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COMPANIES FORM No. 395

207587113

Particulars of a mortgage or charge

395

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

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[][][][][][]

06382146

Name of company

* Bracken Securities PLC, a public limited company incorporated in England and Wales, whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London, EC3A 6AP (the Issuer)

Date of creation of the charge

11 October 2007

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

A deed of charge dated 11 October 2007 and entered into between the Issuer, the Security Trustee (as defined below) and each other party as listed in Schedule 1 attached hereto (the Deed of Charge)

Amount secured by the mortgage or charge

All monies and liabilities whatsoever which now are or at any time hereafter may (whether before or after demand) become due and payable to the Security Trustee (whether for its own account or as trustee for the Secured Creditors) or any of the other Secured Creditors by the Issuer, whether actually or contingently, under the Deed of Charge or any other Transaction Document (the Secured Obligations)

ON ANY ACC + ID

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

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

Citicorp Trustee Company Limited acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB acting in its capacity as the Security Trustee for the Secured Creditors (as defined in Schedule 3 attached hereto)

Postcode E14 5LB

Presentor's name address and
reference (if any)

MURTAZA VIRANI

Allen & Overy LLP

40 Bank Street

Canary Wharf

London, E14 5DU

16581-00392 ICM 5507095

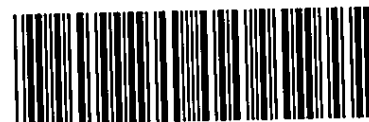
Time critical reference

For official Use (06/2005)

Mortgage Section

Post room

FRIDAY



LXPW9U4A

LD6

26/10/2007

322

COMPANIES HOUSE

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 & Owy LLP

Date 26/10/07

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

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

† delete as
appropriate

Notes

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

Bracken Securities PLC

Schedule 1

SCHEDULE 1 – Parties to the Deed of Charge

- (1) **BRACKEN SECURITIES PLC** (registered number 06382146), a public limited company incorporated in England and Wales, whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (the **Issuer**),
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as the **Security Trustee** which expression shall include such person and all other persons for the time being acting as the security trustee or security trustees pursuant to this Deed),
- (3) **CITICORP TRUSTEE COMPANY LIMITED**, at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as the **Note Trustee** which expression shall include such person and all other persons for the time being acting as the trustee or trustees for the Noteholders pursuant to the Trust Deed),
- (4) **ALLIANCE & LEICESTER PLC** (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 (in its capacity as seller under the Mortgage Sale Agreement, the **Seller**),
- (5) **ALLIANCE & LEICESTER PLC** (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 (in its capacity as administrator under the Administration Agreement, the **Administrator**, which expression shall include such person and all other persons for the time being acting as administrator pursuant to the Administration Agreement),
- (6) **ALLIANCE & LEICESTER PLC** (registered number 03263713, a public limited company incorporated under the laws of England and Wales, acting through its office at Carlton Park, Narborough, Leicester LE19 0AL (in its capacity as cash manager under the Cash Management Agreement, the **Cash Manager**, which expression shall include such person and all other persons for the time being acting as cash manager pursuant to the Cash Management Agreement),
- (7) **ALLIANCE & LEICESTER PLC** (registered number 03263713), a public limited company incorporated under the laws of England and Wales, acting through its office at Carlton Park, Narborough, Leicester LE19 0AL (in its capacity as the **Account Bank**, which expression shall include such person and all other persons for the time being acting as the account bank pursuant to the Bank Account Agreement),
- (8) **ALLIANCE & LEICESTER PLC** (registered number 03263713), a public limited company incorporated under the laws of England and Wales, acting through its office at Carlton Park, Narborough, Leicester LE19 0AL (in its capacity as the **Subordinated Loan Provider**, which expression shall include such person and all other persons for the time being acting as the subordinated loan provider pursuant to the Subordinated Loan Agreement),
- (9) **ALLIANCE & LEICESTER PLC** (registered number 03263713), a public limited company incorporated under the laws of England and Wales, acting through its office at Carlton Park, Narborough, Leicester LE19 0AL (in its capacity as the **Secretarial Services Provider**, which

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expression shall include such person and all other persons for the time being acting as the secretarial services provider pursuant to the Secretarial Services Agreement),

- (10) **ALLIANCE & LEICESTER PLC** (registered number 03263713), a public limited company incorporated under the laws of England and Wales, acting through its office at Carlton Park, Narborough, Leicester LE19 0AL (in its capacity as the **Liquidity Facility Provider**, which expression shall include such person and all other persons for the time being acting as the liquidity facility provider pursuant to the Liquidity Facility Agreement),
- (11) **ALLIANCE & LEICESTER PLC** (registered number 03263713), a public limited company incorporated under the laws of England and Wales, acting through its office at Carlton Park, Narborough, Leicester LE19 0AL in its capacity as the swap counterparty under the Swap Agreement (the **Swap Provider**),
- (12) **CITIBANK, N.A., LONDON BRANCH**, a New York banking corporation acting out of its London branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as the **Principal Paying Agent** which expression shall include such person and all other persons for the time being acting as principal paying agent pursuant to the Agency Agreement),
- (13) **CITIBANK, N.A., LONDON BRANCH**, a New York banking corporation acting out of its London branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the **Agent Bank** which expression shall include such person and all other persons for the time being acting as agent bank for the time being pursuant to the Agency Agreement),
- (14) **CITIBANK, N.A., LONDON BRANCH**, a New York banking corporation acting out of its London branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the **Registrar** which expression shall include such person and all other persons for the time being acting as registrar for the time being pursuant to the Agency Agreement), and
- (15) **BRACKEN SECURITIES OPTION LIMITED** (registered number 06382152), a public limited company incorporated under the laws of England and Wales whose registered address is at c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (**PECOH**), and
- (16) **STRUCTURED FINANCE MANAGEMENT LIMITED** (registered number 03859347), whose business address is at 35 Great St Helens, London EC3A 6AP (the **Corporate Services Provider**, which expression shall include such person and all other persons for the time being acting as the corporate services provider pursuant to the Corporate Services Agreement)

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

1. SECURITY AND DECLARATION OF TRUST

1.1 Contractual Rights

- (a) The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, assigned by way of security (and, to the extent not assigned, charged) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents other than the Deed of Charge and any Scottish Declaration of Trust including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, 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
- (b) The term **all of its rights** as used in **Clause 3.1** 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) (subject, in the case of payments under the Swap Agreement, to Sections 2 and 6 of the Swap Agreement) 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 each case, in respect of the relevant Charged Property

1.2 English Mortgage Loans, Northern Irish Mortgage Loans and Related Security

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, as the registered owner or as the person entitled to be registered as owner or as beneficial owner (as the case may be) and subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, assigned by way of security (and, to the extent not assigned, charged) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the

- (a) English Mortgage Loans and their Related Security and all other related rights under the same including, without limitation, all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the Title Deeds and documents relating to the Properties situated in England and Wales and the English Mortgages in the Portfolio, 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

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with the English Mortgages in the Portfolio (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 Mortgage Loans, and

- (b) Northern Irish Mortgage Loans and their Related Security and all other related rights under the same including, without limitation, all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the Title Deeds and documents relating to the Properties situated in Northern Ireland and the Northern Irish Mortgages in the Portfolio, 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 Northern Irish Mortgages in the Portfolio (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 Northern Irish Loans

1.3 Insurance Policies

The Issuer, by way of first fixed security for the payment and discharge of the Secured Obligations, (or as beneficial owner) and subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, assigned by way of security (and, to the extent not assigned, charged) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Insurance Policies to the extent that such rights, title, interest and benefit in, to and under the Insurance Policies have been sold to the Issuer pursuant to the Mortgage Sale Agreement, and including, without limitation, all amounts which may become payable thereunder and the benefit of all covenants, undertakings and rights relating thereto and all powers and remedies for enforcing the same

1.4 Scottish Sub-Securities

The Issuer, subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, undertook to the Security Trustee and bound and obliged itself

- (a) upon the delivery to it of any Scottish Transfer from the Seller pursuant to Clause 7 2(c) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub-Security substantially in the applicable form or forms set out in **Schedule 3** (Form of Scottish Sub-Security (Land Register)) or **Schedule 4** (Form of Scottish Sub-Security (Sasine Register)) of 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 Mortgage Loans secured thereby) to which the Issuer is entitled in terms of such Scottish Transfer,
- (b) at the time of delivery of any Scottish Sub-Security in accordance with the provisions of **Clause 3.4** of the Deed of Charge simultaneously to deliver to the Security Trustee the relevant SLR Scottish Transfer pertaining to the Scottish Mortgages specified in the said Scottish Sub-Security,
- (c) to use all reasonable endeavours and to take all such steps, in accordance with the provisions of and at the times specified in the Mortgage Sale Agreement, as are necessary to perfect

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legal title to the Scottish Mortgage Loans and their Related Security, including without limitation the registration or recording of the Issuer as heritable creditor of the relevant Scottish Mortgages at the Land Register of Scotland or the General Register of Sasines and intimation thereof to the relevant Borrowers, and

- (d) in the event of the delivery of any Scottish Sub-Security in accordance with the provisions of **Clause 3.4** of the Deed of Charge, to use all reasonable endeavours and to take all such steps as are necessary to execute and deliver such documents, and in such form, and to take such other steps as shall be necessary to perfect a first ranking fixed security over the other Related Security pertaining to the Scottish Mortgages specified in such Scottish Sub-Security and all sums secured thereby

1.5 Scottish Trust Security

- (a) The Issuer, as holder of the beneficial interest therein and subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, assigned to and in favour of the Security Trustee in security for the payment or discharge of the Secured Obligations the Issuer's whole right, title and interest, present and future, in and to the whole of the Scottish Trust Property as defined in the Initial Scottish Declaration of Trust made in favour of the Issuer in terms of Clause 3 1(a)(iv) of the Mortgage Sale Agreement and in and to the Initial Scottish Declaration of Trust, surrogating and substituting the Security Trustee in its full right and place therein and thereto
- (b) The Issuer intimated to the Seller as trustee under the Initial Scottish Declaration of Trust the assignation in security made in terms of **Clause 3.5(a)** of the Deed of Charge and the Seller by its execution of the Deed of Charge immediately subsequent to the execution hereof by the Issuer consented to such assignation and acknowledged such intimation thereof and confirmed that as at the date thereof it has not received any intimation of any other dealing with the relevant Scottish Trust Property or any part thereof
- (c) The Issuer undertook forthwith upon the execution and delivery after the date of the Deed of Charge of each and every further Scottish Declaration of Trust pursuant to Clauses 4 6 or 5 7 of the Mortgage Sale Agreement, to execute and deliver to the Security Trustee a Scottish Supplemental Charge substantially in the form set out in **Schedule 5** (Form of Scottish Supplemental Charge) to the Deed of Charge. The other parties to the Deed of Charge consented to the entering into from time to time of such Scottish Supplemental Charges and the Security Trustee authorised and instructed the Issuer to intimate and give notice to the relevant Seller of the assignation in security made thereunder as provided therein
- (d) The Seller undertook to execute each such Scottish Supplemental Charge to which it is a party as trustee under each Scottish Declaration of Trust granted by it
- (e) The Issuer undertook to the Security Trustee at the time of delivery of any Scottish Supplemental Charge under the terms of **Clause 3.5(c)** of the Deed of Charge simultaneously to deliver to the Security Trustee each Scottish Declaration of Trust specified therein

1.6 Bank Accounts

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, charged in favour of the Security Trustee all of its rights, title, interest and benefit, present and future, in and to all moneys now or at any time hereafter standing to the credit of the Bank Accounts, together with all interest accruing from time to time thereon and the debt represented thereby

1.7 Authorised Investments

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, charged in favour of the Security Trustee all of its rights, title, interest and benefit, present and future, in and to such Authorised Investments to be made from time to time by or on behalf of the Issuer using moneys standing to the credit of the Bank Accounts and all moneys, income and proceeds payable thereunder or accrued thereon and the benefit of all covenants relating thereto and all rights and remedies for enforcing the same

1.8 Floating Charge

The Issuer, by way of security for the payment or discharge of the Secured Obligations, subject to **Clause 4** (Release of Charged Property) of the Deed of Charge, charged to the Security Trustee by way of first floating charge the whole of its undertaking and all its property and assets whatsoever and wheresoever, present and future, including without limitation its uncalled capital, other than any property or assets from time to time or for the time being subject to **Clauses 3.1** (Contractual Rights) to **3.7** (Authorised Investments) (other than **Clauses 3.4** (Scottish Sub-Securities) and **3.5** (Scottish Trust Security)) of the Deed of Charge or otherwise effectively assigned by way of security or charged by way of fixed security but extending over all of its property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of fixed charges as aforesaid) The floating charge created thereby is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 of the Insolvency Act 1986 and for the purpose of paragraph 15 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 (if appropriate) and accordingly paragraph 14 of Schedule B1 of the Insolvency Act 1986 and paragraph 15 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 (if appropriate) applies to the floating charge

1.9 Full Title Guarantee

Each of the dispositions, assignments of or charges over property effected in or pursuant to **Clauses 3.1** (Contractual Rights) to **3.8** (Floating Charges) (inclusive) of the Deed of Charge is made with full title guarantee or, in relation to Scottish Mortgage Loans and their Related Security, with absolute warrandice or, in relation to Northern Irish Mortgage Loans and their Related Security, as beneficial owner

1.10 Further Acquired Rights

For the avoidance of doubt and subject to **Clauses 3.4** (Scottish Sub-Securities) and **3.5** (Scottish Trust Security) of the Deed of Charge, it was thereby confirmed that reference herein to Mortgage Loans (including English Mortgage Loans, Northern Irish Mortgage Loans and Scottish Mortgage

Loans), their Related Security and related rights under the same include those which are hereafter sold or transferred to or otherwise acquired by the Issuer and that the Security created by or pursuant to **Clause 3.1** (Contractual Rights) to **Clause 3.7** (Authorised Investments) (inclusive) of the Deed of Charge was, and is intended to be, 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 future acquired

1.11 Acknowledgements and Undertakings

Each of the Secured Creditors acknowledged the assignments, charges and other Security Interests made or granted by the provisions of **Clause 3** (Security and Declaration of Trust) of the Deed of Charge and undertook to the Security Trustee not to do anything inconsistent with the Security given under or pursuant to the Deed of Charge or knowingly to prejudice the Security granted to the Security Trustee pursuant to **Clause 3** (Security and Declaration of Trust) of the Deed of Charge or the Charged Property or the Security Trustee's interest therein provided that, without prejudice to **Clause 9** (Receiver) of the Deed of Charge, nothing therein shall be construed as limiting the rights exercisable by the aforesaid parties in accordance with the terms of their respective agreements with the Issuer

1.12 Declaration of Trust

The Security Trustee declared itself trustee of all the covenants, undertakings, charges, assignments, assignations and other Security Interests made or given or to be made or given under or pursuant to the Deed of Charge and the other Transaction Documents to which it is a party for itself and the other Secured Creditors in respect of the Secured Obligations owed to each of them respectively upon and subject to the terms and conditions of the Deed of Charge

1.13 Security Trustee's Discretion

Subject to **Clause 23.5** (Consent of Security Trustee) of the Deed of Charge, the Issuer authorised the Security Trustee, on or at any time after the service of a Note Acceleration Notice, to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies under or in respect of the Transaction Documents referred to in **Clause 3.1** (Contractual Rights) of the Deed of Charge in such manner as in its absolute discretion it shall think fit

1.14 Trust Property

The Issuer 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 CCA Trust Property

2. CRYSTALLISATION

2.1 Notice

In addition and without prejudice to any other event resulting in a crystallisation of the floating charge created by the Deed of Charge or any other right the Security Trustee may have, the Security Trustee may, at any time, if

- (a) any Event of Default is subsisting and has not been waived, or

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- (b) the Security Trustee reasonably believes that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, attachment, diligence, or execution levied or threatened or is otherwise in jeopardy or imperilled or any circumstance shall occur which in the reasonable opinion of the Security Trustee, imperils or will imperil the Security created by or pursuant to the Deed of Charge or the Issuer takes or threatens to take any action that would be prejudicial to the Security or would be inconsistent with the Security created in the Deed of Charge,

by notice in writing to the Issuer (and so far as permitted by applicable law) declare that the floating charge thereby created shall be converted into a first specific fixed charge as to all of the undertaking, property and assets or such of them as may be specified in the notice, and by way of further assurance, the Issuer, at its own expense, shall execute all documents in such form as the Security Trustee shall require and shall deliver to the Security Trustee all conveyances, deeds, certificates and documents which may be necessary to perfect or, in respect of Scottish assets, to create and perfect, such first specific fixed charge or first ranking fixed security

2.2 Automatic Crystallisation

Subject as set out below, in addition and without prejudice to any other event resulting in a crystallisation of the floating charge, the floating charge contained in the Deed of Charge shall (so far as permitted by applicable law) automatically be converted into a fixed charge over all property, assets or undertaking of the Issuer subject to the floating charge, if and when

- (a) upon service of a Note Acceleration Notice on the Issuer,
- (b) the Issuer ceases to carry on all or a substantial part of its business or ceases to be a going concern or thereafter to do any of the foregoing,
- (c) the Issuer stops making payments to its creditors or gives notice to creditors that it intends to stop payment,
- (d) the holder of any other Encumbrance in relation to the Issuer, whether ranking in priority to or *pari passu* with or after the charges contained in the Deed of Charge, appoints a Receiver, or
- (e) any floating charge granted by the Issuer to any other person (whether permitted by the Transaction Documents or not) crystallises for any reason whatsoever

The floating charge created by **Clause 3.8 (Floating Charge)** of the Deed of Charge may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 or the Insolvency (Northern Ireland) Order 2002 (if appropriate) except with leave of the court

2.3 Failure of Petition for Administration or Winding-up

If any petition for the administration or winding-up of the Issuer or filing of documents with the court for the administration or service of a notice of intention to appoint an administrator in relation to the Issuer is dismissed or withdrawn or a resolution for winding-up the Issuer is not passed by the necessary majority, then without prejudice to any rights exercisable otherwise than in consequence

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of the presentation of such petition or the filing of documents or the service of a notice or resolution and subject to anything done in the meantime in pursuance of the powers given by the Deed of Charge and subject to the provisions contained in the Deed of Charge as to costs charges and expenses incurred and payments made, possession of the Charged Property will be restored to the Issuer, and the Issuer and all persons concerned will be remitted to their original rights provided that the Security Trustee is satisfied that its security position at that time is not materially different to that as at the date of the Deed of Charge

3. POWER OF ATTORNEY

Immediately upon execution of the Deed of Charge, the Issuer executed and delivered to the Security Trustee the power of attorney in or substantially in the form set out in **Schedule 1** (Power of Attorney) of the Deed of Charge. For the avoidance of doubt, the Security Trustee confirmed that it may only exercise the powers conferred under the power of attorney in the circumstances set out in paragraph 1 of the power of attorney

4. OTHER SECURITY, ETC.

4.1 No Merger

The charges or other Security Interests contained in or created pursuant to the Deed of Charge are in addition to, and shall neither be merged in, nor in any way exclude or prejudice any other Encumbrance, right of recourse, set-off or other right whatsoever which the Security Trustee or any Secured Creditor may now or at any time hereafter hold or have (or would apart from the Deed of Charge or any charge contained or created pursuant to the Deed of Charge hold or have) as regards the Issuer or any other person in respect of the Secured Obligations, and neither the Security Trustee nor any Secured Creditor shall be under any obligation to take any steps to call in or to enforce any Security for the Secured Obligations, and shall not be liable to the Issuer for any loss arising from any omission on the part of the Security Trustee or any Secured Creditor to take any such steps or for the manner in which the Security Trustee or any Secured Creditor shall enforce or refrain from enforcing any such Security

4.2 Consolidation

Section 93 of the 1925 Act or Section 17 of the 1881 Act shall not apply in relation to any of the charges contained in the Deed of Charge

4.3 Ruling Off

If the Security Trustee receives notice of any Encumbrance affecting the Charged Property in contravention of the provisions hereof

- (a) the Security Trustee may open a new account in respect of the Issuer and, if it does not, it shall nevertheless be deemed to have done so at the time it received such notice, and
- (b) all payments made by the Issuer to the Security Trustee after the Security Trustee receives such notice shall be credited or deemed to have been credited to the new account, and in no circumstances whatsoever shall operate to reduce the Secured Obligations as at the time the Security Trustee received such notice

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5. AVOIDANCE OF PAYMENTS

5.1 No Release

No assurance, security or payment which may be avoided or adjusted under the law, including under any enactment relating to bankruptcy or insolvency and no release, settlement or discharge given or made by the Security Trustee or any Secured Creditor on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Secured Creditor to recover the Secured Obligations from the Issuer (including any monies which it may be compelled to pay or refund under the provisions of the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 (if appropriate) and any costs payable by it pursuant to or otherwise incurred in connection therewith) or to enforce the charges or other Security contained in the Deed of Charge to the full extent of the Secured Obligations

5.2 Retention of Charges

If the Security Trustee shall have reasonable grounds for believing that the Issuer may be insolvent or deemed to be insolvent pursuant to the provisions of the Insolvency Act 1986 (and production of a solvency certificate of a duly authorised officer of the Issuer shall be *prima facie* evidence of the solvency of the relevant company) at the date of any payment made by the Issuer to the Security Trustee and that as a result, such payment may be capable of being avoided or clawed back, the Security Trustee shall be at liberty to retain the charges or other Security contained in or created pursuant to the Deed of Charge until the expiry of a period of one month plus such statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Security Trustee on, or as a consequence of, such payment or discharge of liability provided that, if at any time within such period, a petition shall be presented to a competent court for an order for the winding up or the making of an administration order or documents shall be filed with the court for the appointment of an administrator or formal notice shall be given of an intention to appoint an administrator in respect of the Issuer or the Issuer shall commence to be wound up or to go into administration or any analogous proceedings shall be commenced by or against the Issuer, the Security Trustee shall be at liberty to continue to retain such security for such further period as the Security Trustee may determine and such security shall be deemed to continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Obligations

6. EXERCISE OF CERTAIN RIGHTS

6.1 No Enforcement by Secured Creditors

Each of the Secured Creditors (other than the Noteholders, and the Note Trustee acting on behalf of the Noteholders who may only take action permitted pursuant to the Trust Deed) agreed with the Issuer and the Security Trustee that

- (a) only the Security Trustee may enforce the Security created in favour of the Security Trustee by or pursuant to the Deed of Charge in accordance with the provisions thereof, and

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- (b) it shall not take any steps for the purpose of recovering any of the Secured Obligations (including, without limitation, by exercise any rights of set off) or enforcing any rights arising out of the Transaction Documents against the Issuer or procuring the winding up, administration (including, for the avoidance of doubt, the filing of documents with the court or the service of a notice of intention to appoint an administrator) or liquidation of the Issuer in respect of any of its liabilities whatsoever,

unless a Note Acceleration Notice shall have been served (which has not been withdrawn) or the Note Trustee, having become bound to serve a Note Acceleration Notice, and/or (for so long as any Notes are outstanding) the Note Trustee having become bound to direct the Security Trustee to take, and (otherwise) the Security Trustee having become bound to take, any steps or proceedings to enforce the said Security pursuant to the Deed of Charge, fails to do so within a reasonable period of time of becoming so bound and that failure is continuing (in which case, each of such Secured Creditors shall be entitled to take any such steps and proceedings as it shall deem necessary other than the presentation of a petition for the winding up of, or for an administration order in respect of, the Issuer or the filing of documents with the court or the service of a notice of intention to appoint an administrator in relation to the Issuer)

6.2 Limited Recourse

- (a) Each of the Secured Creditors (except for the Noteholders, the Liquidity Facility Provider and the Subordinated Loan Provider) agreed that, notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to each such Secured Creditor in respect of the Secured Obligations owing to each such Secured Creditor are limited in recourse as set out below
- (i) in the event of non-payment of any sum due and payable to such Secured Creditor, its only remedy shall be enforcement of the Security in accordance with the provisions of the Deed of Charge and the other Transaction Documents, and
- (ii) in the event that the net proceeds of enforcing and (as fully as practicable and over whatever time period the Security Trustee considers reasonably necessary) realising all the 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 Liability owed to such Secured Creditor, the Issuer's obligation in respect of the unpaid amount shall be automatically extinguished and such Secured Creditor shall have no further claim against the Issuer in respect of such unpaid amount
- (b) The provisions of **Clause 20.2** of the Deed of Charge shall survive the termination of the Deed of Charge

6.3 Discretionary Enforcement

Subject to the provisions of the Deed of Charge, the Security Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action as it may think fit against, or in relation to, the Issuer or any other person to enforce their respective obligations under any of the Transaction Documents. Subject to the provisions of the Deed of Charge, at any time after the Security has become enforceable, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce such Security

6.4 Mandatory Enforcement

- (a) The Security Trustee shall not be bound to take any steps or to institute any proceedings or exercise its rights, powers, discretions, authorities, duties and/or functions including, without limitation, in giving its consent, approval or authorisation to any event, matter or thing requested or making any determination or to take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security constituted by or pursuant to the Deed of Charge if it has become enforceable) unless

- (i) (for so long as any Notes are outstanding) it is directed to do so by the Note Trustee, or
- (ii) (if there are no Notes outstanding) it is directed to do so by all of the other Secured Creditors,

(in each case, the **Instructing Party**), and in all cases, it shall have been indemnified and/or secured to its satisfaction against all liabilities, actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing and the terms of such indemnity may include the provision of a fighting fund, non-recourse loan or other similar arrangement

- (b) Upon being directed in accordance with paragraph (a) above, the Security Trustee will be bound to take such action in the manner instructed by the Instructing Party, provided that the Security Trustee may at all times, whether or not so instructed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or is of a purely administrative nature
- (c) The Security Trustee shall not be liable to any Secured Creditors for any action it may take in accordance with any instructions received pursuant to **Clause 20.4** of the Deed of Charge. The Security Trustee shall be entitled to seek clarification from the relevant Instructing Party with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such relevant Instructing Party and shall not be liable to any person for any loss occasioned thereby

6.5 Disposal of Charged Property

Notwithstanding **Clause 8** (The Security Trustee's Powers) of the Deed of Charge, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Class A Notes (or, if the Class A Notes have been redeemed in full, the Class B Notes or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Notes), the Security Trustee will not be entitled to dispose of any of the Charged Property unless either (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Class A Noteholders and, if all of the Class A Noteholders have been repaid, the Class B Noteholders and, if all of the Class A Noteholders and the Class B Noteholders have been repaid, the Class C Noteholders or (ii) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of

the Issuer, to discharge in full in due course all amounts owing to the Class A Noteholders (or if all of the Class A Noteholders have been repaid, the Class B Noteholders, or if all of the Class A Noteholders and the Class B Noteholders have been repaid, the Class C Noteholders) The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer

7. COVENANTS AND WARRANTIES

7.1 Negative Covenants

So long as any of the Secured Obligations remain outstanding, the Issuer shall not, save to the extent permitted by or provided for in the Transaction Documents or with the prior written consent of the Security Trustee

- (a) create or permit to subsist any mortgage, standard security, assignation, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law) upon the whole or any part of its assets (including any uncalled capital) or its undertaking, present or future,
- (b)
 - (i) carry on any business other than as described in the Information Memorandum relating to the issue of the Notes and the related activities described therein, or
 - (ii) have any subsidiaries or any subsidiary undertakings (as defined in the Companies Act 1985) or any employees (but shall procure that, at all times, it shall retain at least one Independent Director) or premises,
- (c) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein or thereto or agree or attempts or purport to do so,
- (d) pay any dividend or make any other distribution to its shareholder other than out of its after Tax profit and net of any applicable taxes (if any) payable by the Issuer in relation to such dividend or distribution or issue any further shares,
- (e) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person,
- (f) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person,
- (g) permit any of the Transaction Documents to become invalid or ineffective, or the priority of the Security Interests created thereby to be reduced, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Charged Property to be released from its respective obligations,
- (h) have an interest in any bank account other than the Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee,

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- (i) offer to surrender to any company any amounts which are available for surrender by way of group relief within Chapter IV of Part X of the Income and Corporation Taxes Act 1988 except for full payment at the current applicable rate of corporation tax applied to the surrendered amount and payable at the date when corporation tax is due to be paid by the claimant or would be due in the absence of the surrender,
- (j) do any act or thing the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom,
- (k) permit any person other than the Issuer and the Security Trustee to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein,
- (l) purchase or otherwise acquire any Note or Notes (other than pursuant to the Conditions),
- (m) hold any capital assets,
- (n) act as a director of any company, or
- (o) enter into any transactions or arrangements which are not contemplated in the Transaction Documents

SCHEDULE 3 – Definitions

In this Form 395

A&L means Alliance & Leicester plc,

A&L Downgrade Event means if A&L ceases to be assigned a long term unsecured, unsubordinated debt obligation rating from Moody's of at least "Baa2" or from Fitch of at least "BBB",

Account Bank means the bank at which the Bank Accounts are maintained from time to time, being as at the Issue Date, A&L and thereafter such other Authorised Entity as the Issuer may choose with the prior written approval of the Security Trustee,

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,

Additional Account means any account in the name of the Issuer at the Account Bank or any other bank created after the Issue Date established pursuant to and in accordance with the Bank Account Agreement including any Standby Account and/or the Swap Collateral Account(s),

Additional Notes means any Further Notes, New Notes and/or or Replacement Notes,

Administration Agreement means the agreement entered into on or about the Issue Date between the Administrator, the Issuer, the Security Trustee and the Seller pursuant to which the Administrator agrees to administer the Loans and their Related Security in the Portfolio (as the same may be further amended, restated, supplemented, replaced and/or novated from time to time),

Administrator means A&L, or such other person as may from time to time be appointed as administrator of the Portfolio pursuant to the Administration Agreement,

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company,

Agency Agreement means the agency agreement entered into on or about the Issue Date between the Issuer, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee and the Note Trustee which sets out the appointment of the Paying Agents, the Registrar and the Agent Bank for the Notes (as the same may be amended, restated, supplemented, replaced or novated from time to time),

Agent Bank means Citibank, N A , acting out of its London branch, whose address is at, Citigroup Centre, Canada Square, London E14 5LB, acting as Agent Bank under the terms of the Agency Agreement, or such other person as may from time to time be appointed as Agent Bank pursuant to the Agency Agreement,

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

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Authorised Entity means (a) any entity the short term unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least the Requisite Ratings or (b) any other entity approved in writing by the Security Trustee (acting on the instructions of the Note Trustee whilst any Notes remain outstanding) with Rating Agency Confirmation, in each case being an institution authorised to carry on banking business (including accepting deposits) under FSMA 2000,

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 (i) have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date or (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) 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) are rated at least "P-1" by Moody's and "F1+" by Fitch (and "AA-" by Fitch (long-term) if the issuing or guaranteeing entity has a long-term rating),

Available Revenue Receipts means for each Interest Payment Date an amount equal to the aggregate of (without double-counting)

- (a) Revenue Receipts received during the immediately preceding Collection Period,
- (b) interest payable to the Issuer on the Bank Accounts and income from any Authorised Investments in each case received during the immediately preceding Collection Period,
- (c) amounts received by the Issuer under the Swap Agreement (other than (i) any early termination amount received by the Issuer under the Swap Agreement which is to be applied in acquiring a replacement swap and/or cap, (ii) prior to the designation of an early termination date under the Swap Agreement and the resulting application of the collateral by way of netting or set-off, an amount equal to the value of all collateral (other than Excess Swap Collateral) provided by the Swap Provider, as applicable, to the Issuer pursuant to the Swap Agreement and any interest or distributions in respect thereof standing to the credit of the Swap Collateral Account, and (iii) any Replacement Swap Premium but only to the extent applied to pay any termination payment), on such Interest Payment Date,
- (d) the amounts standing to the credit of the General Reserve Fund as at the immediately preceding Collection Period End Date (excluding, until Tranche C of the Subordinated Loan is repaid in full, any General Reserve Fund Excess),
- (e) the amounts (if any) drawn under the Liquidity Facility Agreement (other than amounts standing to the credit of the Standby Account except to the extent that a withdrawal from the Standby Account would be a deemed Liquidity Loan pursuant to **Clause 5.4(b)** of the Liquidity Facility Agreement) on such Interest Payment Date in respect of any Liquidity Shortfall arising in the immediately preceding Collection Period,

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- (f) (in respect of the first Interest Period only) (i) an amount equal to Tranche A of the Subordinated Loan paid by the Swap Provider to the Issuer pursuant to the Swap Agreement and (ii) an amount equal to paragraph (b) of the definition of Pre-Closing Amount, and
- (g) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Principal Receipts and, without double-counting, the amounts described in paragraphs (a) to (f) above,

less

- (h) Third Party Amounts,

Bank Account Agreement means the agreement entered into on or about the Issue Date between the Account Bank, the Issuer, the Cash Manager, the Seller and the Security Trustee which governs the operation of the Bank Accounts (as amended, restated, supplemented, replaced and/or novated from time to time),

Bank Accounts means the Transaction Account, the GIC Account and any Additional Account(s),

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 means a variable rate of interest that is linked to the Bank of England Base Rate plus (or potentially minus) an additional fixed percentage,

Base Rate Loans means Loans in the Portfolio subject to the Base Rate usually for a fixed period but, in some instances, for the life of the Loan and which, at the end of any fixed period, generally convert to a Variable Rate Loan,

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 Insurance Policies means all buildings insurance policies relating to Properties taken out (a) in the name of the relevant Borrower (and, in the case of Seller's Policies, the Seller) and (b) in the name of the landlord in the case of leasehold Properties where the relevant landlord is responsible for insuring the Property,

Business Day means a day which is a London Business Day,

Calculation Date means 4 London Business Days prior to each Interest Payment Date,

Capitalised Arrears means, in relation to a Loan at any date (the **determination date**), the amount (if any) at such date of any Arrears of Interest 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 Arrears of Interest, and

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- (b) such Arrears of Interest have been capitalised and added, in the accounts of the Seller (or, if the determination date occurs after the Closing Date, the Issuer), to the principal amount outstanding in respect of such Loan,

Cash Management Agreement means the cash management agreement entered into on or about the Issue Date between the Cash Manager, the Issuer and the Security Trustee (as the same may be amended, restated, supplemented, replaced and/or novated from time to time),

Cash Manager means A&L acting pursuant to the Cash Management Agreement, as agent for the Issuer or, on request of the Security Trustee, the Security Trustee, *inter alia*, to manage all cash transactions and maintain certain ledgers on behalf of the Issuer or, on request of the Security Trustee, the Security Trustee (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,

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

and in respect of the Scottish Loans and Northern Ireland 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 means the trust declared pursuant to Clause 2.4 of the Mortgage Sale Agreement whereby, until the Issuer has obtained a licence enabling it to acquire and hold the CCA Mortgages contained in the Initial Portfolio, the Seller declares and agrees to hold the CCA Mortgages (other than Scottish CCA Mortgages) and any and all rights, title, interest, benefit, income and payments therefrom as bare trustee (for the same consideration as would have been payable and subject to the same conditions and terms as would have applied if such CCA Mortgages (other than any Scottish CCA Mortgages) had not been regulated by the CCA) for the Issuer,

CCA Trust Property means the trust assets subject to the CCA Mortgages Trust

Certificate of Title means a solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained 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,

Charged Property means the property charged by the Issuer pursuant to **Clause 3** of the Deed of Charge,

Class A Noteholders means the Class A1 Noteholders, the Class A2 Noteholders, the Class A3 Noteholders and the Class A4 Noteholders,

Class A1 Notes means the £2,695,420,000 Class A1 Asset Backed Floating Rate Notes due August 2049,

Class A Notes means the Class A1 Notes, the Class A2 Notes, the Class A3 Notes and the Class A4 Notes or any Additional Notes ranking *pari passu* therewith,

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Class A1 Noteholders means the holders of the Class A1 Notes,

Class A2 Noteholders means the holder of the Class A2 Notes,

Class A2 Notes means the £1,555,050,000 Class A2 Asset Backed Floating Rate Notes due August 2049,

Class A3 Noteholders means the holder of the Class A3 Notes,

Class A3 Notes means the £1,036,700,000 Class A3 Asset Backed Floating Rate Notes due August 2049,

Class A4 Noteholders means the holder of the Class A4 Notes,

Class A4 Notes means the £4,250,470,000 Class A4 Asset Backed Floating Rate Notes due August 2049,

Class A Principal Deficiency Sub Ledger means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes, established and maintained pursuant to the Cash Management Agreement,

Class B Notes means the Class B1 Notes and any Additional Notes ranking *pari passu* therewith,

Class B1 Notes means the £414,680,000 Class B1 Asset Backed Floating Rate Notes due August 2049,

Class B Noteholders means the holders of the Class B Notes,

Class B Principal Deficiency Sub Ledger means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes, established and maintained pursuant to the Cash Management Agreement,

Class C Noteholders means the holders of the Class C Notes,

Class C Notes means the Class C1 Notes and any Additional Notes ranking *pari passu* therewith,

Class C1 Notes means £414,680,000 Class C1 Asset Backed Floating Rate Notes due August 2049,

Class C Principal Deficiency Sub Ledger means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes, established and maintained pursuant to the Cash Management Agreement,

Closing Date means 11 October 2007,

Collection Period means each period from (but excluding) the last day in the calendar month immediately preceding a Calculation Date (or, in the case of the first Collection Period, from (and including, the Closing Date) to (and including) the last day in the calendar month immediately preceding the immediately following Calculation Date (or, in the case of the first Collection Period, the last day in the calendar month immediately preceding the first Calculation Date),

Collection Period End Date means the last day of the calendar month immediately preceding the relevant Calculation Date,

Conditions or Terms and Conditions means the terms and conditions of the Notes set out in **Schedule 2** to the Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Trust Deed and any reference to a numbered Condition shall be construed accordingly,

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Corporate Services Agreement means the agreement dated the Issue Date and made between the Corporate Services Provider, Holdings, PECO, the Share Trustee, the Issuer, A&L and the Security Trustee for the provision by the Corporate Services Provider of certain corporate services to the Issuer, PECO and Holdings (as the same may be amended, restated, supplemented, replaced or novated from time to time),

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, PECO and Holdings under the Corporate Services Agreement,

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

Daily Loan Amount means, on each day from (and including) the Issue Date, the aggregate of amounts credited to the Seller Collection Account that relate to the Loans, which amount shall be identified by the Administrator on a daily basis (or, if such day is not a London Business Day, the next following London Business Day),

Deed of Charge means the deed of charge to be entered into on or about the Issue Date between, *inter alios*, the Issuer and the Security Trustee under which the Issuer grants the Security in favour of the Security Trustee for the benefit of the Secured Creditors (as the same may be amended and/or supplemented from time to time) and includes, where the context admits, any further or supplemental charge or security granted pursuant thereto,

Deed of Consent means a deed whereby a person in or intended to be in occupation of a Property 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,

Discounted Rate Loans means Mortgage Loans which allow the Borrower for a set period of time to pay interest at a specified discount to the Variable Rate,

Encumbrance has the same meaning as **Security Interest**,

English Mortgage means a first ranking legal charge secured over freehold or leasehold Properties located in England or Wales,

English Loan or **English Mortgage Loan** means a Loan secured by an English Mortgage,

Event of Default means an Event of Default as defined in **Condition 10**,

Excess Swap Collateral means, in respect of the Swap Agreement, an amount (which will be transferred directly to the Swap Provider in accordance with the Swap Agreement) equal to the amount by which the value of the collateral provided by the Swap Provider to the Issuer pursuant to the Swap Agreement exceeds the Swap Provider's liability under the Swap Agreement as at the date of termination of the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement,

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

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Fixed Rate Loans means mortgage loans subject to a fixed interest rate for a specified period of time and which, at the expiration of that period, generally convert to Variable Rate Loans,

Flexible Drawing means an amount equal to a Cash Withdrawal made by a Borrower,

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

Further Advance means a further amount lent to a Borrower under his or her Loan after the Issue Date, which amount is secured by the same Mortgaged Property as the Initial Advance under such Loan, excluding any Flexible Drawing,

Further Notes has the same meaning as in **Condition 17**,

General Reserve Calculation Date means the Collection Period End Date on which X is greater than or equal to two times Y where

X = the Principal Amount Outstanding of the Class A Notes as at the Issue Date divided by the aggregate Principal Amount Outstanding of the Class B Notes and the Class C Notes as at the Issue Date, and

Y = the Principal Amount Outstanding of the Class A Notes as at that Collection Period End Date divided by the aggregate Principal Amount Outstanding of the Class B Notes and the Class C Notes as at that Collection Period End Date,

General Reserve Fund means the fund established on the Issue Date, which will be partially funded in the sum of £259,175,000 on the Issue Date from the proceeds of Tranche C of the Subordinated Loan,

General Reserve Fund Excess means any amounts standing to the credit of the General Reserve Fund in excess of the General Reserve Required Amount which will be used to repay Tranche C of the Subordinated Loan only and once Tranche C of the Subordinated Loan has been repaid in full will form part of Available Revenue Receipts,

General Reserve Required Amount means an amount equal to £259,175,000 (being an amount equal to 2.5 per cent of the Principal Amount Outstanding of the Notes as at the Issue Date) on the Closing Date and on each Interest Payment Date provided that on each Interest Payment Date falling on or after the General Reserve Calculation Date, if

- (i) all balances recorded on each of the Principal Deficiency Sub-Ledgers are zero,
- (ii) the aggregate balance of Loans in respect of which the aggregate amount of Arrears of Interest is more than 3 times the Monthly Payment then due does not exceed 5 per cent of the total balance of all the Loans in the Portfolio, and
- (iii) the amount in the General Reserve Fund is not less than the General Reserve Required Amount as of the relevant General Reserve Collection Date,

then, the General Reserve Required Amount will be reduced on the following Interest Payment Date to an amount equal to 5 per cent of the then Principal Amount Outstanding of the Notes, *provided that*, the General Reserve Required Amount shall never be less than an amount equal to 1.25 per cent of the Principal

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Amount Outstanding of the Notes as at the Issue Date, provided further that if an A&L Downgrade Event occurs and is continuing, the General Reserve Required Amount will be £259,175,000 (2.5 per cent of the Principal Amount Outstanding of the Notes as at the Issue Date),

GIC Account means the Sterling account in the name of the Issuer (sort code 72-01-00) held at the Account Bank, or such additional or replacement bank account at such other Account Bank and/or other banks as may for the time being be in place with the prior consent of the Security Trustee and designated as such,

Higher Lending Charge means any fee incurred by a borrower for any Mortgage Account where the aggregate of the outstanding principal balance of the relevant loan(s) at origination (excluding any capitalised Higher Lending Charge or booking fees and/or valuation fees) exceeds certain specified percentages,

Holding Company means a holding company as defined in section 736 of the Companies Act 1985,

Holdings means Bracken Securities Holdings Limited (registered number 6382115), a limited company incorporated under the laws of England and Wales, whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London, EC3A 6AP,

Holdings Declaration of Trust means the declaration of trust dated 11 October 2007 pursuant to which the Share Trustee holds the entire beneficial interest of Holdings on a discretionary trust,

Income Deficit means for each Calculation Date, the extent, if any, by which Available Revenue Receipts plus item (f)(ii) of the definition of Available Principal Receipts are insufficient to pay or provide for payment of items (a) to (e), (g) and (i) of the Pre-Acceleration Revenue Priority of Payments,

Independent Director means a duly appointed member of the board of directors of the Issuer who should not have been, at the time of such appointment, or at any time in the preceding five years, (i) a direct or indirect legal or beneficial owner in the Issuer or any of its Affiliates (excluding *de minimus* ownership interests), (ii) a creditor, supplier, employee, officer, director, family member, manager, or contractor of the Issuer or its Affiliates, or (iii) a person who controls (whether directly, indirectly, or otherwise) the Issuer or its Affiliates or any creditor, supplier, employee, officer, director, manager, or contractor of the Issuer or its Affiliates,

Information Memorandum means the information memorandum prepared by the Issuer in relation to the issue of the Notes,

Initial Advance means, in relation to a Loan, the original principal amount together with the amount of any retention advanced to the relevant Borrower after completion of the Mortgage, and it may include any Higher Lending Charge or other fees (if capitalised),

Initial Loans means the Loans comprising the Provisional Portfolio that have not been redeemed in full prior to the Issue Date,

Initial Mortgages means the Mortgages associated with the Initial Loans sold by the Seller to the Issuer on the Issue Date pursuant to the Mortgage Sale Agreement,

Initial Portfolio means the portfolio of the Initial Loans, the Initial Mortgages, the other Initial Related Security and all rights, title, interest and benefit therein including, for the avoidance of doubt, those set out in

Form 395 – Deed of Charge dated 11 October 2007

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Clause 2.3(a) of the Mortgage Sale Agreement and all sums of principal, interest or any other sums credited to the Seller Collection Account from (and including) 7 October 2007 to (but excluding) the Issue Date which relate to such Loans,

Initial Related Security means the Related Security sold by the Seller to the Issuer on the Issue Date pursuant to the Mortgage Sale Agreement,

Initial Scottish Declaration of Trust has the same meaning as in **Clause 3.1(a)** of the Mortgage Sale Agreement,

Insurance Policies means the Buildings Insurance Policies and the Household Contingency Policy and **Insurance Policy** shall be construed accordingly,

Interest Payment Date means the 12th day of February, May, August and November, in each year, and if such day is not a Business Day, the next succeeding Business Day,

Interest Period means, in respect of interest payments made in respect of the Notes, the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, the Issue Date) to (but excluding) the next following (or first) Interest Payment Date,

Issue Date means 11 October 2007,

Issuer means Bracken Securities plc (registered no 06382146), a public limited company incorporated under the laws of England and Wales whose registered office is at Structured Finance, Management Limited, 35, Great St Helen's, London EC3A 6AP,

Issuer Power of Attorney means the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge on the Issue Date substantially in the form set out in **Schedule 1** to the Deed of Charge,

Issuer Trust Property means an amount equal to the aggregate Revenue Receipts and the Principal Receipts on the Loan deposited into the Seller Collection Account less an amount equal to the aggregate payments of the Daily Loan Amounts by the Seller to the Issuer,

Liability means, in respect of any person, any loss, damages, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability whatsoever including, without limitation, legal fees and any Taxes and penalties incurred by that person, together with any VAT charged or chargeable in respect of any of the sums referred to in this definition,

Liquidity Facility Agreement means the liquidity facility agreement entered into on or about the Issue Date between the Liquidity Facility Provider, the Issuer and the Security Trustee (as the same may be amended, restated, supplemented, replaced and/or novated from time to time),

Liquidity Facility Provider means A&L acting pursuant to the Liquidity Facility Agreement (which expression shall include such other person as may be appointed from time to time as liquidity facility provider pursuant to the Liquidity Facility Agreement),

Liquidity Loan has the meaning given to it in the Liquidity Facility Agreement,

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Liquidity Reserve Fund means the liquidity reserve fund established by the Issuer if the long-term, unsecured, unsubordinated and unguaranteed debt obligations of A&L cease to be rated at least A3 by Moody's or A- by Fitch or if the short-term, unsecured, unsubordinated and unguaranteed debt obligations of A&L cease to be rated at least P-1 by Moody's (unless Moody's or Fitch, as applicable, confirms that the then current ratings of the Notes would not be adversely affected by the ratings downgrade of A&L),

Liquidity Shortfall has the meaning given in the Liquidity Facility Agreement,

Loan or Mortgage Loan means the loans in the Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement including, where the context so requires, each New Loan and each Further Advance sold to the Issuer by the Seller after the Issue Date and any new Loans created pursuant to a Product Switch but excluding (for the avoidance of doubt) each Loan and its Related Security redeemed or repurchased by the Seller pursuant to the Mortgage Sale Agreement or otherwise sold by the Issuer in accordance with the terms of the Transaction Documents and no longer beneficially owned by it,

Loan Files means all correspondence, documentation and other paperwork held by the Seller in relation to a Loan,

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

Losses means all realised losses on the Loans,

Master Definitions and Construction Schedule means the master definitions and construction schedule signed by, inter alios, the Issuer and the Security Trustee for the purpose of identification on the Closing Date setting out certain common terms and definitions, as amended and restated 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,

Monthly Payment means the amount 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 in each month on which interest (and principal in relation to a repayment mortgage) is due to be paid by a Borrower on a Loan under the applicable Mortgage Terms or, if any such day is not a business day, the next following business day,

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

Mortgage means each English Mortgage, each Northern Irish Mortgage and each Scottish Mortgage, and together the **Mortgages**,

Mortgage Account means all Loans secured on the same Property and thereby forming a single mortgage account with the Seller,

Mortgage Conditions means the terms and conditions applicable to a Loan and/or Mortgage as contained in the Seller's "Mortgage Conditions" booklet applicable from time to time,

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Mortgaged Property or Property means (in England and Wales, and in Northern Ireland) a freehold or leasehold property, or (in Scotland) a heritable property or property held under a long lease, which is, in each case, subject to a Mortgage and together, the **Mortgaged Properties or Properties**,

Mortgage Sale Agreement means the mortgage sale agreement dated on or about the Issue Date and made between the Seller, the Issuer, the Security Trustee and the Administrator in relation to the sale of the Initial Portfolio to the Issuer,

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

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

New Notes has the same meaning as in **Condition 17**,

New Portfolio means in each case the portfolio of Loans, Mortgages and their Related Security (other than any Loans, Mortgages 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 therein and all sums of principal, interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears),

New Portfolio Notice means a notice in the form set out in **Schedule 14** to the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement,

Nominee means SFM Nominees Limited whose registered office is at 35 Great St Helen's, London, EC3A 6AP,

Nominee Declaration of Trust means the nominee declaration of trust entered into between the Nominee and the Beneficial Owner,

Northern Irish Loans means Loans secured by a Northern Irish Mortgage,

Northern Irish Mortgage means a first fixed charge over freehold as leasehold property located in Northern Ireland,

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

Note Acceleration Notice means a notice issued by the Note Trustee to the Issuer declaring the Notes to be due and repayable pursuant to **Condition 10**,

Note Purchase Agreement means a purchase agreement in relation to the Notes dated 11 October 2007 between the Note Purchaser and the Issuer,

Note Purchaser means the purchaser of the Notes pursuant to the Note Purchase Agreement,

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Note Trustee means Citicorp Trustee Company Limited, a limited liability company whose registered office is at Citigroup Centre, Canada Square, London, E14 5BL, acting as Note Trustee under the terms of the Trust Deed, or such other person as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to the Trust Deed,

Noteholders means the holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the holders for the time being of such Class of Notes,

Notes means the Class A Notes, the Class B Notes and the Class C Notes (including, for the avoidance of doubt, any Further Notes and Replacement Notes,

Offer Conditions means the terms and conditions applicable to a specified Loan as set out in the relevant offer letter to the Borrower,

Original Share Trustee means SFM Corporate Services Limited whose registered office is at 35 Great St Helen's, London, EC3A 6AP,

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, and
- (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,

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,

Paying Agents means the Principal Paying Agent and any further or other paying agents for the time being appointed under the Agency Agreement,

Payment Holiday means any contractually agreed suspension of payments of principal, Capitalised Arrears and any interest charged during the most recent Collection Period,

PECOH means the Post-Enforcement Call Option Holder,

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 Product Switch Conditions are satisfied

Permitted Replacement Loan means a Loan

- (a) that is either a Fixed Rate Loan, a Variable Rate Loan, Discounted Rate Loan or a Base Rate Loan,
- (b) that has a maturity date prior to August 2047, and
- (c) to which the purchase obligations of the Seller under **Clause 9.3** of the Mortgage Sale Agreement shall not apply

Portfolio means the Loans and the Related Security comprising the Initial Portfolio and any New Portfolios and all moneys derived therefrom from time to time,

Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on or about the Issue Date between the Issuer, the Post-Enforcement Call Option Holder, the Note Trustee and the Security Trustee under which the Note Trustee agrees on behalf of the holders of all the Notes that following enforcement of the Security, the Post-Enforcement Call Option Holder may call for all the Notes (as the same may be amended, restated, supplemented replaced or novated from time to time),

Post-Enforcement Call Option Holder means Bracken Securities Option Limited (registered number 6382152), a private limited company incorporated under the laws of England and Wales, whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London, EC3A 6AP,

Pre-Acceleration Revenue Priority of Payments means the manner and priority of payments in which the Available Revenue Receipts (together with amounts referred to in **paragraph (f)** of the definition of Available Principal Receipts) will be applied prior to service of a Note Acceleration Notice, as set out in **paragraph 7** of **Schedule 2** to the Cash Management Agreement,

Pre-Closing Amount means the sum of

- (a) such amount of Principal Receipts in respect of Loans comprising the Provisional Portfolio during the period from (and including) 7 October 2007 to (and excluding) the Closing Date as is equal to the aggregate principal amount of the Notes issued on the Closing Date less the Current Balance of the Initial Portfolio on the Closing Date, and
- (b) an amount equal to the Revenue Receipts in respect of Loans comprising the Provisional Portfolio during the period from (and including) 7 October 2007 to (and excluding) the Closing Date,

Principal Amount Outstanding has the meaning set out in **Condition 7.5**,

Principal Deficiency Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records deficiencies arising from Losses on the Portfolio or the application of Principal Receipts and/or the application of amounts standing to the credit of the Liquidity Reserve Fund (if established) to cover Income Deficits,

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Principal Deficiency Sub-Ledger means singly or together (as the context may require) the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger,

Principal Paying Agent means Citibank, N A, acting out of its London branch whose address is at Citigroup Centre, Canada Square, London, E14 5LB, acting as Principal Paying Agent under the terms of the Agency Agreement, or such other person as may from time to time be appointed as Principal Paying Agent pursuant to the Agency Agreement,

Principal Receipts means payments received by the Issuer directly or from the Seller representing

- (a) principal repayments under the Loans but excluding Accrued Interest, Arrears of Interest and Capitalised Arrears),
- (b) recoveries of principal from defaulting Borrowers under Loans being enforced (including the proceeds of sale of the relevant Mortgaged Property),
- (c) any payment pursuant to an Insurance Policy assigned to the Issuer (in respect of which the Issuer has a beneficial interest) in respect of a Mortgaged Property in connection with a Loan in the Portfolio, and
- (d) the proceeds of the repurchase of any Loan by the Seller from the Issuer pursuant to the Mortgage Sale Agreement (excluding amounts attributable to item (a) of Available Revenue Receipts),

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,
- (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 Portfolio as calculated on the next Calculation Date as at the end of the immediately preceding Collection Period, and/or
- (f) in the frequency with which the interest payable in respect of the Loan is charged,

Product Switch Conditions has the meaning given in **Clause 5.5** of the Mortgage Sale Agreement,

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

Provisional Portfolio means the portfolio of Loans and their Related Security, particulars of which are set out in **Part 1** of the **Appendix** to the Mortgage Sale Agreement or in a document stored upon electronic

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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 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 and MH/CP Documentation and all third party guarantees and any other collateral security for the repayment of the relevant Loans secured by the relevant 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, registrar or registry or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion 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,
- (f) all rights, title and interests of the Seller (including, without limitation, the proceeds of all claims) to which the Seller is entitled under the Buildings Insurance Policies and the Properties in Possession Policy,
- (g) all proceeds from the enforcement of such Loans and their Related Security,

Rating Agencies means Moody's and Fitch,

Rating Agency Confirmation means, with respect to any matter, a written confirmation from each Rating Agency that its then current ratings of the Notes would not be adversely affected by that matter,

Reasonable, Prudent Mortgage Lender means a reasonably prudent prime residential mortgage lender lending to borrowers in England and Wales and/or Northern Ireland and/or Scotland (as applicable) 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 Charged Property by the Security Trustee pursuant to the Deed of Charge,

Registrar means Citibank, N A , acting out of its London branch whose address is at Citigroup Centre, Canada Square, London E14 5LB, acting as Registrar under the terms of the Agency Agreement to record the holders of the Notes, or such other person as may from time to time be appointed as Registrar pursuant to the Agency Agreement,

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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 the Issuer pursuant to the Mortgage Sale Agreement including (without limitation)

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent and MH/CP Documentation relating to the relevant Property) 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 solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) 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, and returns of premium and proceeds of claims under) insurance and assurance policies (including, the Insurance Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Loan Files,

Replacement Notes has the same meaning as in **Condition 17**,

Replacement Swap Premium means an amount received by the Issuer from a replacement swap provider upon entry by the Issuer into an agreement with such replacement swap provider to replace the Swap Provider, which shall be paid directly by the Issuer to the Swap Provider,

Requisite Ratings means a rating of short-term, unsecured, unsubordinated and unguaranteed debt obligations of P-1 by Moody's and F1 by Fitch,

Revenue Receipts means payments received by the Issuer directly or from the Seller representing

- (a) payments of interest on the Loans (including any Accrued Interest, Arrears of Interest and Capitalised Arrears) and fees paid from time to time under the Loans and other amounts received by the Issuer in respect of the Loans other than the Principal Receipts,
- (b) recoveries of interest and outstanding fees (including Capitalised Arrears, if any) from defaulting Borrowers under Loans being enforced,
- (c) recoveries of interest and outstanding fees (including Capitalised Arrears, if any) and/or principal from defaulting Borrowers under Loans in respect of which enforcement procedures have been completed,
- (d) the proceeds of the repurchase of any Loan by the Seller from the Issuer pursuant to the Mortgage Sale Agreement to the extent such proceeds are attributable to Accrued Interest, Arrears of Interest and other interest amounts in respect of the Loans (including for the avoidance of doubt, Capitalised Arrears) as at the relevant repurchase date, and

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(e) any early repayment charges which have been paid by Borrowers in respect of the Loans,

Sale Date means the date on which any New Portfolio is sold to the Issuer in accordance with **Clause 4** of the Mortgage Sale Agreement,

Scottish CCA Mortgages means the CCA Mortgages in respect of Scottish Loans,

Scottish Declaration of Trust means each declaration of trust granted by the Seller in favour of the Issuer in relation to Scottish Loans and their Related Security made pursuant to the Mortgage Sale Agreement substantially in the form set out in **Schedule 13** thereto,

Scottish Loan or **Scottish Mortgage Loan** means a Loan secured by a Scottish Mortgage,

Scottish Mortgage means a first priority standard security over a Property located in Scotland,

Scottish Sub-Security means a standard security to be executed pursuant to **Clause 3.4** of the Deed of Charge and substantially in the form set out in **Schedules 3 or 4** (as applicable) of the Deed of Charge,

Scottish Supplemental Charge means a supplemental assignation in security governed by Scots law granted by the Issuer in favour of the Security Trustee pursuant to **Clause 3.5(c)** of the Deed of Charge substantially in the form set out in Schedule 5 thereto,

Scottish Transfer means an assignation of Scottish Mortgages and the Scottish Loans secured thereby substantially in the relevant form set out in **Schedule 6** of the Mortgage Sale Agreement and delivered pursuant to **Clauses 7.2(c)** or **9.7(a)** thereof,

Scottish Trust Property has the meaning given to it in the relevant Scottish Declaration of Trust,

Secretarial Services Agreement means the secretarial services agreement entered into or about the Issue Date between the Secretarial Services Provider and the Issuer (as the same may be amended, restated, supplemented, replaced and/or novated from time to time),

Secretarial Services Provider means A&L acting pursuant to the Secretarial Services Agreement,

Secured Creditors means the Security Trustee, the Note Trustee, the Noteholders, the Seller, the Administrator, the Cash Manager, the Swap Provider, the Account Bank, the Subordinated Loan Provider, the Corporate Services Provider, the Secretarial Services Provider, the Paying Agents, the Registrar, the Agent Bank and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor,

Secured Obligations means any and all of the moneys and liabilities which the Issuer covenants to pay or discharge under **Clause 2** of the Deed of Charge and all other amounts owed by it to the Secured Creditors under and pursuant to the Transaction Documents,

Security means the security granted by the Issuer to the Security Trustee under and pursuant to the Deed of Charge in favour of the Secured Creditors,

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Security Interest 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,

Security Trustee means Citicorp Trustee Company Limited, a limited liability company whose registered office is at Citigroup Centre, Canada Square, London, E14 5LB, acting as Security Trustee under the terms of the Deed of Charge or such other persons or companies as may from time to time be appointed as Security Trustee (or co-trustee) pursuant to the Deed of Charge,

Seller means A&L acting in its capacity as seller of the Loans and their Related Security to the Issuer pursuant to the Mortgage Sale Agreement,

Seller Collection Account means the non-interest bearing collection account held by the Seller (sort code 72-01-00) at the Seller Collection Account Bank, into which payments

- (a) by the Borrowers in respect of amounts due under the Loans will be made, and
- (b) from borrowers in respect of loans not included in the Portfolio will also be made,

Seller Collection Account Bank means Alliance & Leicester plc acting in its capacity as the bank at which the Seller Collection Account is maintained,

Seller Collection Account Declaration of Trust means the deed entered into on or about the Issue Date, between (*inter alios*) the Issuer, the Seller and the Seller Collection Account Bank whereby the Seller declared a trust over the Issuer Trust Property in favour of the Issuer,

Seller Power of Attorney means the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Issue Date substantially in the form set out in **Schedule 8** to the Mortgage Sale Agreement,

Seller's Policy means the originating, underwriting, administration, arrears and enforcement policy applied by the Seller from time to time to loans and the security for their repayment which are beneficially owned solely by the Seller,

Share Trustee means SFM Corporate Services Limited (registered number 0392055), a company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London, EC3A 6AP,

Share Trustee Declaration of Trust means the share declaration of trust entered into by the Original Share Trustee,

Standard Documentation means the standard documentation, a list of which is set out in **Part 2** of the **Appendix** 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 therefore as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender,

Standby Account has the meaning given to it in the Liquidity Facility Agreement,

Sterling means the lawful currency for the time being at the United Kingdom of Great Britain and Northern Ireland,

Subordinated Loan means the loan that the Subordinated Loan Provider makes available to the Issuer pursuant to the Subordinated Loan Agreement,

Subordinated Loan Agreement means the agreement dated on or about the Issue Date between the Issuer, the Subordinated Loan Provider and the Security Trustee (as the same may be amended, restated, supplemented, replaced and/or novated from time to time),

Subordinated Loan Provider means A&L in its capacity as provider of the Subordinated Loan,

Subsidiary means a subsidiary as defined in section 736 of the Companies Act 1985,

Swap Agreement means the ISDA master agreement, schedule and confirmations (as amended or supplemented from time to time) relating to the Swaps to be entered into on or before the Issue Date between the Issuer, the Swap Provider and the Security Trustee,

Swap Collateral Account means any bank account opened with the Account Bank and/or such other banks (with the prior consent of the Security Trustee) and designated as such for the purposes of holding collateral posted by the Swap Provider pursuant to the Swap Agreement,

Swap Provider means A&L acting in its capacity as the Swap Provider pursuant to the Swap Agreement,

Swaps means the swap transactions documented under the Swap Agreements,

Taxes means all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax and Taxation** 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, or
- (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)),

Title Deeds means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds and all other documents which make up the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage,

Tranche A has the meaning given to it in **Clause 2.1(a)** of the Subordinated Loan Agreement,

Tranche C has the meaning given to it in **Clause 2.1(c)** of the Subordinated Loan Agreement,

Transaction Account means the Sterling account in the name of the Issuer (sort code 72-01-00) held with the Account Bank or such additional or replacement bank account at such other Account Bank and/or other banks as may for the time being be in place with the prior consent of the Security Trustee and designated as such,

Transaction Documents means the following documents

- (a) the Administration Agreement,
- (b) the Agency Agreement,
- (c) the Bank Account Agreement,
- (d) the Cash Management Agreement,
- (e) the Corporate Services Agreement,
- (f) the Deed of Charge,
- (g) the Issuer Power of Attorney,
- (h) the Holdings Declaration of Trust,
- (i) the Liquidity Facility Agreement,
- (j) the Master Definitions and Construction Schedule,
- (k) each Scottish Declaration of Trust,
- (l) the Mortgage Sale Agreement,
- (m) the Nominee Declaration of Trust,
- (n) the Note Purchase Agreement,
- (o) the Post-Enforcement Call Option Agreement,
- (p) the Secretarial Services Agreement,
- (q) the Seller Collection Account Declaration of Trust,
- (r) the Seller Power of Attorney,
- (s) the Share Trustee Declaration of Trust,

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- (t) the Subordinated Loan Agreement,
- (u) the Swap Agreement, and
- (v) the Trust Deed,

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

Underpayment means a payment by a Borrower in an amount less than the Monthly Payment then due on the Loan,

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 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 Institution 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 standard variable rate of interest set by the Seller which applies to the Variable Rate Loans beneficially owned by the Seller on the Seller's residential mortgage book, and

Variable Rate Loans means mortgage loans subject to the Variable Rate for the life of the Loan or until an alternative product that a borrower qualifies for is selected by the borrower

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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 06382146

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE DATED THE 11th OCTOBER 2007 AND CREATED BY BRACKEN SECURITIES PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO CITICORP TRUSTEE COMPANY LIMITED THE SECURITY TRUSTEE FOR THE SECURED CREDITORS OR ANY OF THE OTHER SECURED CREDITORS ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 26th OCTOBER 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 31st OCTOBER 2007

A handwritten signature in black ink, appearing to be 'R. G.' or similar.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES