note" means the Original Reg S A Notes issued in global bearer form;

"Original Reg S Global B Note" means the Original Reg S B Notes issued in global bearer form;

"Original Reg S Global C Note" means the Original Reg S C Notes issued in global bearer form;

"Original Reg S Global Certificates" means the Original Reg S Global MERC and Original Reg S Global Residual Certificate, or either of them;

"Original Reg S Global Detachable A Coupons" means the Original Reg S Detachable A Coupons issued in global bearer form;

"Original Reg S Global M Note" means the Original Reg S M Notes issued in global bearer form;

"Original Reg S Global MERC" means the global Reg S MERC issued on the Original Closing Date in registered form;

"Original Reg S Global Notes" means the Original Reg S Global A Note, Original Reg S Global M Note, Original Reg S Global B Note and Original Reg S Global C Note, or any of them;

"Original Reg S Global Residual Certificate" means the global Reg S Residual Certificate issued on the Original Closing Date in registered form;

"Original Reg S M Notes" means the Reg S M Notes due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Reg S MERCs" means the Reg S MERCs due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Reg S Residual Certificates" means the Reg S Residual Certificates due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Reg S Notes" means the Original Reg S A Notes, Original Reg S M Notes, Original Reg S B Notes and Original Reg S C Notes, or any of them;

"Original Residual Certificates" means the Original Rule 144A Residual Certificates and the Original Reg S Residual Certificates or any of them and, unless expressly stated to the contrary, all references in the Documents to a **"Original Residual Certificate"** shall be a reference to such Original Residual Certificate whether in global or definitive form;

"Original Rule 144A A Notes" means the Rule 144A A Notes due 2037 (Ordinary Coupon Only) issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Rule 144A B Notes" means the Rule 144A B Notes due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Rule 144A C Notes" means the Rule 144A C Notes due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Rule 144A Certificates" means the Original Rule 144A MERCs and Original Rule 144A Residual Certificates, or any of them;

"Original Rule 144A Definitive A Notes" means the Original Rule 144A A Notes issued in registered definitive form;

"Original Rule 144A Definitive B Notes" means the Original Rule 144A B Notes issued in registered definitive form;

"Original Rule 144A Definitive C Notes" means the Original Rule 144A C Notes issued in registered definitive form;

"Original Rule 144A Definitive Certificates" means the Original Rule 144A Definitive MERCs and Original Rule 144A Definitive Residual Certificates, or any of them;

"Original Rule 144A Definitive MERCs" means any Rule 144A MERCs due 2037 issued in registered definitive form;

"Original Rule 144A Definitive Notes" means any Original Rule 144A Definitive A Notes, Original Rule 144A Definitive M Notes, Original Rule 144A Definitive B Notes and Original Rule 144A Definitive C Notes, or any of them;

"Original Rule 144A Detachable A Coupons" means the interest entitlement to the Original Rule 144A A Notes specified as the Rule 144A Detachable A Coupon;

"Original Rule 144A Global Certificates" means the Original Rule 144A Global MERC and Original Rule 144A Global Residual Certificate, or either of them;

"Original Rule 144A Global A Note" means the Original Rule 144A A Notes issued in global bearer form;

"Original Rule 144A Global B Note" means the Original Rule 144A B Notes issued in global bearer form;

"Original Rule 144A Global C Note" means the Original Rule 144A C Notes issued in global bearer form;

"Original Rule 144A Global MERC" means the Original Rule 144A MERC issued in global bearer form;

"Original Rule 144A Global Notes" means the Original Rule 144A Global A Note, Original Rule 144A Global M Notes, Original Rule 144A Global B Notes and Original Rule 144A Global C Notes, or any of them;

"Original Rule 144A Global Residual Certificates" means the Original Rule 144A Residual Certificate issued in global bearer form;

"Original Rule 144A MERCs" means the Rule 144A MERCs due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Original Rule 144A Notes" means the Original Rule 144A A Notes, Original Rule 144A M Notes, Original Rule 144A B Notes and Original Rule 144A C Notes, or any of them;

"Original Rule 144A Residual Certificates" means the Rule 144A Residual Certificates due 2037 issued on the Original Closing Date, or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof;

"Originator" means FPMF or SJPMF, as the context may require;

"Originator Powers of Attorney" means the powers of attorney executed by FPMF in the form set out in Schedule 6 to the Mortgage Sale Agreement and the SJPMF Mortgage Sale Agreement;

"Parent" means RMS 5 Limited, the parent company of the Issuer;

"Part and Part Loans" means mortgage loans under the terms of which the loan is effectively separated 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;

"Paying Agency Agreement" means the paying agency agreement dated on or about 23 February 1999 between the Issuer, the Trustee, the Principal Paying Agent and the Paying Agent;

"Paying Agents" means the Principal Paying Agent and any other non UK paying agent, initially appointed as paying agent by the Issuer pursuant to the Paying Agency Agreement and/or such other paying agents in respect of the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed by the Issuer notice of whose appointment has been given to the Noteholders pursuant to Condition 15 of the Notes;

"Payment Verification Date" means 22 March 1999 (in respect of the Initial Mortgage Pool) or within two months of the first due payment by the relevant Borrower, or such other time as the Trustee, SJPMF and the Issuer may agree;

"Pension Loan" means a Loan under the terms of which no payment of principal is required until maturity of the Loan in accordance with the Loan Conditions and in respect of which a tax free lump sum at retirement under a pension policy should provide sums to pay off the original amount of the Loan (excluding any administration or other fee added to the Loan), but it is acknowledged that no benefit under such pension policy can be assigned or charged to a lender;

"PEP Loan" means Interest Only Loans which had the benefit of a tax-sheltered personal equity plan;

"Performance Report" means the performance report in the form scheduled to the Cash/Bond Administration Agreement from time to time agreed between FPMF, SJPMF the Special Servicer, the Mortgage Administrator, the Trustee and the Rating Agencies;

"Pledge Agreement" means the pledge agreement dated on or about 23 February 1999 as the same may be further amended from time to time between Norland DACS3 Limited and Barclays;

"Pool Factor" shall bear the meaning ascribed to such term in Condition 5(d);

"Post Enforcement Call Option Agreement" means the post enforcement call option agreement dated on or about 23 February 1999, as the same may be further amended from time to time, between the Trustee, RMS5 Options Limited and the Issuer;

"pounds" and **"pounds sterling"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

"Prefunded Amount" means the amount standing to the credit of the Prefunded Loans Ledger;

"Prefunded Loan" means each loan sold under sub-clause 2.1.2 of the Mortgage Sale Agreement comprising the Prefunded Mortgage Pool on each Prefunded Loan Purchase Date;

"Prefunded Loan Period" means the period from the Initial Issue Date until 7 June 1999;

"Prefunded Loan Purchase Date" means each date on which Prefunded Loans are acquired by the Issuer;

"Prefunded C Note Amount" means such further C Note Amount paid by the C Noteholders on each Prefunded Loan Purchase Date in an amount notified by the Special Servicer to the Issuer as sufficient to maintain the Rating of the Notes;

"Prefunded Loans Ledger" means a ledger of that name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Prefunded Mortgage Pool" means the Prefunded Loans selected from the Prefunded Mortgage Pool in accordance with Clause 4.1 of the Mortgage Sale Agreement and to be sold and assigned to the Issuer pursuant to the Mortgage Sale Agreement on each Prefunded Loan Purchase Date;

"Prefunded Principal Level A" means the amount to be paid by C Noteholders and to be credited to the Start-Up Costs Ledger on each Prefunded Loan Purchase Date;

"Prefunded Principal Level B" means the amount to be paid by C Noteholders and to be credited to the Reserve Ledger on each Prefunded Loan Purchase Date;

"Prefunded Shortfall" means, on any Interest Payment Date falling within the Prefunded Loan Period, any shortfall in making payments in respect of items (i) to (x) of the Priority of Payments which arises as a result of any Interest Differential;

"Prefunding" means the amount, if any, on the Initial Issue Date on or any Further Issue Date by which the net proceeds of the A Notes, M Notes and B Notes exceed the purchase price for the Completion Mortgage Pool, or as the case may be, the relevant Further Mortgage Pool;

"Priority of Payments" means the order of priority of payments set out in Condition 2;

"Principal Amount Outstanding" shall bear the meaning ascribed to such term in Condition 5(d) of the Notes;

"Principal Deficiency" means the amount debited from time to time to the Principal Deficiency Ledger for the purposes of recording losses in respect of the Mortgage Pool;

"Principal Deficiency Ledger" means the ledger of such name created and maintained by the Cash/Bond Administrator;

"Principal Ledger" means the ledger of such name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Principal Level A" means initially £2,425,000 and thereafter, the total of £2,425,000 and each Prefunded Principal Level A and any Further Principal Level A;

"Principal Level B" means initially £755,000 and thereafter, the total of £755,000 and each Prefunded Principal Level B and any Further Principal Level B;

"Principal Level C" means initially £820,000 and thereafter, the total of £820,000 and each Prefunded Principal Level C and any Further Principal Level C;

"Principal Paying Agent" means The Chase Manhattan Bank, London Branch;

"Principal Payment" means any payment in respect of principal received in respect of any Loan including payments pursuant to any Insurance Contract, Buildings Policy or Life Policy, whether on redemption (including partial redemption) of such Loan, on enforcement of such Loan (including the proceeds of sale of the relevant property) or on the disposal of such Loan;

"Proceedings" means any suit, actions or proceedings which may arise out of or in connection with the Documents, the Notes, the Receipts or the Coupons;

"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 and Scottish Charges, including land and charge certificates;

"Provisional Further Mortgage Pool" means the Loans from which the Mortgages comprising any Further Mortgage Pool are selected;

"Provisional Prefunded Mortgage Pool" means the Loans from which the Mortgages comprising any Prefunded Mortgage Pool are selected;

"Prudent Mortgage Lender" means a reasonably prudent mortgage lender 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;

"Purchase Agreements" means the A Note Purchase Agreement, the Further A Note Purchase Agreement, the M Note and B Note Purchase Agreement, the Further M Note and B Note Purchase Agreement and the C Note Purchase Agreement and the Further C Note Purchase Agreement;

"Quotation Date" bears the same meaning herein as it bears in the Loan Conditions;

"RC Distribution" means the entitlement of each Residual Certificateholder to receive, on each Interest Payment Date, an amount equal to $[(A+B) \div C]$ where:

- (a) "A" is an amount, subject to the prior payment in full on the relevant Interest Payment Date of items (i) to (xiv) in the Priority of Payments, equal to the Residual Revenue;
- (b) "B" is an amount equal to the Residual Reserve, if any, on the relevant Interest Payment Date; and
- (c) "C" is the number of Residual Certificates existing on the Determination Date immediately preceding the relevant Interest Payment Date;

"Rate of Interest" has the meaning set out in Condition 4(c);

"Rating Agencies" means S & P and DCR;

"Rate Setting Date" means two Business Days before each of 1 March, 1 June, 1 September and 1 December in each year;

"Recognised Foreign Exchange Dealer" means any 3 foreign exchange dealers with offices in The City of New York (one of which may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Depository or such other foreign exchange dealers with offices in The City of New York as the Issuer shall advise the Exchange Rate Agent from time to time in writing provided that their short term rating shall be no lower than that of Deutsche Bank AG London at such time;

"Record Date" has the meaning given to it in the Depository Agreement;

"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;

"receiver" includes a manager, and also a receiver and manager and an administrative receiver;

"Redemption Priority" has the meaning set out in Condition 5(b);

"Reference Banks" has the meaning set out in Condition 4(h);

"Reg S A Notes" means the A Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S B Notes" means the B Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S C Notes" means the C Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S Certificates" means the Certificates initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S Definitive A Notes" means the Reg S A Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Reg S Definitive A Notes issued pursuant to Condition 14 of the Notes;

"Reg S Definitive B Notes" means the Reg S B Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Reg S Definitive B Notes issued pursuant to Condition 14 of the Notes;

"Reg S Definitive C Notes" means the Reg S C Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Reg S Definitive C Notes issued pursuant to Condition 14 of the Notes;

"Reg S Definitive Certificates" means the Reg S Certificates issued in definitive form pursuant to Condition 12 of the MERCs and Residual Certificates, respectively, and includes any replacements for Reg S Definitive Certificates issued pursuant to Condition 13 of the MERCs and Residual Certificates, respectively, or any of them;

"Reg S Definitive Detachable A Coupons" means the Reg S Detachable A Coupons issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Reg S Definitive Detachable A Coupons issued pursuant to Condition 14 of the Notes;

"Reg S Definitive M Notes" means the Reg S M Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Reg S Definitive M Notes issued pursuant to Condition 14 of the Notes;

"Reg S Definitive MERCs" means any Reg S MERCs issued in definitive form pursuant to Condition 12 of the MERC Conditions and includes any replacements for Reg S Definitive MERCs issued pursuant to Condition 13 of the MERC Conditions;

"Reg S Definitive Residual Certificates" means any Reg S Residual Certificates issued in definitive form pursuant to Condition 12 of the Residual Certificate Conditions and includes any replacements for Reg S Definitive Residual Certificates issued pursuant to Condition 13 of the Residual Certificate Conditions;

"Reg S Definitive Notes" means any Reg S Notes issued in definitive form pursuant to Condition 13 of the Notes, and includes any replacements for Reg S Definitive Notes issued pursuant to Condition 14 of the Notes;

"Reg S Detachable A Coupons" means the Detachable A Coupons initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S Global A Notes" means the Reg S A Notes represented by global notes in bearer form;

"Reg S Global B Notes" means the Reg S B Notes represented by global notes in bearer form;

"Reg S Global C Notes" means the Reg S C Notes represented by global notes in bearer form;

"Reg S Global Certificates" means the Reg S Certificates represented by global certificates in registered form, or either of them;

"Reg S Global Detachable A Coupons" means the Reg S Detachable A Coupons represented by a global Detachable A Coupon in bearer form;

"Reg S Global Instrument" means the Reg S Global Notes, the Reg S Global Detachable A Coupon and the Reg S Global Certificates, or any of them;

"Reg S Global M Notes" means the Reg S M Notes represented by global notes in bearer form;

"Reg S Global MERCs" means the Reg S MERCs represented by a global certificate in registered form, substantially in the form set out in the Trust Deed;

"Reg S Global Residual Certificates" means the Reg S Residual Certificates represented by a global certificate in registered form, substantially in the form set out in the Trust Deed;

"Reg S Global Note" means the Reg S Notes represented by a global note in bearer form;

"Reg S M Notes" means the M Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S MERCs" means the MERCs initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S Residual Certificates" means the Residual Certificates initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Reg S Notes" means the Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act;

"Register" means the register to be kept by the Registrar in respect of each Class of Definitive Notes;

"Registered Land Transfers" means in the case of English Mortgages the transfers to be executed in relation to Properties in the Original Mortgage Pool and any Further Mortgage Pool or any Substitute Loan and any other Loan from time to time comprised in the Mortgage Pool which comprise Loans secured over Properties comprising registered land (including Properties the subject of applications for first registration at H.M. Land Registry) pursuant to sub-clauses 2.3.1 and 2.3.2 of the Mortgage Sale Agreement or the relevant clause of any Further Mortgage Sale Agreement as the case may be;

"Registers of Scotland" means the Land Register and/or the General Register at Sasines;

"Registrar" means any registrar appointed from time to time in accordance with the Paying Agency Agreement and shall include any successors;

"Regulations" means the regulations concerning the transfer, exchange and registration of the Registered Definitive Instruments, as set forth in Schedule 2, 3 and 4 of the Paying Agency Agreement;

"Relevant Collection Account" means either of the FPMF Collection Account or the SJPMF Collection Account as the context may require;

"Relevant Mortgages" means either of the FPMF Mortgage Loans or the SJPMF Mortgage Loans, as the context may require;

"Relevant Margin" has the meaning set out in Condition 4(c);

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

"Reserve Fund" means the amount reserved from time to time in the GIC Account specifically for the purpose of meeting Income Deficiencies and Principal Deficiencies;

"Reserve Fund Excess" means, on any Interest Payment Date, the amount by which the Reserve Fund exceeds the Reserve Fund Required Amount after payments made to redeem Principal Level B of the C Notes;

"Reserve Fund Required Amount" means:

- (a) on the Initial Issue Date £2,025,000 plus;

- (b) on each Prefunded Loan Purchase Date, such amount as the Rating Agencies confirm is necessary to maintain the Rating of the Notes; or
- (c) following a Tap Issue such other amount as the Rating Agencies confirm is necessary to maintain the then ratings of the Notes; or
- (d) on any other date, the amount identified in accordance with (a), (b) or (c) above or such lower amount as the Rating Agencies may from time to time permit;

"Reserve Interest Rate" has the meaning set out in Condition 4(c);

"Reserve Ledger" means the ledger of such name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Residual Certificate Conditions" means the Conditions applicable to the Residual Certificates, in the form set out in the Twelfth Schedule of the Trust Deed, as the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Residual Certificate Conditions;

"Residual Certificateholders" means the several persons who are for the time being the registered holders of the Residual Certificates; and the words "holder" and "holders" and related expressions shall (where appropriate) be construed accordingly;

"Residual Certificates" means the Original Residual Certificates and any Further Residual Certificates and, unless expressly stated to the contrary, all references in the Documents to a **"Residual Certificate"** shall be a reference to such Residual Certificate whether in global or definitive form;

"Residual Reserve" means, on any Interest Payment Date, an amount equal to $[A-(B+C)]$ where:

- (a) "A" is an amount equal to the balance standing to the credit of the Reserve Fund;
- (b) "B" is the Reserve Fund Required Amount; and
- (c) "C" is the C Note Principal Amount Outstanding in respect of Principal Level B of the C Notes;

PROVIDED THAT the $[A-(B+C)]$ shall never be less than zero;

"Residual Revenue" means in respect of each Interest Payment Date, an amount equal to $[A-(B+C)]$ where:

- (a) "A" is an amount equal to the Available Revenue Funds on such Interest Payment Date;
- (b) "B" is the amount payable in respect of items (i) to (xiv) in the priority of payments on such Interest Payment Date; and
- (c) "C" is the amount equal to 0.01 per cent. of the Principal Amount Outstanding in respect of the Notes on the immediately preceding Determination Date;

PROVIDED THAT the $[A - (B + C)]$ shall never be less than zero;

"Responsible Officer" has the meaning given in the Depository Agreement;

"Restricted Period" has the meaning given in the Depository Agreement;

"Return Collateral Ledger" means a ledger of that name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Return Loans" means those non-verified loans in respect of which the first scheduled payment is not received by the Payment Verification Date;

"Return Loan Purchase Price" means the sum of the Balances on any Return Loans as at the relevant Closing Date relating to such Return Loans plus all interest accrued on such Return Loans for the period from the Closing Date to the date on which such Return Loans are re-transferred to the relevant Seller;

"Revenue Ledger" means the ledger of such name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Revenue Payments" means any payment received in respect of any Loan whether on redemption (including partial redemption) of such Loan (other than Prepayment Charges), on enforcement of such Loan (including the proceeds of sale of the relevant Property) or on the disposal of such Loan, including payments pursuant to any Insurance Contract, Buildings Policy or Life Policy which is not a Principal Payment in respect of such Loan;

"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, in the case of the Original Loans and the Prefunded Loans, FPMF and in the case of any Further Loans the relevant 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;

"RMS5 Options" means RMS5 Options Limited, being the holder of the Option granted under the Post Enforcement Call Option Agreement;

"Rule 144A A Notes" means the A Notes initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A B Notes" means the B Notes initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A C Notes" means the C Notes initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A Certificates" means the Certificates initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A Definitive A Notes" means the Rule 144A A Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Rule 144A Definitive A Notes issued pursuant to Condition 14 of the Notes;

"Rule 144A Definitive B Notes" means the Rule 144A B Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Rule 144A Definitive B Notes issued pursuant to Condition 14 of the Notes;

"Rule 144A Definitive C Notes" means the Rule 144A C Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Rule 144A Definitive C Notes issued pursuant to Condition 14 of the Notes;

"Rule 144A Definitive Certificates" means the Rule 144A Certificates issued in definitive form pursuant to Condition 12 of the MERCs and Residual Certificates, respectively, and includes any replacements for Rule 144A Definitive Certificates issued pursuant to Condition 13 of the MERCs and Residual Certificates, respectively, or any of them;

"Rule 144A Definitive Detachable A Coupons" means the Rule 144A Detachable A Coupons issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Rule 144A Definitive Detachable A Coupons issued pursuant to Condition 14 of the Notes;

"Rule 144A Definitive M Notes" means the Rule 144A M Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Rule 144A Definitive M Notes issued pursuant to Condition 14 of the Notes;

"Rule 144A Definitive MERCs" means the Rule 144A MERCs issued in definitive form pursuant to Condition 12 the MERC Conditions and includes any replacements for Definitive MERCs issued pursuant to Condition 14 of the MERC Conditions;

"Rule 144A Definitive Notes" means the Rule 144A Notes issued in definitive form pursuant to Condition 13 of the Notes and includes any replacements for Rule 144A Definitive Notes issued pursuant to Condition 14 of the Notes;

"Rule 144A Definitive Residual Certificates" means the Rule 144A Residual Certificates issued in definitive form pursuant to Condition 12 the Residual Certificate Conditions and includes any replacements for Definitive Residual Certificates issued pursuant to Condition 14 of the Residual Certificate Conditions;

"Rule 144A Detachable A Coupons" means the Detachable A Coupons initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A Global A Notes" means the Rule 144A A Notes represented by global notes in bearer form;

"Rule 144A Global B Notes" means the Rule 144A B Notes represented by global notes in bearer form;

"Rule 144A Global C Notes" means the Rule 144A C Notes represented by global notes in bearer form;

"Rule 144A Global Certificates" means the Rule 144A Certificates represented by global certificates in registered form, or either of them;

"Rule 144A Global Detachable A Coupons" means the Rule 144A Detachable A Coupons represented by Global Detachable A Coupons in bearer form;

"Rule 144A Global Instrument" means the Rule 144A Global Notes, the Rule 144A Global Detachable A Coupon and the Rule 144A Global Certificates, or any of them;

"Rule 144A Global M Notes" means the Rule 144A M Notes represented by global notes in bearer form;

"Rule 144A Global MERC" means the Rule 144A MERCs represented by a global certificate in registered form, substantially in the form set out in the Trust Deed;

"Rule 144A Global Note" means the Rule 144A Notes represented by a global note in bearer form;

"Rule 144A Global Residual Certificate" means the Rule 144A Residual Certificates represented by a global certificate in registered form, substantially in the form set out in the Trust Deed;

"Rule 144A M Notes" means the M Notes initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A MERCs" means the MERCs initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A Notes" means the Notes initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"Rule 144A Residual Certificates" means the Residual Certificates initially offered and sold within the United States to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act;

"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 Clauses 5.2, 5.3, 5.4 and 5.5 of the Mortgage Sale Agreement in the form set out in Part D of Schedule 2 of the Mortgage Sale Agreement;

"Scottish Charge" means an assignation in security of Life Policies granted by a Borrower as collateral security in respect of a Scottish Loan;

"Scottish Declaration of Trust" means the declaration of trust in respect of the Scottish Mortgages in the Completion Mortgage Pool and the collateral security therefor in the form set out in Schedule 11 of the 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;

"Scottish Property" means a heritable or long leasehold residential property (having an unexpired term at least 35 years longer than the mortgage term) located in Scotland;

"Scottish Sub-Securities" means the Standard Securities and the assignation in security to be executed pursuant to Clause 3.4 of the Deed of Charge in the forms set out in Schedules 1, 2 and 3 thereto;

"Scottish Trust Property" has the meaning given thereto in the Scottish Declaration of Trust and in relation to a loan means the Standard 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 Standard Security;

"Secured Amounts" means the monies and liabilities which the Issuer covenants in Clause 2 of the Deed of Charge to pay or discharge to the Secured Creditors;

"Secured Creditors" means each of the Trustee (in its capacity as a creditor secured by the Deed of Charge), the Noteholders, the Detachable A Couponholders, the Certificateholders, any Receiver (in its capacity as a creditor secured by the Deed of Charge), the Mortgage Administrator, the Special Servicer, the Cash/Bond Administrator, the Liquidity Facility Provider, the Swap Counterparty, FPMF, SJPMF, the Standby Servicer, the GIC Provider, the Paying Agent and the Account Bank and any other person who is expressed in any deed supplemental to the Deed of Charge to be a Secured Creditor;

"Secured Term Loan Facility" means the secured term loan facility dated on or about 23 February 1999 as the same may be further amended from time to time between Norland DACS 3 Limited and Barclays;

"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;

"Seller" means any of FPMF, SJPMF or any other Subsidiary;

"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, FPMF, SJPMF and/or the Trustee pursuant to (respectively) the Mortgage Administration Agreement, the Special Servicer Agreement and the Cash/Bond Administration Agreement;

"Service Specification" means the document bearing such title set out in Schedule 1 of the Mortgage Administration Agreement;

"Share Trust" means the trust established under English law by the Declaration of Trust and made by the Share Trustee;

"SJPMF" means St. James's Park Mortgage Funding Limited;

"SJPMF Collection Account" means the account in the name of SJPMF at Barclays, Sort Code: 20-19-90, account number: 70673161;

"SJPMF Collection Account Declaration of Trust" means the declaration of trust dated on or about 23 February 1999 over the SJPMF Collection Account given by SJPMF in favour of the Issuer;

"SJPMF Mortgage Loans" means those Loans which SJPMF warrants were originated by it;

"SJPMF Power of Attorney" means the power of attorney executed by SJPMF in the form set out in Schedule 6 of the Mortgage Sale Agreement;

"SJPMF Mortgage Sale Agreement" means the mortgage sale agreement dated on or about 23 February 1999 and made between SJPMF and FPMF;

"Share Trustee" means Royal Exchange Trust Company Limited;

"SLR Transfer" means an assignation of Scottish Mortgages registered (or subject to an application for registration) in the Land Register of Scotland granted pursuant to Clauses 5.2, 5.3, 5.4 or 5.5 of the Mortgage Sale Agreement in the form set out in Part B of Schedule 2 of the Mortgage Sale Agreement or the relevant corresponding clauses of any Further Mortgage Sale Agreement as set out therein;

"S & P" means Standard & Poor's Rating Service, a division of The McGraw Hill Companies, Inc;

"Special Servicer" means NCL;

"Special Servicer Agreement" means the special servicer agreement dated on or about 23 February 1999 as the same may be further amended from time to time between the Issuer, FPMF, the Special Servicer and the Trustee;

"Special Servicing Fee" means the fees costs and expenses payable to the Special Servicer pursuant to Clauses 10 and 11 of the Special Servicer Agreement;

"Specified Currency" has the meaning given to it in the Exchange Rate Agency Agreement;

"Specified Event" has the meaning given to it in the Depository Agreement;

"Specified Office" has the meaning given to it in the Depository Agreement;

"Standard Documentation" means the documents used by FPMF and/or SJPMF in connection with their activities as residential mortgage lenders in relation to the Mortgage Pool listed either in Schedule 10 of the Mortgage Sale Agreement or the relevant Schedule of any Further Mortgage Sale Agreement, initialled for identification on behalf of the parties hereto 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 heritable security created by a standard security over any interest in land in Scotland in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended);

"Standby Servicer" means Guardian Mortgage Services Limited;

"Standby Servicer Agreement" means the standby servicer agreement dated 23 February 1999 as the same may be further amended from time to time between the Standby Servicer, the Issuer, FPMF, the Special Servicer and the Trustee;

"Start-Up Costs Ledger" means the ledger of such name created and maintained by the Cash/Bond Administrator as a ledger of the GIC Account;

"sterling" and "£" denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

"**Subsequent Transfer**" means any transfer of a Substitute Loan pursuant to sub-clause 2.1.3 of the Mortgage Sale Agreement or the relevant clause of the Mortgage Sale Agreement as the case may be;

"**Subsidiaries**" means any subsidiary (as defined in the Companies Act 1985) of KG and "**Subsidiary**" means any one of them;

"**Substitute Life Policy**" means any substitute policies of life assurance which are taken out by the Borrowers pursuant to Clause 14 of the Special Servicer Agreement and the Charges in respect of which are charged to the benefit of the Trustee;

"**Substitute Loans**" means the Loans transferred or assigned to the Issuer pursuant to Clause 9.3 of the Special Servicer Agreement;

"**Substitution Period**" means the period from the Initial Issue Date up to (but excluding) the Interest Payment Date falling in June 2002;

"**Substitution Ledger**" means the ledger of that name created and maintained by the Cash/Bond Administration in the GIC Account;

"**Successor Agent Bank**" means such other person as may from time to time be appointed as agent bank pursuant to Clause 12.4 of the Paying Agency Agreement;

"**Successor Depository**" means such other person as may from time to time be appointed as depository under the Depository Agreement by the Issuer with the prior written approval of the Trustee;

"**Successor Paying Agent**" means such other person as may from time to time be appointed as paying agent pursuant to Clause 12.4 of the Paying Agency Agreement;

"**Successor Principal Paying Agent**" means such other person as may from time to time be appointed as principal paying agent pursuant to Clause 12.4 of the Paying Agency Agreement;

"**Supplemental Declaration of Trust**" means a declaration of trust supplemental to the Scottish Declaration of Trust in respect of Scottish Mortgages in a Further Mortgage Pool or relating to any Substitute Loan and the collateral security therefor or relating to any Prefunded Loan and the Collateral Security therefor in the form set out in Schedule 12 of the Mortgage Sale Agreement;

"**Supplemental Deed of Charge**" means an assignation in security supplemental to the Deed of Charge granted pursuant to sub-clause 3.5.3, and in the form set out in Schedule 4 of the Deed of Charge;

"**Supplemental Offering Circular**" means each supplemental offering circular to the Offering Circular prepared in relation to the issue of Further Notes;

"**Swap Agreement**" means the swap agreement between the Issuer and the Swap Counterparty entered into to hedge against possible variance in LIBOR dated on or about 23 February 1999 as the same may be further amended from time to time;

"Swap Collateral Ledger" means a ledger of that name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Tap Issue" means each issue of Further Notes;

"Total Number Outstanding" means:

- (a) in the case of the Original MERCs, the Principal Amount Outstanding of the Original A Notes divided by £100,000;
- (b) in the case of any Further MERCs, the Principal Amount Outstanding of the Further A Notes divided by £100,000;
- (c) in the case of the Residual Certificates, the sum of:
 - (i) the initial principal amount of the Loans contained in the Completion Mortgage Pool on the Original Closing Date divided by £100,000; and
 - (ii) the initial principal amount of the Loans contained in the Completion Mortgage Pool on any Further Closing Date divided by £100,000;

in each case rounded to the next highest integer;

"Tranche C Ledger" means a ledger of that name created and maintained by the Cash/Bond Administrator in the GIC Account;

"Transfer Agent" means any transfer agent appointed from time to time in accordance with the Paying Agency Agreement and shall include any successors;

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

"Trust Deed" means the Trust Deed dated on or about 23 February 1999 as the same may be further amended or supplemented from time to time between the Issuer and the Trustee constituting the Notes and the Schedules thereto;

"Trustee" means Royal Exchange Trust Company Limited;

"Valuation Date" has the meaning given thereto in the ISDA Credit Support Annex;

"Unregistered Land Transfers" means in the case of Mortgages over Properties in England and Wales the transfers to be executed in relation to Properties in the Completion Mortgage Pool and any Further Mortgage Pool or any Substitute Loan and any other Loan from time to time comprised in the Mortgage Pool which comprise Loans secured over Properties comprising unregistered land (excluding Properties the subject of applications for first registration at H.M. Land Registry) pursuant to sub-clauses 2.3.1 and 2.3.2 of the Mortgage Sale Agreement;

"Value Added Tax" and **"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;

"WAFF" means, on any date, the weighted average foreclosure frequency for the Mortgage Pool as calculated by the Special Servicer on such date in accordance with the calculations made by the Special Servicer for the Completion Mortgage Pool or otherwise provided in the Special Servicer Agreement or as agreed by the Special Servicer and the Rating Agencies from time to time;

"WALS" means, on any date, the weighted average loss severity for the Mortgage Pool as calculated by the Special Servicer on such date in accordance with the calculations made by the Special Servicer for the Completion Mortgage Pool or otherwise provided in the Special Servicer Agreement or as agreed by the Special Servicer and the Rating Agencies from time to time;

"Warranties" means the representations, warranties and undertakings on the part of RPMF referred to in Clause 7.1 of the Mortgage Sale Agreement and on the part of any Sellers referred to in the relevant Clause of the Mortgage Sale Agreement.

IN WITNESS WHEREOF the undersigned have executed this Agreement on or about 23 February 1999.

RESIDENTIAL MORTGAGE SECURITIES 5 PLC

By: **D. R. FINNEY**

FINSBURY PARK MORTGAGE FUNDING LIMITED

By: **SIMON KINGDON**

ST JAMES'S PARK MORTGAGE FUNDING LIMITED

By: **SIMON KINGDON**

NORLAND CAPITAL LIMITED

By: **SIMON KINGDON**

ROYAL EXCHANGE TRUST COMPANY LIMITED

By: **D. R. FINNEY**

HOMELoAN MANAGEMENT LIMITED

By: **STEVEN HAGGERTY**

THE CHASE MANHATTAN BANK

By: TREVOR HEARN

MORGAN STANLEY & CO. INTERNATIONAL

By: SOLVEIG LORETZ

BARCLAYS BANK PLC

By: TONY KEMP

GUARDIAN MORTGAGE SERVICES LIMITED

By: MARK DAVIES

RMS5 OPTIONS LIMITED

By: SIMON KINGDON

RMS5 LIMITED

By: SIMON KINGDON

NORLAND DACS3 LIMITED

By: SIMON KINGDON

THE CHASE MANHATTAN BANK, LUXEMBOURG S.A.

By: TREVOR HEARN

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03437350

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ASSIGNMENT DATED THE 23rd FEBRUARY 1999 AND CREATED BY FINSBURY PARK MORTGAGE FUNDING LIMITED FOR SECURING ALL MONIES AND OTHER LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO RESIDENTIAL MORTGAGE SECURITIES 5 PLC UNDER OR PURSUANT TO CLAUSE 8 OF THE MORTGAGE SALE AGREEMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 12th MARCH 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16th MARCH 1999.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



C O M P A N I E S H O U S E