

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

199775/13

395

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



05925696

Name of company

* Fosse Funding (No.1) Limited of 35 Great St. Helen's, London EC3A 6AP
(**Funding 1**)

Date of creation of the charge

28 November 2006

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

The Funding 1 Deed of Charge dated 28 November 2006 and entered into between Funding 1, the Funding 1 Security Trustee(as defined below) and each other party listed in Schedule 1 attached hereto (the **Deed of Charge**).

Amount secured by the mortgage or charge

Any and all of the monies, obligations and liabilities and all other amounts due, owing, payable or owed by Funding 1 to the Funding 1 Secured Creditors under and pursuant to the Funding 1 Agreements (the **Funding 1 Secured Obligations**) and references to Funding 1 Secured Obligations includes references to any of them.

The capitalised terms used in this Form 395 and not otherwise defined shall have the meaning given to them in Schedule 3 attached hereto.

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

Law Debenture Trust Company of New York (the **Funding 1 Security Trustee**), acting through its offices at 767 Third Avenue - 31st Floor, New York, New York 10017.

Postcode NY 10017

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

Allen & Overy LLP
40 Bank Street
London
E14 5DU

VLH/KKKE/16581-00367

Time critical reference

For official Use (06/2005)

Mortgage Section

Post room



LD3
COMPANIES HOUSE

LFMEILDZ

352
15/12/2006

Short particulars of all the property mortgaged or charged

Please see Schedule 2 attached hereto.

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil.

Signed

Allen & Overy LLP

Date 15 December 2006

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

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

Notes

† delete as
appropriate

- 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

FOSSE FUNDING (NO.1) LIMITED

Continuation Sheet 1

(Company No. 05925696)

SCHEDULE 1 – Parties to the Deed of Charge

- (1) **FOSSE FUNDING (NO. 1) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 5925696), whose registered office is at c/o Structured Finance Management Limited, 35 Great St. Helen's, London EC3A 6AP (**Funding 1**);
- (2) **FOSSE MASTER ISSUER PLC**, a public limited company incorporated in England and Wales (registered number 5925693), whose registered office is 35 Great St. Helen's, London EC3A 6AP (**the Issuer**);
- (3) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 767 Third Avenue – 31st Floor, New York, New York 10017 (acting in its capacities as **Funding 1 Security Trustee** and **Issuer Security Trustee** which expressions include such companies and all other persons or companies for the time being acting as trustee and security trustee under this Deed and the Issuer Deed of Charge respectively);
- (4) **ALLIANCE & LEICESTER PLC** a public limited company incorporated under the laws of England and Wales (registered number 03263713), whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL (acting in its capacities as **Seller, Cash Manager, Funding 1 Account Bank, Funding 1 Swap Provider** and **Funding 1 Start-Up Loan Provider**); and
- (5) **STRUCTURED FINANCE MANAGEMENT LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 03853947), whose registered office is at 35 Great St. Helen's, London EC3A 6AP (acting in its capacity as the **Corporate Services Provider**); and
- (6) **FOSSE TRUSTEE LIMITED**, (registered number 94410) a private limited company incorporated under the laws of Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands (in its capacity as **Mortgages Trustee**).

SCHEDULE 2 – Short Particulars of All the Property Mortgaged or Charged

1. SECURITY TRUST

1.1 Declaration of Trust

The Funding 1 Security Trustee holds all of the covenants, undertakings, Security Interests and other rights and benefits made or given under the Deed of Charge and the other Funding 1 Agreements on trust for itself and the other Funding 1 Secured Creditors upon and subject to the terms and conditions of the Deed of Charge.

2. CREATION OF FUNDING 1 SECURITY

2.1 General

(a) All Funding 1 Security:

- (i) is created in favour of the Funding 1 Security Trustee for itself and as trustee on behalf of the other Funding 1 Secured Creditors;
- (ii) is created over the present and future assets of Funding 1;
- (iii) is security for the payment or discharge of Funding 1 Secured Obligations; and
- (iv) is made with full title guarantee (or, in relation to any rights or assets situated in Northern Ireland or otherwise governed by Northern Irish law, as beneficial owner, or, in relation to any rights or assets situated in Scotland or otherwise governed by Scots law, with absolute warrandice).

(b) The term **all of its rights** as used in Clause 3 of the Deed of Charge includes, unless the context requires otherwise:

- (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
- (ii) all powers and remedies of enforcement and/or protection;
- (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and
- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,

in each case, in respect of the relevant Funding 1 Charged Property.

SCHEDULE 2 – Short Particulars of All the Property Mortgaged or Charged

2.2 Trust Property

Funding 1 assigned by way of first fixed security (or, to the extent not assignable, charged by way of a first fixed charge) all of its rights, title, interest and benefit in the Trust Property (including, without limitation, all Scottish Trust Property, present and future, comprised in the Trust Property).

2.3 Contracts

Funding 1 assigned by way of first fixed security (or, to the extent not assignable, charged by way of a first fixed charge) all of its rights in respect of Funding 1 Agreements.

2.4 Funding 1 Accounts

Funding 1 charged by way of a first fixed charge all of its rights in respect of:

- (a) any amount standing from time to time to the credit of Funding 1 Bank Accounts;
- (b) all interest paid or payable in relation to those amounts; and
- (c) all debts represented by those amounts.

2.5 Authorised Investments

Funding 1 charged by way of a first fixed charge all of its rights in respect of:

- (a) the Authorised Investments made or purchased from time to time by or on behalf of Funding 1 (whether owned by it or held by any nominee on its behalf) using moneys standing to the credit of Funding 1 Accounts; and
- (b) all interest, moneys and proceeds paid or payable in relation to those Authorised Investments.

2.6 Miscellaneous

Funding 1 charged by way of a first fixed charge all of its rights in respect of:

- (a) the benefit of all authorisations (statutory or otherwise) held in connection with its use of any Funding 1 Charged Property; and
- (b) any compensation which may be payable to it in respect of those authorisations.

2.7 Floating charge

- (a) Funding 1 charged by way of a first floating charge all of its undertaking and all of its property and assets (including, without limitation, its uncalled capital) other than any property or assets at any time otherwise effectively charged or assigned by way of fixed charge or assignment under Clause 3 of the Deed of Charge (but excepting from the

SCHEDULE 2 – Short Particulars of All the Property Mortgaged or Charged

foregoing exclusion all of Funding 1's undertaking, property and assets situated in Scotland or the rights to which are governed by Scots law, all of which are charged by the floating charge created under the Deed of Charge).

- (b) Except as provided below, the Funding 1 Security Trustee may, by notice to Funding 1 (and so far as permitted by applicable law), convert the floating charge created under Clause 3 of the Deed of Charge into a fixed charge as regards any of Funding 1's assets subject to the floating charge specified in that notice, if:
 - (i) an Intercompany Loan Event of Default is outstanding;
 - (ii) the Funding 1 Security Trustee considers those assets or any part thereof to be in danger of being seized or sold under any form of distress, attachment, execution, diligence or other legal process or to be otherwise in jeopardy; and/or
 - (iii) a circumstance occurs which the Funding 1 Security Trustee considers to (or to be likely to) prejudice, imperil or threaten Funding 1 Security.
- (c) Except as provided below, the floating charge created by Clause 3 of the Deed of Charge will automatically (so far as permitted by applicable law) convert into a fixed charge as regards:
 - (i) all of Funding 1's assets subject to the floating charge, upon the service of an Intercompany Loan Acceleration Notice; and/or
 - (ii) any assets of Funding 1 subject to the floating charge, if those assets (contrary to the covenants and undertakings contained in Funding 1 Agreements):
 - (A) are or become subject to a Security Interest in favour of any person other than the Funding 1 Security Trustee; or
 - (B) are or become the subject of a sale, transfer or other disposition,
immediately prior to that Security Interest arising or that sale, transfer or other disposition being made.
- (d) The floating charge created by Clause 3 of the Deed of Charge may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
under the Insolvency Act 2000.
- (e) The floating charge created by Clause 3 of the Deed of Charge is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

SCHEDULE 2 – Short Particulars of All the Property Mortgaged or Charged

3. NEW FUNDING 1 SECURED CREDITORS

In order to become a New Funding 1 Secured Creditor a creditor of Funding 1 must enter into an Accession Deed in or substantially in the form set out in Schedule 3 to the Deed of Charge (Form of the Accession Deed).

4. LIMITED RECOURSE

Pursuant to Clause 5.4 of the Deed of Charge, each Funding 1 Secured Creditor agreed that, notwithstanding any other provision of any Funding 1 Agreement, all obligations of Funding 1 to each Funding 1 Secured Creditor in respect of the Funding 1 Secured Obligations owing to each Funding 1 Secured Creditor are limited in recourse as set out below:

- (i) in the event of non-payment of any sum due and payable to a Funding 1 Secured Creditor, its only remedy shall be enforcement of the Funding 1 Security in accordance with the provisions of the Deed of Charge and the other Funding 1 Agreements; and
- (ii) in the event that the net proceeds of enforcing and (as fully as practicable and over whatever time period the Funding 1 Security Trustee considers reasonably necessary) realising all Funding 1 Security are (after application of the proceeds in accordance with the provisions of the Deed of Charge) insufficient to discharge in full the amount of any Funding 1 Secured Obligation owed to a Funding 1 Secured Creditor, Funding 1's obligation in respect of the unpaid amount shall be automatically extinguished and such Funding 1 Secured Creditor shall have no further claim against Funding 1 in respect of such unpaid amount.

5. ADDITIONAL PROVISIONS RELATING TO FUNDING 1 SECURITY

5.1 Continuing Security

Funding 1 Security will remain in force as continuing security for Funding 1 Secured Obligations notwithstanding any settlement of account or the existence at any time of a credit balance on any Funding 1 Account or other account or any other act, event or matter.

5.2 No merger

Funding 1 Security is in addition to, and will not be merged in, or in any way exclude or prejudice any other Security Interest or other right which the Funding 1 Security Trustee or any other Funding 1 Secured Creditor may now or at any time have (or would apart from Funding 1 Security have) as regards Funding 1 or any other person in respect of the Funding 1 Secured Obligations.

5.3 Avoidance of security or payment

- (a) If an amount paid to the Funding 1 Security Trustee or any of the other Funding 1 Secured Creditors under a Funding 1 Agreement is capable of being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of the Deed of Charge.

SCHEDULE 2 – Short Particulars of All the Property Mortgaged or Charged

- (b) Any settlement, discharge or release between Funding 1 and the Funding 1 Security Trustee (or any Receiver) will be conditional upon no security or payment granted or made to the Funding 1 Security Trustee (or any Receiver, as the case may be) by Funding 1 or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force.
- (c) If any security or payment is avoided or reduced in the circumstances described in paragraph (a) above, then the Funding 1 Security Trustee (or any Receiver, as the case may be) will be entitled to recover the value or amount of such security or payment from Funding 1 as if the relevant settlement, discharge or release had not occurred.

5.4 Retention of Funding 1 Security

- (a) If the Funding 1 Security Trustee has grounds for believing that Funding 1 may be unable to pay its debts as they fall due as at the date of any payment made by Funding 1 to the Funding 1 Security Trustee or any of the other Funding 1 Secured Creditors, then the Funding 1 Security Trustee may retain Funding 1 Security until the expiry of a period of (subject to paragraph (b) below) one month plus the statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all the Funding 1 Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Funding 1 Security Trustee on, or as a consequence of, such payment or discharge of liability.
- (b) If, at any time within the period referred to in paragraph (a) above, any person presents a petition, or files documents with a court or any registrar for the winding-up or administration of Funding 1 or any analogous proceedings are commenced by or against Funding 1, the Funding 1 Security Trustee may continue to retain the Funding 1 Security for such further period as it may determine and the Funding 1 Security will be deemed to continue to be held as security for the payment and discharge to the Funding 1 Security Trustee of all of the Funding 1 Secured Obligations.

6. NEGATIVE PLEDGE

Funding 1 shall not, save for the Funding 1 Security, or with the prior written consent of the Funding 1 Security Trustee, or unless otherwise permitted under any of Funding 1 Agreements, create or permit to subsist any Security Interest whatsoever, however created or arising (unless arising by operation of law) over any of its property, assets or undertakings present or future (including any uncalled capital) or any interest, estate, right, title or benefit therein or use, invest or dispose of, including by way of sale or the grant of any Security Interest of whatsoever nature or otherwise deal with, or agree or attempt or purport to sell or otherwise dispose of (in each case whether by one or a series of transactions) or grant any option or right to acquire any such property, assets or undertaking present or future.

SCHEDULE 2 – Short Particulars of All the Property Mortgaged or Charged

7. FUNDING 1 SECURITY POWER OF ATTORNEY

Immediately upon execution of the Deed of Charge, Funding 1 executed and delivered to the Funding 1 Security Trustee the Funding 1 Security Power of Attorney. The Funding 1 Security Trustee confirmed that it may exercise the powers conferred under the Funding 1 Security Power of Attorney if:

- (a) the Funding 1 Security has become enforceable;
- (b) it considers such action necessary for the protection or preservation of the Attorney's (as defined in the Funding 1 Security Power of Attorney) interests and rights in and to the Funding 1 Charged Property; and/or
- (c) it considers such action ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge.

SCHEDULE 3 - Definitions

In this Form 395:

A Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class M Notes;

AA Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class B Notes;

AAA Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class A Notes;

Accession Deed or Deed of Accession means a form of deed of accession to the Funding 1 Deed of Charge substantially in the form set out in **Schedule 3** to the Funding 1 Deed of Charge;

Accrued Interest means, in respect of a Mortgage Account on a given date (the **relevant date**), the interest which has accrued but which is not yet due and payable from and including the last regular Monthly Payment Date up to (but excluding) the relevant date;

Agent Bank means Citibank, N.A., whose London branch address is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as agent bank at its specified office or other such person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

Alliance & Leicester means Alliance & Leicester plc together with its affiliated and associated companies (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL;

Arrears of Interest means, in respect of a given date, interest, and expenses which are due and payable and remain unpaid on that date;

Authorised Investments means:

- (a) Sterling gilt-edged securities; and
- (b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) provided that in all cases such investments have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date and the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA 2000) are rated at least A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch or their equivalents by three internationally recognised rating agencies or which are otherwise acceptable to the Rating Agencies (if they are notified in advance) to maintain the then current ratings of the notes;

SCHEDULE 3 - Definitions

BB Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class D Notes;

BBB Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class C Notes;

Bank of England Base Rate means the Bank of England's official dealing rate (the repo rate) as set by the UK Monetary Policy Committee;

Base Rate-Linked Rate means the rate of interest that applies to the Base Rate Loans in the Portfolio that is a margin (expressed as a percentage figure) above and/or equal to and/or below the Bank of England Base Rate;

Base Rate Loan means those Loans to the extent that and for such period that their Mortgage Terms provide that they are subject to the Base Rate-Linked Rate;

Beneficiaries means the Funding Companies and the Seller, as beneficiaries of the Mortgages Trust;

Borrower means, in relation to a Loan, the individual or individuals specified as such in the relevant Mortgage Terms together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it;

Buildings Policies means:

- (a) all buildings insurance policies relating to freehold or heritable Properties which have been taken out in the name of the relevant Borrower in accordance with the applicable Mortgage Terms; and
- (b) all landlord's buildings insurance policies relating to leasehold Properties including Properties in Scotland held under a long lease;

Business Day means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

Capitalised Arrears means, in relation to a Loan at any date (the **determination date**), the amount (if any) at such date of any interest In Arrears in respect of which, at the determination date, each of the following conditions have been satisfied:

- (a) the Seller has, by arrangement with the relevant Borrower, agreed to capitalise such interest In Arrears; and
- (b) such interest In Arrears has been capitalised and added, in the accounts of the Seller (or, if the determination date occurs after the Initial Closing Date, the Mortgages Trustee), to the principal amount outstanding in respect of such Loan;

SCHEDULE 3 - Definitions

Cash Management Agreement means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended and/or supplemented from time to time);

Cash Manager means Alliance & Leicester acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, the Funding Companies and the Funding Security Trustees to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, the Funding Companies and the Funding Security Trustees (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

Cash Withdrawal means a cash withdrawal made by a Borrower in the amount of all or part of the accrued Overpayments;

CCA means the Consumer Credit Act 1974 (as amended from time to time);

CCA Mortgages means any Loans and their Related Security in the Initial Portfolio or any New Portfolio (and each Product Switch and Further Advance made in respect thereof) which in respect of the English Loans are regulated by the CCA and documented on the following forms:

- (a) A&L Regulated Mortgage Conditions 1997 (England & Wales) - 1500107 G385 EW 6-00 (pdf);
- (b) A&L Regulated Mortgage Conditions 2002 (England & Wales) -1500520 E-W 10-02 (pdf) - this document was provided with the 1997 documents;
- (c) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 EW (pdf);
- (d) Credit Agreement (Second Copy) - linked to the 1997 conditions - CCA I02 3-98 EW (pdf);
- (e) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R2 3-98 EW (pdf);
- (f) Running Account Credit Facility (Advance Copy) - B7 - 1998 - 2Yr FTB BRT Flexible RACA 9.99 (E&W) (Word document);
- (g) Running Account Credit Facility (Advance Copy) - B7a - 1998 - 3 Yr Discount Flexible RACA 9.99 (E&W) (Word document);
- (h) Credit Agreement (Advance Copy) - B4 - 2002 RACA 1 (pdf);
- (i) Credit Agreement (Second Copy) - B4 - 2002 RACA 2 (pdf); and

SCHEDULE 3 - Definitions

(j) A&L Mortgage Conditions 2002 (England & Wales),

and in respect of the Scottish Loans and Northern Irish Loans which are stated to be regulated by the CCA and documented on the following forms:

- (a) A&L Regulated Mortgage Conditions 1997 (Scotland) - 1500110 SCO 6-00 (pdf);
- (b) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 S (pdf);
- (c) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R1 3-98 S (pdf);
- (d) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 S (pdf);
- (e) A&L Regulated Mortgage Conditions 2002 (Scotland) - 1500523 SCO 10-02 (pdf);
- (f) A&L Regulated Mortgage Conditions 1997 (Northern Ireland) - 1500111 NI 6-00 (pdf);
- (g) A&L Regulated Mortgage Conditions 2002 (Northern Ireland) -1500522 NI 10-02 (pdf);
- (h) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R26-98 NI (pdf);
- (i) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R1 6-98 NI (pdf);
- (j) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I02 6-98 NI (pdf);
- (k) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 6-98 NI (pdf); and
- (l) Mortgage Trust Deed (Regulated Loan) – linked to the conditions to which it applies –G3585 NI (6/00);

CCA Mortgages Trust has the meaning given to it in **clause 2.5** of the Mortgage Sale Agreement;

Certificate of Title means a solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained, in relation to Loans which are not advanced as part of the Seller's Mortgage Transfer Service, by or on behalf of the Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation;

SCHEDULE 3 - Definitions

Class A Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class B Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class C Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class D Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class M Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

Closing Date has the meaning given to it in the applicable Final Terms;

Contribution means a contribution of certain assets made by a Beneficiary to the Mortgages Trustee from time to time by way of an Initial Contribution, a Deferred Contribution, a Refinancing Contribution, a Further Contribution or a Seller Contribution;

Controlling Beneficiary Deed means the controlling beneficiary deed entered into on the Initial Closing Date between the Mortgages Trustee, Funding 1, the Funding 1 Security Trustee and the Seller to which any Further Funding Company and any Further Funding Security Trustee will accede at the time that such Further Funding Company becomes a Beneficiary of the Mortgages Trust (as the same may be amended, restated, supplemented, replaced and/or novated from time to time);

Convention means the Modified Following Business Day Convention as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Associations;

Corporate Services Provider means collectively the Funding 1 Corporate Services Provider, the Holdings Corporate Services Provider, the Mortgages Trustee Corporate Services Provider, the PECO Corporate Services Provider and the Issuer Corporate Services Provider;

Current Balance means in relation to a Loan at any given date, the aggregate (without double counting) of the Outstanding Principal Balance, Accrued Interest and other amounts In Arrears relating to that Loan as at that date;

Customer Files means the file or files relating to each Loan containing, *inter alia*:

- (a) all material correspondence relating to that Loan; and
- (b) the completed mortgage documentation applicable to the Loan (other than the Title Deeds) including the Valuation Report and, in relation to Loans which are not

SCHEDULE 3 - Definitions

advanced as part of the Seller's Mortgage Transfer Service, the solicitor's or licensed conveyancer's (or, in Scotland, qualified conveyancer's) Certificate of Title,

whether original documentation, electronic form or otherwise or information provided by such documentation stored on an electronic database;

Deed of Consent means a deed whereby a person in or intended to be in occupation of a Property situated in England and Wales or Northern Ireland agrees with the Seller to postpone his or her interest (if any) in the Property so that it ranks after the interest created by the relevant Mortgage;

Deed of Postponement means a deed or agreement whereby a mortgagee of or the heritable creditor in relation to a Property agrees with the Seller to postpone its mortgage or standard security (as applicable) over the Property so that the sums secured by it will rank for repayment after the sums secured by the relevant Mortgage;

Deferred Contribution means a Contribution by way of cash payable pursuant to the terms of the Mortgages Trust Deed, by a Funding Company and in respect of the share of that Funding Company in the Trust Property for the purposes of enabling the Mortgages Trustee to fund the payment of the Deferred Purchase Price owed by the Mortgages Trustee, pursuant to the terms of the Mortgage Sale Agreement, to the Seller in respect of the Portfolio;

Deferred Purchase Price means on any Funding 1 Interest Payment Date, an amount equal to any Deferred Contributions made by a Funding Company to the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed;

Early Repayment Charges means any fee which a Borrower is required to pay in the event that the Borrower is in default or his or her Loan becomes repayable for any other mandatory reason or the Borrower repays all or any part of the relevant Loan before a specified date;

English Loan means a Loan which is secured by an English Mortgage;

English Mortgage means a Mortgage secured over a Property in England or Wales;

Final Terms means in relation to any Series of Notes, the final terms issued in relation to such Series of Notes giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the prospectus in relation to such Series of Notes;

Fitch means Fitch Ratings Limited and any successor to its ratings business;

Fixed Rate Loans means those Loans to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary and is fixed for a certain period of time by the Seller;

Flexible Loans means a type of Loan product that may, *inter alia*, incorporate features that give the Borrower the option to make Overpayments and, from the credit accumulated on the

SCHEDULE 3 - Definitions

flexible facility by virtue of such Overpayments, make Underpayments or take Payment Holidays or make Cash Withdrawals;

FSMA 2000 or **FSMA** means the Financial Services and Markets Act 2000 (as amended from time to time);

Funding 1 Account Bank means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being, as at the Initial Closing Date, Alliance & Leicester acting through its offices at Carlton Park, Narborough, Leicester LE19 0AL and, thereafter, such other replacement account bank as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

Funding 1 Accounts has the same meaning as Funding 1 Bank Accounts;

Funding 1 Agreements means each of the Transaction Documents to which Funding 1 is a party (as the same may be amended, restated, novated, varied and/or supplemented from time to time) including (but not limited to) the Master Definitions and Construction Schedule, the Servicing Agreement, the Mortgages Trust Deed, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Corporate Services Agreement, the Intercompany Loan Agreement, the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Funding 1 Start-up Loan Agreements, Mortgages Trustee Bank Account Agreement, the Servicing Agreement, the Mortgage Sale Agreement, each Scottish Declaration of Trust, the Seller Power of Attorney, the Funding 1 Security Power of Attorney and all other agreements referred to therein or otherwise referred to as "Funding 1 Agreements" in each Deed of Accession entered into by, inter alios, Funding 1 and the Funding 1 Security Trustee, from time to time;

Funding 1 Bank Account Agreement means the agreement entered into on the Initial Closing Date between the Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee which governs the operation of the Funding 1 Bank Accounts (as the same may be amended and/or supplemented from time to time);

Funding 1 Bank Accounts means the Funding 1 GIC Account, the Funding 1 Collateral Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

Funding 1 Charged Property means the property charged by Funding 1 under and pursuant to the Funding 1 Deed of Charge (and any amendment or supplement thereto);

Funding 1 Collateral Account means the collateral account in the name of Funding 1 held at the Funding 1 Account Bank;

Funding 1 Corporate Services Agreement means the agreement dated the Initial Closing Date between the Funding 1 Corporate Services Provider, Funding 1, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Funding 1 Corporate Services

SCHEDULE 3 - Definitions

Provider of certain corporate services and personnel to Funding 1 (as the same may be amended and/or supplemented from time to time);

Funding 1 Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 under the Funding 1 Corporate Services Agreement;

Funding 1 Deed of Charge means the Deed of Charge entered into on the Initial Closing Date between Funding 1, the Issuer, the Funding 1 Account Bank, the Seller, the Mortgages Trustee, the Cash Manager, the Funding 1 Swap Provider, the Corporate Services Provider (in each of its capacities), the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each Deed of Accession entered into pursuant thereto, as the same may be supplemented, amended and/or restated or varied from time to time;

Funding 1 GIC Account means the account in the name of Funding 1 (sort code 72-01-00) held at the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee;

Funding 1 Interest Payment Date means, for so long as all Notes (other than the Monthly Payment Notes) issued by the Issuer have Quarterly Interest Payment Dates which correspond to the *Quarterly Interest Payment Dates of the Notes (other than the Monthly Payment Notes)* issued by the Issuer on the Initial Closing Date and, thereafter or following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Funding 1 Liquidity Facility means a liquidity facility entered into at any time after the Initial Closing Date;

Funding 1 Liquidity Facility Provider means the provider of the Funding 1 Liquidity Facility;

Funding 1 Loan Tranches means the AAA Loan Tranches, the AA Loan Tranches, the A Loan Tranches, the BBB Loan Tranches and the BB Loan Tranches, being advances made by the Issuer or any New Issuer to Funding 1 pursuant to the Intercompany Loan Agreement or any New Intercompany Loan Agreement respectively and funded from proceeds received by the Issuer or such New Issuer respectively from the issue of a Series and Class of Notes or New Notes respectively;

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Liquidity Facility Provider, the Funding 1 Account Bank, the Issuer, the Seller, the Mortgages Trustee, the Funding 1 Corporate Services Provider, the Mortgages Trustee Corporate Services Provider, the PECO Corporate Services Provider, the Holdings Corporate Services Provider, each Funding 1 Start-up Loan Provider and such other creditors of Funding 1 who may accede to the Funding 1 Deed of

SCHEDULE 3 - Definitions

Charge from time to time pursuant to a Deed of Accession (including, for the avoidance of doubt, any New Issuer);

Funding 1 Security means the security granted by Funding 1 to the Funding 1 Security Trustee under and pursuant to the terms of the Funding 1 Deed of Charge;

Funding 1 Security Power of Attorney means the power of attorney in the form of Schedule 5 of the Funding 1 Deed of Charge;

Funding 1 Share means, prior to the first Trust Calculation Date, the Initial Funding 1 Share and thereafter means the amount as determined in accordance with **clause 11.3** of the Mortgages Trust Deed;

Funding 1 Start-up Loan Agreements means the agreement entered into on the Initial Closing Date between Funding 1, the Funding 1 Start-up Loan Provider and the Funding 1 Security Trustee (as the same may be amended and/or supplemented from time to time) and each similar agreement entered into by the same parties on any subsequent Closing Date;

Funding 1 Start-up Loan Provider means Alliance & Leicester in its capacities as provider of each Funding 1 Start-up Loan and/or (as the context requires) any New Funding 1 Start-up Loan Provider;

Funding 1 Start-up Loans means each Loan made by a Funding 1 Start-up Loan Provider under a Funding 1 Start-up Loan Agreement in connection with the issuance of a Series;

Funding 1 Swap means each swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge against the possible variance between the Mortgages Trustee Variable Rate payable on the Variable Rate Loans, the fixed rates of interest payable on the Fixed Rate Loans and the rates of interest payable on the Base Rate Loans and a LIBOR based rate for three-month Sterling deposits;

Funding 1 Swap Agreement means the ISDA Master Agreement and Schedule relating to the Funding 1 Swap entered into on the Initial Closing Date and any confirmation thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as the same may be amended, restated, novated or supplemented from time to time);

Funding 1 Swap Provider means Alliance & Leicester acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

Funding 1 Transaction Account means the account in the name of Funding 1 (sort code 72-01-00) held with the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such other account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee and designated as such;

Funding Companies means Funding 1 and each Further Funding Company (if any);

SCHEDULE 3 - Definitions

Funding Security Trustees means the Funding 1 Security Trustee and each Further Funding Security Trustee (if any);

Further Advance means an advance made following a request from an existing Borrower for a further amount to be lent to him or her under his or her Mortgage, where Alliance & Leicester has a discretion as to whether to accept that request;

Further Contribution means a Contribution (excluding any Initial Contribution or Deferred Contribution paid by Funding 1, but including a Refinancing Contribution and a Seller Contribution) by way of cash payable pursuant to **clause 4** of the Mortgages Trust Deed by a Beneficiary to the Mortgages Trustee to increase the share of that Beneficiary in the Trust Property;

Further Funding Company means any funding entity (other than Funding 1) established in the future by Holdings;

Further Funding Company Deed of Charge means any deed of charge (other than the Funding 1 Deed of Charge) entered into after the Initial Closing Date between, inter alios, the Issuer, a Further Funding Company and a Further Funding Security Trustee pursuant to which such Further Funding Company creates security over all of its assets in favour of such Further Funding Security Trustee;

Further Funding Company Share means the amount as determined in accordance with **clause 11.5** of the Mortgages Trust Deed;

Further Funding Security Trustees means any security trustee (other than the Funding 1 Security Trustee) appointed under any Further Funding Company Deed of Charge;

Further Issuer means any company which issues Notes under the Programme where all or part of the proceeds of the issue of such Notes will be on-lent to Further Funding Companies;

Further Loan Tranches means any Loan Tranches made by Further Issuers to Further Funding Companies;

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Holdings Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Holdings under the Funding 1 Corporate Services Agreement;

In Arrears means, in respect of a Mortgage Account, that one or more Monthly Payments in respect of such Mortgage Account have become due and unpaid by a Borrower;

Initial Closing Date means 28 November 2006;

SCHEDULE 3 - Definitions

Initial Contribution means a Contribution by way of cash payable, pursuant to **clause 4** of the Mortgages Trust Deed, by a Funding Company in respect of any Trust Property sold to or held on trust for the Mortgages Trustee at the time of such sale for the purposes of enabling the Mortgages Trustee to fund the payment of the Initial Purchase Price owed by the Mortgages Trustee to the Seller, pursuant to the terms of the Mortgage Sale Agreement, in respect of any Loans and their Related Security sold by the Seller to the Mortgages Trustee from time to time;

Initial Funding 1 Share has the meaning given in **clause 10** of the Mortgages Trust Deed;

Initial Portfolio means the Provisional Portfolio other than any Loan and its Related Security redeemed in full on or before the Initial Closing Date (but, for the avoidance of doubt, including any relevant CCA Mortgages);

Initial Purchase Price means the cash sum paid or (as the context requires) payable by the Mortgages Trustee to the Seller in consideration for the sale of a Portfolio to the Mortgages Trustee pursuant to the terms of the Mortgage Sale Agreement, funded by an Initial Contribution;

Insurance Policies means the Buildings Policies, the Lender Interest-Only Policy, the Title Insurance Policies and the Properties in Possession Cover and **Insurance Policy** shall be construed accordingly;

Intercompany Loan means at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

Intercompany Loan Acceleration Notice means a notice served by the Issuer (a) on Funding 1 following the occurrence of an Intercompany Loan Event of Default, pursuant to the Intercompany Loan Agreement and/or following an event of default under a New Intercompany Loan (where applicable); and/or (b) on a Further Funding Company following an event of default under a New Intercompany Loan;

Intercompany Loan Agreement means the loan agreement and the Loan Tranche Supplement entered into on the Initial Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended and/or supplemented from time to time) together with each subsequent Loan Tranche Supplement entered into on each subsequent Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended and/or supplemented from time to time);

Intercompany Loan Event of Default means the occurrence of an event of default by Funding 1 as specified in **clause 15** of the Intercompany Loan Agreement;

Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment

SCHEDULE 3 - Definitions

Notes) the Monthly Interest Payment Dates, subject in each case to the applicable Final Terms;

Issuer means Fosse Master Issuer plc (registered number 5925693), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP or, as the context may require, any New Issuer;

Issuer Account Bank means Alliance & Leicester;

Issuer Cash Management Agreement means the cash management agreement dated on or about the Initial Closing Date between, amongst others, the Issuer, the Issuer Cash Manager and the Issuer Security Trustee (as the same may be amended, restated, supplemented, replaced or novated from time to time);

Issuer Cash Manager means Alliance & Leicester acting pursuant to the Issuer Cash Management Agreement as agent for the Issuer and the Issuer Security Trustee, to manage all cash transactions and maintain certain ledgers on behalf of the Issuer;

Issuer Corporate Services Agreement means the agreement dated on or about the Initial Closing Date and made between, amongst others, the Issuer Corporate Services Provider, the Issuer, Holdings and the Issuer Security Trustee for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, supplemented, replaced or novated from time to time);

Issuer Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

Issuer Deed of Charge means the deed of charge entered into on or about the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee under which the Issuer charges the Issuer Security in favour of the Issuer Security Trustee for the benefit of the Issuer Secured Creditors (as the same may be amended and/or supplemented from time to time);

Issuer Secured Creditors means the Issuer Security Trustee, the Noteholders, the Issuer Swap Providers, the Note Trustee, the Issuer Account Bank, the Paying Agents, the Registrar, the Transfer Agent, the Agent Bank, the Issuer Corporate Services Provider, the Issuer Cash Manager and any new creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

Issuer Security means the security granted by the Issuer under the Issuer Deed of Charge in favour of the Issuer Secured Creditors;

Issuer Security Trustee means Law Debenture Trust Company of New York, acting through its offices at 767 Third Avenue - 31st Floor, New York, New York 10017, United States of

SCHEDULE 3 - Definitions

America or such other person or companies as may from time to time be appointed as Issuer Security Trustee (or co-trustee) pursuant to the terms of the Issuer Deed of Charge;

Jersey Share Trustee means Mourant & Co. Trustees Limited of 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands;

Lender Interest-Only Policy means a block buildings policy in the name of the Seller relating to the Properties where the relevant Borrower has been unable to effect his own buildings insurance and written by Zurich Insurance Company;

LIBOR means the London inter-bank offered rate for deposits in the relevant currency;

Loan means each loan referenced by its loan identifier number (as specified in **Appendix 1** to the Mortgage Sale Agreement or the Schedule to any New Portfolio Notice and, for the avoidance of doubt, including any such loan subject of the CCA Mortgages Trust or any Scottish CCA Mortgages Trust) and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Terms by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

Loan Tranches means Funding 1 Loan Tranches together with Further Loan Tranches (if any) and New Loan Tranches (if any);

Loan Tranche Supplement means in relation to any Loan Tranche, the document in substantially the form set out in **Schedule 3** to the Intercompany Loan Agreement between, amongst others, Funding 1 and the Issuer recording the principal terms of such Loan Tranche, and in relation to any New Loan Tranche made available to Funding 1 and/or a Further Funding Company, the document between, amongst others, Funding 1, the relevant Further Funding Company and the New Issuer recording the principal terms of such New Loan Tranche;

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

Losses means all realised losses on the Loans in the Portfolio;

Master Definitions and Construction Schedule means the master definitions and construction schedule signed by the parties to the Transaction Documents and dated on or about 28 November 2006, as the same may be amended, restated and supplemented from time to time;

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

SCHEDULE 3 - Definitions

Money Market Notes means a Series and Class of Rule 144A Notes issued by the Issuer and designated as money market notes in the applicable Final Terms;

Monthly Interest Payment Date means, in respect of any Monthly Payment Notes, the monthly dates specified in the applicable Final Terms for the payment of interest and/or principal, subject, in each case, to the appropriate Business Day Convention if any, specified in the applicable Final Terms;

Monthly Payment means the amount (including interest and principal) which the relevant Mortgage Terms require a Borrower to pay on each Monthly Payment Day in respect of that Borrower's Loan;

Monthly Payment Day or **Monthly Payment Date** means the date on which interest (and principal in relation to a repayment mortgage) is due to be paid by a Borrower on a Loan or, if any such day is not a London Business Day, the next following London Business Day;

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

Moody's means Moody's Investors Service Limited and includes any successor to its rating business;

Mortgage means a first fixed charge by way of legal mortgage (in relation to English Loans and Northern Irish Loans) or a first ranking standard security (in relation to Scottish Loans) sold by the Seller to the Mortgages Trustee pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan or Loans;

Mortgage Account means a Loan secured on a Property forming a single mortgage account;

Mortgage Conditions or **Loan Conditions** means the terms and conditions applicable to a Loan as contained in the Standard Documentation provided to Borrowers from time to time;

Mortgage Sale Agreement means the mortgage sale agreement dated the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of the Initial Portfolio and the sale of any New Portfolio to the Mortgages Trustee from time to time, as amended and restated from time to time;

Mortgage Terms means all the terms and conditions applicable to a Loan, including without limitation the applicable Mortgage Conditions and Offer Conditions;

Mortgage Transfer Service means the service offered by the Seller which allows remortgages of properties to be completed under an expedited procedure, whereby Loans are advanced to Borrowers as a means to discharge a pre-existing first fixed charge or first ranking standard security (as applicable) over residential property and to replace such pre-existing first fixed charge or first ranking standard security (as applicable) with a Mortgage and where a full conveyancing service is not undertaken by solicitors acting on behalf of the

SCHEDULE 3 - Definitions

Seller but instead a truncated conveyancing process is undertaken and a Title Insurance Policy taken out in relation to the relevant Loan;

Mortgages Trust means the bare trust of the Trust Property as to both capital and income held by the Mortgages Trustee on trust absolutely for Funding 1 (as to the Funding 1 Share) for each Further Funding Company (as to its respective Further Funding Company Share), and the Seller (as to the Seller Share) pursuant to the terms of the Mortgages Trust Deed as may be supplemented, amended, restated and/or novated from time to time;

Mortgages Trust Deed means the mortgages trust deed entered into on the Initial Closing Date between the Mortgages Trustee, the Funding Companies, the Seller and the Jersey Share Trustee on the 28 November, 2006, as amended and restated from time to time;

Mortgages Trustee means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands;

Mortgages Trustee Account Bank means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as at the Initial Closing Date, Alliance & Leicester acting through its offices at Carlton Park, Narborough, Leicester LE19 0AL and, thereafter, such other replacement account bank as the Mortgages Trustee may choose with the prior written approval of the Funding Security Trustees and the prior written consent of the Beneficiaries in accordance with the Mortgages Trustee Bank Account Agreement);

Mortgages Trustee Bank Account Agreement means the agreement entered into on the Initial Closing Date between the Mortgages Trustee Account Bank, the Mortgages Trustee, the Cash Manager, Funding 1 and the Funding 1 Security Trustee which governs the operations of the Mortgages Trustee GIC Account (as the same may be amended and/or supplemented from time to time);

Mortgages Trustee Corporate Services Agreement means the agreement dated 28 November 2006 and made between the Mortgages Trustee Corporate Services Provider, the Mortgages Trustee, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee;

Mortgages Trustee Corporate Services Provider means Mourant & Co. Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

Mortgages Trustee GIC Account means the account in the name of the Mortgages Trustee (sort code 72-01-00) maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place with the prior consent of the Funding 1 Security Trustee which is subject to a guaranteed rate of interest;

SCHEDULE 3 - Definitions

New Closing Date means the date of any new issue of New Notes by the Issuer or any New Issuer as the case may be;

New Funding 1 Secured Creditor means such other creditor of Funding 1 who accedes to the Funding 1 Deed of Charge from time to time including pursuant to a Deed of Accession;

New Funding 1 Start-up Loan Provider means an entity who shall supply a new Funding 1 Start-up Loan to Funding 1 from time to time;

New Intercompany Loan means a loan of the proceeds of any issue of New Notes by a New Issuer after the Initial Closing Date, such loan being advanced to Funding 1 and/or any Further Funding Company by a New Issuer pursuant to the terms of a New Intercompany Loan Agreement using new proceeds of New Notes issued by that New Issuer;

New Intercompany Loan Agreement means the intercompany loan agreement and the Loan Tranche Supplement entered into on a Closing Date between, *inter alios*, a New Issuer, Funding 1 and the Funding 1 Security Trustee (as the same may be amended and/or supplemented from time to time);

New Issuer means any company other than the Issuer, which is established after the Initial Closing Date to make a New Intercompany Loan to issue New Notes where all or part of the proceeds of the issue of New Notes will be on – lent to Funding 1 and/or a Further Funding Company;

New Loan Tranche means an advance of funds by the Issuer or a New Issuer (as the case may be) to Funding 1 or any Further Funding Company under the terms of a New Intercompany Loan Agreement, which advance is funded by a corresponding class of New Notes;

New Loans means Loans, other than the Initial Loans, which the Seller may from time to time after the Initial Closing Date sell to or hold on trust for the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

New Notes means any notes (other than the Issuer Notes) issued by the Issuer and any notes of any New Issuer (as applicable);

New Portfolio means in each case the portfolio of Loans and their Related Security (other than any Loans and their Related Security which have been redeemed in full prior to the Sale Date or which do not otherwise comply with the terms of **clause 4** of the Mortgage Sale Agreement as at the Sale Date but, for the avoidance of doubt, including any relevant CCA Mortgages), particulars of which are set out in the relevant New Portfolio Notice or in a document stored upon electronic media (including, but not limited to, a CD-ROM), and all right, title, interest and benefit of the Seller in and to:

- (a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or

SCHEDULE 3 - Definitions

to become due in respect of such Loans and their Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms;

- (b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, Deeds of Postponement, MH/CP Documentation and all third party guarantees and any other collateral security for the repayment of the relevant New Loans secured by the relevant new Mortgages;
- (c) the right to exercise all the powers of the Seller in relation thereto;
- (d) all the estate and interest in the relevant Properties vested in the Seller;
- (e) each relevant Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Loan or part thereof;
- (f) all rights, titles and interests of the Seller (both present and future) (including, without limitation the proceeds of all claims to which the Seller is entitled) under the Insurance Policies; and
- (g) all proceeds from the enforcement of such Loans and their Related Security;

New Portfolio Notice means a notice in the form set out in **schedule 10** to the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement;

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

Northern Irish Loan means a Loan secured by a Northern Irish Mortgage;

Northern Irish Mortgage means a Mortgage secured over a Property in Northern Ireland;

Note Acceleration Notice means, in relation to the Issuer or any New Issuer (as the case may be), a Note Acceleration Notice served by the relevant Note Trustee following a Note Event of Default in relation to the Notes issued by the Issuer or that New Issuer pursuant to the applicable Terms and Conditions thereof;

Note Event of Default has the meaning given to that term in **Condition 9** of the Notes;

SCHEDULE 3 - Definitions

Note Trust Deed means the trust deed entered into on or about the Initial Closing Date between the Issuer and the Note Trustee constituting the Notes (as the same may be amended and/or supplemented from time to time);

Note Trustee means Law Debenture Trust Company of New York, acting through its offices at 767 Third Avenue - 31st Floor, New York, New York 10017, United States of America or such other person or companies as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to, in the case of the Issuer, the note trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee and, in relation to New Issuers, the relevant note trust deeds to be entered into on New Closing Dates;

Noteholders means the holders for the time being of the Notes;

Notes means the Issuer Notes and any New Notes;

Offer Conditions means the terms and conditions applicable to a specific Loan as set out in the relevant offer of advance to the Borrower;

Outstanding Principal Balance means, in relation to a Loan at any date (the **determination date**), the aggregate principal balance of the Loan at such date (but avoiding double counting) including:

- (a) the original principal amount advanced by the Seller to the relevant Borrower;
- (b) any increase in the principal amount due under the Loans due to the Borrower making Cash Withdrawals, a Borrower taking Payment Holidays or making Underpayments or a Further Advance being made available to a Borrower; and

in each case relating to such Loan less any prepayment (including any decrease in the principal amount due under that Loan due to the Borrower making Overpayments), repayment or payment of the foregoing made on or prior to the determination date;

Overpayment means a payment by a Borrower in an amount greater than the Monthly Payment then due on the Loan;

Pass-Through Trigger Event means:

- (a) a Trigger Event occurs;
- (b) a Note Acceleration Notice is served by the Note Trustee on the Issuer; or
- (c) an Intercompany Loan Acceleration Notice is served by the Issuer on Funding 1;

Paying Agent and Agent Bank Agreement means the paying agent and agent bank agreement entered into on or about the Initial Closing Date between the Issuer, the Principal Paying Agent, the Agent Bank, the US Paying Agent, the Registrar, the Transfer Agent, the Note Trustee and the Issuer Security Trustee which sets out the appointment of the Paying

SCHEDULE 3 - Definitions

Agents, the Registrar, the Transfer Agent and the Agent Bank for the Notes (as the same may be amended, restated, supplemented, replaced or novated from time to time);

Paying Agents means the Principal Paying Agent and the US Paying Agent;

Payment Holiday means the period of time that a Borrower refrains from making payments of interest and principal under a Loan without penalty;

PECOH Corporate Services Agreement means the agreement dated the Initial Closing Date between the PECO Corporate Services Provider, Funding 1, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended and/or supplemented from time to time);

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post-Enforcement Call Option Holder under the PECO Corporate Services Agreement;

Permitted Product Switch means a variation in the financial terms and conditions of a Loan in which a Borrower exchanges its then current Loan product for a different Loan product offered by the Seller, provided that:

- (a) the relevant Borrower has made at least one monthly payment on its then current Loan product; and
- (b) the new Loan for which the prior Loan is to be exchanged is a Permitted Replacement Loan; and
- (c) the conditions in **clause 4.2** of the Mortgage Sale Agreement (other than conditions (e) and (h)) are satisfied, provided that conditions (i), (j) and (l) in that clause will only be required to have been satisfied on the date of the most recent assignment of Loans to the Mortgages Trustee); and
- (d) the Interest-Only Mortgages Level Test is satisfied if, as calculated on the most recent trust calculation date: $A/B \times 100 \leq C$

where

A = the Current Balance of all interest-only Loans (which, for the avoidance of doubt includes interest-only components of part-and-part Loans) in the mortgages pool as at the relevant Trust Calculation Date;

B = the Current Balance of all Loans comprising the Trust Property as at the relevant Trust Calculation Date; and

C = the number specified in the most recent Final Terms;

SCHEDULE 3 - Definitions

Permitted Replacement Loan means a Loan:

- (a) that is either a Fixed Rate Loan, a Variable Rate Loan or a Base Rate-Linked Rate Loan;
- (b) that has a maturity date prior to October 2052; and
- (c) to which the purchase obligations of the Seller under **clause 8.3** of the Mortgage Sale Agreement shall not apply.

Post-Enforcement Call Option Holder or PECO means Fosse PECO Limited (registered number 5925699), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Portfolio means at any time the Loans and their Related Security sold to or held on trust for the Mortgages Trustee on trust for the Beneficiaries;

Principal Paying Agent means Citibank, N.A. acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as principal paying agent in the United Kingdom pursuant to the Paying Agent and Agent Bank Agreement;

Principal Receipts means all principal amounts received from Borrowers in respect of the Loans or otherwise paid or recovered in respect of the Loans and their Related Security representing monthly repayments of principal, prepayments or overpayments of principal, redemption proceeds and amounts recovered on enforcement representing principal and prepayments on the Loans (but excluding principal received or treated as received in respect of a Loan subsequent of enforcement procedures and certain Early Repayment Charges) and amounts received on repurchase or release from the CCA Mortgages Trust of the Loans equal to their Outstanding Principal Balance;

Product Switch means a variation to the financial terms or conditions included in the Mortgage Terms applicable to a Loan other than any variation:

- (a) involving a Permitted Product Switch;
- (b) agreed with a Borrower to control or manage arrears on a Loan;
- (c) of the maturity date of a Loan unless, while any Intercompany Loan is outstanding, it is extended beyond October 2052;
- (d) imposed by statute;
- (e) of the rate of interest payable in respect of the loan where that rate is offered to the Borrowers of more than 10 per cent. by Current Balance of Loans in the Trust Property as calculated on the next Trust Calculation Date as at the end of the immediately preceding Trust Calculation Period; and/or

SCHEDULE 3 - Definitions

in the frequency with which the interest payable in respect of the Loan is charged;

Programme means the programme of issuance of Notes by the Issuer and any New Issuers, where all or part of the proceeds of the issue of Notes will be on-lent to Funding 1 under the Intercompany Loan Agreement and any New Intercompany Loans;

Property means a freehold, heritable, leasehold or common hold property (or in Scotland a property held under a long lease) which is subject to a Mortgage;

Properties in Possession Cover means the properties in possession cover written by Zurich Insurance Company (policy number 12/006419/41048361) for Loans originated by the Seller and any endorsements or extensions thereto as issued from time to time, or any such similar alternative or replacement properties in possession policy or policies as may be effected from time to time to cover the Seller in respect of Loans and their Related Security, such other properties in possession policy or policies to provide such level of cover as would be acceptable to a Reasonable, Prudent Mortgage Lender at the date of such other policy or policies;

Provisional Portfolio means the portfolio of Loans and their Related Security, particulars of which are set out in **Appendix 1** to the Mortgage Sale Agreement or in a document stored upon electronic media (including, but not limited to, a CD-ROM), and all right, title, interest and benefit of the Seller in and to:

- (a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Loans and Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms;
- (b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, MH/CP Documentation, Deeds of Postponement, all third party guarantees and any other collateral security for the repayment of the relevant Loans secured by the Mortgages;
- (c) the right to exercise all the powers of the Seller in relation thereto;
- (d) all the estate and interest in the Properties vested in the Seller;
- (e) each Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Loan or part thereof;

SCHEDULE 3 - Definitions

- (f) all rights, title and interests of the Seller (both present and future) (including, without limitation, the proceeds of all claims to which the Seller is entitled) under the Insurance Policies; and
- (g) all proceeds from the enforcement of such Loans and their Related Security;

Qualified Institutional Buyer means a qualified institutional buyer as defined in Rule 144A under the United States Securities Act of 1933, as amended;

Quarterly Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the quarter dates specified in the Final Terms for the payment of interest and/or principal, until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the monthly dates subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Rating Agencies means S&P, Moody's and Fitch and any further or replacement rating agency appointed by the Issuer with the approval of the Note Trustee to give a credit rating to the Notes of any Series and/or Class;

Reasonable, Prudent Mortgage Lender means a reasonably prudent prime residential mortgage lender lending to borrowers in England, Wales, Scotland and Northern Ireland who generally satisfy the lending criteria of traditional sources of residential mortgage capital;

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Funding 1 Charged Property by the Funding 1 Security Trustee pursuant to **clause 13.1** of the Funding 1 Deed of Charge and/or the Issuer Deed of Charge;

Recipient Funding Company has the meaning given in **clause 8.1(b)** of the Mortgages Trust Deed;

Refinancing Contribution means a Contribution by way of cash payable made by a Beneficiary to the Mortgages Trustee pursuant to clause 8.1 of the Mortgages Trust Deed;

Refinancing Distribution means amounts held by the Mortgages Trustee on any date in respect of any Refinancing Contribution paid by a Beneficiary to the Mortgages Trustee which will be allocated and paid by the Mortgages Trustee to the Recipient Funding Company pursuant to clause 8 of the Mortgages Trust Deed;

Registrar means Citibank, N.A. acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as the registrar appointed by the Issuer under the Paying Agent and Agent Bank Agreement to record the holders of Notes;

Related Security means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Portfolio sold to or held on trust for the Mortgage Trustee pursuant to **clause 2.1** or **clause 4.1** of the Mortgage Sale Agreement including (without limitation):

SCHEDULE 3 - Definitions

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent, Deeds of Postponement and MH/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (b) each right of action of the Seller against any person (including, without limitation, any Valuer, licensed or qualified conveyancer, solicitor and any registrar or registry) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, returns of premium and proceeds of claims under) Insurance Policies (including the Buildings Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Customer Files;

Revenue Receipts means each payment received by the Mortgages Trustee in respect of any Loan, whether as all or part of a Monthly Payment in respect of such Loan, on redemption (including partial redemption) of such Loan, on enforcement of such Loan (including the proceeds of sale of such Loan), on the disposal of such Loan or on the repurchase or release from the CCA Mortgages Trust of such Loan or otherwise (including payments pursuant to any Insurance Policy) which in any such case is not a Principal Receipt in respect of such Loan or a Third Party Amount;

Rule 144A Notes means each Series and Class of Notes which are offered and sold in the United States only to Qualified Institutional Buyers;

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

Sale Date means the date on which any New Portfolio is sold to or becomes subject of a trust for the Mortgages Trustee in accordance with **clause 4** of the Mortgage Sale Agreement;

Scottish CCA Mortgages Trust means each declaration of trust entered in to by the Seller in favour of the Mortgages Trustee in relation to the Scottish Loans which are CCA Mortgages and their Related Security, pursuant to **clause 2.5** of the Mortgage Sale Agreement substantially in the form set out in **schedule 19** thereto;

Scottish Declaration of Trust means each declaration of trust entered into among the Seller, the Mortgages Trustee and the Funding Companies pursuant to **clauses 3.1** or **4.8** of the Mortgage Sale Agreement substantially in the form set out in **schedule 13** to the Mortgage Sale Agreement transferring the beneficial interest in Scottish Loans and their Related Security to the Mortgages Trustee;

SCHEDULE 3 - Definitions

Scottish Loan means a Loan which is secured by a Scottish Mortgage;

Scottish Mortgage means a Mortgage secured over a Property in Scotland;

Scottish Trust Property means the aggregate of all Scottish Trust Property as defined in each relevant Scottish Declaration of Trust;

Security Interest or Encumbrance means any mortgage, sub mortgage, standard security, charge, sub charge, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law) assignation in security or other encumbrance or security interest howsoever created or arising;

Seller means Alliance & Leicester plc;

Seller Contribution means a Contribution by way of cash payable, pursuant to **clause 6.2** of the Mortgages Trust Deed, by the Seller to the Mortgages Trustee;

Seller Share means, only in respect of the period prior to the first Trust Calculation Date, the Initial Seller Share and thereafter means the amount as determined in accordance with **clauses 11.8 and 11.9** of the Mortgages Trust Deed;

Seller Power of Attorney means the power of attorney granted by the Seller in favour of Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee on the Initial Closing Date, substantially in the form set out in **schedule 5** to the Mortgage Sale Agreement;

Series means all Classes of Notes issued on a given day and any Class of Notes issued on any other day which: (a) is expressed to be consolidated; and (b) is identical in all respects (including as to listing) except for Closing Date, Interest Payment Date and issue price with any Class of Notes issued on such given day;

Series and Class means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

Servicer means Alliance & Leicester, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

Servicing Agreement means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be further amended and/or supplemented from time to time);

Special Distribution means amounts held by the Mortgages Trustee on any date in respect of any Further Contribution (other than a Refinancing Contribution) paid by any Funding Company to the Mortgages Trustee on that date which will be allocated and paid by the

SCHEDULE 3 - Definitions

Mortgages Trustee to the Seller as a distribution pursuant to **clause 5.1** of the Mortgages Trust Deed;

Standard Documentation means the standard documentation, a list of which is set out in **Appendix 2** to the Mortgage Sale Agreement and copies of which have been initialled on behalf of the parties thereto for the purposes of identification, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender;

Sterling or **pounds sterling** denotes the lawful currency for the time being of the United Kingdom

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express (TARGET) system is open;

Terms and Conditions or **Conditions** means the terms and conditions to be endorsed on the Notes in or substantially in the form set out in the **schedule 5** to the Note Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Note Trust Deed and any reference to a numbered Condition shall be construed accordingly;

Third Party Amounts includes:

- (a) amounts under a direct debit which are repaid to the bank making the payment if such a bank is unable to recoup that amount itself from the customer's account;
- (b) payments by Borrowers of any fees and other charges which are due to the Seller (including payments of insurance premiums, if any, due to the Seller in respect of any Seller arranged insurance policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Loan, which is not repurchased by the Seller, to reimburse the Seller)); or

recoveries in respect of amounts deducted from Loans as described in paragraphs (i) to (iv) of clause 11.6(a) of the Mortgages Trust Deed, which will belong to and be paid to the Funding Companies and/or the Seller as described therein;

Title Insurance Policy means a title insurance policy with First Title Insurance PLC (company registration number 01112603) and referenced HLPP(E&W)8/01, HLPPSCOT8/01 or HLPPNI01/05;

Transfer Agent means Citibank, N.A. acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as the transfer agent appointed by the Issuer under the Paying Agent and Agent Bank Agreement to administer the transfer of Notes;

Transaction Documents means the Funding 1 Agreements, the Issuer Transaction Documents, any documents and agreements to which any Further Funding Company is a

SCHEDULE 3 - Definitions

party, any documents and agreements to which any New Issuer is a party, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement and all other documents and agreements referred to therein;

Trust Calculation Date has the meaning given in **clause 11.1** of the Mortgages Trust Deed;

Trust Property means:

- (a) the sum of £100 settled by the Jersey Share Trustee on trust on the date of the Mortgages Trust Deed;
- (b) the portfolio of Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller at their relevant Sale Dates;
- (c) any New Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller after the Initial Closing Date;
- (d) any increase in the Outstanding Principal Balance of a Loan due to Borrowers making Underpayments or taking Payment Holidays under a Loan or a Borrower making a drawing under any Flexible Loan or the Seller making a Further Advance under a Loan or due to any Capitalised Arrears;
- (e) any Revenue Receipts and Principal Receipts on the Loans in the Portfolio;
- (f) any consideration provided to the Mortgages Trustee in the form of Contributions in accordance with **clause 4** of the Mortgages Trust Deed, until such Contributions have been applied by the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed;
- (g) any other amounts received under or in respect of the Loans and their Related Security on or after the relevant Sale Date (excluding Third Party Amounts), including any amounts received under the CCA Mortgages Trust and any Scottish CCA Mortgages Trust prior to notice being given by the Mortgages Trustee to the Seller under **clause 2.7** of the Mortgages Sale Agreement, the proceeds of any sale of the Loans and their Related Security or release from the CCA Mortgages Trust and any Scottish CCA Mortgages Trust and any other proceeds of sale of any other Trust Property;
- (h) any Authorised Investments made by or on behalf of the Mortgages Trustee;
- (i) rights under the insurance policies that are assigned to the Mortgages Trustee or which the Mortgages Trustee has the benefit of; and
- (j) amounts on deposit (and interest earned on those amounts) in the Mortgages Trustee GIC Account;

SCHEDULE 3 - Definitions

less

- (k) any actual Losses in relation to Loans and any actual reductions (and for the avoidance of doubt, not deemed reductions) occurring in respect of the Outstanding Principal Balance of the Loans in the circumstances set out in **clause 11.2(a)** of the Mortgages Trust Deed;
- (l) distributions of Revenue Receipts and Principal Receipts made from time to time to the Beneficiaries of the Mortgages Trust Deed; and
- (m) Refinancing Distributions and/or Special Distributions made from time to time to the Beneficiaries;

Underpayment means a payment made by a Borrower in an amount less than the Monthly Payment then due on the Loan being a sum not exceeding the aggregate of any previous Overpayments;

US Paying Agent means Citigroup, N.A. acting through its branch at 14th Floor, 388 Greenwich Street, New York, New York 10013, as paying agent in the United States of America;

Valuation Report means the valuation report or reports for mortgage purposes, in the form of the pro-forma contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable Prudent Mortgage Lender and which has been approved by the relevant officers of the Seller;

Valuer means an Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of Valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers employed in-house by the Seller acting for the Seller in respect of the valuation of a Property;

Variable Rate means the rate of interest that applies to the Variable Rate Loans in the Portfolio as set, other than in limited circumstances, by the Servicer;

Variable Rate Loans means those Loans to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may at any time be varied in accordance with a specified variable mortgage rate by the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude Loans during the period that they are Fixed Rate Loans);

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 05925696

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A THE FUNDING 1 DEED OF CHARGE DATED THE 28th NOVEMBER 2006 AND CREATED BY FOSSE FUNDING (NO.1) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE FUNDING 1 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 15th DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 20th DECEMBER 2006.

Handwritten signature



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —