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COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

112

5183076

Name of company

* Auburn Securities 4 PLC (the "Issuer")

Date of creation of the charge

11 October 2004

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

A deed of charge and assignment (the "Deed of Charge") dated 11 October 2004 and made between the Issuer, J.P. Morgan Corporate Trustee Services Limited (the "Trustee"),
(Please see Continuation Sheet No.1 Page 3).

Amount secured by the mortgage or charge

1. All monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer:
(i) to or to the order of the Trustee and/or any Receiver under the Deed of Charge, the Trust Deed or the Conditions;
(ii) under or in respect of the Notes and the Coupons; and
(iii) to the Trustee on any account whatsoever, whether as principal or surety and whether or not directly with another, in each case, at the times and in the manner provided for by the Deed of Charge, the Trust Deed or the Conditions.
2. All monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to each of the other Secured Creditors in accordance respectively with each of the other Documents (the "Secured Amounts").

(For Definitions see Schedule 2 attached)

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

J.P. Morgan Corporate Trustee Services Limited
Trinity Tower, 9 Thomas More Street
London

Postcode E1W 1YT

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JU

For official Use
Mortgage Section

Post room



LD5
COMPANIES HOUSE

0093
28/10/04

Time critical reference

RQB/I1604/00176/AJF

Short particulars of all the property mortgaged or charged

See schedule 1 attached

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
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lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed

Clifford Chance LLP

Date

28.10.04

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

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† delete as
appropriate

Notes

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

Companies House, Crown Way, Cardiff CF14 3UZ

CHFP025

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No 1
to Form No 395 and 410 (Scot)Please complete
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Company Number

5183076

Name of Company

Auburn Securities 4 PLC (the "**Issuer**")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Capital Home Loans Limited in its capacity as mortgage seller, the "**Seller**" or "**CHL**", as Cash/Bond Administrator, the "**Cash/Bond Administrator**", as Mortgage Administrator, the "**Mortgage Administrator**", as swap counterparty under the FRM Swap Agreement and the VRM Swap Agreement, the "**Basis Swap Counterparty**" and as Subordinated Loan Provider, the "**Subordinated Loan Provider**", Barclays Bank PLC in its capacity as operating bank under the Bank Agreement (Reserve Account), the "**Reserve Account Bank**" and the Bank Agreement (Transaction Account), the "**Transaction Account Bank**", as Liquidity Facility Provider, the "**Liquidity Facility Provider**", as Redraw Facility Provider, the "**Redraw Facility Provider**", as Collection Account Bank, the "**Collection Account Bank**", Irish Life & Permanent PLC in its capacity as Standby Servicer, the "**Standby Servicer**", as Repurchase Guarantor, the "**Repurchase Guarantor**", as the swap guarantor under the FRM Swap Guarantee and the swap guarantor under the VRM Swap Guarantee, the "**Basis Swap Guarantor**", JPMorgan Chase Bank in its capacity as principal paying agent, the "**Principal Paying Agent**" and as Agent Bank, the "**Agent Bank**", Auburn 1 Limited (the "**Covenantor**") and SPV Management Limited in its capacity as Corporate Services Provider, the "**Corporate Services Provider**".

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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Short particulars of all the property mortgaged or charged (continued)

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bold block lettering

SCHEDULE 1

Loans and Mortgages

The Issuer, by way of first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and as the registered owner or as the person entitled to be registered as owner and subject in each case to the proviso for redemption hereinafter contained and to the provisos for redemption or cesser contained in the Mortgage Conditions, HEREBY CHARGES to the Trustee by way of first fixed equitable charge all the Issuer's right, title, interest and benefit present and future in, to and under the Loans and the Mortgages in the Mortgage Pool, and any guarantee in respect thereof and the right to exercise all power in favour of the Issuer in relation thereto, and all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the title deeds and documents relating to the Property and the Mortgages in the Mortgage Pool including (without prejudice to the generality of the foregoing) any consents, postponements, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the Mortgages in the Mortgage Pool (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of the Loan TO HOLD the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

Life Policies and Charges

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner if appropriate) and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and under the Life Policies and the Charges including, without limitation, in each case, the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

Insurance Contracts

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner as appropriate) and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all the Issuer's right, title, interest and benefit present and future in, to and under the Insurance Contracts, to the extent that the Insurance Contracts have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and all monies assured by or to become payable under the same and the benefit of all covenants and rights relating thereto and all powers and remedies for enforcing the same TO HOLD

the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

Buildings Policies

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner if appropriate) and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all the Issuer's right, title, interest and benefit present and future in, to and under the Buildings Policies, to the extent that the Buildings Policies have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and all monies assured by or to become payable under the same and the benefit of all covenants and rights relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

Contractual and Other Rights

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all its right, title, interest and benefit present and future in, to and under the Charged Obligation Documents and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party (other than the Trust Deed (and any deed expressed to be supplemental thereto) and this Deed) including without limitation all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereto TO HOLD the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

Notwithstanding such assignment each of the parties hereto (other than the Issuer) agrees with the Issuer that the Charged Obligors may continue to make all payments becoming due to the Issuer under any Charged Obligation Document direct to the Issuer in the manner envisaged by such agreements (which payment shall constitute a good discharge by the person making the payment) until receipt of express written notice from the Trustee or the Receiver requiring such payments to be made elsewhere, which notice shall not be given at any time prior to delivery of an Enforcement Notice.

Bank Accounts

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and

under the Issuer's Accounts and all sums of money which may now be or hereafter are from time to time standing to the credit of the Issuer's Accounts together with all interest accruing from time to time thereon and the debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed equitable charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and under the trust created in favour of the Issuer over the Accounts and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

Authorised Investments

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

Floating Charge

The Issuer, by way of further security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained and subject where relevant to the provisos for redemption or cesser contained in any Mortgage which forms part of the Mortgage Pool and the rights of re-assignment, and re-transfer contained in the Charges, HEREBY CHARGES by way of first floating charge to the Trustee, the whole of its undertaking and all its property and assets, except for the assets specifically and effectively secured by means of fixed charge above or otherwise effectively assigned as security by this Clause 3, present and future, TO HOLD the same unto the Trustee absolutely for the Trustee for itself and on trust, subject to the terms of these presents, for the Secured Creditors.

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) applies to the floating charge created pursuant to Clause 3.8.1.

Further Acquired Items

For the avoidance of doubt (and subject to Clause 3.5) it is hereby confirmed that reference herein to Loans, Mortgages, Life Policies, Insurance Contracts, Building Policies and related items include those which are hereafter assigned or transferred to or otherwise acquired by the Issuer (whether pursuant to the Mortgage Administration Agreement or otherwise) and that the security interests created by Clauses 3.1 to 3.7 (both inclusive) are, and are intended to be, specific and fixed assignments and assignments by way of security of, or specific and fixed charges over (as the case may be) the items to which they relate, both present and future acquired.

Warranties and Covenants

Save with the prior written consent of the Trustee or as provided in or envisaged by any of the Documents, the Issuer hereby covenants with and represents, warrants and undertakes to the Trustee, for itself and on trust for the Noteholders and the Coupon holders and with the other Secured Creditors and with each of them, that:

it will not create or permit to exist upon any of the Charged Property any Security Interest whatsoever other than as created by this Deed;

it will not transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option, present or future, or right to acquire, any of the Charged Property or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so, except that the Issuer may sell all of the Mortgages at a price equal to the aggregate Balances of the Mortgages at the date of completion of such sale together with an amount equal to all other amounts due under such Mortgages at such price as would enable the Issuer to redeem the Notes at their respective Principal Amounts Outstanding, where the Issuer satisfies the Trustee that the proceeds of such sale will be applied by the Issuer on the Interest Payment Date being or next following the date of completion of such sale in redeeming the Notes in accordance with Condition 5(d) or 5(e);

it shall ensure that no person other than the Issuer and the Trustee shall have any equitable or beneficial interest in the Charged Property;

SCHEDULE 2 - DEFINITIONS

In this Form 395:

"Account Banks" means collectively the Collection Account Bank, the Reserve Account Bank and the Transaction Account Bank;

"Accounts" means collectively the Collection Account, the Transaction Account and the Reserve Account;

"Accrued Interest" means, in respect of a Loan at any time, any amount representing interest which has accrued in respect of that Loan but is not yet due and payable by the relevant Borrower at that time;

"Actual Redemption Amount" means, as at any Determination Date, the principal amount redeemable in respect of each Note of each class on the immediately succeeding Interest Payment Date, calculated as the amount available for the redemption of all Notes of such class on such date, in accordance with funds available for such purpose under the Priority of Payments, divided by the number of Notes of that class outstanding on the relevant Interest Payment Date (rounded down to the nearest penny) provided always that such amount shall never exceed the Principal Amount Outstanding of the relevant Note;

"Administration Agreements" means each of the Mortgage Administration Agreement and the Cash/Bond Administration Agreement or either of them as the context may require (and **"Administration Agreement"** shall be construed accordingly);

"Administration Fee" means an amount equal to £24,000 per annum (payable on each Interest Payment Date in arrear), together with the costs and expenses payable to the Mortgage Administrator pursuant to Clause 11 of the Mortgage Administration Agreement;

"Administrator" means a person appointed under Schedule B of the Insolvency Act to manage the business, affairs and property of a company;

"Administrators" means each of the Mortgage Administrator and the Cash/Bond Administrator or either of them as the context may require;

"Agency Agreement" means the Agency Agreement dated the Closing Date between, *inter alios*, the Issuer and the Paying Agents in relation to paying agency arrangements;

"Agent Bank" means JPMorgan Chase Bank of Trinity Tower, 9 Thomas More Street, London E1W 1YT or, if applicable, any successor agent bank which shall become such pursuant to the provisions of the Agency Agreement or such other agent bank in relation thereto 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 and (except in the case of the initial Agent Bank) notice of whose appointment has been given to the Noteholders pursuant to Clause 13(m) of the Trust Deed in accordance with Condition 14 of the Notes;

"Aggregate Rate" has the meaning specified in Clause 5.5 of the Mortgage Administration Agreement;

"Alternative Servicer" means the alternative servicer appointed under the terms of Clause 2.2.2 of the Standby Servicer Agreement, in the event that the appointment of the Mortgage Administrator and/or the Cash/Bond Administrator is terminated.

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

"Arrears of Interest" means, in respect of a Loan at any time, any amount representing interest which has become due and payable by the relevant Borrower at that time but which remains unpaid;

"Assigned Rights" means, in relation to a Loan, all right, title, interest and benefit of the Issuer in and to the relevant Loan and the Mortgage and the Charge relating to such Loan and any other collateral rights or security, which were sold by CHL to the Issuer pursuant to Clause 2.2 of the Mortgage Sale Agreement;

"Assignment of Charges" means the assignment of English Charges to be executed pursuant to Clause 2.3.2 of the Mortgage Sale Agreement in relation to the Completion Mortgage Pool or any Substitute Loan, as the case may be;

"Assignment of Guarantees" means the assignment of Guarantees to be executed pursuant to Clause 2.3.4 of the Mortgage Sale Agreement in relation to the Completion Mortgage Pool or any Substitute Loan, as the case may be;

"Assignment of Policies" means the assignment of the Insurance Contracts to be executed pursuant to Clause 2.3.3 of the Mortgage Sale Agreement in relation to the Completion Mortgage Pool or any Substitute Loan, as the case may be;

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

"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 or the Deed of Charge, such other firm of accountants as may be appointed in writing by the Issuer after consultation with the Trustee;

"Authorised Institution" means an authorised person under FSMA;

"Authorised Investments" means any sterling denominated security, bank account or other right of or with any entity whose Short Term Debt Rating is rated at least P-1 by Moody's or F-1+ by Fitch or A-1+ by S&P (or such other rating subject to each Rating Agency confirming in writing that such other rating would not cause the then current rating of the Notes to be adversely affected), and which matures on or before the Interest Payment Date on which the cash represented by such investments is required by the Issuer.

"Available Funds" has the meaning ascribed thereto in Clause 5.5.2(A) of the Cash/Bond Administration Agreement;

"B Test" means the test that is met if, as calculated on the Determination Date immediately preceding the relevant Interest Payment Date, (a) the Principal Deficiency recorded on the Class B Principal Deficiency Ledger on that Determination Date, after taking account of any Principal Deficiency calculated on that Determination Date, is less than or equal to 30 per cent. of the Principal Amount Outstanding of the Class B Notes, and (b) the aggregate cumulative balance of Mortgages, which are or have been at any time 90 days or more in arrears, as a percentage of the aggregate of the initial Principal Amount Outstanding on the Notes on the Closing Date, is less than or equal to 23.50 per cent;

"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 each of the Bank Agreements;

"Balance" means, in relation to any Loan and on any date (1) the original principal amount advanced to the Borrower; plus (2) any disbursement, legal expense, fee, charge or premium capitalised and added to the amounts secured by the relevant Mortgage after the date of completion of such Mortgage and prior to the Issue Date; plus (3) any advance of further moneys to the Borrower thereof on the security of the relevant Mortgage after the date of completion of such Mortgage and prior to the Issue Date; plus (4) any amount added to the Mortgage after the date of completion of such Mortgage and prior to the Issue Date (including any capitalised arrears of interest); less (5) any repayment or prepayment of such amounts as at the Issue Date;

"Balance of the Potential Redemption Amount" means such amount of the Potential Redemption Amount as remains after payment of any item, the maximum amount of which is calculated by reference to the Potential Redemption Amount, ranking higher in the Priority of Payments prior to enforcement contained in Condition 2 (e).

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

"Bank Agreement (Reserve Account)" means the bank agreement dated the Closing Date between the Issuer, Barclays, the Cash/Bond Administrator, CHL and the Trustee in relation to the operation of the Reserve Account;

"Bank Agreement (Transaction Account)" means the bank agreement dated the Closing Date between the Issuer, Barclays, the Cash/Bond Administrator, CHL and the Trustee in relation to the operation of the Transaction Account;

"Bank Agreements" means the Bank Agreement (Transaction Account) and the Bank Agreement (Reserve Account);

"Barclays" means Barclays Bank PLC acting through its branch at 54 Lombard Street, London EC3V 9EX;

"Base Rate Linked Loan" means a Loan which is subject to a variable rate of interest set by CHL from time to time but which rate is linked to the Bank of England's base rate;

"Basic Terms Modification" has the meaning given to it in the Trust Deed;

"Basis Swap Agreements" means the VRM Swap Agreement together with the FRM Swap Agreement;

"Basis Swap Counterparty" means the FRM Swap Counterparty and the VRM Swap Counterparty;

"Basis Swap Guarantor" means IL&P in its capacity as the VRM Swap Guarantor and the FRM Swap Guarantor;

"Block Buildings Policy" means the insurance policy described as such in Schedule 7 to the Mortgage Sale Agreement and any other insurance contracts in replacement, addition or substitution therefore from time to time;

"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 in the case of an Interest Payment Date or for the use of such term in the Swap Agreements and Swap Guarantees, means a day (other than a Saturday or Sunday) on which banks are open for business in London and Dublin;

"C Test" means the test that is met if, as calculated on the Determination Date immediately preceding the relevant Interest Payment Date, (a) the Principal Deficiency recorded on the Class C Principal Deficiency Ledger on that Determination Date, after taking account of any Principal Deficiency calculated on that Determination Date, is less than or equal to 30 per cent. of the Principal Amount Outstanding of the Class C Notes, and (b) the aggregate cumulative balance of Mortgages, which are or have been at any time 90 days or more in arrears, as a percentage of the aggregate of the initial Principal Amount Outstanding on the Notes on the Closing Date, is less than or equal to 18 per cent;

"Cash/Bond Administration Agreement" means the cash/bond administration agreement dated the Closing Date between the Issuer, CHL, the Cash/Bond Administrator, the Mortgage Administrator and the Trustee;

"Cash/Bond Administration Fee" means an amount equal to £12,000 per annum (payable monthly in arrear), together with the costs and expenses payable to the Cash/Bond Administrator pursuant to Clause 12 of the Cash/Bond Administration Agreement;

"Cash/Bond Administrator" means CHL or any other entity 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 permitted successor or assign;

"CCJ" means a county court judgment relating to a Borrower;

"Certification" means certification of non-U.S. beneficial ownership;

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

"Charged Obligors" means all parties to the Charged Obligation Documents having obligations whether present, future, actual or contingent to the Issuer, pursuant to 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 the security granted (by way of deposit) by the Borrowers in favour of CHL, in respect of the Life Policies for the payment of Loans;

"CHL" means Capital Home Loans Limited (registered number 2174236) whose registered office is at Admiral House, Harlington Way, Fleet, Hampshire, GU51 4YA;

"Class A1 Global Notes" means the Temporary Global Class A1 Note and/or the Permanent Global Class A1 Note;

"Class A1 Noteholders" means the several persons who are for the time being holders of the Class A1 Notes (being, if and to the extent that the Class A1 Notes are represented by the Definitive Class A1 Notes, the bearers thereof and, if and to the extent that the Class A1 Notes are represented by the Class A1 Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class A1 Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class A1 Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class A1 Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and for which purpose **"Class A1 Noteholders"** means the bearer of the Class A1 Global Notes; and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly;

"Class A1 Notes" means the £270,000,000 Class A1 Mortgage Backed Floating Rate Notes due October 2041 or the amount thereof for the time being outstanding or, as the context may

require, a specific number thereof and includes the Temporary Global Class A1 Note (or any part thereof), the Permanent Global Class A1 Note (or any part thereof) and the Definitive Class A1 Notes (or any of them) and **"Class A1 Note"** means any of them, and the term **"Class A1 Noteholders"** shall be construed accordingly;

"Class A2 Global Notes" means the Temporary Global Class A2 Note and/or the Permanent Global Class A2 Note;

"Class A2 Noteholders" means the several persons who are for the time being holders of the Class A2 Notes (being, if and to the extent that the Class A2 Notes are represented by the Definitive Class A2 Notes, the bearers thereof and, if and to the extent that the Class A2 Notes are represented by the Class A2 Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class A2 Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class A2 Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class A2 Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and for which purpose **"Class A2 Noteholders"** means the bearer of the Class A2 Global Notes; and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly;

"Class A2 Notes" means the £597,500,000 Class A2 Mortgage Backed Floating Rate Notes due October 2041 or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Temporary Global Class A2 Note (or any part thereof), the Permanent Global Class A2 Note (or any part thereof) and the Definitive Class A2 Notes (or any of them) and **"Class A2 Note"** means any of them, and the term **"Class A2 Noteholders"** shall be construed accordingly;

"Class B Global Notes" means the Temporary Global Class B Note and/or the Permanent Global Class B Note;

"Class B Noteholders" means the several persons who are for the time being holders of the Class B Notes (being, if and to the extent that the Class B Notes are represented by the Definitive Class B Notes, the bearers thereof and, if and to the extent that the Class B Notes are represented by the Class B Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class B Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of B Class Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class B Global Notes in accordance with

and subject to their respective terms and the terms of the Trust Deed) and for which purpose **"Class B Noteholders"** means the bearer of the Class B Global Notes; and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly;

"Class B Notes" means the £40,000,000 Class B Mortgage Backed Floating Rate Notes due October 2041 or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Temporary Global Class B Note (or any part thereof), the Permanent Global Class B Note (or any part thereof) and the Definitive Class B Notes (or any of them) and **"Class B Note"** means any of them, and the term **"Class B Noteholders"** shall be construed accordingly;

"Class C Global Notes" means the Temporary Global Class C Note and/or the Permanent Global Class C Note;

"Class C Noteholders" means the several persons who are for the time being holders of the Class C Notes (being, if and to the extent that the Class C Notes are represented by the Definitive Class C Notes, the bearers thereof and, if and to the extent that the Class C Notes are represented by the Class C Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class C Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class C Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class C Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and for which purpose **"Class C Noteholders"** means the bearer of the Class C Global Notes; and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly;

"Class C Notes" means the £40,000,000 Class C Mortgage Backed Floating Rate Notes due October 2041 or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Temporary Global Class C Note (or any part thereof), the Permanent Global Class C Note (or any part thereof) and the Definitive Class C Notes (or any of them) and **"Class C Note"** means any of them, and the term **"Class C Noteholders"** shall be construed accordingly;

"Class D Global Notes" means the Temporary Global Class D Note and/or the Permanent Global Class D Note;

"Class D Noteholders" means the several persons who are for the time being holders of the Class D Notes (being, if and to the extent that the Class D Notes are represented by the Definitive Class D Notes, the bearers thereof and, if and to the extent that the Class D Notes are represented by the Class D Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if

Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class D Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class D Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class D Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and for which purpose **"Class D Noteholders"** means the bearer of the Class D Global Notes; and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly;

"Class D Notes" means the £25,000,000 Class D Mortgage Backed Floating Rate Notes due October 2041 or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Temporary Global Class D Note (or any part thereof), the Permanent Global Class D Note (or any part thereof) and the Definitive Class D Notes (or any of them) and **"Class D Note"** means any of them, and the term **"Class D Noteholders"** shall be construed accordingly;

"Class E Global Notes" means the Temporary Global Class E Note and/or the Permanent Global Note Class E Note;

"Class E Noteholders" means the several persons who are for the time being holders of the Class E Notes (being, if and to the extent that the Class E Notes are represented by the Definitive Class E Notes, the bearers thereof and, if and to the extent that the Class E Notes are represented by the Class E Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class E Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of E Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class E Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and for which purpose **"Class E Noteholders"** means the bearer of the Class E Global Notes; and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly;

"Class E Notes" means the £12,500,000 Class E Mortgage Backed Floating Rate Notes due October 2041 or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Temporary Global Class E Note (or any part thereof), the Permanent Global Note Class E (or any part thereof) and the Definitive Class E Notes (or any of them) and **"Class E Note"** means any of them, and the term **"Class E Noteholders"** shall be construed accordingly;

"Class M Global Notes" means the Temporary Global Class M Note and/or the Permanent Global Class M Note;

"Class M Noteholders" means the several persons who are for the time being holders of the Class M Notes (being, if and to the extent that the Class M Notes are represented by the Definitive Class M Notes, the bearers thereof and, if and to the extent that the Class M Notes are represented by the Class M Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class M Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class M Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class M Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and for which purpose **"Class M Noteholders"** means the bearer of the Class M Global Notes; and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly;

"Class M Notes" means the £15,000,000 Class D Mortgage Backed Floating Rate Notes due October 2041 or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Temporary Global Class M Note (or any part thereof), the Permanent Global Class M Note (or any part thereof) and the Definitive Class M Notes (or any of them) and **"Class M Note"** means any of them, and the term **"Class M Noteholders"** shall be construed accordingly;

"Clearstream, Luxembourg" means Clearstream Banking, *Société Anonyme*;

"Closing Date" means 11 October 2004 or such other date as the Issuer and Arranger may agree;

"Collection Account" means the account, number 60828718, sort code 20-19-90, in the name of CHL at Barclays, and (subject to the terms of the Transaction Documents) any account or accounts supplemental thereto or in replacement thereof;

"Collection Account Bank" means Barclays Bank PLC acting through its branch at 54 Lombard Street, London EC3V 9EX;

"Collection Account Declaration of Trust" means the declaration of trust dated the Closing Date over the Collection Account given by CHL in favour of the Issuer;

"Common Depository" means JPMorgan Chase Bank, London as bank depository common to Euroclear and Clearstream, Luxembourg;

"Completion" means (a) in relation to the Loans sold pursuant to Clause 2.1.1 of the Mortgage Sale Agreement, the sale and purchase thereof and implementation of the other matters provided for in Clause 5.2 of the Mortgage Sale Agreement and (b) in relation to each

of the Substitute Loans, the transfer and assignment thereof and implementation of other matters provided for in Clause 5.3 of the Mortgage Sale Agreement;

"Completion Mortgage Pool" means the loans selected from the Provisional 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 Issue Date;

"Conditions" means the terms and conditions applicable to the Notes, in the form set out in Schedule 4 of the Trust Deed as the same may, from time to time, be modified in accordance with the Trust Deed and any reference in the Trust Deed to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

"Contingency Policy" means the policy of contingency insurance issued by Royal and Sun Alliance Insurance Group PLC and which came into force on 1 November 1990;

"Converted Loan" means any Loan converted into an Endowment Loan, a Repayment Loan, a Pension Loan, an ISA/PEP Loan, a Non-Collateralised Interest Only Loan or a combination of one or more of such types of Loan and/or into (a) a Fixed Rate Loan, (b) a Standard Variable Loan, (c) a Base Rate Linked Loan, (d) a Flexible Mortgage Loan or (e) into any other type of Loan offered by CHL in accordance with the provisions of Clause 4.3 of the Mortgage Administration Agreement;

"Corporate Services Agreement" means the corporate services agreement dated on or about the Closing Date between, *inter alios*, the Issuer and SPV Management Limited;

"Corporate Services Provider" means SPV Management Limited;

"Covenantor" means Auburn 1 Limited;

"Couponholders" means the several persons who are for the time being holders of the Coupons;

"Coupons" means, in relation to the Definitive Notes the bearer interest coupons appertaining to such Definitive Notes, (and the words **"Interest Coupons"** shall be construed accordingly) or, as the context may require, a specific number thereof and, save where the context otherwise requires, includes the Talons and any replacement Coupons or Talons issued pursuant to Condition 13;

"Cut-Off Date" means 31 August 2004;

"D Test" means the test that is met if, as calculated on the Determination Date immediately preceding the relevant Interest Payment Date, (a) the Principal Deficiency recorded on the Class D Principal Deficiency Ledger on that Determination Date, after taking account of any Principal Deficiency calculated on that Determination Date, is less than or equal to 20 per cent. of the Principal Amount Outstanding of the Class D Notes; and (b) the aggregate cumulative balance of Mortgages, which are or have been at any time 90 days or more in arrears, as a percentage of the aggregate of the initial Principal Amount Outstanding on the Closing Date, is less than or equal to 12 per cent.

"Declarations of Trust" means the declaration of trust dated 22 September 2004 and made by the Share Trustee in relation to the holding by the Share Trustee of one ordinary share of £1 in the Issuer and the declarations of trust dated 5 November 1998 and made by the Share Trustee in relation to the holding by the Share Trustee of the entire issued share capital of the Parent;

"Deed of Charge" means the deed of charge dated the Closing Date, between, *inter alia*, the Issuer, the Trustee and the Mortgage Administrator (and includes, where the context so admits, any further or supplemental charges granted pursuant thereto);

"Deferred Consideration" means (a) prior to the service of an Enforcement Notice, an amount payable to CHL by the Issuer on any Interest Payment Date as further consideration for the Loans and Mortgages sold pursuant to the Mortgage Sale Agreement, which amount shall not exceed (i) an amount equal to the Available Funds on the immediately preceding Determination Date after payment or provision in full of items (i) to (xxix) inclusive of the Priority of Payments, as set out in Condition 2(e), (ii) amounts (if any) standing to the credit of the Reserve Ledger in excess of the Reserve Ledger Required Amount, and (iii) if applicable on such Interest Payment Date, amounts standing to the credit of the Reserve Ledger when the Notes have been fully redeemed and the Subordinated Loan fully repaid in each case on such Interest Payment Date, and (b) following the service of an Enforcement Notice, subject to the Deed of Charge, an amount equal to the amount available for distribution by the Trustee after payment or provision in full of items (i) to (xii) inclusive of the Post Enforcement Priority of Payments, as set out in Condition 2(f);

"Definitive Class A1 Notes" means the bearer notes in definitive form to be issued in respect of the Class A1 Notes pursuant to, and in circumstances specified in, the provisions of Clauses 3.7 to 3.10 of the Trust Deed and includes any replacements for Definitive Class A1 Notes issued pursuant to Condition 13;

"Definitive Class A2 Notes" means the bearer notes in definitive form to be issued in respect of the Class A2 Notes pursuant to, and in circumstances specified in, the provisions of Clauses 3.7 to 3.10 of the Trust Deed and includes any replacements for Definitive Class A2 Notes issued pursuant to Condition 13;

"Definitive Class B Notes" means the bearer notes in definitive form to be issued in respect of the Class B Notes pursuant to, and in circumstances specified in, the provisions of Clauses 3.7 to 3.10 of the Trust Deed and includes any replacements for Definitive Class B Notes issued pursuant to Condition 13;

"Definitive Class C Notes" means the bearer notes in definitive form to be issued in respect of the Class C Notes pursuant to, and in circumstances specified in, the provisions of Clauses 3.7 to 3.10 of the Trust Deed and includes any replacements for Definitive Class C Notes issued pursuant to Condition 13;

"Definitive Class D Notes" means the bearer notes in definitive form to be issued in respect of the Class D Notes pursuant to, and in circumstances specified in, the provisions of Clauses

3.7 to 3.10 of the Trust Deed and includes any replacements for Definitive Class D Notes issued pursuant to Condition 13;

"Definitive Class E Notes" means the bearer notes in definitive form to be issued in respect of the Class E Notes pursuant to, and in circumstances specified in, the provisions of Clauses 3.7 to 3.10 of the Trust Deed and includes any replacements for Definitive Class E Notes issued pursuant to Condition 13;

"Definitive Class M Notes" means the bearer notes in definitive form to be issued in respect of the Class M Notes pursuant to, and in circumstances specified in, the provisions of Clauses 3.7 to 3.10 of the Trust Deed and includes any replacements for Definitive Class M Notes issued pursuant to Condition 13;

"Definitive Notes" means the Definitive Class A1 Notes and/or the Definitive Class A2 Notes and/or the Definitive Class B Notes and/or the Definitive Class C Notes and/or the Definitive Class D Notes and/or the Definitive Class E Notes and/or the Definitive Class M Notes and **"Definitive Note"** means any of them;

"Determination Date" means each day which falls 5 Business Days prior to an Interest Payment Date;

"Determination Period" means the period from and including one Determination Date (or the 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;

"Discount Rate Loan" means, for a period of time, a Loan in respect of which the interest rate applicable to that Loan is discounted for that period of time;

"Documents" has the meaning given to "Documents" in Condition 3 and, except in the Conditions, includes the Other Relevant Documents as defined in Condition 11;

"E Test" means the test that is met if, as calculated on the Determination Date immediately preceding the relevant Interest Payment Date, (a) the Principal Deficiency recorded on the Class E Principal Deficiency Ledger on that Determination Date, after taking account of any Principal Deficiency calculated on that Determination Date, is less than or equal to 40 per cent. of the Principal Amount Outstanding of the Class E Notes, and (b) the aggregate cumulative balance of Mortgages, which are or have been at any time 90 days or more in arrears, as a percentage of the aggregate of the initial Principal Amount Outstanding on the Notes on the Closing Date, is less than or equal to 6 per cent;

"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 Mortgage Conditions and in respect of which the Borrower is required to have a policy of endowment life assurance (which is in certain cases a unit-linked policy) noting the interest of CHL therein;

"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 Mortgage Administrator 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 determines 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;

"Euroclear" means Euroclear Bank S.A./N.V., operator of the Euroclear System;

"Event of Default" has the meaning specified in Condition 9(a);

"Exchange Date" means in relation to a Note, the day which is the later of (a) forty days after the latter of the Closing Date and the commencement of the offering of the Notes; and (b) certification of non-US beneficial ownership;

"Excluded Items" has the meaning specified in Clause 5.5.3 of the Cash/Bond Administration Agreement;

"Extraordinary Resolution" has the meaning set out in Schedule 5 to 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(d) or (e) of the Notes;

"Fitch" means Fitch Ratings Limited;

"Fixed Rate Loans" means Loans which are subject to a fixed rate of interest set by reference to a pre-determined rate or series of rates for a fixed period or periods;

"Flexible Mortgage" means a Mortgage securing a Flexible Mortgage Loan;

"Flexible Mortgage Loan" means any Loan designated by CHL as a "Flexible Mortgage Product" in respect of which the Borrower is permitted to apply to CHL for certain "Flexible Features", including Redraws and the words **"Flexible Mortgage Loans"** shall be construed accordingly.

"FRM Swap Agreement" means the relevant ISDA Master Agreement, schedule and confirmation dated on or about the date hereof, between the Issuer and the FRM Swap Counterparty, in respect of interest payments on the Fixed Rate Loans;

"FRM Swap Counterparty" means CHL in its capacity as swap counterparty under the FRM Swap Agreement;

"FRM Swap Guarantee" means a deed of guarantee in respect of the FRM Swap Agreement dated on or about the date hereof between IL&P, CHL, the Trustee and the Issuer;

"FRM Swap Guarantor" means IL&P in its capacity as swap guarantor under the FRM Swap Guarantee;

"FSMA" means the Financial Services and Markets Act 2000;

"Further Advance" means a further advance (other than by way of Redraw) made or to be made to a Borrower in respect of a Residential Investment Product Loan and the related RIP Mortgage by the Issuer pursuant to Clause 8 of the Mortgage Administration Agreement;

"GIC Agreement" means the guaranteed investment contract dated the Closing Date and made between the GIC Provider, the Issuer, the Cash/Bond Administrator and the Trustee;

"GIC Provider" means Barclays Bank PLC;

"Global Notes" means any of the Temporary Global Notes and the Permanent Global Notes and **"Global Note"** means any of them;

"Group" or **"Group Company"** means CHL and each subsidiary from time to time of CHL;

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

"Housing Association" means a society, body of trustees or company and its successors in title which is established for the purpose of providing, constructing, improving or managing or facilitating or encouraging the construction or improvement of, housing accommodation;

"Initial Available Funds" means Available Funds less the amounts referred to in paragraph (f) of Clause 5.5.2(A) of the Cash/Bond Administration Agreement;

"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;

"Insurance Contracts" means the insurance policies described in Schedule 7 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 or to be 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 Determination Date" means the Interest Payment Date on which the Rate of Interest for the Interest Period commencing on such Interest Payment Date will be determined, or, in the case of the first interest period, the Issue Date;

"Interest Only Loan" means a Non-Collateralised Interest Only Loan, an Endowment Loan, a Pension Loan or an ISA/PEP Loan;

"Interest Only Mortgage" means a Mortgage securing an Interest Only Loan;

"Interest Payment Date" means 1 December 2004 and thereafter the first business day of each month (or if such day is not a Business Day, the next succeeding Business Day);

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

"Irish Life & Permanent" or **"IL&P"** means Irish Life & Permanent PLC whose registered office and principal place of business is at Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland;

"ISA/PEP Loan" means a Loan under the terms of which no payment of principal is required until maturity of the Loan in accordance with the Mortgage Conditions and under the terms of which the Borrower is required to have an individual savings account or a personal equity plan;

"ISDA Master Agreements" means the ISDA master agreement dated the Closing Date between the Issuer and CHL in relation to the FRM Swap Agreement and the ISDA master agreement dated the Closing Date between the Issuer and CHL in relation to the VRM Swap Agreement and **"relevant ISDA Master Agreement"** shall have a corresponding meaning;

"Issue" means the issue of Notes on the Closing Date;

"Issue Date" has the same meaning as the Closing Date;

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

"Issuer" means Auburn Securities 4 PLC (registered number 5183076) whose registered office is at Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ;

"Issuer's Accounts" means the Transaction Account, the Reserve Account and any other account in the name of the Issuer at the Account Banks;

"Joint Lead Managers" means Merrill Lynch International, Barclays Capital PLC and Citigroup Global Markets Limited and **"Joint Lead Manager"** means any one of them;

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

"Ledgers" means the Liquidity Ledger, the Redraw Ledger, the Start-Up Costs Ledger, the Reserve Ledger, the Profits Ledger and the Principal Deficiency Ledger;

"Lending Criteria" means the lending criteria set out in Schedule 8 of the Mortgage Sale Agreement together with such variations thereto as may from time to time be made by a Prudent Mortgage Lender;

"LIBOR" means the London interbank offer rate calculated in accordance with Condition 4;

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

"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 provided by the Liquidity Facility Provider to the Issuer pursuant to the terms of the Liquidity Facility Agreement;

"Liquidity Facility Agreement" means the agreement dated the Closing Date between the Issuer as borrower, the Trustee and the Liquidity Facility Provider;

"Liquidity Facility Provider" means Barclays Bank PLC;

"Liquidity Ledger" means the ledger of that name in the Reserve Account as detailed in the Cash/Bond Administration Agreement;

"Liquidity Maximum Amount" means either (a) £10,000,000 or such lower amount as the Rating Agencies may subsequently confirm as being sufficient to maintain the rating of the Notes or (b) in the event that the short-term unsecured, unsubordinated and unguaranteed rating of IL&P in its role as Standby Servicer falls below P-1 by Moody's or CHL is no longer wholly owned by IL&P, the greater of either (i) £10,000,000 or (ii) the amount equal to 5 per cent. of the aggregate Principal Amount Outstanding of the Notes less the amount standing to the credit of the Reserve Account;

"Loans" means the loans sold or to be sold under the Mortgage Sale Agreement, together with, where appropriate, Converted Loans and Substitute Loans and **"Loan"** shall mean any

one of them and, unless specified otherwise, shall be deemed to refer to the related Mortgages or Mortgage as the case may be;

"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 CHL and including the relevant Standard Documentation applicable to that Loan, each letter of offer in respect of a Loan and other relevant documents (excluding, however, 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 Mortgage Administrator and the Borrower;

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

"Loan to Total Lend Ratio" or **"LTL"** mean the loan to total lend ratio, expressed as a percentage, which is calculated by dividing the initial principal amount at completion of the relevant Mortgage by the current valuation of all properties owned by the relevant Borrower subject to a first ranking all monies charge in favour of CHL;

"Loan to Value Ratio" or **"LTV"** mean the loan to value ratio, expressed as a percentage, which is calculated by dividing the initial principal amount advanced at completion of the Mortgage by the valuation of the Property or the purchase price of the Property, whichever is the lesser amount;

"Long Term Debt Rating" means at any time in relation to any person, the then current rating by the relevant Rating Agency of that person's long-term unsecured, unsubordinated and unguaranteed debt or securities;

"Maturity Date" means the Interest Payment Date falling in October 2041;

"Monthly Report" means the monthly report in the form scheduled to the Cash/Bond Administration Agreement or in such other form from time to time agreed between CHL, the Mortgage Administrator, the Trustee and the Rating Agencies;

"Moody's" means Moody's Investors Service Ltd.;

"Mortgage" means the first legal mortgage or charge of a property which is security for a Loan and shall include, unless specified otherwise, the related Loan;

"Mortgage Administration Agreement" means the agreement dated the Closing Date between the Issuer, the Trustee and CHL;

"Mortgage Administrator" means CHL in its capacity as mortgage administrator pursuant to the Mortgage Administration Agreement and its permitted successors or assignees or any other entity appointed pursuant to the terms of the Mortgage Administration Agreement to undertake the obligations of the Mortgage Administrator;

"Mortgage Conditions" means the mortgage and lending conditions forming part of the Standard Documentation;

"Mortgage Indemnity Policy" means the mortgage indemnity insurance issued by Royal & Sun Alliance Insurance Group PLC and which came into force on 1 January 1993;

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

- (a) the Completion Mortgage Pool;;
- (b) any Substitute Mortgages acquired by the Issuer; and
- (c) any Further Advances made on the security of the Mortgages comprised in (i) or (ii) above in accordance with the provisions of the Mortgage Administration Agreement; less
- (d) any Mortgages repurchased by CHL from the Issuer as a result of an unremedied breach of any of the representations and warranties set out in the Mortgage Sale Agreement;

other than, in any such case, Mortgages which have been discharged or in respect of which funds representing principal outstanding have otherwise been received in full or which have been re-transferred by the Issuer.

"Mortgage Products" means the RIP Mortgages and the Standard Mortgages collectively;

"Mortgage Sale Agreement" means the mortgage sale agreement dated the Closing Date between the Issuer, the Trustee and CHL;

"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 thereunder;

"Non-Collateralised Interest Only Loans" means Loans (other than Endowment Loans, Pension Loans and ISA/PEP Loans) in relation to which the principal amount is not repayable before maturity;

"Note LIBOR" means an annual rate of LIBOR for one month sterling deposits or, in the case of the first interest period at an annual rate obtained by linear interpolation of the annual rate of LIBOR for one month and two months sterling deposits;

"Noteholders" means the Class A1 Noteholders and/or the Class A2 Noteholders and/or the Class M Noteholders and/or the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders and **"Noteholder"** means any of them;

"Notes" means the Class A1 Notes, the Class A2 Notes, the Class M Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and **"Note"** means any of them;

"Offering Circular" means the offering circular of 7 October 2004 issued in relation to the issue by the Issuer of the Notes;

"Operating Bank" means the Transaction Account Bank, and any other bank from time to time appointed in accordance with the provisions of the relevant Transaction Document;

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

"Originator" means CHL;

"Originator Power of Attorney" means the power of attorney executed by CHL in the form set out in Schedule 5 to the Mortgage Sale Agreement;

"outstanding" means in relation to the Notes, all of the Notes issued other than:

- (e) those Notes which have been redeemed in full and cancelled pursuant to Condition 5, as the case may be, or otherwise pursuant to the Trust Deed;
- (f) those Notes in respect of which the date for redemption in full in accordance with the Conditions has occurred and the redemption moneys for which (including all interest payable thereon) have been duly paid to the Trustee or to a Paying Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 14) and remain available for payment against presentation of the relevant Notes and/or Coupons;
- (g) those Notes which have become void under Condition 7;
- (h) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13;
- (i) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13;
- (j) the Temporary Global Notes to the extent that they shall have been exchanged for the Permanent Global Notes pursuant to the provisions contained therein and in Clauses 3.1 to 3.6 of the Trust Deed; and
- (k) the Permanent Global Notes to the extent that they shall remain in escrow to be exchanged for the Temporary Global Notes or shall have been exchanged for Definitive Notes, pursuant to the provisions contained therein and in Clause 3 of the Trust Deed;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders;

- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of the Trust Deed, the relevant Conditions and, for the avoidance of doubt, the relevant paragraphs of Schedule 5 to the Trust Deed;
- (iii) any discretion, power or authority contained in the Trust Deed which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Noteholders; and
- (iv) the determination by the Trustee whether any of the events specified in Condition 9 is materially prejudicial to the interests of the Noteholders,

those Notes (if any) which are for the time being held by any person (including but not limited to CHL, the Mortgage Administrator or the Issuer or any of their respective subsidiaries or holding companies) for the benefit of CHL, the Mortgage Administrator or the Issuer or any of their respective subsidiaries or holding companies shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Overpayment" means an amount equal to the prepayment on a Mortgage in excess of the scheduled principal repayment or, in the case of a Mortgage other than a Repayment Mortgage, the amount of the payment in excess of the amount of interest due;

"Parent" means Auburn 1 Limited (registered number 3588419) whose registered office is at Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ, the parent company of the Issuer;

"Paying Agent" means the Principal Paying Agent and any other paying agent appointed from time to time in accordance with the terms of the Agency Agreement;

"Payment Holiday" means, where a Borrower has the ability to request a redraw, where the Borrower instead, subject to the consent of CHL, meets the Borrower's monthly payments by applying Overpayments not previously redrawn;

"PDL and Arrears Test" means, together, the B Test, the C Test and the D Test and the E Test;

"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 Mortgage 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;

"Permanent Global Class A1 Note" means the permanent global Class A1 note to be issued in respect of the Class A1 Notes by the Issuer pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 2 to the Trust Deed;

"Permanent Global Class A2 Note" means the permanent global Class A2 note to be issued in respect of the Class A2 Notes by the Issuer pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 2 to the Trust Deed;

"Permanent Global Class B Note" means the permanent global Class B note to be issued in respect of the class B Notes by the Issuer pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 2 to the Trust Deed;

"Permanent Global Class C Note" means the permanent global Class C note to be issued in respect of the Class C Notes by the Issuer pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 2 to the Trust Deed;

"Permanent Class D Global Note" means the permanent global Class D note to be issued in respect of the Class D Notes by the Issuer pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 2 to the Trust Deed;

"Permanent Global Class E Note" means the permanent global Class E note to be issued in respect of the Class E Notes by the Issuer pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 2 to the Trust Deed;

"Permanent Global Class M Note" means the permanent global Class M note to be issued in respect of the Class M Notes by the Issuer pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 2 to the Trust Deed;

"Permanent Global Notes" means the Permanent Global Class A1 Note, the Permanent Global Class A2 Notes, the Permanent Global Class M Notes, the Permanent Global Class B Notes, the Permanent Global Class C Notes, the Permanent Global Class D Notes and the Permanent Global Class E Notes;

"Permitted Utilisation Amounts" has the meaning specified in Clause 5.5.4 of the Cash/Bond Administration Agreement;

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

"Post Enforcement Call Option" means the post enforcement call option under the Post Enforcement Call Option Agreement;

"Post Enforcement Call Option Agreement" means the post enforcement call option agreement dated the Closing Date between the Trustee and Auburn Options;

"Post Enforcement Priority of Payments" means the order of priority of payments set out in Condition 2(f) of the Notes;

"Potential Redemption Amount" has the meaning given to it in Condition 5(b);

"Powers" in relation to the Trustee and any attorney, manager, delegate, agent or other person appointed by it under the Trust Deed means their respective powers, authorities and discretions under the Trust Deed or the general law;

"Prepayment Charges" means, in respect of a Loan, the early redemption fees received by the Issuer upon the prepayment of the relevant Loan;

"Principal Amount Outstanding" means in respect of any Note issued on the Closing Date, the principal amount outstanding in respect of such Note less the aggregate amount of all

principal amounts redeemable in respect of all Notes of the relevant class that have become due and payable since the date of issue of such Notes (whether or not paid);

"Principal Deficiency" shall have the meaning ascribed thereto in Clause 7.6 of the Cash/Bond Administration Agreement;

"Principal Deficiency Ledger" means the ledger of that name in the Transaction Account as detailed in the Cash/Bond Administration Agreement;

"Principal Paying Agent" means JPMorgan Chase Bank through its London Branch at Trinity Tower, 9 Thomas More Street, London E1W 1YT or such other Principal Paying Agent in respect of the Notes for the time being as may have been appointed as such by the Issuer with the prior written approval of, and on terms previously approved by, the Trustee in writing and (except in the case of the initial Principal Paying Agent) notice of whose appointment has been given to the Noteholders pursuant to Clause 13(m) of the Trust Deed in accordance with Condition 14;

"Principal Payment" means any payment in respect of principal received in respect of any Loan including payments pursuant to any Guarantee, 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;

"Priority of Payments" means the order of priority of payments set out in Condition 2(e) of the Notes;

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

"Profits Ledger" means the ledger of that name in the Transaction Account as detailed in the Cash/Bond Administration Agreement;

"Property" means, in relation to a Loan a freehold or long leasehold residential property (having an unexpired term at least 35 years longer than the mortgage term) in England or Wales and upon which the obligations of the Borrower are secured;

"Property Deeds" means all conveyancing deeds and documents which make up the title to and related rights and obligations in respect of the Properties, the Mortgages and the Charges, including land and charge certificates;

"Provisional Mortgage Pool" means the portfolio of loans listed in the Annexure of the Mortgage Sale Agreement;

"Prudent Mortgage Lender" means a reasonably prudent mortgage lender lending to Borrowers in England and Wales;

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

"Rate Setting Date" means the first Business Day in each month;

"Rating Agencies" means Moody's, Fitch and S&P;

"Receiver" or **"receiver"** means a receiver appointed under the Deed of Charge or pursuant to statutory powers, and includes a manager, and also a receiver and manager and administrative receiver or more than one such receiver and any substituted receiver;

"Reconciliation Date" has the meaning given in Clause 5.7 of the Mortgage Sale Agreement;

"Redraw" means any advance made to a Borrower under a Flexible Mortgage Loan where such advance is made pursuant to and in accordance with Clause 8 of the Mortgage Administration Agreement on the basis that the amount of such advance is equal to or less than the aggregate amount of principal repayments made by the Borrower in excess of scheduled principal repayments due in respect of such Loan or, in the case of Mortgages other than Repayment Mortgages, the aggregate amount of interest repayments made by the Borrower in excess of scheduled interest repayments due in respect of such Loan but not including any such excess amounts that have previously been redrawn and not yet repaid;

"Redraw Facility" means the redraw facility granted under the Redraw Facility Agreement;

"Redraw Facility Agreement" means the redraw facility agreement dated the Closing Date and made between the Redraw Facility Provider, the Issuer and the Trustee;

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

"Redraw Facility Limit" means £35,000,000 which limit may be varied by agreement between the Trustee, the Redraw Facility Provider and the Cash/Bond Administrator (as agent of the Issuer) provided that the Rating Agencies have given prior written confirmation that such variation will not adversely affect the then current ratings of the Notes;

"Redraw Facility Provider" means Barclays Bank PLC;

"Redraw Ledger" means the ledger of that name in the Reserve Account as detailed in the Cash/Bond Administration Agreement;

"Reference Banks" means the several banks named as such in the Conditions or such other banks as may (with the prior written approval of the Trustee) from time to time be appointed as such by the Issuer in accordance with the Conditions and the Trust Deed and (except in the case of the initial Reference Banks) notice of whose appointment has been given to the Noteholders pursuant to Clause 13(m) of the Trust Deed in accordance with Condition 14;

"Registered Land Transfers" means the transfers to be executed in relation to Properties relating to the Loans in the Completion 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 the Land Registry) pursuant to Clause 2.3.1(a) or 2.3.1 (b) of the Mortgage Sale Agreement;

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

"repay", "redeem" and "pay" shall each include both the others and cognate expressions shall be construed accordingly;

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

"Repayment Mortgage" means a Mortgage which secures a Repayment Loan;

"Repurchase Guarantee" means the guarantee by IL&P in favour of the Issuer dated the Closing Date;

"Repurchase Guarantor" means IL&P in its capacity as repurchase guarantor pursuant to the terms of the Repurchase Guarantee;

"Reserve Account" means the account titled "Reserve Account", number 60734098, sort code 20-19-90, held at Barclays Bank PLC in the name of the Issuer;

"Reserve Account Bank" means Barclays Bank PLC;

"Reserve Fund" means the amount from time to time standing to the credit of the Reserve Ledger;

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

"Reserve Ledger" means the ledger of that name in the Reserve Account as detailed in the Cash/Bond Administration Agreement;

"Reserve Ledger Required Amount" means:

- (l) on the Issue Date £5,000,000 (represented by amounts drawn under Tranche B of the Subordinated Loan); plus
- (m) on any Interest Payment Date following the Closing Date, amounts paid pursuant to item (xix) of the Priority of Payments up to an aggregate amount standing to the credit of that ledger of £13,500,000;

"Residential Investment Product Loan" means a Loan made to a Borrower who is an individual and who uses such Loan to purchase a residential property for the purpose of letting that property to one or more third parties;

"Revenue Payments" means any payment received in respect of any Loan 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, including payments pursuant to any Guarantee, Insurance Contract, Buildings Policy or Life Policy which is not a Principal Payment or does not constitute Prepayment Charges in respect of such Loan but excluding any Accrued Interest;

"Right of Set-Off" means any right of set-off or other equity or right as between the relevant Borrower and CHL, such as would preclude the right to obtain judgment for the full amount expressed by the relevant Loan to be payable;

"RIP Mortgage" means a Mortgage which secures a Residential Investment Product Loan;

"S&P" means Standard and Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.;

"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 the Trustee (in its capacity as a creditor secured by the Deed of Charge), the Noteholders, the Couponholders, any Receiver (in its capacity as a creditor secured by the Deed of Charge), the Mortgage Administrator, the Cash/Bond Administrator, the Liquidity Facility Provider, the Redraw Facility Provider, the FRM Swap Counterparty, the VRM Swap Counterparty, the FRM Swap Guarantor, the VRM Swap Guarantor, the GIC Provider, the Repurchase Guarantor, the Standby Servicer, the Principal Paying Agent, the Paying Agents, the Subordinated Loan Provider, the Corporate Services Provider, the Agent Bank and the Operating Bank and any other person who is expressed in any deed supplemental to the Deed of Charge to be a Secured Creditor;

"Security" means the security created in favour of the Trustee by, and contained in, the Deed of Charge;

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

"Self-Certified Borrower" means an individual who is self-employed and for whom an accountant or book-keeper has completed an affordability questionnaire supplied by CHL as evidence of the Borrower's ability to repay the Mortgage;

"Senior Notes" means the A1 Notes and the A2 Notes, and **"Senior Note"** means any one of them;

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

"Service Specification" means the administration and service specification criteria, from time to time, of a Prudent Mortgage Lender (and Administrator);

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

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

"Share Trustee" means SPV Management Limited (registered number 2548079) whose registered office is at Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ;

"Short Term Debt Rating" means, at any time in relation to any person, the then current rating by the relevant Rating Agency, of that person's short-term unsecured, unsubordinated and unguaranteed debt or securities;

"Standard Documentation" means the documents used by CHL in connection with its activities as a residential mortgage lender in relation to the Mortgage Pool listed in Schedule 9 of the Mortgage Sale Agreement and such other documents as may from time to time be substituted therefor or added thereto with the prior written approval of the Trustee;

"Standard Mortgage" means a Mortgage which secures a Loan made to a Borrower who is an individual and who uses such Loan to either purchase or mortgage a residential property which the Borrower intends to buy or currently resides in, which property is used solely as the Borrower's own residence;

"Standard Variable Loan" means a Loan which is subject to a variable rate of interest as set by CHL from time to time;

"Standby Servicer" means IL&P in its capacity as standby servicer pursuant to the Standby Servicer Agreement;

"Standby Servicer Agreement" means the standby servicer agreement dated the Closing Date between the Standby Servicer, the Issuer, CHL, the Mortgage Administrator, the Cash/Bond Administrator and the Trustee;

"Standby Servicer Fee" means the fee as outlined in Clause 3.1 of the Standby Servicer Agreement;

"Start-up Costs Ledger" means the ledger of that name in the Transaction Account as detailed in the Cash/Bond Administration Agreement;

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

"Stock Exchange" means the London Stock Exchange Limited or any successor thereto or any other stock exchange on which the Notes are traded and which is approved for the purposes of the Trust Deed by the Trustee;

"Subordinated Liquidity Interest Margin" means the portion of interest payable under such Liquidity Facility which accounts for the margin element in excess of LIBOR that will be paid by the Issuer on a subordinated basis at item (xxiv) of Priority of Payments;

"Subordinated Loan" means the loan facility provided by CHL to the Issuer pursuant to the Subordinated Loan Agreement comprising two tranches of principal, Tranche A and Tranche B;

"Subordinated Loan Agreement" means the start-up loan agreement dated the Closing Date between CHL, the Trustee and the Issuer relating to the provision of the Subordinated Loan by CHL to the Issuer;

"Subordinated Loan Provider" means CHL in its capacity as provider of the Subordinated Loan pursuant to the Subordinated Loan Agreement;

"Subordinated Redraw Interest Margin" means the portion of interest payable under such Liquidity Facility which accounts for the margin element in excess of LIBOR that will be paid by the Issuer on a subordinated basis at item (xi) of the Priority of Payments;

"Subscription Agreement" means the subscription agreement dated 7 October 2004 in respect of the Notes between the Issuer, CHL, IL&P and the Joint Lead Managers;

"subsidiaries" means any subsidiary as defined in the Companies Act 1985;

"Substitute Administrator" means the Standby Servicer appointed under Clause 17.5.2 of the Mortgage Administration Agreement or, as the case may be, Clause 16.5 of the Cash/Bond Administration Agreement;

"Substitute Life Policy" means any substitute Life Policy which replaces a Life Policy taken out by the Borrowers as determined in Clause 13 of the Mortgage Administration Agreement and the Charges in respect of which are charged for the benefit of the Trustee;

"Substitute Loans" means the Loans transferred or assigned to the Issuer pursuant to Clause 7.3.2 of the Mortgage Sale Agreement being a Loan of the same type as a Loan in the Completion Mortgage Pool and where no deficiency is recorded on the Principal Deficiency Ledger and no drawing has been made on the Reserve Fund in the previous month;

"Systems" means the computer systems and applications software provided by the Cash/Bond Administrator, Mortgage Administrator and/or the Standby Servicer (or any sub-contractor of any of those parties), as applicable, which delivers operational functions in relation to mortgage data and any other information (including any other computer system upon which such system may in any way be reliant);

"Talons" means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Notes and includes any replacement Talons issued pursuant to Condition 13;

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

"Temporary Global Class A1 Note" means the temporary global Class A1 note to be issued in respect of the Class A1 Notes by the Issuer, pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 1 to the Trust Deed;

"Temporary Global Class A2 Note" means the temporary global Class A2 note to be issued in respect of the Class A2 Notes by the Issuer, pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 1 to the Trust Deed;

"Temporary Global Class B Note" means the temporary global note Class B to be issued in respect of the class B Notes by the Issuer, pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 1 to the Trust Deed;

"Temporary Global Class C Note" means the temporary global Class C note to be issued in respect of the Class C Notes by the Issuer, pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 1 to the Trust Deed;

"Temporary Global Class D Note" means the temporary global Class D note to be issued in respect of the Class D Notes by the Issuer, pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 1 to the Trust Deed;

"Temporary Global Class E Note" means the temporary global Class E note to be issued in respect of the Class E Notes by the Issuer, pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 1 to the Trust Deed;

"Temporary Global Class M Note" means the temporary global Class M note to be issued in respect of the Class M Notes by the Issuer, pursuant to the provisions of Clauses 3.1 to 3.6 of the Trust Deed and substantially in the form set out in Schedule 1 to the Trust Deed;

"Temporary Global Notes" means the Temporary Global Class A1 Note, the Temporary Global Class A2 Note, the Temporary Global Class M Note, the Temporary Global Class B Note, the Temporary Global Class C Note, the Temporary Global Class D Note and the Temporary Global Class E Note;

"Threshold Rate" has the meaning specified in Clause 5.5 of the Mortgage Administration Agreement;

"Tranche A" means the £2,400,000 of principal drawn down by the Issuer under the Subordinated Loan used to fund the fees, costs and expenses of the Issuer under and in connection with the Issue;

"Tranche B" means the £5,000,000 of principal drawn down by the Issuer under the Subordinated Loan and which is credited to the Reserve Account;

"Transaction Account" means the account in the name of the Issuer at Barclays Bank PLC with the following sub-accounts: (i) "Collection CHL 400 Account", number 60828718, sort code 201990, (ii) "Funding CHL 400 Account", number 60664014, sort code 201990, (iii) "Sundry CHL 400 Account", number 00432415, sort code 201990, (iv) "General CHL 400 Account", number 60734098, sort code 201990, and (v) "Business Premium CHL 400 Account", number 10960918, sort code 201990;

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

"Transaction Documents" means the Mortgage Sale Agreement, the Mortgage Administration Agreement, the Cash/Bond Administration Agreement, the Standby Servicer Agreement, the Liquidity Facility Agreement, the Redraw Facility Agreement, the Corporate Services Agreement, the Subordinated Loan Agreement, the VRM Swap Guarantee, the FRM Swap Guarantee, the Subscription Agreement, the VRM Swap Agreement, the FRM Swap Agreement, the GIC Agreement, the Trust Deed, the Agency Agreement, the Bank Agreements, the Post Enforcement Call Option, the Deed of Charge, the Repurchase Guarantee and the Collection Account Declaration of Trust and all further or supplemental documents granted or executed pursuant to any of them;

"Transaction Party" means each of the Trustee, the Mortgage Administrator, the Cash/Bond Administrator, the Liquidity Facility Provider, the Issuer, the Redraw Facility Provider, the FRM Swap Counterparty, the VRM Swap Counterparty, the GIC Provider, the Repurchase Guarantor, Corporate Services Provider, the FRM Swap Guarantor, the VRM Swap Guarantor, Joint Lead Managers, the Standby Servicer, the Principal Paying Agent and any other Paying Agent, the Agent Bank and the Operating Bank;

"Transfers" means Registered Land Transfers and Unregistered Land Transfers or such as are applicable;

"Trust Corporation" means a corporation entitled by rules made under the Public Trustee Act 1906 of Great Britain or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee and shall be deemed to include JPMorgan Chase Bank;

"Trust Deed" means the Trust Deed dated the Closing Date between the Issuer and the Trustee constituting the Notes and the Schedules thereto;

"Trustee" means J.P. Morgan Corporate Trustee Services Limited or any successor trustee appointed in accordance with the Trust Deed;

"UK Listing Authority" means the Financial Services Authority in its capacity as competent authority for the purposes of Part VI of FSMA;

"Unregistered Land Transfers" means the transfers to be executed in relation to Properties relating to the Loans in the Completion 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 the Land Registry) pursuant to Clause 2.3.1(b) or Clause 2.3.1(d) 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;

"Variable Rate Loans" means Standard Variable Loans and Base Rate Linked Loans; and

"VRM Swap Agreement" means the relevant ISDA Master Agreement, schedule and confirmation dated on or about the date hereof, between the Issuer and the VRM Swap Counterparty, in respect of interest payments on the Variable Rate Loans;

"VRM Swap Counterparty" means CHL in its capacity as swap counterparty under the VRM Swap Agreement;

"VRM Swap Guarantee" means a Deed of Guarantee in respect of the VRM Swap Agreement dated on or about the date hereof between IL&P, CHL, the Trustee and the Issuer;

"VRM Swap Guarantor" means IL&P in its capacity as swap guarantor under the VRM Swap Guarantee;

CLIFFORD CHANCE LLP
RISHABH BHANDARI, TRI MPF
Room 25.5.3
Tel 020 7006 2223

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05183076

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE AND ASSIGNMENT DATED THE 11th OCTOBER 2004 AND CREATED BY AUBURN SECURITIES 4 PLC. FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO J.P. MORGAN CORPORATE TRUSTEE SERVICES LIMITED ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 28th OCTOBER 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 3rd NOVEMBER 2004.

p. c.



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES