

# M

## COMPANIES FORM No. 395

0400107

### Particulars of a mortgage or charge

# 395

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

CHFP025

Please do not  
write in  
this margin

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



5924768

Name of company

\* Eurosail 2006-3NC PLC (the "Issuer")

Date of creation of the charge

9 November 2006

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

A deed of charge (the "Deed of Charge") dated 9 November 2006 between, *inter alios*, the Issuer and BNY Corporate Trustee Services Limited (the "Trustee")

Amount secured by the mortgage or charge

The monies, obligations and liabilities which the Issuer covenants and undertakes to duly and punctually pay, observe, satisfy, perform or discharge to the Secured Creditors on the due dates for payment, performance and discharge in the manner provided in the Notes and the Transaction Documents (the "Secured Amounts").

For definitions used in this Form 395 please refer to Annex B hereto.

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

BNY Corporate Trustee Services Limited (for itself and on trust for the Secured Creditors) acting through its office at One Canada Square, London

Postcode E14 5AL

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

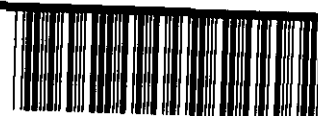
Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

907043/7040086983/RXK

Time critical reference

For official Use (06/2005)  
Mortgage Section

Post room



LD3  
COMPANIES HOUSE

470  
23/11/2006

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Short particulars of all the property mortgaged or charged

See Annex A hereto.

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

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this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed

**CLIFFORD CHANCE LLP**

Date

**23/11/06**

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

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

† delete as  
appropriate

Notes

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

## **ANNEX A**

### **SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED**

#### **1. ENGLISH MORTGAGES**

All the Issuer's right, title, interest and benefit present and future in, to and under the English Loans and the English Mortgages from time to time in the Mortgage Pool and including, without limitation:

- 1.1.1 all monies assured by or to become payable under the same;
- 1.1.2 the benefit of all covenants relating thereto;
- 1.1.3 all powers and remedies for enforcing the same and the title deeds; and
- 1.1.4 documents relating to the English Properties and the English Mortgages in the Mortgage Pool including (without prejudice to the generality of the foregoing) any consents, postponements, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the English Mortgages 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 English Loans.

#### **2. LIFE POLICIES AND ENGLISH CHARGES**

All the Issuer's right, title, benefit and interest present and future in, to and under the Life Policies, the English Charges and including, without limitation, in each case, the benefit of all covenants relating thereto and all powers and remedies for enforcing the same.

#### **3. INSURANCE CONTRACTS**

All the Issuer's right, title, interest and benefit present and future in, to and under the Insurance Contracts (including for the avoidance of doubt those Insurance Contracts relating to the Scottish Mortgages), to the extent that the Insurance Contracts have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and including, without limitation, all monies assured by or to become payable under the same and the benefit of all covenants, undertakings and rights relating thereto and all powers and remedies for enforcing the same.

#### **4. THE SCOTTISH MORTGAGES AND SCOTTISH CHARGES**

The Issuer, as beneficial owner and with absolute warrandice and subject to the proviso for redemption contained in the Deed of Charge and the Borrower's right of redemption contained in the Mortgage Conditions, has undertaken to the Trustee and has bound and obliged itself:

- 4.1.1 upon the delivery to it of any SLR Transfer pursuant to clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts a Standard Security substantially in the form set out in Schedule 1 (*Form of Standard Security (Land Register)*) to the Deed of Charge in respect of the Issuer's whole right title and interest in and to all of the Scottish Mortgages and the Scottish Loans secured thereby to which the Issuer is beneficially entitled in terms of such SLR Transfer;
- 4.1.2 upon the delivery to it of any Sasine Register Transfer pursuant to clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts a Standard Security substantially in the form set out in Schedule 2 (*Form of Standard Security (Sasine Register)*) to the Deed of Charge in respect of the Issuer's whole right title and interest in and to all of the Scottish Mortgages and the Scottish Loans secured thereby to which the Issuer is beneficially entitled in terms of such Sasine Register Transfer;
- 4.1.3 upon the delivery to it of any Assignment of Charges pursuant to clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts an Assignment in Security substantially in the form set out in Schedule 3 (*Form of Assignment in Security*) to the Deed of Charge in respect of the Issuer's whole right title and interest in and to all of the Scottish Charges to which the Issuer is beneficially entitled in terms of such Assignment of Charges, and in and to the Life Policies relative to such Scottish Charges;
- 4.1.4 at the time of the delivery of any Scottish Sub-Security in accordance with the preceding provisions of this sub-clause simultaneously to deliver to the Trustee the relevant SLR Transfer and the Sasine Register Transfer and/or Assignment of Charges respectively pertaining to the Scottish Mortgages and/or Scottish Charges specified in such Scottish Sub-Security;
- 4.1.5 if and when called upon to do so by the Trustee (but subject to the provisions of the Mortgage Sale Agreement) to take all such steps as are necessary to perfect legal title to the Scottish Mortgages and the Scottish Charges relative thereto, including without limitation, registration and recording of the Issuer as heritable creditor under such Scottish Mortgages in the Registers of Scotland and giving intimation of any Assignment of Charges to the relevant assurance companies; and
- 4.1.6 to execute and deliver such documents, and in such form, and to take such other steps as the Trustee shall reasonably consider necessary to enable the Trustee to perfect a first ranking heritable security over the Scottish Mortgages and all sums secured thereby and to effect a first ranking

assignation in security to the Trustee of the Scottish Charges relative thereto and the Life Policies thereby assigned.

**5. SCOTTISH TRUST SECURITY**

- 5.1 The Issuer as holder of the beneficial interest therein and with absolute warrandice has assigned to and in favour of the Trustee in security the Issuer's whole right title and interest, present and future, in and to the whole of Scottish Trust Property as defined in each of the Scottish Declarations of Trust made in favour of the Issuer in terms of clause 5.3.6 (*Documentary Conditions Precedent to Completion of Original Loans*) of the Mortgage Sale Agreement and in and to the Scottish Declarations of Trust, surrogating and substituting the Trustee in its full right and place therein and thereto.
- 5.2 The Issuer has intimated to the Originators as respective trustees under the Scottish Declarations of Trust the assignation in security made in terms of sub-clause 5.1 above and the Originators by their execution of the Deed of Charge immediately subsequent to the execution hereof by the Issuer consent to such assignation and acknowledge such intimation thereof and confirm that as at the date hereof neither has received any intimation of any other dealing with the Scottish Trust Property or any part thereof.
- 5.3 The Issuer has undertaken forthwith on the execution and delivery after the date hereof of each and every Supplemental Scottish Declaration of Trust pursuant to clause 6.3.2 (*Documentary Conditions Precedent to Completion of Prefunded Loans*) of the Mortgage Sale Agreement, to execute and deliver to the Trustee a Supplemental Deed of Charge in the form set out in Schedule 4 (*Form of Supplemental Deed of Charge*) to the Deed of Charge. The other parties to the Deed of Charge consent to the entering into of such Supplemental Deeds of Charge and the Trustee by its execution of the Deed of Charge has authorised and instructed the Issuer to intimate and give notice to the Originators (as applicable) of the assignation in security made thereunder as provided therein.

**6. CONTRACTUAL AND OTHER RIGHTS**

All the Issuer's right, title, interest and benefit present and future in, to and under the Charged Obligation Documents (in the case of the Bullet Cap Agreement, the Fixed/Floating Swap Agreement and the Currency Swap Agreements, subject to any netting and set off provisions therein) 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 the Deed of Charge) including without limitation all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof.

**7. BANK ACCOUNTS**

- 7.1 All the Issuer's right, title, benefit and interest present and future in, to and under the Transaction Account, the Euro Account, the Dollar Account, the GIC Account and each Collection Account and all sums of money which may now be or hereafter are from time to time standing to the credit of the Transaction Account, the Euro Account, the Dollar Account, the GIC Account and (to the extent the Issuer is entitled to such sums) each Collection Account together with all rights and claims relating or attached thereto including, without limitation, the right to all interest accruing from time to time thereon and the proceeds of any of the foregoing and the debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same.
- 7.2 All the Issuer's right, title, benefit and interest present and future in, to and under the Collection Account Declarations of Trust and including, without limitation, the benefit of all covenants relating thereto and all powers and remedies for enforcing the same.

**8. INVESTMENTS**

All the Issuer's right, title, interest and benefit in, to and under or in respect of any investments (including but not limited to Authorised Investments) for the time being owned by it or held on its behalf, including all monies, income and proceeds payable thereunder and all rights in respect of or ancillary to such investments.

**9. FLOATING CHARGE**

By way of first floating charge to the Trustee, the whole of the Issuer's undertaking and all its property, assets and rights (including, without limitation, everything specifically secured by means of fixed charge above or otherwise assigned as security by Clause 4 of the Deed of Charge as well as all its property, assets and rights situated in Scotland or otherwise governed by the laws of Scotland), present and future.

**10. FURTHER ACQUIRED ITEMS**

For the avoidance of doubt, reference to Loans, Mortgages, Life Policies, Insurance Contracts and related items in the Deed of Charge include those which are thereafter assigned or transferred to or otherwise acquired by the Issuer (whether pursuant to the Mortgage Administration Agreement or otherwise) and that the Security comprises, and is intended to comprise, specific and fixed assignments and assignations by way of security of, or specific and fixed charges or standard securities over (as the case may be), the items to which they relate, both present and acquired in the future.

**The Deed of Charge contains covenants for further assurance and a negative pledge.**

## ANNEX B

### DEFINITIONS OF TERMS USED IN THE FORM 395

"**A Coupons**" means the Ordinary A3c Coupons and the Detachable A3c Coupons.

"**A Currency Swap Agreement**" means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated on or about the date hereof between the Issuer and the Currency Swaps Counterparty in connection with the A1a Notes, the A1b Notes, the A2b Notes and the A3a Notes (a) any additional and/or replacement currency and interest rate swap agreement entered into by the Issuer from time to time in connection with the A1a Notes and, A1b Notes, the A2b Notes and the A3a Notes, and (b) each schedule to and confirmation in relation to such agreement or replacement agreement.

"**A Global Notes**" means the A1a Global Notes, the A1b Global Notes, the A1c Global Notes, the A2b Global Notes, the A2c Global Notes, the A3a Global Notes and the A3c Global Notes or any of them.

"**A Noteholders**" means the A1 Noteholders, the A2 Noteholders and the A3 Noteholders, or any of them.

"**A Notes**" means the A1 Notes, the A2 Notes and the A3 Notes or any of them.

"**A1 Noteholders**" means the A1a Noteholders, the A1b Noteholders and the A1c Noteholders or any of them.

"**A1 Notes**" means the A1a Notes, A1b Notes and the A1c Notes or any of them.

"**A1a Global Notes**" means the A1a Reg S Global Note and the A1a Rule 144A Global Note, or any of them and "**A1a Global Note**" means either of them.

"**A1a Noteholders**" means (a) the person who is for the time being the registered holder of the A1a Global Notes and (b) if and to the extent that the A1a Notes are represented by Definitive A1a Notes, the persons in whose names such Definitive A1a Notes are registered, and references to the "**holder**" or "**holders**" of A1a Notes shall (where appropriate) be construed accordingly.

"**A1a Notes**" means the €25,000,000 mortgage backed floating rate notes due Sept 2024 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the A1a Global Notes (or any of them) and the Definitive A1a Notes (or any of them).

"**A1a Reg S Global Note**" means the fully-registered global note representing certain of the A1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"A1a Rule 144A Global Note"** means the fully-registered global note representing certain of the A1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3C Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"A1b Global Notes"** means the A1b Reg S Global Note and the A1b Rule 144A Global Note, or any of them and **"A1b Global Note"** means either of them.

**"A1b Noteholders"** means (a) the person who is for the time being the registered holder of the A1b Global Notes and (b) if and to the extent that the A1b Notes are represented by Definitive A1b Notes, the persons in whose names such Definitive A1b Notes are registered, and references to the **"holder"** or **"holders"** of A1b Notes shall (where appropriate) be construed accordingly.

**"A1b Notes"** means the \$60,000,000 mortgage backed floating rate notes due Sept 2024 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the A1b Global Notes (or any of them) and the Definitive A1b Notes (or any of them).

**"A1b Reg S Global Note"** means the fully-registered global note representing certain of the A1b Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3C Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"A1b Rule 144A Global Note"** means the fully-registered global note representing certain of the A1b Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3C Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"A1c Global Notes"** means the A1c Reg S Global Note and the A1c Rule 144A Global Note, or any of them and **"A1c Global Note"** means either of them.

**"A1c Noteholders"** means (a) the person who is for the time being the registered holder of the A1c Global Notes and (b) if and to the extent that the A1c Notes are represented by Definitive A1c Notes, the persons in whose names such Definitive A1c Notes are registered, and references to the **"holder"** or **"holders"** of A1c Notes shall (where appropriate) be construed accordingly.

**"A1c Notes"** means the £110,000,000 mortgage backed floating rate notes due Sept 2024 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the A1c Global Notes (or any of them) and the Definitive A1c Notes (or any of them).

**"A1c Reg S Global Note"** means the fully-registered global note representing certain of the A1c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and*



*Detachable A3C Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"A1c Rule 144A Global Note"** means the fully-registered global note representing certain of the A1c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3C Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"A2 Noteholders"** means the A2b Noteholders and the A2c Noteholders.

**"A2 Notes"** means the A2b Notes and the A2c Notes.

**"A2b Global Notes"** means the A2b Reg S Global Note and the A2b Rule 144A Global Note, or any of them and **"A2b Global Note"** means either of them.

**"A2b Noteholders"** means (a) the person who is for the time being the registered holder of the A2b Global Notes and (b) if and to the extent that the A2b Notes are represented by Definitive A2b Notes, the persons in whose names such Definitive A2b Notes are registered, and references to the **"holder"** or **"holders"** of A2b Notes shall (where appropriate) be construed accordingly.

**"A2b Notes"** means the \$145,000,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the A2b Global Notes (or any of them) and the Definitive A2b Notes (or any of them).

**"A2b Reg S Global Note"** means the fully-registered global note representing certain of the A2b Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"A2b Rule 144A Global Note"** means the fully-registered global note representing certain of the A2b Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"A2c Global Notes"** means the A2c Reg S Global Note and the A2c Rule 144A Global Note, or any of them and **"A2c Global Note"** means either of them.

**"A2c Noteholders"** means (a) the person who is for the time being the registered holder of the A2c Global Notes and (b) if and to the extent that the A2c Notes are represented by Definitive A2c Notes, the persons in whose names such Definitive A2c Notes are registered, and references to the **"holder"** or **"holders"** of A2c Notes shall (where appropriate) be construed accordingly.

**"A2c Notes"** means the £35,250,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and,

as the context may require, includes the A2c Global Notes (or any of them) and the Definitive A2c Notes (or any of them).

**"A2c Reg S Global Note"** means the fully-registered global note representing certain of the A2c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"A2c Rule 144A Global Note"** means the fully-registered global note representing certain of the A2c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"A3 Noteholders"** means the A3a Noteholders and the A3c Noteholders.

**"A3 Notes"** means the A3a Notes and the A3c Notes.

**"A3a Global Notes"** means the A3a Reg S Global Note and the A3a Rule 144A Global Note, or any of them and **"A3a Global Note"** means either of them.

**"A3a Noteholders"** means (a) the person who is for the time being the registered holder of the A3a Global Notes and (b) if and to the extent that the A3a Notes are represented by Definitive A3a Notes, the persons in whose names such Definitive A3a Notes are registered, and references to the **"holder"** or **"holders"** of A3a Notes shall (where appropriate) be construed accordingly.

**"A3a Notes"** means the €128,000,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the A3a Global Notes (or any of them) and the Definitive A3a Notes (or any of them).

**"A3a Reg S Global Note"** means the fully-registered global note representing certain of the A3a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"A3a Rule 144A Global Note"** means the fully-registered global note representing certain of the A3a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"A3c Coupons"** means the Ordinary A3c Coupons and the Detachable A3c Coupons.

**"A3c Global Notes"** means the A3c Reg S Global Note.

**"A3c Noteholders"** means the person who for the time being is the holder of the A3c Global Notes and references to the **"holder"** or **"holders"** of A3c Notes shall (where appropriate) be construed accordingly.

**"A3c Notes"** means the £80,200,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the A3c Global Notes (or any of them) and the Definitive A3c Notes (or any of them).

**"A3c Permanent Reg S Global Note"** means the A3c Permanent Reg S Global Note (Ordinary A3c Coupon Only) including the interest entitlement represented by the Permanent Global Detachable A3c Coupon (while attached) to be issued by the Issuer pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Coupons*) of the Trust Deed and to be substantially in the form set out in Part E of Schedule 1 to the Trust Deed.

**"A3c Permanent Reg S Global Note (Ordinary A3c Coupon Only)"** means the permanent global note in bearer form representing the principal entitlement to the A3c Notes and the Ordinary A3c Coupon interest entitlement in respect of the A3c Notes to be issued by the Issuer, pursuant to the provisions of Clauses 4 (*The Notes and Detachable A3c Coupons*) of the Trust Deed and to be substantially in the form set out in Part E of Schedule 1 to the Trust Deed.

**"A3c Reg S Global Notes"** means the A3c Temporary Reg S Global Note and the A3c Permanent Reg S Global Note and **"A3c Reg S Global Note"** means either of them.

**"A3c Temporary Reg S Global Note"** means the A3c Temporary Reg S Global Note (Ordinary A3c Coupon Only) including the interest entitlement represented by the Temporary Global Detachable A3c Coupon (while attached) by the Issuer pursuant to the provisions of Clauses 4 (*The Notes and Detachable A3c Coupons*) of the Trust Deed and to be substantially in the form set out in Part C of Schedule 1 to the Trust Deed.

**"A3c Temporary Reg S Global Note (Ordinary A3c Coupon Only)"** means the temporary global note in bearer form representing the principal entitlement to the A3c Notes and the Ordinary A3c Coupon interest entitlement in respect of the A3c Notes to be issued by the Issuer, pursuant to the provisions of Clauses 4 (*The Notes and Detachable A3c Coupons*) of the Trust Deed and to be substantially in the form set out in Part C of Schedule 1 to the Trust Deed.

**"Account Bank"** means each bank at which the Bank Accounts are maintained from time to time (in each case being Barclays Bank PLC at the Closing Date) in accordance with Clause 8 (*Payments/Bank Accounts/Withdrawals*) of the Mortgage Administration Agreement and Clause 7 (*The Bank Accounts*) of the Cash/Bond Administration Agreement and **"Account Banks"** is a reference to all of them.

**"Act"** means the Law of Property Act, 1925.

**"Agent Bank"** means The Bank of New York acting through its branch at One Canada Square, London E14 5AL, or, if applicable, any successor agent bank which shall become such pursuant to the provisions of the Paying 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 in accordance with Condition 14 (*Notice to Noteholders*) of the Notes.

"**Agents**" means the Agent Bank, the Principal Paying Agent, the Irish Paying Agent, the U.S. Paying Agent, the Transfer Agent, the Registrar, the Exchange Agent and any other Paying Agent appointed from time to time, and "**Agent**" means any one of the Agents.

"**Arrears**" means such overdue amount of a Loan payment or repayment of the related Borrower other than Pre-Acquisition Interest.

"**Assets**" means the Loans and their related Mortgages or any interest therein.

"**Assignment of Charges**" means an assignment of Scottish Charges to be executed pursuant to Clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement or the assignment of Scottish Charges to be executed pursuant to Clause 7.2 (*Perfection Acts*) of the SPPL Mortgage Sale Agreement, in each case in the form set out in Part B of Schedule 3 (*Assignment of Charges*) to the Mortgage Sale Agreement.

"**Authorised Investment**" means an investment which:

- (A) is denominated in sterling;
- (B) has short term unsecured, unguaranteed and unsubordinated rating of at least A-1+ from S&P, P-1 from Moody's and F1+ from Fitch and a fund rating of Aaa/MRI+ from Moody's;
- (C) matures on or may be sold or otherwise liquidated prior to the Interest Payment Date on which the cash used by the Issuer to acquire such investment is required by the Issuer (in the determination of the Cash/Bond Administrator); and
- (D) the expected rate of return on which is determined by the Investment Administrator to be greater than the expected rate of return on the GIC Account.

"**B1a Currency Swap Agreement**" means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated on or about the date hereof between the Issuer and the Currency Swaps Counterparty in connection with the B1a Notes (a) any additional and/or replacement currency and interest rate swap agreement entered into by the Issuer from time to time in connection with the B1a Notes, and (b) each schedule to and confirmation in relation to such agreement or replacement agreement.

"**B1a Global Notes**" means the B1a Reg S Global Note and the B1a Rule 144A Global Note, or any of them and "**B1a Global Note**" means either of them.

"**B1a Noteholders**" means (a) the person who is for the time being the registered holder of the B1a Global Notes and (b) if and to the extent that the B1a Notes are represented by Definitive B1a Notes, the persons in whose names such Definitive B1a Notes are registered, and

references to the "**holder**" or "**holders**" of B1a Notes shall (where appropriate) be construed accordingly.

"**B1a Notes**" means the €48,800,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the B1a Global Notes (or any of them) and the Definitive B1a Notes (or any of them).

"**B1a Reg S Global Note**" means the fully-registered global note representing certain of the B1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

"**B1a Rule 144A Global Note**" means the fully-registered global note representing certain of the B1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

"**Balance**" means in relation to any Loan on any date (a) the original principal amount advanced to the Borrower plus any other disbursement, legal expense, fee, charge or premium capitalised and added to the amounts secured by the relevant Collateral Security in accordance with, among others, the Mortgage Conditions on or prior to such date (including, for the avoidance of doubt, capitalised interest) plus (b) in relation to a Loan and the Collateral Security relating thereto, any advance of further moneys to the Borrower thereof on the security of the relevant Collateral Security after the date of completion of such Loan (including any Retention Advances) and less (c) any repayments or payments (as the case may be) of such amounts; *provided* that on the Closing Date, the amount of Arrears of such Loan shall not be included in the Balance thereof for the purposes of Clause 4 (*Consideration*) of the Mortgage Sale Agreement and Clause 4 (*Consideration*) of the SPPL Mortgage Sale Agreement.

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

"**Bank Agreement**" means the bank agreement set out in Schedule 5 to the Master Securitisation Agreement together with the relevant provisions of the Master Securitisation Agreement relating thereto, effective pursuant to the Master Securitisation Agreement, in relation, among other things, to the operation of the Transaction Account, the Dollar Account, the Euro Account and the Collection Accounts.

"**Barclays**" means Barclays Bank PLC whose registered office is 1 Churchill Place, London E14 5HP.

"**Borrower**" means, in relation to each Loan, the person or persons who is or are named in the relevant documentation evidencing such Loan and Collateral Security and have or ought to

have the legal obligations of the borrower, mortgagor, chargor or security provider in respect of such Loan and Collateral Security.

**"Bullet Cap Agreement"** means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated on or about the Closing Date between the Issuer and the Bullet Cap Counterparty, together with the schedule thereto and confirmations thereunder, as may be amended, restated, novated varied or supplemented from time to time.

**"Bullet Cap Counterparty"** means Barclays Bank PLC and any successor, assignee or replacement, for the time being acting in its capacity as cap counterparty pursuant to the Bullet Cap Agreement.

**"Business Day"** means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York and which is a TARGET Business Day.

**"C Currency Swap Agreement"** means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated on or about the date hereof between the Issuer and the Currency Swaps Counterparty in connection with the C1a Notes (a) any additional and/or replacement currency and interest rate swap agreement entered into by the Issuer from time to time in connection with the C1a Notes, and (b) each schedule to and confirmation in relation to such agreement or replacement agreement.

**"C Global Notes"** means the C1a Global Notes and the C1c Global Notes or any of them.

**"C Noteholders"** means the C1a Noteholders and the C1c Noteholders or any of them.

**"C Notes"** means the C1a Notes and the C1c Notes or any of them.

**"C1a Global Notes"** means the C1a Reg S Global Note and the C1a Rule 144A Global Note, or any of them and **"C1a Global Note"** means either of them.

**"C1a Noteholders"** means (a) the persons who are for the time being the holder of the C1a Global Notes and (b) if and to the extent that the C1a Notes are represented by Definitive C1a Notes, the persons in whose names such Definitive C1a Notes are registered, and references to the **"holder"** or **"holders"** of C1a Notes shall (where appropriate) be construed accordingly.

**"C1a Notes"** means the €20,000,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the C1a Global Notes (or any of them) and the Definitive C1a Notes (or any of them).

**"C1a Reg S Global Note"** means the fully-registered global note representing certain of the C1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"C1a Rule 144A Global Note"** means the fully-registered global note representing certain of the C1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"C1c Global Notes"** means the C1c Reg S Global Note and the C1c Rule 144A Global Note, or any of them and **"C1c Global Note"** means either of them.

**"C1c Noteholders"** means (a) the person who for the time being the registered holder of the C1c Global Notes and (b) if and to the extent that the C1c Notes are represented by Definitive C1c Notes, the persons in whose names such Definitive C1c Notes are registered, and references to the **"holder"** or **"holders"** of C1c Notes shall (where appropriate) be construed accordingly.

**"C1c Notes"** means the £9,850,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the C1c Global Notes (or any of them) and the Definitive C1c Notes (or any of them).

**"C1c Reg S Global Note"** means the fully-registered global note representing certain of the C1c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*the Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"C1c Rule 144A Global Note"** means the fully-registered global note representing certain of the C1c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*the Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"Capstone"** means Capstone Mortgage Services Limited (registration number 5381786) whose registered office is First Floor, No. 6 Broadgate, London EC2M 2QS.

**"Cash/Bond Administration Agreement"** means the cash/bond administration agreement set out in Schedule 4 to the Master Securitisation Agreement together with the relevant provisions of the Master Securitisation Agreement relating thereto, effective pursuant to the Master Securitisation Agreement.

**"Cash/Bond Administrator"** means Capstone and any successor or assignee for the time being acting as Cash/Bond Administrator (including a substitute cash/bond administrator) appointed pursuant to Clause 22 (*Termination of the Appointment of Cash Bond Administration*) of the Cash/Bond Administration Agreement.

**"Charge"** means a legal or equitable charge granted (whether by way of assignment or deposit) by a Borrower in favour of an Originator in respect of a Life Policy or Policies by way of collateral security for the payment of the moneys secured by a Mortgage.

**"Charged Obligation Documents"** means the documents set out at Condition 2 (*Status, Security and Administration*), being:

- (a) the Mortgage Administration Agreement;
- (b) the Cash/Bond Administration Agreement;
- (c) the Mortgage Sale Agreement;
- (d) the Scottish Trusts;
- (e) the Liquidity Facility Agreement;
- (f) the GIC;
- (g) the Bank Agreement;
- (h) the Paying Agency Agreement;
- (i) the Collection Account Declarations of Trust;
- (j) the Subscription Agreement;
- (k) the Investment Administration Agreement;
- (l) the Bullet Cap Agreement;
- (m) the Fixed/Floating Swap Agreement;
- (n) the Fixed/Floating Swap Guarantee;
- (o) the Currency Swap Agreements; and
- (p) the Corporate Services Agreement.

**"Charges"** means collectively the English Charges and the Scottish Charges.

**"Clearstream, Luxembourg"** means Clearstream Banking, *société anonyme*.

**"Closing Date"** means 9 November 2006.

**"Collateral Security"** means, in respect of a Loan, all collateral security given or obtained in connection with such Loan.

**"Collection Account Declarations of Trust"** means the SPML Collection Account Declaration of Trust and the SPPL Collection Account Declaration of Trust and **"Collection Account Declaration of Trust"** means either of them.



**"Collection Account Mandate"** means the resolutions, instructions and signature authorities relating to each Collection Account in the forms set out in Schedules 1 and 2 to the Bank Agreement as they may be amended from time to time and notified as provided for in the Bank Agreement.

**"Collection Accounts"** means the SPML Collection Account and the SPPL Collection Account or such other account or accounts as may be so designated as such by the Issuer and the Trustee.

**"Common Depositary"** means The Bank of New York acting through its branch at One Canada Square, London E14 5AL, as bank depositary common to Euroclear and Clearstream, Luxembourg.

**"Completion"** means:

- (a) in relation to the Original Loans, the sale and purchase thereof and implementation of the other matters provided for in Clause 5 (*Original Loans*) of the Mortgage Sale Agreement,
- (b) in relation to the Original SPPL Loans, the sale and purchase thereof and implementation of the other matters provided for in Clause 5 (*Original SPPL Loans*) of the SPPL Mortgage Sale Agreement; and
- (c) in relation to each Substitute Loan, the sale and purchase thereof and implementation of other matters provided for in Clause 10.5 (*Substitution of Loans*) of the Mortgage Sale Agreement.

**"Conditions"** means the terms and conditions applicable to the Notes, in the form set out in Part E of Schedule 2 to the Trust Deed as the same may, from time to time, be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions.

**"Consumer Credit Act"** or **"CCA"** means the Consumer Credit Act 1974.

**"Corporate Services"** means all the services, duties, liabilities and obligations to be performed and provided by the Corporate Services Provider under each of the Transaction Documents to which it is, in its capacity as Corporate Services Provider, a party.

**"Corporate Services Agreement"** means the corporate services agreement entered into on or before the Closing Date between the Corporate Services Provider and the Issuer and shall include any additional corporate services agreement entered into by such parties from time to time in accordance with the Transaction Documents.

**"Corporate Services Provider"** means Wilmington Trust SP Services (London) Limited (registered number 2548079) whose registered office is at Tower 42, International Financial Centre, 25 Old Broad Street, London EC2N 1HQ and any successor or assignee or such other person or persons for the time being acting as Corporate Services Provider pursuant the relevant Corporate Services Agreement.

**"Correspondent Lenders"** means, Mortgages Direct (Nationwide) Limited (registered number 4167554), Primehome Limited (registered number 3316500), Loans Direct limited (registered number 5048915) and The Mortgage Lender Limited (registered number 4970367) and **"Correspondent Lender"** means any of them.

**"Corresponding Clause"** means, in the case of the following schedules to the Master Securitisation Agreement, the following clauses of the Master Securitisation Agreement:

- (a) in the case of Schedule 3 (*Mortgage Administration Agreement*), Clause 3 (*Mortgage Administration Agreement*);
- (b) in the case of Schedule 4 (*Cash/Bond Administration Agreement*), Clause 4 (*Cash/Bond Administration Agreement*);
- (c) in the case of Schedule 5 (*Bank Agreement*), Clause 5 (*Bank Agreement*); and
- (d) in the case of Schedule 6 (*GIC Agreement*), Clause 6 (*Guaranteed Investment Contract*).
- (e) in the case of Schedule 7 (*Liquidity Facility Agreement*), Clause 7 (*Liquidity Facility Agreement*);
- (f) in the case of Schedule 8 (*Paying Agency Agreement*), Clause 8 (*Paying Agency Agreement*);
- (g) in the case of Schedule 9 (*Post Enforcement Call Option*), Clause 9 (*Post Enforcement Call Option Agreement*);
- (h) in the case of Schedule 10 (*Investment Administration Agreement*), Clause 10 (*Investment Administration Agreement*); and
- (i) in the case of Schedule 11 (*Closing Arrangements Deed*), Clause 11 (*Closing Arrangements Deed*).

**"Coupon Stripping"** means the separation of the Detachable A3c Coupons from the A3c Notes while the A3c Notes are in temporary global form by crediting the Euroclear account or Clearstream, Luxembourg account (as the case may be) of the purchaser or purchasers of the Detachable A3c Coupons a notional amount equal to the principal amount of the A3c Notes from which the Detachable A3c Coupons were separated.

**"Couponholders"** means the holder(s) of the A3c Detachable Coupon.

**"Currency Swap Agreements"** means the A Currency Swap Agreement, the B Currency Swap Agreement, the C Currency Swap Agreement and the D Currency Swap Agreement and **"Currency Swap Agreement"** means any of them.

**"Currency Swaps Counterparty"** means Barclays Bank PLC and any successor, assignee or other replacement for the time being acting as currency swaps counterparty pursuant to the Currency Swap Agreements.

**"Custodian"** means for the purposes of the Rule 144A Global Notes, The Bank of New York, with whom the Rule 144A Global Notes are expected to be deposited for DTC.

**"D Currency Swap Agreement"** means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated on or about the date hereof between the Issuer and the Currency Swaps Counterparty in connection with the D1a Notes (a) any additional and/or replacement currency and interest rate swap agreement entered into by the Issuer from time to time in connection with the D1a Notes, and (b) each schedule to and confirmation in relation to such agreement or replacement agreement.

**"D Global Notes"** means the D1a Global Notes, the D1c Global Notes and the DTc Global Notes or any of them.

**"D Noteholders"** means the D1 Noteholders and the DTc Noteholders or any of them.

**"D Notes"** means the D1 Notes and the DTc Notes or any of them.

**"D1 Noteholders"** means the D1a Noteholders and the D1c Noteholders or any of them.

**"D1 Notes"** means the D1a Notes and the D1c Notes or any of them.

**"D1 Principal Deficiency Ledger"** means the sub-ledger of such name created by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger.

**"D1a Currency Swap Transaction"** means the currency and interest rate swap transaction in connection with the D1a Notes entered into by the Issuer on or about the Closing Date under the D Currency Swap Agreement, and any additional and/or replacement currency and interest rate swap transaction entered into by the Issuer from time to time in connection with the D1a Notes.

**"D1a Euro Swap Rate"** means the sterling/euro exchange rate of £1.00 = €1.496 in respect of payments under the Class D1a Notes and the D1a Currency Swap Transaction.

**"D1a Global Notes"** means the D1a Reg S Global Note and the D1a Rule 144A Global Note, or any of them and **"D1a Global Note"** means either of them.

**"D1a Noteholders"** means (a) the person who is for the time being the registered holder of the D1a Global Notes and (b) if and to the extent that the D1a Notes are represented by Definitive D1a Notes, the persons in whose names such Definitive D1a Notes are registered, and references to the **"holder"** or **"holders"** of D1a Notes shall (where appropriate) be construed accordingly.

**"D1a Notes"** means the €6,050,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the D1a Global Notes (or any of them) and the Definitive D1a Notes (or any of them).

**"D1a Reg S Global Note"** means the fully-registered global note representing certain of the D1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"D1a Rule 144A Global Note"** means the fully-registered global note representing certain of the D1a Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"D1c Global Notes"** means the D1c Reg S Global Note and the D1c Rule 144A Global Note, or any of them and **"D1c Global Note"** means either of them.

**"D1c Noteholders"** means (a) the person who is for the time being the registered holder of the D1c Global Notes and (b) if and to the extent that the D1c Notes are represented by Definitive D1c Notes, the persons in whose names such Definitive D1c Notes are registered, and references to the **"holder"** or **"holders"** of D1c Notes shall (where appropriate) be construed accordingly.

**"D1c Notes"** means the £11,000,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the D1c Global Notes (or any of them) and the Definitive D1c Notes (or any of them).

**"D1c Reg S Global Note"** means the fully-registered global note representing certain of the D1c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"D1c Rule 144A Global Note"** means the fully-registered global note representing certain of the D1c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 1 to the Trust Deed.

**"Deed of Charge"** means the deed of charge and assignment dated on or about the Closing Date between, among others, the Issuer and the Trustee and the schedules to such deed and each Supplemental Deed of Charge entered into in connection therewith.

**"Definitive A Notes"** means the Definitive A1a Notes, the Definitive A1b Notes, the Definitive A1c Notes, the Definitive A2b Notes, the Definitive A2c Notes, the Definitive A3a Notes and the Definitive A3c Notes.

**"Definitive A1a Notes"** means the Definitive A1a Reg S Notes and the Definitive A1a Rule 144A Notes.

**"Definitive A1a Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the A1a Notes pursuant to, and in circumstances specified in, the provisions of

Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive A1a Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A1a Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the A1a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive A1a Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A1b Notes"** means the Definitive A1b Reg S Notes and the Definitive A1b Rule 144A Notes.

**"Definitive A1b Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the A1b Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive A1b Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A1b Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the A1b Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive A1b Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A1c Notes"** means the Definitive A1c Reg S Notes and the Definitive A1c Rule 144A Notes.

**"Definitive A1c Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the A1c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive A1c Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A1c Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the A1c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive A1c Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A2b Notes"** means the Definitive A2b Reg S Notes and the Definitive A2b Rule 144A Notes.

**"Definitive A2b Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the A2b Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive A2b Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A2b Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the A2b Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive A2b Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A2c Notes"** means the Definitive A2c Reg S Notes and the Definitive A2c Rule 144A Notes.

**"Definitive A2c Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the A2c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive A2c Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A2c Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the A2c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive A2c Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A3a Notes"** means the Definitive A3a Reg S Notes and the Definitive A3a Rule 144A Notes.

**"Definitive A3a Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the A3a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive A3a Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A3a Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the A3a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive A3a Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive A3c Notes"** means the Definitive A3c Reg S Notes.

**"Definitive A3c Reg S Notes"** means the bearer notes in definitive form to be issued in respect of the A3c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive A3c Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive B1a Notes"** means the Definitive B1a Reg S Notes and the Definitive B1a Rule 144A Notes.

**"Definitive B1a Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the B1a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive B1a Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive B1a Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the B1a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive B1a Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive C Notes"** means the Definitive C1a Notes and the Definitive C1c Notes.

**"Definitive C1a Notes"** means the Definitive C1a Reg S Notes and the Definitive C1a Rule 144A Notes.

**"Definitive C1a Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the C1a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive C1a Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive C1a Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the C1a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive C1a Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive C1c Notes"** means the Definitive C1c Reg S Notes and the Definitive C1c Rule 144A Notes.

**"Definitive C1c Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the C1c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive C1c Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive C1c Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the C1c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive C1c Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive D Notes"** means the Definitive D1a Notes, the Definitive D1c Notes and the Definitive DTc Reg S Notes.

**"Definitive D1a Notes"** means the Definitive D1a Reg S Notes and the Definitive D1a Rule 144A Notes.

**"Definitive D1a Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the D1a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive D1a Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive D1a Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the D1a Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes any replacements for Definitive D1a Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive D1c Notes"** means the Definitive D1c Reg S Notes and the Definitive D1c Rule 144A Notes.

**"Definitive D1c Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the D1c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive D1c Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive D1c Rule 144A Notes"** means the fully-registered notes in definitive form to be issued in respect of the D1c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part B of Schedule 2 to the Trust Deed and includes



any replacements for Definitive D1c Rule 144A Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive Dollar Notes"** means The A1b Notes and the A2b Notes are each issued in fully registered form without principal receipts, interest coupons or talons attached, and may be held or traded in holdings in the minimum aggregate original principal amount of \$100,000 and integral multiples of \$1,000 in excess thereof.

**"Definitive DTc Notes"** means the Definitive DTc Reg S Notes.

**"Definitive DTc Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the DTc Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive DTc Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive E Notes"** means the Definitive E1c Notes and the Definitive ETc Reg S Notes.

**"Definitive E1c Notes"** means the Definitive E1c Reg S Notes.

**"Definitive E1c Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the E1c Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive E1c Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive ETc Notes"** means the Definitive ETc Reg S Notes.

**"Definitive ETc Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the ETc Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any replacements for Definitive ETc Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes, Receipts, Coupons and Talons*).

**"Definitive Euro Notes"** means the A1a Notes, the A3a Notes, the B1a Notes, the C1a Notes and the D1a Notes are each issued in fully registered form without principal receipts, interest coupons or talons attached, and may be held or traded in holdings in the minimum aggregate original principal amount of €100,000 and integral multiples of €1,000 in excess thereof.

**"Definitive FTc Notes"** means the Definitive FTc Reg S Notes.

**"Definitive FTc Reg S Notes"** means the fully-registered notes in definitive form to be issued in respect of the FTc Notes pursuant to, and in circumstances specified in, the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 2 to the Trust Deed and includes any

replacements for Definitive FTc Reg S Notes issued pursuant to Condition 13 (*Replacement of Definitive Notes*).

**"Definitive Notes"** means the Definitive A Notes, the Definitive B1a Notes, the Definitive C Notes, the Definitive D Notes, the Definitive E Notes and the Definitive FTc Notes, and **"Definitive Note"** means any of them.

**"Definitive Reg S Notes"** means the Definitive A1a Reg S Notes, the Definitive A1b Reg S Notes, the Definitive A1c Reg S Notes, the Definitive A2b Reg S Notes, the Definitive A2c Reg S Notes, the Definitive A3a Reg S Notes, the Definitive A3c Reg S Notes, the Definitive B1a Reg S Notes, the Definitive C1a Reg S Notes, the Definitive C1c Reg S Notes, the Definitive D1a Reg S Notes, the Definitive D1c Reg S Notes, the Definitive DTc Reg S Notes, the Definitive E1c Reg S Notes, the Definitive ETc Reg S Notes and the Definitive FTc Reg S Notes.

**"Definitive Rule 144A Notes"** means the Definitive A1a Rule 144A Notes, the Definitive A1b Rule 144A Notes, the Definitive A1c Rule 144A Notes, the Definitive A2b Rule 144A Notes, the Definitive A2c Rule 144A Notes, the Definitive A3a Rule 144A Notes, the Definitive B1a Rule 144A Notes, the Definitive C1a Rule 144A Notes, the Definitive C1c Rule 144A Notes, the Definitive D1a Rule 144A Notes and the Definitive D1c Rule 144A Notes.

**"Definitive Sterling Notes"** means The A1c Notes, the A2c Notes, the A3c Notes, the C1c Notes, the D1c Notes, the DTc Notes, the E1c Notes, the ETc Note and the FTc Notes (together are each issued in fully registered form without principal receipts, interest coupons or talons attached, and may be held or traded in holdings in the minimum aggregate original principal amount of £50,000 and integral multiples of £1,000 in excess thereof).

**"Detachable A3c Coupons"** means the detachable interest coupons relating to the A3c Notes, whether attached thereto or, following Coupon Stripping, detached therefrom.

**"dollar," "U.S. dollar," "U.S.\$" or "\$"** denotes the lawful currency for the time being of the United State of America.

**"Dollar Account"** means the account in the name of the Issuer at Barclays Bank PLC, sort code: 20-19-90, account number 73782899, denominated in dollars and maintained subject to the terms of the Bank Agreement and Deed of Charge, or such other account as may be designated as such by the Issuer and the Trustee.

**"Dollar Account Mandate"** means the resolutions, instructions and signature authorities relating to the Dollar Account in the form set out in Schedule 5 of the Bank Agreement as they may be amended from time to time and notified as provided for in the Bank Agreement.

**"DTC"** means The Depository Trust Company.

**"DTc Global Note"** means the DTc Reg S Global Note.

**"DTc Noteholders"** means (a) the person who is for the time being the registered holder of the DTc Global Notes and (b) if and to the extent that the DTc Notes are represented by

Definitive DTc Notes, the persons in whose names such Definitive DTc Notes are registered, and references to the "**holder**" or "**holders**" of DTc Notes shall (where appropriate) be construed accordingly.

"**DTc Notes**" means the £10,455,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the DTc Global Note and the Definitive DTc Reg S Notes or any of them.

"**DTc Reg S Global Note**" means the fully-registered global note representing certain of the DTc Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

"**E Global Notes**" means the E1c Global Notes and the ETc Global Notes or any of them.

"**E Noteholders**" means the E1c Noteholders and the ETc Noteholders or any of them.

"**E Notes**" means the E1c Notes and the ETc Notes or any of them.

"**E1c Global Notes**" means the E1c Reg S Global Notes.

"**E1c Noteholders**" means (a) the person who is for the time being the registered holder of the E1c Global Notes and (b) if and to the extent that the E1c Notes are represented by Definitive E1c Notes, the persons in whose names such Definitive E1c Notes are registered, and references to the "**holder**" or "**holders**" of E1c Notes shall (where appropriate) be construed accordingly.

"**E1c Notes**" means the €4,080,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the E1c Global Notes and the Definitive E1c Notes (or any of them).

"**E1c Principal Deficiency Ledger**" means the sub-ledger of such name created by the Cash/Bond Administrator as a sub-ledger of the Principal Deficiency Ledger.

"**E1c Reg S Global Note**" means the fully-registered global note representing the E1c Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

"**English Charges**" means the legal or equitable charges granted (whether by way of assignment or deposit) by the Borrowers in favour of SPML or SPPL, in respect of the Life Policies by way of collateral security for the payment of the moneys secured by the English Mortgages.

**"English Loan"** means a Loan secured by or, as the context may require, which should be secured by an English Mortgage.

**"English Mortgage"** means a Mortgage over an English Property.

**"English Property"** means a freehold or long leasehold residential property in England or Wales.

**"ETc Global Note"** means the ETc Reg S Global Note.

**"ETc Noteholders"** means (a) the person who is for the time being the registered holder of the ETc Global Notes and (b) if and to the extent that the ETc Notes are represented by Definitive ETc Notes, the persons in whose names such Definitive ETc Notes are registered, and references to the **"holder"** or **"holders"** of ETc Notes shall (where appropriate) be construed accordingly.

**"ETc Notes"** means the £7,905,000 mortgage backed floating rate notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and, as the context may require, includes the ETc Global Note and the Definitive ETc Reg S Notes or any of them.

**"ETc Reg S Global Note"** means the fully-registered global note representing certain of the DTc Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"euro"** or **"€"** denotes the lawful currency for the time being of the member states of the European Union that adopt the single currency introduced at the start of the third stage of European Economic Monetary Union pursuant to the Treaty of Rome of 25 March 1957, establishing the European Community as amended from time to time.

**"Euro Account"** means the account in the name of the Issuer at Barclays Bank PLC, sort code: 20-19-90, account number 83055677, denominated in euro and maintained subject to the terms of the Bank Agreement and Deed of Charge, or such other account as may be designated as such by the Issuer and the Trustee.

**"Euro Account Mandate"** means the resolutions, instructions and signature authorities relating to the Euro Account in the form set out in schedule 4 of the Bank Agreement as they may be amended from time to time and notified as provided for in the Bank Agreement.

**"Euro Notes"** means the A1a Notes, the A3a Notes, the B1a Notes, the C1a Notes and the D1a Notes or any of them.

**"Euroclear"** means Euroclear Bank S.A./N.V.

**"Exchange Agent"** means The Bank of New York acting through its branch at One Canada Square, London E14 5AL, or such other Exchange Agent in respect of the A1a Notes, the A1c Notes, the A2c Notes, A3a Notes, the B1a Notes, the C1a Notes, the C1c Notes, the D1a

Notes and the D1c 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 Exchange Agent) notice of whose appointment has been given to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

**"Extraordinary Resolution"** means (a) a resolution passed at a meeting of the relevant Class or, if two or more Classes are voting on the resolution, at a meeting of the relevant Classes or separate meetings of the relevant Classes, as the case may be, duly convened and held in accordance with the Trust Deed by a majority at each such meeting consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than 75 per cent. of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of all the Noteholders of the relevant Class or Classes, as the case may be.

**"First Loan"** means a Loan, the agreement for which specifies that the same is to be secured in favour of the relevant Lender by a first-ranking Mortgage over a specified Property.

**"Fitch"** means Fitch Ratings Ltd and any successor or assignee to its rating business.

**"Fixed/Floating Swap Agreement"** means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated on or about the Closing Date between the Issuer and the Fixed/Floating Swap Counterparty, together with the schedule thereto and confirmations thereunder, as may be amended, restated, novated varied or supplemented from time to time.

**"Fixed/Floating Swap Counterparty"** means Lehman Brothers Special Financing Inc. and any successor or assignee for the time being acting in its capacity as swap counterparty pursuant to the Fixed/Floating Swap Agreement.

**"Fixed/Floating Swap Guarantee"** means the guarantee issued by the Fixed/Floating Swap Guarantor in favour of the Issuer on the Closing Date.

**"Fixed/Floating Swap Guarantor"** means Lehman Brothers Holdings Inc. and any successor or assignee for the time being acting as swap guarantor pursuant to the Fixed/Floating Swap Agreement.

**"FTc Global Note"** means the FTc Reg S Global Note.

**"FTc Global Notes"** means the FTc Global Notes or any of them.

**"FTc Noteholders"** means (a) the person who is for the time being the registered holder of the FTc Global Notes and (b) if and to the extent that the FTc Notes are represented by Definitive FTc Notes, the persons in whose names such Definitive FTc Notes are registered, and references to the **"holder"** or **"holders"** of FTc Notes shall (where appropriate) be construed accordingly.

**"FTc Notes"** means the £1,173,000 mortgage backed floating rate deferrable interest notes due Sept 2044 issued by the Issuer which are constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific

number thereof and, as the context may require, includes the FTc Global Note and the Definitive FTc Reg S Notes or any of them.

**"FTc Reg S Global Note"** means the fully-registered global note representing certain of the FTc Notes to be issued by the Issuer, pursuant to the provisions of Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed and to be substantially in the form set out in Part A of Schedule 1 to the Trust Deed.

**"GIC Account"** means an account set up with Barclays Bank PLC under the GIC Agreement, sort code: 20-19-90, account number 07735957 or such other account as may be designated as such by the Issuer and the Trustee.

**"GIC Account Mandate"** means the resolutions, instructions and signature authorities relating to the GIC Account in the form set out in Schedule 1 of the GIC Agreement as may be amended from time to time and notified as provided for in the GIC Agreement.

**"GIC Agreement"** or **"GIC"** means the guaranteed investment contract set out in schedule 6 to the Master Securitisation Agreement together with the relevant provisions of the Master Securitisation Agreement relating thereto, effective pursuant to the Master Securitisation Agreement.

**"GIC Provider"** means Barclays Bank.

**"Global Detachable A3c Coupon"** means the Temporary Global Detachable A3c Coupon or the Permanent Global Detachable A3c Coupon, in each case, as the context may require.

**"Global Notes"** means any of the Reg S Global Notes and the Rule 144A Global Notes and **"Global Note"** means any of them.

**"Homeloan Management Limited"** means the Standby Mortgage Administrator and the Standby Cash/Bond Administrator.

**"HML"** means Homeloan Management Limited.

**"Incorporated MSA Agreements"** means the Mortgage Administration Agreement, the Cash/Bond Administration Agreement, the Bank Agreement, the GIC Agreement, the Liquidity Facility Agreement, the Paying Agency Agreement and the Post Enforcement Call Option Agreement.

**"Individual Insurance Contracts"** means each contract of insurance (other than the insurance contracts specified in Schedule 6 (*Insurance Contracts*) to the Mortgage Sale Agreement and in Schedule 1 (*SPPL Insurance Contracts*) to the SPPL Mortgage Sale Agreement and any other insurance contracts effected in substitution of replacement therefor) effected by, or on behalf of or in the name of any Borrower or in respect of any Property.

**"Initial Mortgage Pool"** means the loans selected from the Provisional Mortgage Pool in accordance with Clause 5.1 (*Selection of Original Loans*) of the Mortgage Sale Agreement and to be sold and assigned to the Issuer pursuant to the Mortgage Sale Agreement on the Closing Date as per Annex 1 to the Mortgage Sale Agreement.

**"Instruments"** means the Notes and coupons, unless expressly stated to the contrary, all references in the Transaction Documents to an **"Instrument"** shall be a reference to such *Instrument* whether in global or definitive form.

**"Insurance Contracts"** means:

- (a) the insurance policies described in Schedule 6 of the Mortgage Sale Agreement and Schedule 1 of the SPPL Mortgage Sale Agreement and any other insurance contracts in replacement, addition or substitution therefor from time to time and which relate to the Loans; and
- (b) the Individual Insurance Contracts.

**"Interest Payment Date"** means 10 March 2007 and thereafter the 10th day of June, September December and March, in each year (or if such day is not a Business Day, the next succeeding Business Day).

**"Investment Administration Agreement"** means the Investment Administration Agreement which will be entered into after the Closing Date between the Issuer, the Investment Administrator and the Trustee in respect of the investment by the Investment Administrator on behalf of the Issuer of the Issuer's cash from time to time standing to the credit of the Transaction Account and/or the GIC Account.

**"Investment Administrator"** means Lehman Brothers Asset Management (Europe) Limited.

**"Irish Paying Agent"** means AIB/BNY Fund Management Ireland Limited and any successor or assignee for the time being acting as Irish Paying Agent in respect of the Notes.

**"Issue"** means the issue of Notes on the Closing Date.

**"Issuer"** means Eurosail 2006-3NC PLC (registered number 5924768) whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Tower 42 (Level 11) 25 Old Broad Street, London, EC2N 1HR.

**"Lehman Brothers"** means Lehman Brothers International (Europe) (registered number 2538254) whose registered office is at 25 Bank Street, London E14 5LE.

**"Lenders"** means SPML and SPPL and **"Lender"** means any of them.

**"Life Policies"** means such policies of life assurance or endowment policies which have or, as the context may require, should have been deposited or assigned by way of collateral security for the payment of the sums secured under such Loans.

**"Liquidity Facility Agreement"** means the liquidity facility agreement set out in schedule 7 to the Master Securitisation Agreement together with the relevant provisions of the Master Securitisation Agreement relating thereto effective pursuant to the Master Securitisation Agreement.

**"Liquidity Facility Provider"** means Barclays Bank PLC as lender under the Liquidity Facility Agreement.

**"Loans"** means at any time the loans (including Retention Advances) comprised in or, as the context may require, should or are intended to be comprised in the Mortgage Pool at that time and **"Loan"** means any one of them.

**"London Business Day"** means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

**"Managers"** means the joint lead managers named in the Subscription Agreement.

**"Mandates"** means the Collection Account Mandate, the Transaction Account Mandate, the Dollar Account Mandate, the Euro Account Mandate and the GIC Account Mandate.

**"Master Securitisation Agreement"** means the master securitisation agreement dated on or about the Closing Date between the Issuer, the Seller, the Mortgage Administrator, the Cash/Bond Administrator, the Standby Mortgage Administrator, the Standby Cash/Bond Administrator, the Account Bank, the Liquidity Facility Provider and the GIC Provider, the OptionCo, the Trustee, the Principal Paying Agent, the Agent Bank, the Transfer Agent, the Custodian, the Exchange Agent and the Registrar and the Irish Paying Agent, the schedules to which contain the Incorporated MSA Agreements.

**"MH/CP Documentation"** means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 and/or the Civil Partnership Act 2004 in connection with a Scottish Mortgage and its relevant Property.

**"Monthly Payment"** 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.

**"Moody's"** means Moody's Investors Service Limited and any successor or assignee to its rating business.

**"Mortgage"** means a legal mortgage or charge (of English Property) or, as the case may be, a Standard Security (over Scottish Property) over a Property, which is or is, intended by the parties thereto to be security for a Loan.

**"Mortgage Administration Agreement"** means the mortgage administration agreement set out in schedule 3 to the Master Securitisation Agreement together with the relevant provisions of the Master Securitisation Agreement relating thereto, effective pursuant to the Master Securitisation Agreement.

**"Mortgage Administration Services"** means all the services, duties, liabilities and obligations to be performed and provided by the Mortgage Administrator under each of the Transaction Documents to which it is, in its capacity as Mortgage Administrator, a party.

**"Mortgage Administrator"** means Capstone and any successor or assignee for the time being acting as mortgage administrator pursuant to the Mortgage Administration Agreement.



**"Mortgage Conditions"** means in relation to a Loan and/or Mortgage the terms and conditions applying to and forming part of that Loan or Mortgage (as the case may be).

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

- (a) the Original Loans; and
- (b) any Substitute Loans purchased by and transferred to the Issuer pursuant to Clause 3 (*Agreement for Sale and Purchase*) of the Mortgage Sale Agreement,

in each case together with the related Collateral Security and rights in respect of Retention Advances and in each case excluding Loans which by that time shall then have been re-transferred or re-assigned to the Seller pursuant to Clause 10.4 (*Sale and reassignment of loan following Warranty Breach*) of the Mortgage Sale Agreement or redeemed pursuant to Clause 9 (*Enforcement and Redemption of Mortgages*) of the Mortgage Administration Agreement.

**"Mortgage Sale Agreement"** means the mortgage sale agreement dated on or about the Closing Date between the Seller, SPPL, the Issuer and the Trustee.

**"Mortgagee"** means, in relation to a Mortgage, the person from time to time entitled to exercise the rights of the mortgagee or heritable creditor (as the case may be) thereunder.

**"Notes"** means the A Notes, the B1a Notes, the C Notes, the D Notes, the E Notes and the FTc Notes or any of them.

**"Noteholders"** means the A Noteholders and/or the B1a Noteholders and/or the C Noteholders and/or the D Noteholders and/or the E Noteholders and/or F Noteholders and **"Noteholder"** means any of them.

**"Option"** has the meaning specified in Clause 3 (*Option*) of the Post-Enforcement Call Option Agreement.

**"OptionCo"** means Eurosail Options Limited (registered number 4071454) whose registered office is at Oakfield House, 35 Perrymount Road, Haywards Heath, West Sussex RH16 3BX, being the beneficiary of the Post-Enforcement Call Option.

**"Ordinary A3c Coupons"** means a coupon other than the Detachable A3c Coupon.

**"Original Loans"** means the Original SPML Loans and the Original SPPL Loans and related Collateral Security comprised in the Initial Mortgage Pool.

**"Original Principal Amount"** means in relation to a Note, the face value of such Note on issue.

**"Original SPML Loans"** means the Loans agreed to be sold by the Seller to the Issuer on or about the Closing Date pursuant to the Mortgage Sale Agreement (brief details of which are contained in Annex 1 to the Mortgage Sale Agreement).

**"Original SPPL Loans"** means the Loans agreed to be sold by SPPL to the Seller on or about the Closing Date pursuant to the SPPL Mortgage Sale Agreement (brief details of which are contained in Annex 1 to the SPPL Mortgage Sale Agreement).

**"Originators"** means SPML and SPPL and **"Originator"** means any one of them.

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

- (a) those Notes which have been redeemed in full and cancelled pursuant to Condition 5 (*Redemption and Post Enforcement Call Option*), as the case may be, or otherwise pursuant to the Trust Deed;
- (b) 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 the Paying Agent in the manner provided in the Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) respectively) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have been cancelled in accordance with Condition 5 (*Redemption and Post Enforcement Call Option*);
- (d) those Notes which have become void under Condition 7 (*Prescription*);
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13 (*Replacement of Definitive Notes*);
- (f) (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 (*Replacement of Definitive Notes*);
- (g) the Global Notes to the extent that they shall have been exchanged for Definitive Notes, pursuant to the provisions contained therein and in Clause 4 (*The Notes and Detachable A3c Couponholders*) of the Trust Deed;

*provided* that for each of the following purposes, namely:

- (1) the right to attend and vote at any meeting of the Noteholders, on an Extraordinary Resolution in writing and any direction or request by the Noteholders;
- (2) 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 the Schedule 2, Part E to the Trust Deed;

- (3) 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
- (4) the determination by the Trustee whether any of the events specified in Condition 9 (*Events of Default*) 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 the Issuer, the Seller or the Administrator or any of their respective subsidiaries or holding companies) for the benefit of the Issuer, the Seller, or the Administrator or any of their respective subsidiaries or holding companies shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

**"Parent"** means Eurosail 2006-3NC Parent Limited whose registered office is at c/o Wilmington Trust SP Services (London) Limited Tower 42 (Level 11), 25 Old Broad Street, London, EC2N 1HQ, the parent company of the Issuer.

**"Paying Agency Agreement"** means the paying agency agreement set out in schedule 8 to the Master Securitisation Agreement together with the relevant provisions of the Master Securitisation Agreement relating thereto, effective pursuant to the Master Securitisation Agreement, appointing the Principal Paying Agent, the Irish Paying Agent, the U.S. Paying Agent, the Exchange Agent, the Agent Bank, the Registrar and the Transfer Agent in relation to the Instruments and includes any other agreement for the time being in force appointing further or other Agents in relation to the Instruments, or in connection with their respective duties, the terms of which have been previously approved in writing by the Trustee, together with any agreement for the time being in force amending or modifying, with the prior written approval of the Trustee, any of the aforesaid agreements.

**"Paying Agent"** means the several institutions (including where the context requires, the Principal Paying Agent, the Irish Paying Agent and the U.S. Paying Agent) initially appointed as Paying Agents by the Issuer pursuant to the Paying Agency Agreement and/or such other or further paying agents in respect of the Notes as may from time to time be appointed by the Issuer (with the prior approval of, and on terms previously approved by, the Trustee in writing) in each case:

- (a) at their respective offices specified pursuant to the Paying Agency Agreement and/or at such substitute offices (being within the same city as those for which they are substituted) or further offices as may from time to time be nominated by the Issuer; and
- (b) (except in the case of the initial appointments and specified offices made under and specified in the Paying Agency Agreement) notice of whose appointment or nomination has been given to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

**"Permanent Global Detachable A3c Coupon"** means the permanent global detachable coupon in bearer form and together with the Temporary Global Detachable A3c Coupon, the Global Detachable A3c Coupons.

**"person"** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

**"Post-Enforcement Call Option"** means the Option granted to the OptionCo pursuant to the terms of the Post-Enforcement Call Option Agreement.

**"Post-Enforcement Call Option Agreement"** means the post-enforcement call option agreement set out in schedule 9 to the Master Securitisation Agreement together with the relevant provisions of the Master Securitisation Agreement relating thereto, effective pursuant to the Master Securitisation Agreement.

**"Principal Amount Outstanding"** has the meaning indicated in Condition 5(d) (*Note Principal Payments, Principal Amount Outstanding and Pool Factor*).

**"Principal Deficiency"** means the amount outstanding from time to time on the Principal Deficiency Ledger and A Principal Deficiency, B Principal Deficiency, C Principal Deficiency, D1 Principal Deficiency and E1c Principal Deficiency shall be construed accordingly.

**"Principal Deficiency Ledger"** means the ledger of such name created by the Cash/Bond Administrator pursuant to Clause 8 (*The Ledgers*) of the Cash/Bond Administration Agreement.

**"Principal Ledger"** means the ledger of such name created by the Cash/Bond Administrator pursuant to Clause 8 (*The Ledgers*) of the Cash/Bond Administration Agreement.

**"Principal Paying Agent"** means The Bank of New York acting through its branch at One Canada Square, London E14 5AL and any successor or assignee for the time being acting as Principal Paying Agent in respect of the Notes 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 in accordance with Condition 14 (*Notice to Noteholders*).

**"Property"** means, in relation to a Loan, the English Property or Scottish Property upon which the obligations of the Borrower are secured.

**"Prospectus"** means the prospectus dated 9 November 2006 issued in relation to the Issue by the Issuer and, except where the context otherwise requires, each supplement issued in relation to such prospectus.

**"Provisional Mortgage Pool"** means the portfolio of loans described as such in the Prospectus.

**"Qualified Institutional Buyer"** means a "qualified institutional buyer" as defined in Rule 144A.

**"Receipts"** means principal receipts which are attached to the A3c Notes that are issued in bearer form in the denomination of £50,000 and integral multiples of £1,000 in excess thereof.

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

**"Reg S Global Notes"** means the A1a Reg S Global Note, the A1b Reg S Global Note, the A1c Reg S Global Note, the A2b Reg S Global Note, the A2c Reg S Global Note, the A3a Reg S Global Note, the A3c Reg S Global Note, the B1a Reg S Global Note, the C1a Reg S Global Note, the C1c Reg S Global Note, the D1a Reg S Global Note, the D1c Reg S Global Note, the DTc Reg S Global Note, the E1c Reg S Global Note, the ETc Reg S Global Note and the FTc Reg S Global Note,

**"Reg S Notes"** means the Notes to be sold in reliance on Regulation S.

**"Registered Notes"** means the A1a Notes, the A1b Notes, the A1c Notes, the A2b Notes, the A2c Notes, the A3a Notes, the B1a Notes, the C1a Notes, the C1c Notes, the D1a Notes, the D1c Notes, the DTc Notes, the E1c Notes, the ETc Notes and the FTc Notes.

**"Registers of Scotland"** means the Land Registry of Scotland and/or the General Register of Sasines.

**"Registrar"** means The Bank of New York (Luxembourg) S.A. acting through its office at Aerogolf Center, 1A, Hoehenhof, L-1736 Senningerberg, Luxembourg or such other registrar in respect of the Registered 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 Registrar) notice of whose appointment has been given to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

**"Regulation S"** means Regulation S under the Securities Act.

**"Retention Advance"** means at any time the principal amount outstanding at that time in respect of an advance made by the Seller to a Borrower on or after the Closing Date under a Loan in satisfaction of a Retention Advance Obligation.

**"Retention Advance Obligation"** means, in respect of any Loan sold to the Issuer under the Mortgage Sale Agreement, any obligation of the lender to advance a further amount to the relevant Borrower upon the satisfaction of one or more conditions where such further amount has been withheld and retained from the initial total principal amount agreed to be advanced by the lender in respect of and under the terms of that Loan.

**"Rule 144A"** means Rule 144A under the Securities Act.

**"Rule 144A Global Note"** or **"Rule 144A Registered Global Note"** means the A1a Rule 144A Global Note, the A1b Rule 144A Global Note, the A1c Rule 144A Global Note,

the A2b Rule 144A Global Note, the A2c Rule 144A Global Note, the A3a Rule 144A Global Note, the B1a Rule 144A Global Note, the C1a Rule 144A Global Note, the C1c Rule 144A Global Note, the D1a Rule 144A Global Note and the D1c Rule 144A Global Note.

**"Rule 144A Notes"** means any Registered Note to be sold within the United States of America to Qualified Institutional Buyers in reliance on Rule 144A.

**"S&P"** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and includes any successor to its rating business.

**"Sasine Register Transfer"** means an assignment made to or to be made pursuant to Clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement or pursuant to Clause 7.2 (*Perfection Acts*) of the SPPL Mortgage Sale Agreement, in each case in the form set out in Part C of Schedule 2 (*Forms of Transfer*) to the Mortgage Sale Agreement.

**"Scottish Charge"** means an assignment in security of Life Policies granted by a borrower as collateral security in respect of a Scottish Loan.

**"Scottish Declarations of Trust"** means the declaration of trust by SPML or (as applicable) SPPL in favour of the Issuer pursuant to Clause 3.3 (*Scottish Declaration of Trust*) of the Mortgage Sale Agreement and the declaration of trust by SPPL in favour of the Issuer pursuant to Clause 3.3 (*Scottish Declaration of Trust*) of the SPPL Mortgage Sale Agreement, in each case in the relevant form set out in Schedule 8 (*Forms of Scottish Declaration of Trust*) to the Mortgage Sale Agreement, and **"Scottish Declaration of Trust"** means either of them.

**"Scottish Loan"** means a loan secured by or, as the context may require, which should be secured by a Scottish Mortgage.

**"Scottish Mortgage"** means Standard Security over a Scottish Property.

**"Scottish Property"** means a heritable or long lease residential property located in Scotland.

**"Scottish Sub Security"** means each and any Standard Security and assignment in security executed pursuant to Clause 4.4 (The Scottish Mortgages and Scottish Charges) of the Deed of Charge.

**"Scottish Trust Property"** means the Scottish Loans details of which are specified in the schedule annexed in the relevant Scottish Declaration of Trust and executed as relative hereto, together with all principal sums, including any further advances present or future, interest and expenses comprised therein and secured thereby and the whole rights pertaining thereto specified in Clause 3.2 (*Terms of Sale and Purchase*) of the Mortgage Sale Agreement.

**"Scottish Trusts"** means the trusts constituted from time to time under the Scottish Declarations of Trust and each Supplemental Scottish Declaration of Trust.

**"Second Loan"** means a Loan, the agreement for which specifies that the same is to be secured in favour of the relevant Lender by means of a second or (where all prior Mortgages are held by the same Mortgagee) subsequent ranking Mortgage over a specified Property.

**"Secured Amounts"** means the monies, obligations and liabilities which the Issuer covenants and undertakes to duly and punctually pay, observe, satisfy, perform or discharge to the Secured Creditors on the due dates for payment, performance and discharge in the manner provided in the Notes and the Transaction Documents.

**"Secured Creditors"** means the Noteholders, the Trustee (in its capacity as a creditor secured by the Deed of Charge), each Receiver (in its capacity as a creditor secured by the Deed of Charge), the Mortgage Administrator, the Cash/Bond Administrator, the Liquidity Facility Provider, SPML, the Standby Mortgage Administrator, the Standby Cash/Bond Administrator, the Corporate Services Provider, the GIC Provider, each Paying Agent, the Agent Bank, the Registrar, the Transfer Agent, the Exchange Agent, the Custodian, the Account Bank, the Investment Administrator, the Currency Swaps Counterparty, the Bullet Cap Counterparty, the Fixed/Floating Swap Counterparty, the Managers and any other person who is expressed in any deed supplemental to the Deed of Charge to be a Secured Creditor.

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

**"Security"** means the Security Interests created in favour of the Trustee by, and contained in, or pursuant to the Deed of Charge in respect of, among other things, the Secured Amounts.

**"Security Interest"** means any mortgage, sub-mortgage, standard security, charge, sub-charge, assignment, assignation in security, pledge, lien, right of set-off or other encumbrance or security interest whatsoever, howsoever created or arising.

**"Seller"** means SPML.

**"Services"** means the Mortgage Administration Services and the Cash/Bond Administration Services.

**"SLR Transfer"** means an assignment made to or to be made pursuant to Clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement or pursuant to Clause 7.2 (*Perfection Acts*) of the SPPL Mortgage Sale Agreement, in each case in the form set out in Part B of Schedule 2 (*Form of Transfer*) to the Mortgage Sale Agreement.

**"SPML"** means Southern Pacific Mortgage Limited (registered number 3266119) whose registered office is at 1<sup>st</sup> Floor, 6 Broadgate, London EC2M 2QS.

**"SPML Collection Account"** means the account in the name of SPML held at Barclays Bank PLC, account number 90696242, sort code 20-19-90.

**"SPML Power of Attorney"** means the power of attorney given or, as the context may require, to be given by SPML on the Closing Date in the form set out in Schedule 5 to the Mortgage Sale Agreement or as the context requires.

**"SPPL"** means Southern Pacific Personal Loans Limited (registered number 4096093) whose registered office is at 1st Floor, 6 Broadgate, London EC2M 2QS.

**"SPPL Collection Account"** means the account in the name of SPPL held at Barclays Bank PLC, account number 60445851, sort code 20-19-90.

**"SPPL Loans"** means the First Loans and/or the Second Loans originated by SPPL.

**"SPPL Mortgage"** means a Mortgage which is or ought to be Security for a SPPL Loan.

**"SPPL Mortgage Sale Agreement"** means the mortgage sale agreement entered into on or before the Closing Date between SPML, SPPL and the Trustee.

**"SPPL Power of Attorney"** means the power of attorney given or, as the context may require, to be given by SPPL on the Closing Date in the form set out in Schedule 4 to the SPPL Mortgage Sale Agreement or in Schedule 5 to the Mortgage Sale Agreement.

**"Standby Cash/Bond Administrator"** means HML and any successor or assignee for the time being acting as standby cash/bond administrator pursuant to the Cash/Bond Administration Agreement.

**"Standard Documentation"** means the documents used by the Originators in connection with their activities as a residential mortgage lenders in relation to the Mortgage Pool listed in Schedule 8 (*Standard Documentation*) to the Mortgage Sale Agreement, and copies of which are included in a set of such documents initialled for identification by the Seller and the Trustee 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 Investment Management Agreement"** means the agreement set out in Schedule 1 (*Investment Administration Agreement*) to the Investment Administration Agreement.

**"Standard Security"** means a heritable security created by a standard security over any interest in land in Scotland in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970.

**"Standby Mortgage Administrator"** means Homeloan Management Limited and any successor or assignee for the time being acting as standby mortgage administrator pursuant to the Mortgage Administration Agreement.

**"sterling," "Sterling" and "£"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

**"Subscription Agreement"** means the subscription agreement dated 9 November 2006 in respect of the Notes between the Issuer, the Seller and the Managers.

**"Substitute Loans"** means the Loans transferred or assigned to the Issuer pursuant to Clause 10.5 (*Substitution of Loans*) of the Mortgage Sale Agreement.

**"Supplemental Deed of Charge"** means an assignation in security supplemental to the Deed of Charge granted pursuant to Clause 4.5.3 (*Scottish Trust Security*) thereof, and in the form set out in Schedule 4 (*Form of Supplemental Deed of Charge*) thereto.

**"Supplemental Scottish Declaration of Trust"** means a declaration of trust supplemental to the relevant Scottish Declaration of Trust by SPML or (as applicable) SPPL in favour of the Issuer pursuant to Clause 3.3 (*Scottish Declaration of Trust*) of the Mortgage Sale Agreement



and the supplemental declaration of trust by SPPL in favour of the Issuer pursuant to Clause 3.3 (*Scottish Declaration of Trust*) of the SPPL Mortgage Sale Agreement, in each case in the relevant form set out in Schedule 9 (*Forms of Supplemental Scottish Declaration of Trust*) to the Mortgage Sale Agreement.

**"TARGET Business Day"** means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open.

**"tax"** or **"Tax"** or **"Taxation"** shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**"Temporary Global Detachable A3c Coupon"** means a Global Detachable A3c Coupon in temporary form which will be capable of being subsequently separated from the A3c Temporary Reg S Bearer Global Notes and which is also expected to be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg on the Closing Date.

**"Transaction Account"** means the account in the name of the Issuer at Barclays Bank PLC, sort code: 20-19-90, account number 80240753 denominated in sterling or such other account as may be designated as such by the Issuer and the Trustee.

**"Transaction Account Mandate"** means the resolutions, instructions and signature authorities relating to the Transaction Account in the form set out in Schedule 3 of the Bank Agreement as they may be amended from time to time and notified as provided for in the Bank Agreement.

**"Transaction Documents"** means the Trust Deed, the Deed of Charge, the Paying Agency Agreement, the Mortgage Administration Agreement, the Cash/Bond Administration Agreement, the Mortgage Sale Agreement, the SPPL Mortgage Sale Agreement, the Liquidity Facility Agreement, the Collection Account Declarations of Trust, the Post Enforcement Call Option Agreement, the Bullet Cap Agreement, , the Currency Swap Agreements, the Fixed/Floating Swap Agreement, the Corporate Services Agreement, the Investment Administration Agreement, the GIC, the Master Definitions Schedule, the Master Securitisation Agreement, the Closing Arrangements Deed, the Scottish Declaration of Trusts, the Subscription Agreement and the Bank Agreement, and each a **"Transaction Document"**.

**"Transaction Party"** means any person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them.

**"Transfer Agent"** means The Bank of New York (Luxembourg) S.A. or any other transfer agent appointed from time to time by the Issuer in accordance with the Paying Agency Agreement.

**"Trust Deed"** means the Trust Deed dated the Closing Date between the Issuer and the Trustee.

**"Trustee"** means BNY Corporate Trustee Services Limited and any successor or assignee for the time being acting as the trustee or trustees under the Trust Deed.

**"U.S. Paying Agent"** means The Bank of New York acting through its branch at 101 Barclay Street, New York, New York 10286, U.S.A. and any successor or assignee for the time being acting as U.S paying agent pursuant to the Paying Agency Agreement.

**"winding-up," "dissolution" or "administration"** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

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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. 05924768

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE DATED THE 9th NOVEMBER 2006 AND CREATED BY EUROSAIL 2006-3NC PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE SECURED CREDITORS 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 23rd NOVEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th DECEMBER 2006.

*LC*  
*for*



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES