

MR01

Particulars of a charge



Companies House

227698/P

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☐ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use for

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form must be delivered to the Registrar for registration
21 days beginning with the day after the date of creation or
delivered outside of the 21 days it will be rejected unless it is
court order extending the time for delivery



You must enclose a certified copy of the instrument with this form
scanned and placed on the public record Do not send the original

FRIDAY



A3FBQCX6

A04

29/08/2014

#230

COMPANIES HOUSE

1 Company details

Company number 06505161

Company name in full EMF-UK 2008-1 PLC

For official use
4

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 27/08/2014

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

NONE

Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X *Reed Smith LLP* X

This form must be signed by a person with an interest in the charge

MRO1

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name REGINA LUI

Company name REED SMITH LLP

Address THE BROADGATE TOWER

20 PRIMROSE STREET

Post town LONDON

County/Region

Postcode E C 2 A 2 R S

Country UNITED KINGDOM

DX 1066 CITY

Telephone 020 3116 2801



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6505161

Charge code: 0650 5161 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th August 2014 and created by EMF-UK 2008-1 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th August 2014

DX

Given at Companies House, Cardiff on 3rd September 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

WE HEREBY CERTIFY THAT THIS IS A
TRUE COPY OF THE ORIGINAL

REED SMITH LLP
DATE

27/08/2014

EXECUTION VERSION

SAVE FOR MATERIAL
REDACTED PURSUANT TO
SECTION 859G
OF THE COMPANIES
ACT 2006

DATED 27 August 2014

EMF-UK 2008-1 PLC
AS ISSUER

BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED
AS TRUSTEE

SOUTHERN PACIFIC MORTGAGE LIMITED
AS A SELLER

PREFERRED MORTGAGES LIMITED
AS A SELLER

THE BANK OF NEW YORK MELLON
AS PRINCIPAL PAYING AGENT AND AGENT BANK

THE BANK OF NEW YORK MELLON (LUXEMBOURG) S A
AS REGISTRAR AND TRANSFER AGENT

BARCLAYS BANK PLC
AS ACCOUNT BANK, COLLECTION ACCOUNT BANK AND GIC PROVIDER

ACENDEN MORTGAGE SERVICES LIMITED
AS CASH/BOND ADMINISTRATOR AND MORTGAGE ADMINISTRATOR

SPECIALIST MORTGAGE SERVICES LIMITED
AS STANDBY CASH/BOND ADMINISTRATOR AND STANDBY MORTGAGE
ADMINISTRATOR

WILMINGTON TRUST SP SERVICES (LONDON) LIMITED
AS CORPORATE SERVICES PROVIDER

SUPPLEMENTAL DEED OF CHARGE
(NOTE RESTRUCTURING)
SUPPLEMENTAL TO A DEED OF CHARGE
DATED 18 MARCH 2008

CONTENTS

Clause	Page
1 Definitions and interpretation . . .	2
2 Common Terms . . .	4
3 Governing Law . . .	4
4 Jurisdiction . . .	4
5 Confirmation of Existing Security . . .	5
6 Supplemental Security . . .	5
7 Restrictions on exercise of certain rights, Bank Accounts . . .	14
8 Upon Enforcement . . .	19
9 Amendments to the Original Deed of Charge . . .	23
10 Miscellaneous . . .	23
11 Execution and Effectiveness . . .	25
Schedule 1 Restated Deed of Charge . . .	33

THIS SUPPLEMENTAL DEED OF CHARGE (the "**Supplemental Charge**") is made by way of deed on 27 August 2014

BETWEEN:

- (1) **EMF-UK 2008-1 PLC**, whose registered number is 6505161 and whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (as the "**Issuer**"),
- (2) **BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED**, whose registered office is at One Canada Square, London E14 5AL (as the "**Trustee**"),
- (3) **SOUTHERN PACIFIC MORTGAGE LIMITED** (registered number 3266119) whose registered office is 10-18 Union Street, London SE1 1SZ (as a "**Seller**"),
- (4) **PREFERRED MORTGAGES LIMITED** (registered number 3137809) whose registered office is at 10-18 Union Street, London SE1 1SZ (as a "**Seller**");
- (5) **THE BANK OF NEW YORK MELLON**, acting through its London Branch at One Canada Square, London E14 5AL (in its capacities as the "**Principal Paying Agent**", and the "**Agent Bank**"),
- (6) **THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.**, acting through its office at Vertigo Building-Polaris, 2-4 Rue Eugène Ruppert, L-2453 Luxembourg (in its capacities as the "**Registrar**" and the "**Transfer Agent**"),
- (7) **BARCLAYS BANK PLC**, acting through its branch office at 1 Churchill Place, London E14 5HP (in its capacities as "**Account Bank**" and "**Collection Account Bank**"),
- (8) **BARCLAYS BANK PLC**, acting through its office at 5 The North Colonnade, Canary Wharf, London, E14 4BB (in its capacity as "**GIC Provider**"),
- (9) **ACENDEN MORTGAGE SERVICES LIMITED** (registered number 5381786) whose registered office is at St Johns Place, Easton Street, High Wycombe HP11 1NL (as "**Acenden**" and as the "**Cash/Bond Administrator**" and the "**Mortgage Administrator**"),
- (10) **SPECIALIST MORTGAGE SERVICES LIMITED** (registered number 02466320) whose registered office is at The Bailey, Skipton, North Yorkshire BD23 1DN (as the "**Standby Cash/Bond Administrator**" and "**Standby Mortgage Administrator**"),
- (11) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** (registered number 2548079) whose registered office is at Third Floor, 1 King's Arms Yard, London, EC2R 7AF (as "**Corporate Services Provider**")

RECITALS:

- (A) In connection with a securitisation transaction dated 18 March 2008, by virtue of the Original Deed of Charge the Issuer created security over the Charged Property in respect of the Secured Amounts.

- (B) The Parties to this Supplemental Charge have entered into the Amendment and Restructuring Agreement (as defined below) in connection with the restructuring of the Instruments
- (C) The Issuer wishes to confirm its intention that the existing security created pursuant to the Original Deed of Charge remains in full force and effect and wishes to grant security over the Charged Property to secure its obligations to the Secured Creditors as amended by the Amendment and Restructuring Agreement
- (D) This Supplemental Charge is supplemental to the Original Deed of Charge

IT IS AGREED as follows

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Supplemental Charge

"Amended and Restated Trust Deed" means the amended and restated trust deed dated on or about the date hereof and made between the Issuer and the Trustee

"Amended Secured Amounts" means the Secured Amounts as defined in the Original Master Definitions Schedule and including, for the avoidance of doubt, any such obligations arising under the Transaction Documents on and after the date of the Amendment and Restructuring Agreement

"Amendment and Restructuring Agreement" means the amendment and restructuring agreement dated on or about the date hereof and made between, among others, the Issuer, the Trustee and the other Parties to this Supplemental Charge

"Master Definitions Schedule" means the Original Master Definitions Schedule as amended and restated on the Restructuring Date in accordance with the provisions of the Amendment and Restructuring Agreement (and as the same may be further supplemented, amended and/or restated from time to time)

"Original Deed of Charge" means the deed of charge and assignment dated 18 March 2008 between, amongst others, the Issuer and the Trustee

"Original Master Definitions Schedule" means the Master Definitions Schedule set out in schedule 1 (*Master Definitions Schedule*) to the Master Securitisation Agreement dated 18 March 2008 between, among others, the Issuer and the Trustee

"Original Scottish Security" means the Scots law Security created under or pursuant to the Original Deed of Charge

"Original Security" means the Security created under or pursuant to the Original Deed of Charge

"Restated Deed of Charge" means the Original Deed of Charge as amended and restated in the form set out at Schedule 1 (*Restated Deed of Charge*) to this Supplemental Charge

"Restructuring Date" has the meaning given to such term in the Amendment and Restructuring Agreement

1 2 Terms defined in other Transaction Documents

Unless otherwise defined in this Supplemental Charge, or the context otherwise requires, a term defined in the Restated Deed of Charge, the Amendment and Restructuring Agreement or the Master Definitions Schedule has the same meaning in this Supplemental Charge or any notice given under or in connection with this Supplemental Charge

1 3 Construction

- (a) The rules of interpretation set out in clause 1 2 (*References*) of the Original Deed of Charge shall apply to the construction of this Supplemental Charge
- (b) In this Supplemental Charge any reference to
 - (i) the **"Trustee"**, the **"Issuer"**, or the **"Secured Creditors"** shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests, and
 - (ii) a **"Party"** shall be to a party to this Supplemental Charge
- (c) From the Restructuring Date, the Original Deed of Charge shall be read and construed as one document with this Supplemental Charge
- (d) References in this Supplemental Charge to any Clause or Schedule shall be to a clause or schedule contained in this Supplemental Charge

1.4 Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989

This Supplemental Charge incorporates by reference (for the purposes only of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 and the Statute of Frauds (Ireland) 1695) the terms, where relevant, of each of the Charged Obligation Documents

1.5 Third Party Rights

A person who is not a party to this Supplemental Charge has no right under the Contracts (Rights of Third Parties) Act 1999 or the common law of Scotland to enforce or to enjoy the benefit of any term of this Supplemental Charge

1.6 Transaction Document

This Supplemental Charge is a Transaction Document.

2 COMMON TERMS

2 1 Incorporation of Common Terms

The Common Terms apply to this Supplemental Charge and shall be binding on the parties to this Supplemental Charge as if set out in full in this Supplemental Charge

2 2 Conflict with Common Terms

If there is any conflict between the provisions of the Common Terms and the provisions of this Supplemental Charge, the provisions of this Supplemental Charge shall prevail

3 GOVERNING LAW

This Supplemental Charge and all matters arising from or connected with it shall be governed by English law in accordance with clause 17 (*Governing Law*) of the Common Terms except that

- (a) any terms hereof which are particular to the law of Scotland shall be governed by and construed in accordance with Scots law, and
- (b) any terms hereof which are particular to the law of Northern Ireland shall be governed by and construed in accordance with Northern Irish law

4. JURISDICTION

4 1 English courts

The courts of England have non-exclusive jurisdiction to settle any Dispute

4 2 Convenient forum

Each Party other than the Trustee agrees that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

4 3 Jurisdiction

Clause 4 1 (*English Courts*) is for the benefit of the Trustee for the purpose of this Clause 4 Each Transaction Party acknowledges that Clause 4 1 (*English Courts*) does not prevent the Trustee from taking any Proceedings in any other courts with jurisdiction To the extent allowed by law, the Trustee may take concurrent Proceedings in any number of jurisdictions

4 4 Consent to enforcement etc.

Each Party consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without

limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings

5 CONFIRMATION OF EXISTING SECURITY

For the avoidance of doubt, the Issuer confirms that with effect from the Restructuring Date, it intends that the Original Security (including the Original Scottish Security) shall (a) remain in full force and effect notwithstanding the amendments referred to in clauses 5 (*Issue of Additional Notes*), 6 (*Amendment to the Original A3 Notes*), 7 (*Amendment to the Original B Notes*), 8 (*Amendment to the Relevant Margin*), 9 (*Amendments to Original Global Instruments*), 10 (*Restatement of the Original Transaction Documents*), 14 (*Termination of the PECO*) and 15 (*Termination of Appointment of the Exchange Agent and US Paying Agent*) of the Amendment and Restructuring Agreement and the terms of the Amended and Restated Trust Deed and (b) continue to secure the Amended Secured Amounts under the Transaction Documents (including, but not limited to, under the Restated Transaction Documents (as defined in the Amendment and Restructuring Agreement) and the Global Notes)

6 SUPPLEMENTAL SECURITY

6.1 English Mortgages

In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of first fixed security for the payment or discharge of the Amended Secured Amounts, with full title guarantee and as the registered owner or as the person entitled to be registered as owner and subject in each case to the proviso for redemption hereinafter contained and to the provisos for redemption or cesser contained in the Mortgage Conditions, HEREBY CHARGES to the Trustee by way of first fixed charge all the Issuer's right, title, interest and benefit present and future in, to and under the English Loans and the English Mortgages from time to time in the Mortgage Pool and including, without limitation

- (a) all monies assured by or to become payable under the same;
- (b) the benefit of all covenants relating thereto,
- (c) all powers and remedies for enforcing the same and the title deeds, and
- (d) documents relating to the English Properties and the English Mortgages in the Mortgage Pool including (without prejudice to the generality of the foregoing) any affidavits, consents, renunciations, deeds of postponements, waivers, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the English Mortgages in the Mortgage Pool (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or

any security documents in either case setting out the terms of the English Loans,

TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

6.2 Life Policies, English Charges and Northern Irish Charges

In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of further fixed security for the payment or discharge of the Amended Secured Amounts, with full title guarantee (or as beneficial owner as appropriate) and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of fixed charge to the Trustee (except in so far as otherwise charged pursuant to Clause 6.5 (*Scottish Trust Security*)) all the Issuer's right, title, benefit and interest present and future in, to and under the Life Policies (including for the avoidance of doubt those Life Policies relating to Northern Irish Mortgages), the English Charges and the Northern Irish Charges and including, without limitation, in each case, the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

6.3 Insurance Contracts

In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of further fixed security for the payment or discharge of the Amended Secured Amounts, with full title guarantee (or as beneficial owner if appropriate) and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all the Issuer's right, title, interest and benefit present and future in, to and under the Insurance Contracts (including for the avoidance of doubt those Insurance Contracts relating to the Scottish Mortgages and Northern Irish Mortgages), to the extent that the Insurance Contracts have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and including, without limitation, all monies assured by or to become payable under the same and the benefit of all covenants, undertakings and rights relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

6.4 The Scottish Mortgages and Scottish Charges

In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and (if applicable) without prejudice but subject only to the Original Security, the Issuer, as beneficial owner and with absolute warrandice and subject to the proviso for redemption hereinafter contained and the Borrower's right of redemption contained in the Mortgage Conditions, hereby undertakes to the Trustee and binds and obliges itself

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

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

6 5 Scottish Trust Security

- (a) In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Scottish Security, the Issuer, as holder of the beneficial interest therein and with absolute warrandice, and subject to the proviso for redemption hereinafter contained, hereby assigns to and in favour of the Trustee in security for the discharge and payment of the Amended Secured Amounts, the Issuer's whole reversionary right, title and interest, present and future, in and to the whole of the Scottish Trust Property as defined in each of the Scottish Declarations of Trust made in favour of the Issuer in terms of paragraph (e) of clause 5 3 (*Documentary Conditions Precedent to Completion of Original Loans*) of the Mortgage Sale Agreement and in and to the Scottish Declarations of Trust, together with its right to claim from the Trustee or its assignees or successors re-transfers, transfers, retrocessions or otherwise of such Scottish Trust Property and the Scottish Declarations of Trust and its whole rights under the Original Scottish Security
- (b) The Issuer hereby intimates to the Trustee as assignee of the Original Scottish Security and security holder under the Original Deed of Charge the assignment in security made in terms of paragraph (a) above and the Trustee by its execution of this Supplemental Charge immediately subsequent to the execution hereof by the Issuer acknowledges such intimation thereof
- (c) In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and (if applicable) without prejudice but subject only to the Original Security, the Issuer undertakes forthwith on the execution and delivery after the date hereof of each and every Supplemental Scottish Declaration of Trust pursuant to paragraph (b) of clause 6 3 (*Documentary Conditions Precedent to Completion of Prefunded Loans*), paragraph (b) of clause 6 7 (*Documentary Conditions Precedent to Completion of Newly-Originated Loans*) and paragraph (b) of clause 6 10 (*Documentary Conditions Precedent to Completion for Ported Loans*) of the Mortgage Sale Agreement, to execute and deliver to the Trustee a Supplemental Deed of Charge in the form set out in Schedule 4 (*Form of Supplemental Deed of Charge*) to the Restated Deed of Charge. The other Parties to this Supplemental Charge consent to the entering into of such Supplemental Deeds of Charge and the Trustee by its execution of this Supplemental Charge authorises and instructs the Issuer to intimate and give notice to the Sellers of the assignment in security made thereunder as provided therein
- (d) The Issuer undertakes to the Trustee at the time of delivery of any Supplemental Deed of Charge under the terms of paragraph (c) above

simultaneously to deliver to the Trustee each Supplemental Scottish Declaration of Trust specified therein

6 6 The Northern Irish Mortgages

In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of fixed security for the payment or discharge of the Amended Secured Amounts, as beneficial owner and if appropriate as the registered owner or as the person entitled to be registered as owner in the Land Registry of Northern Ireland or, as the case may be, the Registry of Deed of Northern Ireland, of the Northern Irish Mortgages and subject in each case to the proviso for redemption hereinafter contained and to the provisos for redemption or cesser contained in the Mortgage Conditions, HEREBY CHARGES to the Trustee by way of fixed charge all the Issuer's right, title, interest and benefit present and future in, to and under the Northern Irish Loans and the Northern Irish Mortgages in the Mortgage Pool and 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 Mortgage Pool including (without prejudice to the generality of the foregoing) any consents, affidavits, renunciations, deeds of postponement, waivers, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the Northern Irish Mortgages in the Mortgage Pool (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of the Loans TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

6 7 Contractual and Other Rights

- (a) In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of further first fixed security for the payment or discharge of the Amended Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all its right, title, interest and benefit present and future in, to and under the Charged Obligation Documents and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party, (other than the Trust Deed (and any deed expressed to be supplemental thereto) and this Supplemental Charge) including without limitation all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any

breach thereof and all rights to receive damages or obtain other relief in respect thereof TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the Secured Creditors

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

6.8 Bank Accounts

- (a) In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of further fixed security for the payment or discharge of the Amended Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of fixed charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and under the Transaction Account, the GIC Account and each Collection Account and all sums of money which may now be or hereafter are from time to time standing to the credit of the Transaction Account, the GIC Account and (to the extent the Issuer is entitled to such sums) each Collection Account together with all rights and claims relating or attached thereto including, without limitation, the right to all interest accruing from time to time thereon and the proceeds of any of the foregoing and the debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and, subject to Clause 6 12 (*Prepayment Charges Receipts*), the other Secured Creditors
- (b) In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of further fixed security for the payment or discharge of the Amended Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of fixed charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and under the Collection Accounts Declarations of Trust and including, without limitation, the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

6 9 Investments

In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of first fixed security for the payment and discharge of the Amended Secured Amounts, subject to clause 5 (*Redemption and release*) of the Restated Deed of Charge (as incorporated in this Supplemental Charge), HEREBY CHARGES by way of fixed charge in favour of to the Trustee all of its right, title, interest and benefit in, to and under or in respect of any investments (including but not limited to Authorised Investments) for the time being owned by it or held on its behalf, including all monies, income and proceeds payable thereunder and all rights in respect of or ancillary to such investments, TO HOLD the same unto the Trustee absolutely

6 10 Floating charge

- (a) In addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security, the Issuer, by way of further security for the payment or discharge of the Amended Secured Amounts, with full title guarantee (or, in relation to any rights or assets situated in or governed by the law of Scotland, with absolute warrandice or, in relation to any rights or assets situated in or governed by the law of Northern Ireland, as beneficial owner) and subject to the proviso for redemption hereinafter contained and subject where relevant to the provisos for redemption or cesser contained in any Mortgage which forms part of the Mortgage Pool and the rights of re-assignment, retrocession and re-transfer contained in the Charges, HEREBY CHARGES by way of floating charge to the Trustee, the whole of its undertaking and all its property, assets and rights (including, without limitation, everything specifically secured by means of fixed charge above or otherwise assigned as security by this Clause 6 as well as all its property, assets and rights situated in Scotland or otherwise governed by the laws of Scotland and all its property, assets and rights situated in Northern Ireland or otherwise governed by the laws of Northern Ireland), present and future, TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors
- (b) The floating charge created by this Clause 6 10 is a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (c) The floating charge created by this Clause 6 10 shall be deferred in point of priority to the fixed charges which remain outstanding under this Supplemental Charge from time to time and any rights of the Issuer to deal with the assets subject to the floating charge, shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge over the same

- (d) In addition and without prejudice to any other event resulting in a crystallisation of the floating charges created under or pursuant to this Supplemental Charge or any other right the Trustee may have, the Trustee may, by notice in writing to the Issuer, (and so far as permitted by applicable law) declare that the floating charges created under or pursuant to this Supplemental Charge shall (so far as permitted by applicable law) be converted into specific fixed charges over such of the undertaking, property and assets of the Issuer as the Trustee may specify in such notice at any time if
- (i) any event has happened which constitutes an Event of Default, or
 - (ii) the Trustee believes that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, attachment, execution, diligence or other legal process levied or is otherwise in jeopardy, or
 - (iii) the Trustee considers that it is desirable in order to protect the priority of the Security.
- (e) In addition and without prejudice to any other event resulting in a crystallisation of the floating charge created under or pursuant to this Supplemental Charge and without prejudice to any rule of law which may have a similar effect, subject as provided below, each such floating charge shall (so far as permitted by applicable law) automatically and without notice be converted with immediate effect into a fixed charge as regards
- (i) all property, assets or undertaking of the Issuer subject to such floating charge, upon
 - (A) the presentation of a petition for the compulsory winding-up of the Issuer;
 - (B) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Issuer or the appointment of an administrator over the Issuer;
 - (C) an application or pending application being made for the making of an administration order in relation to the Issuer,
 - (D) an administrator being appointed in relation to the Issuer;
 - (E) the presentation or making of an application for a warrant of execution, writ of *fiat facias*, garnishee order or charging order in respect of any of the assets of the Issuer subject to such floating charge, and/or
 - (F) the service of an Enforcement Notice

- (ii) any property, assets or undertaking of the Issuer, which become subject to a Security Interest in favour of any person other than the Trustee or which is/are the subject of a sale, transfer or other disposition, in either case, contrary to the covenants and undertakings contained in the Transaction Documents, immediately prior to such Security Interest arising or such sale, transfer or other disposition being made
- (f) The Issuer will promptly upon crystallisation execute over the assets charged pursuant to this Clause 6 10 a fixed charge or security in favour of the Trustee in such form as the Trustee shall reasonably require
- (g) The floating charge created by this Clause 6 10 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 except with leave of the court

6 11 Further acquired items

- (a) For the avoidance of doubt (and subject to Clause 6 5 (*Scottish Trust Security*) and in addition and without prejudice to the security confirmation contained in Clause 5 (*Confirmation of Existing Security*) and without prejudice but subject only to the Original Security)) it is hereby confirmed that reference herein to Loans, Mortgages, Life Policies, Insurance Contracts and related items include those which are hereafter assigned or transferred to or otherwise acquired by the Issuer (whether pursuant to the Mortgage Administration Agreement or otherwise) and that the Security comprises, and is intended to comprise, specific and fixed assignments and assignments by way of security of, or specific and fixed charges or standard securities over (as the case may be), the items to which they relate, both present and acquired in the future
- (b) The Issuer shall
 - (i) notify the Trustee in writing immediately upon each occasion after the execution of this Supplemental Charge that it acquires any Loans, Mortgages, other Collateral Security and any other English Property, Scottish Property or Northern Irish Property,
 - (ii) execute and deliver, or procure that there is executed and delivered to the Trustee in respect of the Loans, Mortgages, other Collateral Security and other English Property, Scottish Property or Northern Irish Property which it acquires after the execution of this Supplemental Charge promptly, unless the relevant solicitor has agreed to execute and deliver the same as attorney of the Issuer,
 - (iii) in the case of English Mortgages and other English Property, enter into a fixed mortgage supplemental to and on the terms and conditions of this Supplemental Charge in such form as the Trustee may require,

- (iv) if the Property is situate in a jurisdiction outside England and Wales, such other instrument (including, without limitation, enter into an assignation in security, standard security or sub-standard security) on such other terms and conditions as may, in the opinion of the Trustee, be appropriate to create a similar security in that jurisdiction in favour of the Trustee; and
- (v) enter into a legal assignment, assignation and/or charge supplemental to and on the terms and conditions of this Supplemental Charge in the case of any Loan or Collateral Security (other than Collateral Security which forms part of the Security following compliance with subparagraphs (i) and (ii) of this paragraph (b)),

in each case, to secure the payment or discharge of the Amended Secured Amounts

6 12 Prepayment Charges Receipts

The parties to this Supplemental Charge hereby acknowledge that all amounts standing to the credit of the Prepayment Charges Ledger and charged in favour of the Trustee pursuant to this Supplemental Charge shall be held by the Trustee solely for the benefit of the Residual Certificateholders and that no Secured Creditor (other than the Residual Certificateholders) shall have an interest in any amounts standing to the credit of the Prepayment Charges Ledger

6 13 No Transfer of Obligations

Notwithstanding anything else in this Supplemental Charge, it is hereby agreed that, except where expressly indicated otherwise, the Trustee does not assume, nor shall the Trustee be obligated to perform, any obligations of any other person (including, for the avoidance of doubt, the making of further advances to Borrowers) and nothing herein shall be construed so as to transfer any of such obligations to the Trustee

7 RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS; BANK ACCOUNTS

7 1 No recourse against shareholder, officer or director

No recourse under any obligation, covenant, undertaking or agreement of the Issuer contained in this Supplemental Charge or in any of the Charged Obligation Documents shall be made against any shareholder, officer or director of the Issuer as such, by the enforcement of any assignment or by any proceeding, by virtue of any statute or otherwise (except in the case of fraud), it being expressly agreed and understood that this Supplemental Charge and the Charged Obligation Documents are corporate obligations of the Issuer and no liability shall attach to, or be incurred by, the shareholders, officers, agents, or directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants and agreements of the Issuer

contained in this Supplemental Charge or in any of the Charged Obligation Documents, or implied therefrom, and that any and all personal liability for breach by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or certification, of every such shareholder, officer, agent or director is hereby expressly waived by the Issuer as a condition of any consideration for the execution of this Supplemental Charge

7.2 No proceedings against the Issuer

Notwithstanding any provision of the Transaction Documents to the contrary, each party hereto (other than the Issuer) agrees with the Issuer, subject to the proviso to this Clause 7.2 and Clause 7.3, that

- (a) only the Trustee is entitled to enforce the Security or to take proceedings against the Issuer to enforce the Security or any of the provisions of the Trust Deed, the Restated Deed of Charge and this Supplemental Charge,
- (b) each party hereto (other than the Trustee) and any person acting on behalf of such party shall have no right to take any proceedings against the Issuer to enforce the Security or any of the provisions thereof, or, save in accordance with the terms of the Transaction Documents, to direct the Trustee to do so,
- (c) each party hereto, and any person acting on behalf of such party, is not entitled to take any steps or proceedings which would result in the Priority of Payments or the Redemption Priority not being observed or complied with,
- (d) each party hereto (other than the Trustee) shall have no right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to such party, and
- (e) the parties hereto shall not be entitled to petition or commence any Insolvency Proceedings in respect of the Issuer or any of its revenues or assets for so long as the Notes are outstanding, provided that the Trustee may prove or lodge a claim in the Insolvency Proceedings of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under this Supplemental Charge

provided that:

- (i) if the Trustee, having become bound to do so, fails to serve an Enforcement Notice and/or, subject to the proviso to Clause 8.4 (*Security Enforceable*), fails to take any steps or proceedings to enforce such security pursuant to clause 10 (*The Trustee's Powers*) or clause 11 (*Receiver*) of the Restated Deed of Charge as incorporated into this Supplemental Charge within a reasonable period, and such failure is continuing, the Secured Creditors shall be entitled to take any

such steps and proceedings as they shall deem necessary (other than procuring the winding-up, dissolution, assignment, re-organisation, bankruptcy, insolvency, examination or liquidation of the Issuer), and

- (ii) the obligations of the Issuer to the parties to this Supplemental Charge and the Instrumentholders pursuant to Clause 8 (*Upon Enforcement*) shall be limited in accordance with Clause 7.3 (*Limited Recourse*) below

7.3 Limited Recourse

- (a) Each party hereto (other than the Issuer) agrees with the Issuer that notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to such party are limited in recourse as set out below
 - (i) each party hereto agrees that it will have a claim only in respect of, and will be limited to, the property, assets and rights of the Issuer which are subject to the Security and the amounts received, realised or otherwise recovered therefrom and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;
 - (ii) sums payable to a party hereto on any date in respect of the Issuer's obligations to such party on such date shall be limited to the lesser of (A) the aggregate amount of all sums due and payable to such party on such date and (B) the aggregate amounts of funds received, realised or otherwise recovered by or for the account of the Issuer and/or the Trustee and the other Secured Creditors in respect of the assets which are the subject of the Security whether pursuant to enforcement of the Security or otherwise including amounts received, realised or otherwise recovered prior to enforcement of the Security, net of any sums which are payable by the Issuer to parties other than that party on such date in accordance with the applicable Priority of Payments and/or the Redemption Priority, as applicable, and the terms of this Supplemental Charge in priority to or *pari passu* and *pro rata* with sums payable to such party, and
 - (iii) on the Final Maturity Date or following final distribution of net proceeds of enforcement of the Security if the Trustee certifies, in its sole discretion, that the Issuer has insufficient funds to pay in full all of the Issuer's outstanding payment obligations to that party under the Transaction Documents and that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from enforcement of the Security or otherwise) then that party shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall cease to be due and payable.

- (b) Notwithstanding any other clause in the Transaction Documents, no provision in any Transaction Document shall limit or in any way reduce the amount of interest that would otherwise be payable by the Issuer under any Note, if and to the extent that such limitation or reduction falls to any extent to be determined by reference to the results of any business or part of a business or the value of any property

7.4 Payments prior to Enforcement

Notwithstanding the Security but subject to Clauses 7.2 (*No proceedings against the Issuer*) and 7.3 (*Limited Recourse*) above and Clause 8 (*Upon Enforcement*), the Trustee and the other Secured Creditors agree, and the Issuer concurs, that

- (a) amounts may and shall be withdrawn from the Bank Accounts, in the amounts contemplated, and for application in accordance with the Bank Agreement, the Investment Administration Agreement, the GIC and the Administration Agreements,
- (b) payments may be made by the Issuer of the commissions, expenses and other amounts payable by the Issuer relating to or otherwise in connection with the issue of the Instruments (subject to and in accordance with the provisions of clause 12.1 (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring Agreement), and
- (c) payments to be made under the Transaction Documents may be made by the Issuer and in accordance with the directions of the Issuer, subject as provided in the Transaction Documents

Any amount so withdrawn shall be released and discharged from the Security Interests created under this Supplemental Charge

7.5 Restriction of Payments prior to Enforcement

Subject to Clause 7.4 (*Payments prior to Enforcement*), no other payments may be made out of any of the Bank Accounts without the prior written approval of the Trustee

7.6 Bank Account to be credited with amounts received

At all times prior to the release, retrocession, re-assignment and/or discharge of the Security pursuant to clause 5 (*Redemption and release*) of the Restated Deed of Charge (as incorporated in this Supplemental Charge), the Issuer shall, save as otherwise provided in the Transaction Documents or unless the Trustee otherwise agrees in writing (and then only on such terms and in such manner as the Trustee may require), procure that the Bank Accounts shall from time to time be credited with all amounts received by the Issuer under or in respect of the Transaction Documents

7 7 Investment

Until the Security has become enforceable, the amounts standing to the credit of the Bank Accounts and any investments (including, without limitation, Authorised Investments) and the proceeds thereof from time to time shall be invested and applied in accordance with the Bank Agreement, the GIC and the Cash/Bond Administration Agreement, and, if the Cash/Bond Administrator fails to ensure that this is the case, the Trustee may (but shall not be obliged to) take steps to do so itself

7 8 Notice of Security

By their execution of this Supplemental Charge each of the Issuer and the Trustee gives notice to each of the other parties to this Supplemental Charge (and each other) of the Security Interests made and/or granted by the Issuer under or pursuant to this Supplemental Charge

7 9 Acknowledgment by Secured Creditors

The Issuer and each Secured Creditor (other than the Trustee) covenants with and undertakes to the Issuer and the Trustee that, notwithstanding the provisions of this Clause 7 (*Restrictions on exercise of certain rights, Bank Accounts*), if any payment in respect of the Charged Property is made to the Issuer or such Secured Creditor other than in accordance with the Transaction Documents, any amounts so paid shall be held on trust by such relevant person for the Trustee and shall forthwith be paid over to the Trustee, **provided however that** this Clause 7 9 shall only take effect to the extent that it does not constitute or create any Security Interest of any kind.

7 10 Acknowledgement of Notice

By and upon executing this Supplemental Charge, each Secured Creditor acknowledges the notice given under Clause 7 8 (*Notice of Security*) and consents to the Security Interests made or granted by the Issuer under or pursuant to this Supplemental Charge and also acknowledges that as at the date hereof it has not received from any other person notice of any assignment, assignations or charge of any property the subject of such Security Interests (save in respect of the Original Deed of Charge)

7 11 Set Off

If, at the time a payment is proposed to be made to any Secured Creditor pursuant to Clause 8 3 (*Post-Enforcement Priority of Payments*), that Secured Creditor is in default under any of its obligations to make a payment under any of the Transaction Documents to which it is party (the "**Defaulted Payment**"), then the amount of the payment which may be made to that Secured Creditor pursuant to Clause 8 3 (*Post-Enforcement Priority of Payments*) shall be reduced by there being withheld from such payment an amount equal to the amount of such Defaulted Payment Any amount so withheld shall not be available for any other person and shall be paid to

that Secured Creditor as and when (and *pro rata* to the extent that) the Defaulted Payment is duly made by it and **provided further that** the Trustee shall be entitled and is hereby authorised to call for and to accept as conclusive evidence thereof a certificate from the Auditors as to the amounts of the claims of any of the other Secured Creditors under Clause 8 (*Upon Enforcement*)

8 UPON ENFORCEMENT

8.1 No withdrawals from Bank Accounts

Notwithstanding the creation of the Security, the Trustee and each of the other Secured Creditors hereby agrees, and the Issuer concurs, that from the time the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been enforced pursuant to Condition 10 (*Enforcement*), no amount may be withdrawn from any of the Bank Accounts except to the extent that it is applied in accordance with Clause 8.3 (*Post-Enforcement Priority of Payments*) and Clause 6.12 (*Prepayment Charges Receipts*) or as otherwise permitted by the provisions of this Supplemental Charge that are applicable after the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been enforced pursuant to Condition 10 (*Enforcement*).

8.2 Held on Trust

Notwithstanding the Security Interests created by or pursuant to this Supplemental Charge, the Trustee and each of the other Secured Creditors hereby agrees, and the Issuer concurs, that any monies whatsoever recovered by each of them or on their behalf whether by the Trustee or otherwise after the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been enforced pursuant to Condition 10 (*Enforcement*) shall subject to Clause 7.9 (*Acknowledgement by Secured Creditors*) and be applied in accordance with the order of priorities set out in Clause 8.3 (*Post-Enforcement Priority of Payments*) and the provisions of Clause 6.12 (*Prepayment Charges Receipts*) and the Issuer and each such Secured Creditor (other than the Trustee) declares that it holds such monies, and upon receipt such monies will be held, upon trust for the Trustee and agrees to pay such amounts to the Trustee as soon as practicable after such receipt

8.3 Post-Enforcement Priority of Payments

After the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been enforced pursuant to Condition 10 (*Enforcement*), the Trustee shall, to the extent of the funds available to the Issuer and from the proceeds of enforcement of the Security (other than amounts standing to the credit of the Prepayment Charges Ledger) make payments in or towards satisfaction of the following items in the

following order of priority The order of priorities referred to herein and in Clauses 8 1 (*No withdrawals from Bank Accounts*) and 8 2 (*Held on Trust*) is as follows

- (i) first, to pay, *pro rata*, any remuneration then due to the Trustee, any receiver or administrator appointed by the Trustee or any other Appointee of the Trustee and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by the Trustee, such receiver or administrator or such Appointee together with interest thereon (plus value added tax, if any),
- (ii) second, to pay, *pro rata*, the fees, costs, expenses and liabilities due to the Mortgage Administrator, the Cash/Bond Administrator, the Standby Mortgage Administrator, the Standby Cash/Bond Administrator (the fees of such Standby Mortgage Administrator and Standby Cash/Bond Administrator to be paid together with value added tax up to a rate of 17 5 per cent. only), the Corporate Services Provider, the Paying Agents, the Registrar, the Transfer Agent, the Agent Bank, the Account Bank, the Collection Account Bank and the GIC Provider, together with value added tax (if any) chargeable thereon;
- (iii) third, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the A1a Notes,
- (iv) fourth, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the A2a Notes,
- (v) fifth, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the A3a Notes,
- (vi) sixth, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the B1 Notes,
- (vii) seventh, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the B2 Notes
- (viii) eighth, to pay, *pari passu* and *pro rata*
 - (A) to the Standby Mortgage Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Mortgage Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17 5 per cent , and
 - (B) to the Standby Cash/Bond Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Cash/Bond Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17 5 per cent ,
- (ix) ninth, to pay an amount equal to £890 to the Profit Ledger, and

- (x) tenth, in or towards payment, *pari passu*, and *pro rata*, of RC Distributions to the Residual Certificateholders

For the purposes of this Clause 8.3 the Trustee shall be entitled, and is hereby authorised, to call for and accept as conclusive evidence thereof a certificate from the Auditors or, if applicable, the Receiver (if any) of the Issuer as to the amount of the claims specified above and the identity of the Secured Creditors

In addition to payments pursuant to item (x) of the Post Enforcement Priority of Payments above, the Residual Certificateholders will be entitled to distributions of all amounts standing to the credit of the Prepayment Charges Ledger

In such distribution, the manner of making payments to the Noteholders shall remain as specified prior to the Notes being declared due and payable. The Noteholders have limited recourse to the Issuer in respect of the payments prescribed above pursuant to the Trust Deed, the Deed of Charge, this Supplemental Charge and Condition 17 (*Non Petition and Limited Recourse*)

8.4 Security Enforceable

The Security will become enforceable upon the giving of an Enforcement Notice pursuant to Condition 9(a) (*Events of Default*) or upon any failure by the Issuer to pay the full amount when due on the Notes pursuant to Condition 5(a) (*Final Redemption*) or following the giving of notice of redemption of the Notes pursuant to Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*), **provided that**, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either (A) the Trustee is satisfied that sufficient amounts would be realised to allow discharge in full of all amounts owing to the Noteholders and any other Secured Creditors ranking *pari passu* therewith or in priority thereto, or (B) the Trustee is of the sole opinion, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Trustee, acting in its absolute discretion, 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 Noteholders and any other Secured Creditors ranking *pari passu* with or in priority thereto

8.5 Removal

Without prejudice to the provisions of Clause 8.3 (*Post-Enforcement Priority of Payments*) and the obligations set out in Clause 8.3 (*Post-Enforcement Priority of Payments*), the Trustee and each of the other Secured Creditors hereby agree, and the Issuer concurs, that the Trustee shall remain trustee of the Charged Property at all times and while it remains trustee in relation to the Notes and Residual Certificates it

shall not be liable to be removed at the behest of any Secured Creditor (other than the Instrumentholders)

8 6 Binding Deed

Each Secured Creditor shall be bound by the provisions of this Supplemental Charge as if it contained covenants by each Secured Creditor in favour of the Trustee and every other Secured Creditor to observe and be bound by all the provisions of this Supplemental Charge expressed to apply to the Secured Creditors

8 7 Disposal

- (a) If the Trustee determines (in respect of which determination, the provisions of this Supplemental Charge (including but not limited to Clause 8 4 (*Security Enforceable*) hereof) and the Trust Deed shall apply) to sell, refinance or otherwise dispose of the Assets, the Trustee shall appoint an investment bank selected by it to invite Bids for the purchase or financing of the Assets by way of competitive tender (and based on such assumptions as the Trustee or the relevant investment bank may select),
- (b) if the investment bank appointed pursuant to paragraph (a) above receives a Bid or Bids, subject to paragraph (c) below, the Trustee shall sell the Assets at a price no less than that contained in the Bid or, in the case of more than one Bid, the highest Bid, and
- (c) nothing in this Clause shall, whether or not following the appointment in paragraph (a) above the Trustee has received a Bid or Bids,
 - (i) prevent the Trustee from declining to sell the Assets or otherwise postponing any sale, or
 - (ii) require the Trustee to sell the Assets,
 - (iii) if, in either case, the Trustee determines (in respect of which determination, the provisions of Clause 8 4 (*Security Enforceable*) shall apply) that it is in the interests of the Noteholders and Residual Certificateholders other Secured Creditors to do so

8 8 Deposit

The Issuer shall, immediately upon the Security becoming enforceable, deposit with the Trustee (or any person nominated by the Trustee to hold the same on its behalf including, without limitation, any solicitors) by way of security for the Amended Secured Amounts all title deeds and documents including, without limitation, any land certificates or charge certificates obtained by it issued by the Land Registry prior to 13 October 2003 or the Registers of Scotland or the Land Registry of Northern Ireland relating to all English Property, Scottish Property or Northern Irish Property now vested in the Issuer or vesting in it after the date of this Supplemental Charge and

in relation to the Loans and Collateral Security in the Mortgage Pool, the title deeds and documents required to be deposited with the Trustee (or any person nominated by the Trustee to hold the same on its behalf including, without limitation, any solicitors) in accordance with any Transaction Document

8 9 **Retention**

If the Trustee enforces the Security at a time when either no amounts or not all amounts owing in respect of the Amended Secured Amounts have become due and payable or any of the Amended Secured Amounts are at such time contingent or future, the Trustee or a Receiver may, for so long as no such amounts or not all such amounts have become due and payable or any of the Amended Secured Amounts are at such time contingent or future, pay any monies referred to in Clause 8 3 (*Post-Enforcement Priority of Payments*), as the case may be, into, and retain such monies in, an interest-bearing account to be held by it as security and applied by it in accordance with Clause 8 3 (*Post-Enforcement Priority of Payments*) as and when any of the amounts referred to therein become due and payable

9 **AMENDMENTS TO THE ORIGINAL DEED OF CHARGE**

With effect from the Restructuring Date, the Original Deed of Charge shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 1 (*Restated Deed of Charge*) to this Supplemental Charge (for the avoidance of doubt, without prejudice to the provisions of the Bank Agreement 2011 Amendment, Interface and Transfer Deed which relate to those clauses of the Original Deed of Charge specified therein)

10 **MISCELLANEOUS**

10 1 **Incorporation of terms**

The provisions of clauses 3 (*The Issuer's Covenant to Pay*), 5 (*Redemption and Release*), 8 (*Continuance of Security and Conflict*), 9 (*Expenses*), 10 (*The Trustee's Powers*), 11 (*Receiver*), 12 (*Administrator*), 13 (*Protection of Third Parties*), 14 (*Protection of Trustee and Receiver*), 15 (*Indemnity*), 16 (*Further Assurances and Power of Attorney*), 17 (*Other Security, etc*), 18 (*Warranties and Covenants*), 19 (*Application to Court*), 20 (*Miscellaneous*) and 21 (*Trustee Provisions*) (and including Schedules 1 (*Form of Standard Security (Land Register)*), 2 (*Form of Standard Security (Sasine Register)*), 3 (*Form of Assignment in Security*), 4 (*Form of Supplemental Deed of Charge*) and 5 (*Form of Notice of Assignment*)) of the Restated Deed of Charge are incorporated in this Supplemental Charge as if set out in full in this Supplemental Charge, save that defined terms used within those clauses shall be construed in accordance with this Supplemental Charge and that references in those clauses to

- (a) the "**Secured Amounts**" are references to the "Amended Secured Amounts",

- (b) **"this Deed"** are references to this Supplemental Charge,
and in respect of the Schedules to the Restated Deed of Charge only, references to
- (c) **"BNY Corporate Trustee Services Limited"** are references to BNY Mellon Corporate Trustee Services Limited,
- (d) the Deed of Charge as **"amended and/or amended and restated from time to time"** are references to the Deed of Charge as supplemented, amended and/or restated from time to time,
- (e) the address of any Transaction Party are to the address of such Transaction Party as stated in the Parties Clause of this Supplemental Charge, and
- (f) any Transaction Document are to that Transaction Document as supplemented, amended and/or restated from time to time

10 2 Original Deed of Charge

Except insofar as supplemented and amended by this Supplemental Charge, the Original Deed of Charge shall remain in full force and effect

10 3 No waiver

The amendments to the Original Deed of Charge effected by this Supplemental Charge shall not affect any right or obligation of the Parties which has arisen under the terms of the Original Deed of Charge prior to the date of this Supplemental Charge, nor shall such amendments be interpreted as a waiver of any right or obligation of the Parties which has arisen under the terms of the Original Deed of Charge prior to the Restructuring Date

10 4 No release

For the avoidance of doubt, any Security Interest (whether at law or in equity) created by, and constituted in or pursuant to, the Original Deed of Charge shall continue in full force and effect notwithstanding this Supplemental Charge and shall not be released, extinguished or affected in any way by the terms of this Supplemental Charge

10 5 No merger

For the avoidance of doubt, any charge or assignment or assignation (whether at law or in equity) created by the Original Deed of Charge shall continue in full force and effect notwithstanding this Supplemental Charge and shall not merge in any security constituted by this Supplemental Charge or be released, extinguished or affected in any way by the security constituted by this Supplemental Charge

10 6 Counterparts

This Supplemental Charge may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Supplemental Charge

10 7 Bank Agreement 2011 Amendment, Interface and Transfer Deed

For the avoidance of doubt, those provisions of the Bank Agreement 2011 Amendment, Interface and Transfer Deed which relate to those clauses of the Original Deed of Charge specified therein shall apply and remain effective, *mutatis mutandis*, in relation to the equivalent clauses of this Supplemental Charge

10 8 Registration

The Issuer shall file or procure the filing with the Registrar of Companies pursuant to Part 25 of the Companies Act 2006 of a duly completed Form MR01 together with a certified copy of this Supplemental Charge, together with the required fee, within 21 days after the date of this Supplemental Charge

11 EXECUTION AND EFFECTIVENESS

This Supplemental Charge shall be fully effective and binding upon the Issuer and the Trustee upon at least one copy of this Supplemental Charge having being executed and delivered by both the Issuer and the Trustee notwithstanding that any other person expressed to be a party to this Supplemental Charge has not then executed and delivered this Supplemental Charge and notwithstanding any such other party has executed or executes and has delivered or delivers a counterpart of this Supplemental Charge

This Supplemental Charge has been executed as a Deed and delivered on the day and year first before written

The Issuer

EXECUTED and DELIVERED
as a **DEED** by
as director for
EMF-UK 2008-1 PLC
in the presence of

Witness Signature

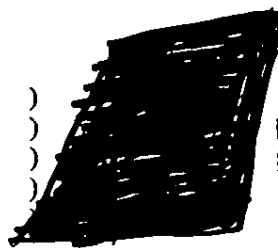
Witness Name

Witness Address



Stuart Watson

Third Floor
1 King's Arms Yard
London
EC2R 7AF



Mark Filer
Director

The Trustee

EXECUTED and DELIVERED
as a **DEED** by
BNY MELLON CORPORATE
TRUSTEE SERVICES LIMITED
by its duly authorised attorneys
in the presence of

Witness Signature:

Witness Name *FOLVIA LUCAZZO*

Witness Address

The Bank of New York Mellon
One Canada Square
London E14 5AL

James Swain
Authorised Signatory

Authorised signatory

Paul Townsend

Authorised Signatory
Authorised signatory

SPML (in its capacity as Seller)

EXECUTED and DELIVERED
as a **DEED** by
as attorney for
SOUTHERN PACIFIC MORTGAGE
LIMITED
in the presence of

)
)
)
)
)
)



Witness Signature



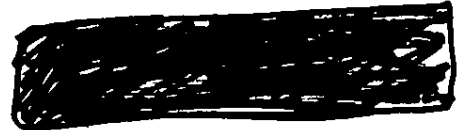
Witness Name. **DAVID HILL**

Witness Address **10 UPPER BANK STREET**
LONDON
E14 5JJ

Preferred Mortgages Limited (in its capacity as Seller)

EXECUTED and DELIVERED
as a **DEED** by
as attorney for
PREFERRED MORTGAGES LIMITED
in the presence of

)
)
)
)
)
)



Witness Signature



Witness Name **DAVID HILL**

Witness Address **10 UPPER BANK STREET**
LONDON
E14 5JJ

The Mortgage Administrator

EXECUTED and DELIVERED
as a **DEED** by
ACENDEN LIMITED
in the presence of.

)
)
)
)


Director

Witness Signature.



Witness Name **SUSAN M LUNDGREN**

Witness Address. **6 SYDNEY ROAD**
RICHMOND
TW9 1UB

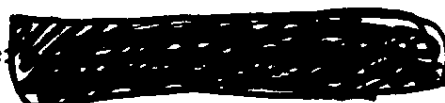
The Cash/Bond Administrator

EXECUTED and DELIVERED
as a **DEED** by
ACENDEN LIMITED
in the presence of

)
)
)
)


Director

Witness Signature.



Witness Name **SUSAN M LUNDGREN**

Witness Address **6 SYDNEY ROAD**
RICHMOND
TW9 1UB

The Standby Cash/Bond Administrator

EXECUTED and DELIVERED
as a **DEED** by
SPECIALIST MORTGAGE SERVICES LIMITED
in the presence of

)
)
)
)



Director

Witness Signature.



Witness Name

Witness Address

Dominic Daymond
Legal Services Assistant
Gateway House, Gargrave Road
Skipton, N Yorkshire, BD23 2HL

The Standby Mortgage Administrator

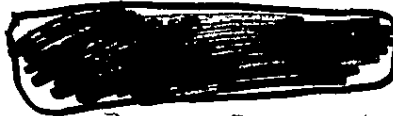
EXECUTED and DELIVERED
as a **DEED** by
SPECIALIST MORTGAGE SERVICES LIMITED
in the presence of

)
)
)
)



Director

Witness Signature



Witness Name

Witness Address

Dominic Daymond
Legal Services Assistant
Gateway House, Gargrave Road
Skipton, N. Yorkshire, BD23 2HL

The Account Bank

EXECUTED and DELIVERED
as a **DEED** by
BARCLAYS BANK PLC
acting by
its duly authorised attorney
in the presence of

)
)
)
)
)
)
)



Name of witness **JAMES ASHTON-SMITH**

Address of witness **BARCLAYS BANK PLC, 1 CHURCHILL PLACE**
LONDON E14 5HP

Signature of witness:



The GIC Provider

EXECUTED and DELIVERED
as a **DEED** by
BARCLAYS BANK PLC
acting by:
its duly authorised attorney
in the presence of:

)
)
)
)
)
)
)



Name of witness: **JAMES ASHTON-SMITH**

Address of witness **BARCLAYS BANK PLC, 1 CHURCHILL PLACE**
LONDON E14 5HP

Signature of witness.



Collection Account Bank

EXECUTED and DELIVERED
as a **DEED** by
BARCLAYS BANK PLC
acting by
its duly authorised attorney
in the presence of

)
)
)
)
)
)
)



Name of witness: **JAMES ASHTON-SMITH**


Address of witness. **BARCLAYS BANK PLC, 1 CHURCHILL PLACE**

Signature of witness: **LONDON E14 5HP**



The Agent Bank

EXECUTED and DELIVERED
as a **DEED** by
THE BANK OF NEW YORK MELLON,
LONDON BRANCH
acting by its duly authorised signatory


) 
)
)
)
)
)
) James Swain
Authorised Signatory

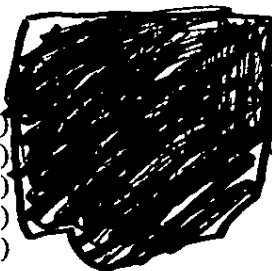
The Principal Paying Agent

EXECUTED and DELIVERED
as a **DEED** by
THE BANK OF NEW YORK MELLON,
LONDON BRANCH
acting by its duly authorised signatory

) 
)
)
)
)
)

The Registrar

EXECUTED
as a **DEED** for and on behalf of
THE BANK OF NEW YORK MELLON
(LUXEMBOURG) S.A.
in the presence of 


) 
)
)
)
)
)

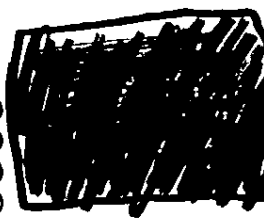
Witness Signature 


Witness Name *FULVA WCAZONLU*

Witness Address The Bank of New York Mellon
 One Canada Square
 London E14 5AL

The Transfer Agent

EXECUTED
as a **DEED** for and on behalf of
THE BANK OF NEW YORK MELLON
(LUXEMBOURG) S.A.
in the presence of 

) 
)
)
)
)
)

Witness Signature 

Witness Name *FULVA WCAZONLU*

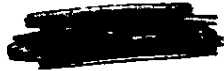
Witness Address The Bank of New York Mellon
 One Canada Square
 London E14 5AL

SIGNED and DELIVERED
as a **DEED** by
as a director for
WILMINGTON TRUST SP SERVICES
(LONDON) LIMITED
(in its capacity as
Corporate Services Provider)
in the presence of.

Witness Signature

Witness Name:

Witness Address.



Stuart Watson

Third Floor
1 King's Arms Yard
London
EC2R 7AF



Mark Filer
Director

**SCHEDULE 1
RESTATED DEED OF CHARGE**

BETWEEN

EMF-UK 2008-1 PLC
AS ISSUER

BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED
AS TRUSTEE

SOUTHERN PACIFIC MORTGAGE LIMITED
AS A SELLER

PREFERRED MORTGAGES LIMITED
AS A SELLER

THE BANK OF NEW YORK MELLON
AS PRINCIPAL PAYING AGENT AND AGENT BANK

THE BANK OF NEW YORK MELLON (LUXEMBOURG) S A
AS REGISTRAR AND TRANSFER AGENT

BARCLAYS BANK PLC
AS ACCOUNT BANK, COLLECTION ACCOUNT BANK AND GIC PROVIDER

ACENDEN MORTGAGE SERVICES LIMITED
AS CASH/BOND ADMINISTRATOR AND MORTGAGE ADMINISTRATOR

SPECIALIST MORTGAGE SERVICES LIMITED
AS STANDBY CASH/BOND ADMINISTRATOR AND STANDBY MORTGAGE
ADMINISTRATOR

WILMINGTON TRUST SP SERVICES (LONDON) LIMITED
AS CORPORATE SERVICES PROVIDER

DEED OF CHARGE

CONTENTS

Clause	Page
1 Definitions and Interpretation	3
2 Common Terms	3
3 The Issuer's Covenant to Pay	4
4 Security	5
5 Redemption and release	12
6 Restrictions on exercise of certain rights, Bank Accounts	13
7 Upon Enforcement	15
8 Continuance of Security and Conflict	19
9 Expenses	22
10 The Trustee's Powers	23
11 Receiver	28
12 Administrator	31
13 Protection of Third Parties	32
14 Protection of Trustee and Receiver	33
15 Indemnity	37
16 Further Assurances and Power of Attorney	38
17 Other Security Etc	39
18 Warranties and Covenants	39
19 Application to Court	47
20 Miscellaneous	48
21 Trustee Provisions	49
22 Restriction on enforcement of Security, Non-Petition and Limited Recourse	50
23 Execution and effectiveness	52
Schedule 1 Form of Standard Security (Land Register)	53
Schedule 2 Form of Standard Security (Sasine Register)	56
Schedule 3 Form of Assignment in Security	59
Schedule 4 Form of Supplemental Deed of Charge	62
Schedule 5 Form of Notice of Assignment	65

THIS DEED OF CHARGE was made by way of deed on 18 March 2008 and is restated pursuant to a supplemental deed of charge dated 27 August 2014 between the following parties

BETWEEN:

- (1) **EMF-UK 2008-1 PLC**, whose registered number is 6505161 and whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (as the "**Issuer**"),
- (2) **BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED**, whose registered office is at One Canada Square, London E14 5AL (as the "**Trustee**"),
- (3) **SOUTHERN PACIFIC MORTGAGE LIMITED** (registered number 3266119) whose registered office is 10-18 Union Street, London SE1 1SZ (as a "**Seller**"),
- (4) **PREFERRED MORTGAGES LIMITED** (registered number 3137809) whose registered office is at 10-18 Union Street, London SE1 1SZ (as a "**Seller**"),
- (5) **THE BANK OF NEW YORK MELLON**, acting through its London Branch at One Canada Square, London E14 5AL (in its capacities as the "**Principal Paying Agent**", and the "**Agent Bank**"),
- (6) **THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.**, acting through its office at Vertigo Building-Polaris, 2-4 Rue Eugène Ruppert, L-2453 Luxembourg (in its capacities as the "**Registrar**" and the "**Transfer Agent**"),
- (7) **BARCLAYS BANK PLC**, acting through its branch office at 1 Churchill Place, London E14 5HP (in its capacities as "**Account Bank**" and "**Collection Account Bank**"),
- (8) **BARCLAYS BANK PLC**, acting through its office at 5 The North Colonnade, Canary Wharf, London, E14 4BB (in its capacity as "**GIC Provider**"),
- (9) **ACENDEN MORTGAGE SERVICES LIMITED** (registered number 5381786) whose registered office is at St Johns Place, Easton Street, High Wycombe HP11 1NL (as "**Acenden**" and as the "**Cash/Bond Administrator**" and the "**Mortgage Administrator**"),
- (10) **SPECIALIST MORTGAGE SERVICES LIMITED** (registered number 02466320) whose registered office is at The Bailey, Skipton, North Yorkshire BD23 1DN (as the "**Standby Cash/Bond Administrator**" and "**Standby Mortgage Administrator**"),
- (11) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** (registered number 2548079) whose registered office is at Third Floor, 1 King's Arms Yard, London, EC2R 7AF (as "**Corporate Services Provider**")

NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Deed or the context otherwise requires, words and expressions used in this Deed have the meanings and constructions given to them in the Master Definitions Schedule set out in Schedule 1 (*Master Definitions Schedule*) to the Master Securitisation Agreement dated the Closing Date and signed by, among others, the Issuer and the Trustee (as the same may be supplemented, amended and/or restated from time to time)

1.2 References

In this Deed references to

- (a) the Notes shall be deemed also to include the Conditions appertaining thereto,
- (b) the Residual Certificates shall be deemed also to include the Residual Certificate Conditions appertaining thereto,
- (c) principal and/or interest in respect of the Notes shall be deemed also to include references to any additional amounts which may be payable under the Conditions,
- (d) (for the avoidance of doubt but subject to Clause 10 (*The Trustee's Powers*)), the Trustee in this Deed are to it acting in its capacity as trustee under this Deed for the Secured Creditors and each of them, as the case may require

1.3 Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989

This Deed incorporates by reference (for the purposes only of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 and the Statute of Frauds (Ireland) 1695) the terms, where relevant, of each of the Charged Obligation Documents

2 COMMON TERMS

2.1 Incorporation of Common Terms

The Common Terms apply to this Deed and shall be binding on the parties to this Deed as if set out in full in this Deed

2.2 Conflict with Common Terms

If there is any conflict between the provisions of the Common Terms and the provisions of this Deed, the provisions of this Deed shall prevail

2.3 Governing Law and Jurisdiction

This Deed and all matters arising from or connected with it shall be governed by English law in accordance with Clause 17 (*Governing Law*) of the Common Terms except that

- (a) any terms hereof which are particular to the law of Scotland shall be governed by and construed in accordance with Scots law, and
- (b) any terms hereof which are particular to the law of Northern Ireland shall be governed by and construed in accordance with Northern Irish law

Clause 18 (*Jurisdiction*) of the Common Terms applies to this Deed as if set out in full in this Deed

3 THE ISSUER'S COVENANT TO PAY

3.1 Issuer's undertaking to the Trustee

The Issuer acknowledges to the Trustee the Issuer's liability in respect of the Secured Amounts and further covenants with and undertakes to the Trustee (for itself and as trustee for the other Secured Creditors) that it shall duly and punctually pay and discharge all monies and liabilities whatsoever and observe, satisfy and perform all other obligations and liabilities whatsoever in each case which now are or (whether before or after demand) from time to time become due, owing or payable by the Issuer, whether actually or contingently

- (a) to or to the order of the Trustee and/or any Receiver under this Deed, the Trust Deed or the Conditions at the times and in the manner provided herein or therein,
- (b) under or in respect of the Instruments,
- (c) to the Trustee on any account whatsoever, whether as principal or surety and whether or not directly with another; and
- (d) to each of the other Secured Creditors in accordance with each of the other Charged Obligation Documents

3.2 Declaration of Trust

The Trustee holds on trust for the Secured Creditors, upon and subject to the terms and conditions of this Deed, all of the covenants, undertakings and representations made to the Trustee under this Deed and any other Transaction Document (save for the covenants set out in clauses 3.1 (*Covenant to Repay Notes*), 3.2 (*Covenant to pay RC Distributions in respect of the Residual Certificates*), 6 (*Covenant to comply with Trust Deed and Schedules, Notes, Residual Certificates and Other Documents*) and 7 (*Covenants and Representations by the Issuer*) of the Trust Deed which, in each case, are held on trust for the Instrumentholders only) and all of the charges, assignments, assignments, security and Security Interests made or given to the Trustee or to be made or given to it for the purpose of securing the Secured Amounts under or pursuant to this Deed or any other Transaction Document

4 SECURITY

4.1 English Mortgages

The Issuer, by way of first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and as the registered owner or as the person entitled to be registered as owner and subject in each case to the proviso for redemption hereinafter contained and to the provisos for redemption or cesser contained in the Mortgage Conditions, HEREBY CHARGES to the Trustee by way of first fixed charge all the Issuer's right, title, interest and benefit present and future in, to and under the English Loans and the English Mortgages from time to time in the Mortgage Pool and including, without limitation.

- (a) all monies assured by or to become payable under the same,
- (b) the benefit of all covenants relating thereto,
- (c) all powers and remedies for enforcing the same and the title deeds, and
- (d) documents relating to the English Properties and the English Mortgages in the Mortgage Pool including (without prejudice to the generality of the foregoing) any affidavits, consents, renunciations, deeds of postponements, waivers, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the English Mortgages in the Mortgage Pool (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of the English Loans,

TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

4.2 Life Policies, English Charges and Northern Irish Charges

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner as appropriate) and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed charge to the Trustee (except in so far as otherwise charged pursuant to Clause 4.5 (*Scottish Trust Security*)) all the Issuer's right, title, benefit and interest present and future in, to and under the Life Policies (including for the avoidance of doubt those Life Policies relating to Northern Irish Mortgages), the English Charges and the Northern Irish Charges and including, without limitation, in each case, the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

4.3 Insurance Contracts

The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner if appropriate) and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all the Issuer's right, title, interest and benefit present and future in, to and

under the Insurance Contracts (including for the avoidance of doubt those Insurance Contracts relating to the Scottish Mortgages and Northern Irish Mortgages), to the extent that the Insurance Contracts have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and including, without limitation, all monies assured by or to become payable under the same and the benefit of all covenants, undertakings and rights relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

4.4 The Scottish Mortgages and Scottish Charges

The Issuer, as beneficial owner and with absolute warrandice and subject to the proviso for redemption hereinafter contained and the Borrower's right of redemption contained in the Mortgage Conditions, hereby undertakes to the Trustee and binds and obliges itself

- (a) upon the delivery to it of any SLR Transfer pursuant to clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts, a Standard Security substantially in the form set out in Schedule 1 (*Form of Standard Security (Land Register)*) in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages and the Scottish Loans secured thereby to which the Issuer is beneficially entitled in terms of such SLR Transfer,
- (b) upon the delivery to it of any Sasine Register Transfer pursuant to clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts, a Standard Security substantially in the form set out in Schedule 2 (*Form of Standard Security (Sasine Register)*) in respect of the Issuer's whole, right title and interest in and to all of the Scottish Mortgages and the Scottish Loans secured thereby to which the Issuer is beneficially entitled in terms of such Sasine Register Transfer,
- (c) upon the delivery to it of any Assignment of Charges pursuant to clause 8.2 (*Perfection Acts*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts, an Assignment in Security substantially in the form set out in Schedule 3 (*Form of Assignment in Security*) in respect of the Issuer's whole right, title and interest in and to all of the Scottish Charges to which the Issuer is beneficially entitled in terms of such Assignment of Charges, and in and to the Life Policies relative to such Scottish Charges,
- (d) at the time of the delivery of any Scottish Sub-Security in accordance with the preceding provisions of this sub-clause simultaneously to deliver to the Trustee, the relevant SLR Transfer and the Sasine Register Transfer and/or Assignment of Charges respectively pertaining to the Scottish Mortgages and/or Scottish Charges specified in such Scottish Sub-Security,
- (e) if and when called upon to do so by the Trustee (but subject to the provisions of the Mortgage Sale Agreement) to take all such steps as are necessary to

perfect legal title to the Scottish Mortgages and the Scottish Charges relative thereto, including without limitation, registration and recording of the Issuer as heritable creditor under such Scottish Mortgages in the Registers of Scotland and giving intimation of any Assignment of Charges to the relevant assurance companies, and

- (f) to execute and deliver such documents, and in such form, and to take such other steps as the Trustee shall reasonably consider necessary to enable the Trustee to perfect a first ranking heritable security over the Scottish Mortgages and all sums secured thereby and to effect a first ranking assignment in security to the Trustee of the Scottish Charges relative thereto and the Life Policies thereby assigned

4.5 Scottish Trust Security

- (a) The Issuer as holder of the beneficial interest therein and with absolute warrandice, and subject to the proviso for redemption hereinafter contained, hereby assigns to and in favour of the Trustee in security for the discharge and payment of the Secured Amounts, the Issuer's whole right, title and interest, present and future, in and to the whole of the Scottish Trust Property as defined in each of the Scottish Declarations of Trust made in favour of the Issuer in terms of paragraph (e) of clause 5.3 (*Documentary Conditions Precedent to Completion of Original Loans*) of the Mortgage Sale Agreement and in and to the Scottish Declarations of Trust, surrogating and substituting the Trustee in its full right and place therein and thereto
- (b) The Issuer hereby intimates to the Sellers as respective trustees under the Scottish Declarations of Trust the assignment in security made in terms of paragraph (a) of this sub-clause 4.5 and the Sellers by their execution of this Deed immediately subsequent to the execution hereof by the Issuer consent to such assignment and acknowledge such intimation thereof and confirm that as at the date hereof none have received any intimation of any other dealing with the Scottish Trust Property or any part thereof
- (c) The Issuer undertakes forthwith on the execution and delivery after the date hereof of each and every Supplemental Scottish Declaration of Trust pursuant to paragraph (b) of clause 6.3 (*Documentary Conditions Precedent to Completion of Prefunded Loans*), paragraph (b) of clause 6.7 (*Documentary Conditions Precedent to Completion of Newly-Originated Loans*), paragraph (b) of clause 6.10 (*Documentary Conditions Precedent to Completion for Ported Loans*) and clause 10.5 (*Substitution of Loans*) of the Mortgage Sale Agreement, to execute and deliver to the Trustee a Supplemental Deed of Charge in the form set out in Schedule 4 (*Form of Supplemental Deed of Charge*). The other parties to this deed consent to the entering into of such Supplemental Deeds of Charge and the Trustee by its execution of this Deed authorises and instructs the Issuer to intimate and give notice to the Sellers of the assignment in security made thereunder as provided therein
- (d) The Issuer undertakes to the Trustee at the time of delivery of any Supplemental Deed of Charge under the terms of paragraph (c) of this Clause

4 5 simultaneously to deliver to the Trustee each Supplemental Scottish Declaration of Trust specified therein

4 6 The Northern Irish Mortgages

The Issuer, by way of first fixed security for the payment or discharge of the Secured Amounts, as beneficial owner and if appropriate as the registered owner or as the person entitled to be registered as owner in the Land Registry of Northern Ireland or, as the case may be, the Registry of Deeds of Northern Ireland, of the Northern Irish Mortgages and subject in each case to the proviso for redemption hereinafter contained and to the provisos for redemption or cesser contained in the Mortgage Conditions, HEREBY CHARGES to the Trustee by way of first fixed charge all the Issuer's right, title, interest and benefit present and future in, to and under the Northern Irish Loans and the Northern Irish Mortgages in the Mortgage Pool and 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 Mortgage Pool including (without prejudice to the generality of the foregoing) any consents, affidavits, renunciations, deeds of postponement, waivers, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the Northern Irish Mortgages in the Mortgage Pool (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of the Loans TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

4 7 Contractual and Other Rights

- (a) The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all its right, title, interest and benefit present and future in, to and under the Charged Obligation Documents and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party, (other than the Trust Deed (and any deed expressed to be supplemental thereto) and this Deed) including without limitation all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the Secured Creditors
- (b) Notwithstanding such assignment each of the parties hereto (other than the Issuer) agrees with the Issuer that the Charged Obligors may continue to make all payments becoming due to the Issuer under any of the Charged Obligation Documents direct to the Issuer in the manner envisaged by such agreements (which payment shall constitute a good discharge by the person making the payment) until receipt of express written notice from the Trustee or the

Receiver requiring such payments to be made elsewhere, which notice shall not be given at any time prior to the giving of an Enforcement Notice

4 8 Bank Accounts

- (a) The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and under the Transaction Account, the GIC Account and each Collection Account and all sums of money which may now be or hereafter are from time to time standing to the credit of the Transaction Account, the GIC Account and (to the extent the Issuer is entitled to such sums) each Collection Account together with all rights and claims relating or attached thereto including, without limitation, the right to all interest accruing from time to time thereon and the proceeds of any of the foregoing and the debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and, subject to Clause 4 12 (*Prepayment Charges Receipts*), the other Secured Creditors.
- (b) The Issuer, by way of further first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and under the Collection Accounts Declarations of Trust and including, without limitation, the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

4 9 Investments

The Issuer, by way of first fixed security for the payment and discharge of the Secured Amounts, subject to Clause 5 (*Redemption and Release*), HEREBY CHARGES by way of first fixed charge in favour of to the Trustee all of its right, title, interest and benefit in, to and under or in respect of any investments (including but not limited to Authorised Investments) for the time being owned by it or held on its behalf, including all monies, income and proceeds payable thereunder and all rights in respect of or ancillary to such investments, TO HOLD the same unto the Trustee absolutely

4 10 Floating charge

- (a) The Issuer, by way of further security for the payment or discharge of the Secured Amounts, with full title guarantee (or, in relation to any rights or assets situated in or governed by the law of Scotland, with absolute warrandice or, in relation to any rights or assets situated in or governed by the law of Northern Ireland, as beneficial owner) and subject to the proviso for redemption hereinafter contained and subject where relevant to the provisos for redemption or cesser contained in any Mortgage which forms part of the

Mortgage Pool and the rights of re-assignment, retrocession and re-transfer contained in the Charges, HEREBY CHARGES by way of first floating charge to the Trustee, the whole of its undertaking and all its property, assets and rights (including, without limitation, everything specifically secured by means of fixed charge above or otherwise assigned as security by this Clause 4 as well as its property, assets and rights situated in Scotland or otherwise governed by the laws of Scotland and all its property, assets and rights situated in Northern Ireland or otherwise governed by the laws of Northern Ireland), present and future, TO HOLD the same unto the Trustee absolutely for the Trustee on trust for itself and the other Secured Creditors

- (b) The floating charge created by this sub-clause is a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986
- (c) The floating charge created by this Clause 4.10 shall be deferred in point of priority to the fixed charges which remain outstanding under this Deed of Charge from time to time and any rights of the Issuer to deal with the assets subject to the floating charge, shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge over the same
- (d) In addition and without prejudice to any other event resulting in a crystallisation of the floating charges created under or pursuant to this Deed or any other right the Trustee may have, the Trustee may, by notice in writing to the Issuer, (and so far as permitted by applicable law) declare that the floating charges created under or pursuant to this Deed shall (so far as permitted by applicable law) be converted into first specific fixed charges over such of the undertaking, property and assets of the Issuer as the Trustee may specify in such notice at any time if
 - (i) any event has happened which constitutes an Event of Default, or
 - (ii) the Trustee believes that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, attachment, execution, diligence or other legal process levied or is otherwise in jeopardy, or
 - (iii) the Trustee considers that it is desirable in order to protect the priority of the Security
- (e) In addition and without prejudice to any other event resulting in a crystallisation of the floating charge created under or pursuant to this Deed and without prejudice to any rule of law which may have a similar effect, subject as provided below, each such floating charge shall (so far as permitted by applicable law) automatically and without notice be converted with immediate effect into a fixed charge as regards
 - (i) all property, assets or undertaking of the Issuer subject to such floating charge, upon

- (A) the presentation of a petition for the compulsory winding-up of the Issuer,
 - (B) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Issuer or the appointment of an administrator over the Issuer,
 - (C) an application or pending application being made for the making of an administration order in relation to the Issuer,
 - (D) an administrator being appointed in relation to the Issuer,
 - (E) the presentation or making of an application for a warrant of execution, writ of *fiery facias*, garnishee order or charging order in respect of any of the assets of the Issuer subject to such floating charge, and/or
 - (F) the service of an Enforcement Notice
- (ii) any property, assets or undertaking of the Issuer, which become subject to a Security Interest in favour of any person other than the Trustee or which is/are the subject of a sale, transfer or other disposition, in either case, contrary to the covenants and undertakings contained in the Transaction Documents, immediately prior to such Security Interest arising or such sale, transfer or other disposition being made
- (f) The Issuer will promptly upon crystallisation execute over the assets charged pursuant to this Clause 4 10 a fixed charge or security in favour of the Trustee in such form as the Trustee shall reasonably require
- (g) The floating charge created by this Clause 4 10 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 except with leave of the court

4 11 Further acquired items

- (a) For the avoidance of doubt (and subject to Clause 4.5 (*Scottish Trust Security*)) it is hereby confirmed that reference herein to Loans, Mortgages, Life Policies, Insurance Contracts and related items include those which are hereafter assigned or transferred to or otherwise acquired by the Issuer (whether pursuant to the Mortgage Administration Agreement or otherwise) and that the Security comprises, and is intended to comprise, specific and fixed assignments and assignments by way of security of, or specific and fixed charges or standard securities over (as the case may be), the items to which they relate, both present and acquired in the future
- (b) The Issuer shall
 - (i) notify the Trustee in writing immediately upon each occasion after the execution of this Deed that it acquires any Loans, Mortgages, other

Collateral Security and any other English Property, Scottish Property or Northern Irish Property,

- (ii) execute and deliver, or procure that there is executed and delivered to the Trustee in respect of the Loans, Mortgages, other Collateral Security and other English Property, Scottish Property or Northern Irish Property which it acquires after the execution of this Deed promptly, unless the relevant solicitor has agreed to execute and deliver the same as attorney of the Issuer,
- (iii) in the case of English Mortgages and other English Property, enter into a first fixed mortgage supplemental to and on the terms and conditions of this Deed in such form as the Trustee may require,
- (iv) if the Property is situate in a jurisdiction outside England and Wales, such other instrument (including, without limitation, enter into an assignation in security, standard security or sub-standard security) on such other terms and conditions as may, in the opinion of the Trustee, be appropriate to create a similar security in that jurisdiction in favour of the Trustee, and
- (v) enter into a first legal assignment, assignation and/or charge supplemental to and on the terms and conditions of this Deed in the case of any Loan or Collateral Security (other than Collateral Security which forms part of the Security following compliance with subparagraphs (i) and (ii) of this paragraph (b)),

in each case, to secure the payment or discharge of the Secured Amounts

4 12 Prepayment Charges Receipts

The parties to this Deed hereby acknowledge that all amounts standing to the credit of the Prepayment Charges Ledger and charged in favour of the Trustee pursuant to this Deed shall be held by the Trustee solely for the benefit of the Residual Certificateholders and that no Secured Creditor (other than the Residual Certificateholders) shall have an interest in any amounts standing to the credit of the Prepayment Charges Ledger

4 13 No Transfer of Obligations

Notwithstanding anything else in this Deed, it is hereby agreed that, except where expressly indicated otherwise, the Trustee does not assume, nor shall the Trustee be obligated to perform, any obligations of any other person (including, for the avoidance of doubt, the making of further advances to Borrowers) and nothing herein shall be construed so as to transfer any of such obligations to the Trustee

5 REDEMPTION AND RELEASE

5 1 Release on payment or discharge

Upon proof being given to the satisfaction of the Trustee as to the full, final, irrevocable and unconditional payment or discharge by the Issuer of all the Secured

Amounts, the Trustee will at the request and cost of the Issuer release, re-convey, discharge, re-transfer, retrocess or re-assign (as appropriate) the Charged Property to the Issuer or other person entitled thereto of whom the Trustee has written notice provided that no assurance, security, disposition or payment which is or may be avoided or which must be repaid on bankruptcy, liquidation or otherwise (including, without limitation, under sections 238 to 245 of the Insolvency Act, 1986) and no release, re-conveyance, re-transfer, re-assignment, retrocession or settlement or discharge given or made by the Trustee in whole or in part on the faith of any such assurance, security, disposition or payment, shall prejudice or affect the right of the Trustee to enforce the Security in respect of the full extent of the Secured Amounts. It is hereby agreed that such security shall be deemed to have been and to have remained held by the Trustee as and by way of security for the payment to or to the order of the Trustee of all or any sums which may become due and owing to or to the order of the Trustee in respect of the Secured Amounts. The cost of any release, re-assignment, discharge, retrocession or re-transfer of the Charged Property to the Issuer or such other person referred to herein shall be borne by the Issuer.

5.2 Release pursuant to the Mortgage Sale Agreement or Mortgage Administration Agreement

If the Sellers or the Mortgage Administrator or any other third party purchases any Loan and its related Collateral Security pursuant to and in accordance with clause 10 (*Breach of Warranties*) of the Mortgage Sale Agreement or clause 31 (*Purchase Option*) of the Mortgage Administration Agreement, such Loan and Collateral Security and all other rights in relation thereto (including the Loan Files and the Property Deeds) shall be released from the Security without any further action being required.

6. RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS; BANK ACCOUNTS

6.1 No recourse against shareholder, officer or director

No recourse under any obligation, covenant, undertaking or agreement of the Issuer contained in this Deed or in any of the Charged Obligation Documents shall be made against any shareholder, officer or director of the Issuer as such, by the enforcement of any assignment or by any proceeding, by virtue of any statute or otherwise (except in the case of fraud), it being expressly agreed and understood that this Deed and the Charged Obligation Documents are corporate obligations of the Issuer and no liability shall attach to, or be incurred by, the shareholders, officers, agents, or directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants and agreements of the Issuer contained in this Deed or in any of the Charged Obligation Documents, or implied therefrom, and that any and all personal liability for breach by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or certification, of every such shareholder, officer, agent or director is hereby expressly waived by the Issuer as a condition of any consideration for the execution of this Deed.

6 2 Intentionally omitted

6 3 Payments prior to Enforcement

Notwithstanding the Security but subject to Clause 7 (*Upon Enforcement*) and Clause 22 (*Restriction on enforcement of Security, Non-Petition and Limited Recourse*), the Trustee and the other Secured Creditors agree, and the Issuer concurs, that

- (a) amounts may and shall be withdrawn from the Bank Accounts, in the amounts contemplated, and for application in accordance with the Bank Agreement, the Investment Administration Agreement, the GIC and the Administration Agreements,
- (b) payments may be made by the Issuer of the commissions, expenses and other amounts payable by the Issuer relating to or otherwise in connection with the issue of the Instruments (subject to and in accordance with the provisions of clause 12.1 (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring Agreement), and
- (c) payments to be made under the Transaction Documents may be made by the Issuer and in accordance with the directions of the Issuer, subject as provided in the Transaction Documents

Any amount so withdrawn shall be released and discharged from the Security Interests created under this Deed

6 4 Restriction of Payments prior to Enforcement

Subject to Clause 6 3 (*Payments prior to Enforcement*), no other payments may be made out of any of the Bank Accounts without the prior written approval of the Trustee

6 5 Bank Account to be credited with amounts received

At all times prior to the release, retrocession, re-assignment and/or discharge of the Security pursuant to Clause 5 (*Redemption and Release*), the Issuer shall, save as otherwise provided in the Transaction Documents or unless the Trustee otherwise agrees in writing (and then only on such terms and in such manner as the Trustee may require), procure that the Bank Accounts shall from time to time be credited with all amounts received by the Issuer under or in respect of the Transaction Documents

6 6 Investment

Until the Security has become enforceable, the amounts standing to the credit of the Bank Accounts and any investments (including, without limitation, Authorised Investments) and the proceeds thereof from time to time shall be invested and applied in accordance with the Bank Agreement, the GIC and the Cash/Bond Administration Agreement, and, if the Cash/Bond Administrator fails to ensure that this is the case, the Trustee may (but shall not be obliged to) take steps to do so itself

6 7 **Intentionally omitted**

6 8 **Notice of Security**

By their execution of this Deed each of the Issuer and the Trustee gives notice to each of the other parties to this Deed (and each other) of the Security Interests made and/or granted by the Issuer under or pursuant to this Deed

6 9 **Acknowledgment by Secured Creditors**

The Issuer and each Secured Creditor (other than the Trustee) covenants with and undertakes to the Issuer and the Trustee that, notwithstanding the provisions of this Clause 6 (*Restrictions on exercise of certain rights, Bank Accounts*), if any payment in respect of the Charged Property is made to the Issuer or such Secured Creditor other than in accordance with the Transaction Documents, any amounts so paid shall be held on trust by such relevant person for the Trustee and shall forthwith be paid over to the Trustee, **provided however that** this Clause 6 9 shall only take effect to the extent that it does not constitute or create any Security Interest of any kind

6 10 **Acknowledgement of Notice**

By and upon executing this Deed, each Secured Creditor acknowledges the notice given under Clause 6 8 (*Notice of Security*) and consents to the Security Interests made or granted by the Issuer under or pursuant to this Deed and also acknowledges that as at the date hereof it has not received from any other person notice of any assignment, assignments or charge of any property the subject of such Security Interests

6 11 **Set Off**

If, at the time a payment is proposed to be made to any Secured Creditor pursuant to Clause 7 3 (*Post-Enforcement Priority of Payments*), that Secured Creditor is in default under any of its obligations to make a payment under any of the Transaction Documents to which it is party (the "**Defaulted Payment**"), then the amount of the payment which may be made to that Secured Creditor pursuant to Clause 7 3 (*Post-Enforcement Priority of Payments*) shall be reduced by there being withheld from such payment an amount equal to the amount of such Defaulted Payment. Any amount so withheld shall not be available for any other person and shall be paid to that Secured Creditor as and when (and *pro rata* to the extent that) the Defaulted Payment is duly made by it and **provided further that** the Trustee shall be entitled and is hereby authorised to call for and to accept as conclusive evidence thereof a certificate from the Auditors as to the amounts of the claims of any of the other Secured Creditors under Clause 7 (*Upon Enforcement*)

7 **UPON ENFORCEMENT**

7 1 **No withdrawals from Bank Accounts**

Notwithstanding the creation of the Security, the Trustee and each of the other Secured Creditors hereby agrees, and the Issuer concurs, that from the time the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been

enforced pursuant to Condition 10 (*Enforcement*), no amount may be withdrawn from any of the Bank Accounts except to the extent that it is applied in accordance with Clause 7 3 (*Post-Enforcement Priority of Payments*) and Clause 4 12 (*Prepayment Charges Receipts*) or as otherwise permitted by the provisions of this Deed that are applicable after the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been enforced pursuant to Condition 10 (*Enforcement*)

7 2 Held on Trust

Notwithstanding the Security Interests created by or pursuant to this Deed, the Trustee and each of the other Secured Creditors hereby agrees, and the Issuer concurs, that any monies whatsoever recovered by each of them or on their behalf whether by the Trustee or otherwise after the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been enforced pursuant to Condition 10 (*Enforcement*) shall subject to Clause 6 9 (*Acknowledgement by Secured Creditors*) and be applied in accordance with the order of priorities set out in Clause 7 3 (*Post-Enforcement Priority of Payments*) and the provisions of Clause 4 12 (*Prepayment Charges Receipts*) and the Issuer and each such Secured Creditor (other than the Trustee) declares that it holds such monies, and upon receipt such monies will be held, upon trust for the Trustee and agrees to pay such amounts to the Trustee as soon as practicable after such receipt

7 3 Post-Enforcement Priority of Payments

After the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable or if the Security has otherwise been enforced pursuant to Condition 10 (*Enforcement*), the Trustee shall, to the extent of the funds available to the Issuer and from the proceeds of enforcement of the Security (other than amounts standing to the credit of the Prepayment Charges Ledger) make payments in or towards satisfaction of the following items in the following order of priority. The order of priorities referred to herein and in Clauses 7 1 (*No withdrawals from Bank Accounts*) and 7 2 (*Held on Trust*) is as follows

- (i) first, to pay, *pro rata*, any remuneration then due to the Trustee, any receiver or administrator appointed by the Trustee or any other Appointee of the Trustee and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by the Trustee, such receiver or administrator or such Appointee together with interest thereon (plus value added tax, if any),
- (ii) second, to pay, *pro rata*, the fees, costs, expenses and liabilities due to the Mortgage Administrator, the Cash/Bond Administrator, the Standby Mortgage Administrator, the Standby Cash/Bond Administrator (the fees of such Standby Mortgage Administrator and Standby Cash/Bond Administrator to be paid together with value added tax up to a rate of 17.5 per cent only), the Corporate Services Provider, the Paying Agents, the Registrar, the Transfer Agent, the Agent Bank, the Account Bank, the Collection Account Bank and the GIC Provider, together with value added tax (if any) chargeable thereon,

- (iii) third, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the A1a Notes,
- (iv) fourth, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the A2a Notes,
- (v) fifth, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the A3a Notes,
- (vi) sixth, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the B1 Notes,
- (vii) seventh, to pay *pari passu* and *pro rata*, all amounts of interest and principal then due and payable on the B2 Notes
- (viii) eighth, to pay, *pari passu* and *pro rata*
 - (A) to the Standby Mortgage Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Mortgage Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent, and
 - (B) to the Standby Cash/Bond Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Cash/Bond Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent,
- (ix) ninth, to pay an amount equal to £890 to the Profit Ledger, and
- (x) tenth, in or towards payment, *pari passu*, and *pro rata*, of RC Distributions to the Residual Certificateholders

For the purposes of this Clause 7.3 the Trustee shall be entitled, and is hereby authorised, to call for and accept as conclusive evidence thereof a certificate from the Auditors or, if applicable, the Receiver (if any) of the Issuer as to the amount of the claims specified above and the identity of the Secured Creditors

In addition to payments pursuant to item (x) of the Post Enforcement Priority of Payments above, the Residual Certificateholders will be entitled to distributions of all amounts standing to the credit of the Prepayment Charges Ledger

In such distribution, the manner of making payments to the Noteholders shall remain as specified prior to the Notes being declared due and payable. The Noteholders have limited recourse to the Issuer in respect of the payments prescribed above pursuant to the Trust Deed, this Deed of Charge, the Supplemental Deed of Charge (Note Restructuring) and Condition 17 (*Non Petition and Limited Recourse*)

7.4 Security Enforceable

The Security will become enforceable upon the giving of an Enforcement Notice pursuant to Condition 9(a) (*Events of Default*) or upon any failure by the Issuer to pay the full amount when due on the Notes pursuant to Condition 5(a) (*Final Redemption*)

or following the giving of notice of redemption of the Notes pursuant to Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*), **provided that**, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either (A) the Trustee is satisfied that sufficient amounts would be realised to allow discharge in full of all amounts owing to the Noteholders and any other Secured Creditors ranking *pari passu* therewith or in priority thereto; or (B) the Trustee is of the sole opinion, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Trustee, acting in its absolute discretion, 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 Noteholders and any other Secured Creditors ranking *pari passu* with or in priority thereto

7.5 Removal

Without prejudice to the provisions of Clause 7.3 (*Post-Enforcement Priority of Payments*) and the obligations set out in Clause 7.3 (*Post-Enforcement Priority of Payments*), the Trustee and each of the other Secured Creditors hereby agree, and the Issuer concurs, that the Trustee shall remain trustee of the Charged Property at all times and while it remains trustee in relation to the Notes and Residual Certificates it shall not be liable to be removed at the behest of any Secured Creditor (other than the Instrumentholders).

7.6 Binding Deed

Each Secured Creditor shall be bound by the provisions of this Deed as if it contained covenants by each Secured Creditor in favour of the Trustee and every other Secured Creditor to observe and be bound by all the provisions of this Deed expressed to apply to the Secured Creditors

7.7 Disposal

- (a) If the Trustee determines (in respect of which determination, the provisions of this Deed (including but not limited to Clause 7.4 (*Security Enforceable*) hereof) and the Trust Deed shall apply) to sell, refinance or otherwise dispose of the Assets, the Trustee shall appoint an investment bank selected by it to invite Bids for the purchase or financing of the Assets by way of competitive tender (and based on such assumptions as the Trustee or the relevant investment bank may select),
- (b) if the investment bank appointed pursuant to paragraph (a) above receives a Bid or Bids, subject to paragraph (c) below, the Trustee shall sell the Assets at a price no less than that contained in the Bid or, in the case of more than one Bid, the highest Bid, and
- (c) nothing in this Clause shall, whether or not following the appointment in paragraph (a) above the Trustee has received a Bid or Bids,

- (i) prevent the Trustee from declining to sell the Assets or otherwise postponing any sale, or
- (ii) require the Trustee to sell the Assets,
- (iii) if, in either case, the Trustee determines (in respect of which determination, the provisions of Clause 7.4 (*Security Enforceable*) shall apply) that it is in the interests of the Noteholders and Residual Certificateholders other Secured Creditors to do so

7.8 Deposit

The Issuer shall, immediately upon the Security becoming enforceable, deposit with the Trustee (or any person nominated by the Trustee to hold the same on its behalf including, without limitation, any solicitors) by way of security for the Secured Amounts all title deeds and documents including, without limitation, any land certificates or charge certificates obtained by it issued by the Land Registry prior to 13 October 2003 or the Registers of Scotland or the Land Registry of Northern Ireland relating to all English Property, Scottish Property or Northern Irish Property now vested in the Issuer or vesting in it after the date of this Deed and in relation to the Loans and Collateral Security in the Mortgage Pool, the title deeds and documents required to be deposited with the Trustee (or any person nominated by the Trustee to hold the same on its behalf including, without limitation, any solicitors) in accordance with any Transaction Document.

7.9 Retention

If the Trustee enforces the Security at a time when either no amounts or not all amounts owing in respect of the Secured Amounts have become due and payable or any of the Secured Amounts are at such time contingent or future, the Trustee or a Receiver may, for so long as no such amounts or not all such amounts have become due and payable or any of the Secured Amounts are at such time contingent or future, pay any monies referred to in Clause 7.3 (*Post-Enforcement Priority of Payments*), as the case may be, into, and retain such monies in, an interest-bearing account to be held by it as security and applied by it in accordance with Clause 7.3 (*Post-Enforcement Priority of Payments*) as and when any of the amounts referred to therein become due and payable

8 CONTINUANCE OF SECURITY AND CONFLICT

8.1 Continuing Security

Without prejudice to the generality of the foregoing, the Security and the covenants and provisions contained in this Deed shall remain in force as a continuing security to the Trustee (for itself and on trust for the various other persons to whom the Secured Amounts from time to time become due, owing or payable) notwithstanding any intermediate payment, settlement of account or any other act, event or matter whatsoever, except only the execution by or on behalf of the Trustee as its deed of an absolute and unconditional release or the execution by or on behalf of the Trustee of a receipt for all (and not part only) of the Secured Amounts, which receipt the Trustee is

hereby authorised to execute on behalf of all other persons to whom any of the Secured Amounts are due, owing or payable

8 2 Discharge

In relation to the Trustee's duties, obligations and responsibilities as trustee to the other Secured Creditors in relation to the Charged Property and under or in connection with this Deed and the Trust Deed, the Trustee and the other Secured Creditors hereby agree, and the Issuer concurs, that the Trustee shall discharge these by performing and observing its duties, obligations and responsibilities as trustee to the Noteholders and Residual Certificateholders in accordance with the provisions of, and subject to the provisions in favour of the Trustee contained in, this Deed, the Trust Deed and the Charged Obligation Documents and the other Secured Creditors shall accordingly be bound by, and deemed to have notice of, all of the provisions of this Deed, the Trust Deed and the Charged Obligation Documents as if they were Noteholders and Residual Certificateholders

8 3 Exercise of Trustee's Powers

- (a) Without prejudice to the generality of the foregoing, the Trustee shall exercise its powers, trusts, authorities, duties, rights and discretions under this Deed in accordance with paragraph (c) of clause 11 2 of the Trust Deed
- (b) Subject to paragraph (a) of this Clause 8 3, the Trustee shall not be required, when exercising its powers, authorities and discretions, to have regard to the interests of, or act at the direction of, any other persons having the benefit of the Security and, in relation to the exercise of such powers, authorities and discretions, the Trustee shall have no liability to such persons as a consequence of so acting

8 4 Acknowledgement

Each of the Secured Creditors (other than the Trustee) acknowledges that the Trustee shall not be bound to take any steps or institute any proceedings against the Issuer or to enforce the Security after the Security has become enforceable or take any other action under this Deed or any other Transaction Document unless

- (a) it shall have been requested by the holders of not less than 25 per cent in aggregate Principal Amount Outstanding of the then outstanding Notes of the Most Senior Class of Notes, or it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, and
- (b) in each case, it shall have been indemnified and/or secured to its satisfaction,

provided that, to the extent that the Trustee follows the direction of the party entitled to give such direction in accordance with this Clause 8 4 (*Acknowledgement*), it shall have no obligation to take the interest of any other party into account or to follow the directions given by any other party.

8 5 **Impairment**

All the liabilities and obligations of the Issuer under or by virtue of this Deed shall not be impaired by

- (a) any giving of time, forbearance, indulgence or waiver as regards the Issuer,
- (b) a discharge or release of the Issuer, or
- (c) any other matter or event whatsoever whether similar to the foregoing or not which might have the effect of impairing all or any of its liabilities or obligations except proper and valid payment or discharge of all Secured Amounts and amounts whatsoever which this Deed provides are to be paid by the Issuer or an absolute discharge or release of the Issuer signed by the other Secured Creditors and the Trustee

8 6 **Other Security Interests**

If the Trustee receives notice of any Security Interest affecting the whole or any part of the Charged Property or any of the Security in contravention of the provisions of this Deed

- (a) the Trustee may open a new account in the name 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 Trustee after the 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 Amounts as at the time the Trustee received such notice

8 7 **Conditional Settlements**

Any settlement, discharge or release between (a) the Issuer and (b) the Trustee or any Receiver (the "**Relevant Person(s)**") shall be conditional upon no security or payment granted or made to the Relevant Person(s) by the Issuer or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of such security or payment being so avoided or reduced, the Relevant Person(s) shall be entitled to recover the value or amount of such security or payment from the Issuer and from the security subsequently as if such settlement, discharge or release had not occurred

8 8 **Insolvency**

If the 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 Issuer) as at the date of any payment made by the Issuer to the Trustee and that as a result, such payment may be capable of being avoided or clawed back, the Trustee shall be at liberty to retain the Security 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 Amounts notwithstanding any release, settlement, discharge or arrangement which may be given or made by the 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 an application or pending application shall be made for the making of an administration order in respect of the Issuer, or if 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, as the case may be, the Trustee shall be at liberty to continue to retain the Security for such further period as the Trustee may determine and such security shall be deemed to continue to have been held as security for the payment and discharge to the Trustee of all Secured Amounts

8 9 Continuation

This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of the Trustee or the Issuer or any amalgamation, merger or consolidation by the Trustee or the Issuer, with any other corporation (whether, in the case of the Issuer, permitted under the Transaction Documents or not) and any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder without any consent or sanction of the Issuer or the Secured Creditors, provided such corporation shall be otherwise qualified and eligible under clause 13 (*Appointment, Removal and Retirement*) of the Trust Deed, without the execution or filing of any paper or any further act on the part of any of the parties hereto (unless otherwise required by applicable law to effect such succession)

9 EXPENSES

The Issuer further covenants with and undertakes to the Trustee to reimburse, pay or discharge (on the basis of a full indemnity) all Liabilities properly incurred by the Trustee, each Receiver or any attorney, manager, agent, custodian, nominee or delegate appointed by the Trustee under this Deed, or any of the other Transaction Documents in connection with

- (a) the preparation, execution, registration or perfecting of this Deed or any other document relating hereto,
- (b) the carrying out of the trusts and duties under or in connection with this Deed or any other of the Transaction Documents,
- (c) the exercise, or the attempted or purported exercise, or the consideration of the exercise, by or on behalf of the Trustee or the Receiver of any of the powers of the Trustee or the Receiver; and
- (d) any other action taken by or on behalf of the Trustee or the Receiver with a view to or in connection with the recovery of the Secured Amounts from the Issuer or any other person or the enforcement of the security for the Secured Amounts,

in each case, together with any Value Added Tax or similar tax charged or chargeable in respect thereof. The indemnity contained in this Clause 9 shall survive the discharge and release of the whole or any part of the Charged Property from the Security.

10. THE TRUSTEE'S POWERS

10.1 Effect of Security becoming enforceable

Section 103 of the Act (or in the case of the Northern Irish Property section 20 of the Conveyancing and Law of Property Act 1881 (as amended by the Conveyancing Act 1911, being for the purposes of this Clause 10 the "CA 1911", the "CA 1881" or the "CA") shall not apply to this Deed and forthwith after the Security has become enforceable

- (a) the powers conferred by the Act, the CA and this Deed shall become immediately exercisable without the restrictions contained in the Act or the CA, but subject to the proviso to the last paragraph of Condition 2(h) (*Status, Security and Administration – Priority of Payments Post-Enforcement*), and
- (b) the Issuer shall be deemed to be in default within the meaning of Condition 9(1)(b) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970

10.2 Statutory Powers of Sale

The exercise of the statutory power of sale conferred on mortgagees by the Act and the CA shall be free from the restrictions imposed by section 101(1) and (2) of the Act and section 19(1) and (2) of the CA 1881 and section 4 of the CA 1911, as the case may be, and such restrictions shall not apply to this Deed

The provisions of the Act and the CA as applicable relating to the power of sale and the other powers conferred by section 101(1) and (2) of the Act and section 19(1) and (2) of the CA 1881 and section 4 of the CA 1911 are hereby extended (as if such extensions were contained in the Act or the CA, as appropriate) to authorise the Trustee at its absolute discretion, subject as aforesaid, and upon such terms as the Trustee may decide (in each case in its own name, the Issuer's name and/or the name of one or more of the other Secured Creditors)

- (a) to sell, transfer, securitise, realise convey, license, assign, release or otherwise dispose of vary or deal with, and also grant any option to purchase, and effect exchanges of, the whole or any part of the Charged Property or any interest therein and grant or accept surrenders, disclaimers and variations in relation to or otherwise affecting the Charged Property in each case in such manner, for such consideration (if any including, without limitation, for shares, debentures or any other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price in respect of such disposal at a later date or dates, or an agreement to make periodical payments, whether or not any such agreement is secured by a Security Interest or a guarantee, or for such other consideration whatsoever as the Trustee may decide) and generally upon such terms (including by deferred payment of payment by instalments) as it may

think fit and/or concur in any of the foregoing (and nothing shall preclude any such disposal being made to any person the Trustee decides, including the other Secured Creditors or any person associated with any of them),

- (b) with a view to, or in connection with, the disposal of the Charged Property, to carry out any transaction, scheme or arrangement which the Trustee may, in its absolute discretion, consider appropriate,
- (c) to take possession of, get in, collect and perfect interest in the Charged Property,
- (d) to carry on and manage or concur in managing the business of the Issuer,
- (e) to appoint and engage employees, managers, agents and advisers (and nothing shall preclude the Secured Creditors or any person associated with any of them) upon such terms as to remuneration and otherwise for such periods as it may determine, and to dismiss them and vary such terms,
- (f) in connection with the exercise, or the proposed exercise, of any of its powers or in order to obtain payment of its remuneration or reimbursement of its expenses (in each case, whether or not already due), to borrow or raise money from any person, without security or on the security of the Charged Property (either in priority to the Security or otherwise) and generally in such manner and on such terms as it may think fit,
- (g) to bring, defend, submit to arbitration, negotiate, compromise, make, enforce, abandon, adjust and settle any claims, accounts, disputes, questions, demands and proceedings concerning the Charged Property or any business of the Issuer,
- (h) to arrange and/or transfer all or any of the Charged Property and/or of the liabilities of the Issuer to any other person, company or body corporate, whether or not formed or acquired for the purpose and whether or not a subsidiary or associate of the Trustee, the other Secured Creditors or a company or body corporate in which the Trustee, or any other Secured Creditor has an interest and to form a subsidiary or subsidiaries of the Issuer and to arrange for the setting up of any special purpose vehicle or vehicles necessary or appropriate for realisation of Charged Property through any financing technique (including, without limitation, securitisation),
- (i) to call up all or any portion of the uncalled capital (if any) for the time being of the Issuer,
- (j) to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising any of the Charged Property from the charges hereby created,
- (k) to effect, renew and vary insurances in respect of the Charged Property against such risks and for such amounts as it may consider prudent and obtain bonds and performance guarantees,

- (l) to otherwise protect, repair, maintain or improve, the Charged Property or any part thereof in any manner and for any purpose whatsoever as it shall think fit,
- (m) to commence and/or complete any building operations upon any of the freehold, leasehold and heritable properties comprised in the Charged Property and to apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence as the Trustee thinks fit,
- (n) to redeem, discharge or compromise any Security Interest against any of the Charged Property (whether or not having priority to the Security) and/or procure the transfer of such Security Interest to the Trustee,
- (o) to settle and pass the accounts of any prior mortgagee, chargee, heritable creditor or encumbrancer of the Charged Property,
- (p) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Property or incidental to the ownership of or rights in or to any of the Charged Property and to complete or effect any transaction entered into by the Issuer or disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Property,
- (q) to enter into covenants, guarantees, commitments, indemnities and other obligations or liabilities as it shall think fit,
- (r) to generally carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Property which it may consider expedient, acting in its absolute discretion, as effectually as if the Trustee were solely and absolutely entitled to the Charged Property,
- (s) to pay and discharge out of the profits and income of the Charged Property and the monies to be made by it in carrying on any such business as aforesaid the expenses incurred in and about the carrying on and management of any such business as aforesaid or in the exercise of any of the powers conferred by this sub-clause or otherwise in respect of the Charged Property and all outgoings which the Trustee shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by Clause 7.3 (*Post-Enforcement Priority of Payments*),
- (t) to exercise any other powers, rights and/or remedies that may be available at law or in equity including the powers referred to in Schedule 1 to the Insolvency Act 1986 (and/or, to the extent that the laws of Northern Ireland apply, the Insolvency (Northern Ireland) Order 1989), and
- (u) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, acts or things which the Trustee may consider appropriate,

but such extension of powers does not and shall not limit the Trustee's power to enter into possession of the Charged Property or into receipt of the income therefrom or the Trustee's other rights and the exercise by the Trustee of such extended powers shall be subject to compliance with any specific restrictions imposed on the Trustee in this Deed or in the Administration Agreements in relation to dealing with the Charged Property

10 3 Scottish Trust Property

Each of the Sellers and the Issuer hereby covenant and agree and undertake that if at any time after the Security shall have become enforceable the Trustee or any Receiver shall so require, they will join together in directing the Sellers or the Mortgage Administrator to sell or dispose of all or any part of the Charged Property situate in or governed by the laws of Scotland, the Scottish Trust Property or Additional Scottish Trust Property on terms previously approved by the Trustee or any Receiver and/or in causing the trusts constituted by the Scottish Declarations of Trust and Supplemental Scottish Declarations of Trust (if any) to be wound up and/or performed and they will take all actions and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of such Charged Property and/or the Scottish Trust Property and/or Additional Scottish Trust Property or any part thereof in accordance with the terms of the Scottish Declarations of Trust or the Supplemental Scottish Declarations of Trust (if any) and this Deed. Each of the Sellers and the Issuer hereby acknowledge and consent to the foregoing as trustees and beneficiary respectively in terms of the Scottish Declarations of Trust and any Supplemental Scottish Declarations of Trust.

10 4 Delegation

The Trustee and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by either of them under this Deed. Any such delegation may be made upon the terms (including the power to sub-delegate) and subject to any regulations, which the Trustee or such Receiver (as the case may be) may think fit. Provided that the Trustee or the Receiver, as appropriate, has exercised reasonable care in the selection of any such delegate, neither the Trustee nor any Receiver will be in any way liable or responsible to the Issuer for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

10 5 Powers in Addition not Substitution

The powers conferred by this Deed in relation to the Security or any part thereof on the Trustee or on any Receiver of the Charged Property or any part thereof shall be in addition to and not in substitution for the powers conferred on mortgagees or heritable creditors or receivers under the Act and the Insolvency Act 1986 (or the CA or the CA 1911 and the Insolvency (Northern Ireland) Order 1989 or the Conveyancing and Feudal Reform (Scotland) Act 1970 if appropriate) and where there is any ambiguity or conflict between the powers contained in any of such Acts and those conferred by this Deed the terms of this Deed shall prevail.

10 6 Actions by Trustee

Without prejudice to any other rights of the Trustee and subject to the terms of the Transaction Documents, the Trustee may from time to time at any time after any part or parts of the Security becomes enforceable

- (a) enter into, make, execute, sign, deliver and do all such contracts, agreements, deeds, receipts, payments, assignments, assignations, transfers, conveyances, assurances and things and bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Charged Property as it may think expedient,
- (b) exercise or refrain from exercising, in such manner as in its absolute discretion the Trustee shall think fit, all or any of the rights, powers, authorities, discretions or remedies of the Issuer under or in relation to the Charged Property or incidental to the ownership thereof and, in particular but without limiting the generality of the foregoing, exercise all rights to vote or to give any consent or notification or make any declaration in relation to such Charged Property For the avoidance of doubt, the Trustee shall not be required to have regard to the interests of the Issuer in the exercise or non-exercise of any such rights, powers, authorities, discretions and remedies or to comply with any direction given by the Issuer in relation thereto, and
- (c) demand, sue for and take any advice or institute any proceedings to recover or obtain payment of any amounts which may then be due and payable to the Issuer but which remains unpaid under or in respect of the Charged Property or any part thereof either in its own name or in the name of the Issuer

10 7 Combination

The Trustee may at any time after the Security has become enforceable, without notice and notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any existing accounts of the Issuer whether in its own name or jointly with others and held by it or any Secured Creditor and may set-off or transfer all or any part of any credit balance or any sum standing to the credit of any such account (whether or not the same is due to the Issuer from the Trustee or relevant Secured Creditor and whether or not the credit balance and the account in debit or the Secured Amounts are expressed in the same currency in which case the Trustee is hereby authorised to effect any necessary conversions at its prevailing rates of exchange) in or towards satisfaction of any of the Secured Amounts (and on or at any time after the Security has become enforceable the Trustee may make such application notwithstanding any specified maturity of any deposits), but subject always to the Priority of Payments, and may in its absolute discretion estimate the amount of any liability of the Issuer which is contingent or unascertained and thereafter set-off such estimated amount and no amount shall be payable by the Trustee to the Issuer unless and until all the Secured Amounts have been ascertained and fully repaid or discharged

10 8 Investment in Trustee's name

Any moneys which under the trusts of this Deed ought to or may be invested by the Trustee (or by the Cash/Bond Administrator or any other agent on its behalf) after the Security created under or pursuant to this Deed shall have become enforceable may be invested in the name of the Trustee or in the name of any nominee on its behalf and under the control of the Trustee in any investments and the Trustee may at any time vary or transfer (or direct the Cash/Bond Administrator to vary or transfer) or exchange any of such investments for or into other such investments as the Trustee in its absolute discretion may determine, and shall not be responsible (save where any loss results from the Trustee's breach of trust, fraud, wilful default, bad faith or negligence or that of its officers or employees) for any loss occasioned by reason of any such investments whether by depreciation in value or otherwise, provided that such investments were made in accordance with the foregoing provisions. If a bank or institution with which any monies placed on deposit in accordance with this Clause is the Trustee or an affiliate of the Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer.

10 9 Perform Issuer's obligations

If the Issuer for any reason fails to observe or punctually to perform any of its obligations to the Trustee, whether under this Deed, the Trust Deed, any of the Transaction Documents or otherwise, the Trustee shall have power, on behalf of or in the name of the Issuer or otherwise, to perform the obligation and to take any steps which the Trustee may (but shall not be obliged to do so), in its absolute discretion, consider appropriate with a view to remedying, or mitigating the consequences of, the failure, but so that the exercise of this power, or the failure to exercise it, shall in no circumstances prejudice the Trustee's other rights under this Deed.

11 RECEIVER

11 1 Receiver

Subject as provided below, at any time after the Security becomes enforceable, or at any time after any event specified in Clause 11 13 (*Notice*) has occurred, and whether or not the Trustee has taken possession of the Charged Property, the Trustee may without further notice appoint by writing (under hand or by deed) such person or persons (including an officer or officers of the Trustee) (who in the case of administrative receivers shall be qualified persons) as the Trustee thinks fit to be a receiver, a receiver and manager or an administrative receiver of the Charged Property or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others.

In this Deed "**qualified person**" means a person who, under the Insolvency Act (and/or, to the extent that the laws of Northern Ireland apply, the Insolvency (Northern Ireland) Order 1989), is qualified to act as a receiver of the property of any company with respect to which he is appointed or to act as an administrative receiver of any such company.

The Trustee may not appoint a receiver, a receiver and manager or an administrative receiver pursuant to this Clause 11.1 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 (and/or, to the extent that the laws of Northern Ireland apply, the Insolvency (Northern Ireland) Order 2002) except with leave of the court

11.2 Removal of Receiver

Except as otherwise required by statute, the Trustee may by writing or by deed remove a Receiver and may appoint another in its place or to act with a Receiver and may appoint another receiver if the Receiver resigns

11.3 No Preclusion

The exclusion of any part of the Charged Property from the appointment of the Receiver shall not preclude the Trustee from subsequently extending his appointment (or that of the Receiver replacing him) to that part of the Charged Property or appointing another Receiver over any other part of the Charged Property

11.4 Agency

The Receiver shall, so far as the law permits, be the agent of the Issuer and (subject to the Companies Act 1985, the Companies Act 2006 and the Insolvency Act 1986 and/or, to the extent that the laws of Northern Ireland apply, the Insolvency (Northern Ireland) Order 1989) (each as amended)) the Issuer shall be solely responsible for his contracts, engagements, acts, omissions, misconduct, negligence or default and for liabilities incurred by him, and in no circumstances whatsoever shall the Trustee, or any other Secured Creditor be in any way responsible for any of his contracts, engagements, acts, omissions, misconduct, negligence or default and for liabilities incurred by him and if a liquidator of the Issuer shall be appointed, the Receiver shall act as principal and not as agent for the Trustee

11.5 Remuneration

Subject to section 36 of the Insolvency Act 1986 (and/or, to the extent that the laws of Northern Ireland apply, section 46 of the Insolvency (Northern Ireland) Order 1989), the remuneration of the Receiver may be fixed by the Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise), but such remuneration shall be payable by the Issuer alone, and the amount of such remuneration may be debited by the Trustee to any account of the Issuer, but shall, in any event, form part of the Secured Amounts and accordingly be secured on the Charged Property under the Security.

11.6 Powers

Each Receiver may be invested by the Trustee with such of the powers exercisable by the Trustee under this Deed as the Trustee may think fit. Without prejudice to the foregoing, each Receiver appointed shall have the powers conferred on an administrative receiver, receiver, manager or receiver and manager as the case may be by statute or common law (as appropriate) (including, without limitation, those referred to in Schedule 1 to the Insolvency Act 1986 (and/or, to the extent that the

laws of Northern Ireland apply, Schedule 1 to the Insolvency (Northern Ireland) Order 1989))

11 7 Security

The Trustee may from time to time and at any time require any such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be so given but the Trustee shall not be bound in any case to require any such security

11 8 Conformity

The Receiver shall in the exercise of his powers conform to the regulations and directions from time to time made and given by the Trustee

11 9 Trusts

Save so far as otherwise directed by the Trustee all monies from time to time received by such Receiver shall be paid over to the Trustee to be held by it on the trusts declared by Clause 7 (*Upon Enforcement*)

11 10 Application

The Trustee may pay over to such Receiver any monies constituting part of the Charged Property to the intent that the same may be applied for the purposes of this Deed by such Receiver and the Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver

11 11 Non-application

Section 109(6) and (8) of the Act and section 24(6) and (8) of the Conveyancing Act 1881 (application of monies received by receiver) shall not apply in relation to the Receiver

11 12 No restrictions

None of the restrictions imposed by the Act in relation to the appointment of receivers or the giving of notice or otherwise shall apply

11 13 Notice

Upon receipt of notice of an application or pending application to a court of competent jurisdiction for an administration order or the appointment of an administrator in relation to the Issuer or other order having substantially the same effect to be made on application by a creditor or creditors of the Issuer, or upon receipt of a notice of intention to appoint an administrator served by the Issuer or its directors, or after the filing of any documents with the court for the administration of the Issuer, or the giving of any formal notice of intention to appoint an administrator in relation to the Issuer, the Trustee shall, subject to it being indemnified to its satisfaction, as soon as practicable appoint a Receiver in accordance with this Deed (who shall, to the extent permitted by law, be an "administrative receiver" under

section 29 (2) of the Insolvency Act 1986 (and/or, to the extent that the laws of Northern Ireland apply, section 5(1) of the Insolvency (Northern Ireland) Order 1989)) of the whole of the Charged Property and the Trustee shall instruct the Receiver to attend at the hearing of the application if applicable and to notify the Issuer of his appointment and take such steps as are necessary to prevent the appointment of an administrator. The other Secured Creditors shall co-operate and do all acts and enter into such further documents, deeds or agreements as the Trustee may deem necessary or desirable to ensure that an administration order is not made and that an administrative receiver is appointed.

12 ADMINISTRATOR

12.1 Administrator

Subject to any relevant provisions of the Insolvency Act 1986, the Trustee may, at its discretion, by any instrument or deed or notice of appointment, appoint one or more persons to be the administrator of the Issuer at any time after

- (a) the Security becomes enforceable; or
- (b) being requested to do so by the Issuer, or
- (c) any application having been made to the court for an administration order under the Insolvency Act 1986, or
- (d) any person having ceased to be an administrator as a result of any event specified in paragraph 90 of Schedule B1 to the Insolvency Act 1986, or
- (e) any notice of intention to appoint an administrator having been given by any person or persons entitled to make such appointment under the Insolvency Act 1986

12.2 Joint Appointments

Where any such appointment is made at a time when an administrator continues in office, the additional administrator shall act either jointly or concurrently with the existing administrator previously appointed hereunder, as the appointment specifies.

12.3 Replacement

Subject to any applicable order of the Court, the Trustee may replace any administrator, or seek an order replacing the administrator, in any manner allowed by the Insolvency Act 1986.

12.4 Notice

Where the administrator was appointed by the Trustee under paragraph 14 of Schedule B1 to the Insolvency Act 1986, the Trustee may, by notice in writing to the Issuer, replace the administrator in accordance with paragraph 92 of Schedule B1 to the Insolvency Act 1986.

12.5 Insolvency Act

- (a) Every such appointment shall take effect at the time and in the manner specified by the Insolvency Act 1986,
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created hereunder

12.6 Two Insolvency Act Administrators

If at any time and by virtue of any such appointment(s) any two or more persons shall hold office as administrators of the same assets or income, such administrators may act jointly or concurrently as the appointment specifies so that, if appointed to act concurrently, each one of such administrators shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the functions conferred on an administrator by the Insolvency Act 1986

12.7 Writing

Every such instrument, notice or deed of appointment, and every delegation or appointment by the Trustee in the exercise of any right to delegate its powers herein contained, may be made in writing under the hand of any manager or officer of the Trustee or any other authorised person or any delegate,

12.8 Agency

In exercising his functions hereunder and under the Insolvency Act 1986, the administrator acts as agent of the Issuer and does not act as agent of the Trustee

12.9 Remuneration

Every administrator shall be entitled to remuneration for his services in the manner fixed by or pursuant to the Insolvency Act 1986 or the Insolvency Rules

13 PROTECTION OF THIRD PARTIES

13.1 Effectiveness

Without prejudice to any other provision of this Deed, the Secured Amounts shall become due for the purposes of section 101 of the Act and the statutory powers of sale and of appointing a receiver which are conferred upon the Trustee as varied and extended by this Deed and all other powers shall in favour of any purchaser be deemed to arise and be exercisable immediately after the execution of this Deed

13.2 Protection

No purchaser from or other person dealing with the Trustee and/or any Receiver shall be concerned to enquire whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or whether the Secured Amounts remain outstanding, or whether any event has happened to authorise the Trustee and/or such Receiver to act, or as to the propriety or validity of the exercise or purported exercise of any such power, or whether the requirements of the proviso to

Clause 7.4 (*Security Enforceable*) have been satisfied, and the title and position of such a purchaser or other persons shall not be impeachable by reference to any of those matters

13.3 Discharge

The receipt of the Trustee or any Receiver shall be an absolute and a conclusive discharge to any person and shall relieve such person of any obligation to see to the application of any monies paid to or by the direction of the Trustee or such Receiver or, if applicable, the other Secured Creditors

14 PROTECTION OF TRUSTEE AND RECEIVER

14.1 No Liability

Neither the Trustee, nor any Receiver, nor any other Secured Creditor shall be liable in respect of any loss or damage which arises out of the exercise, or the attempted or purported exercise of, or the failure to exercise, any of their respective powers, unless such loss or damage is caused by its or his fraud, negligence, wilful default or bad faith

14.2 Acceptance

The Trustee may accept without investigation, requisition or objection such right and title as the Issuer may have to the Charged Property and shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Charged Property whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. Each Instrumentholder and each other Secured Creditor shall be solely responsible for making its own independent appraisal of investigation into the financial condition, creditworthiness, affairs, status and nature of the Issuer and the Trustee shall not at any time have any responsibility for the same and each Instrumentholder and each other Secured Creditor shall not rely on the Trustee in respect thereof

14.3 No responsibility

The Trustee shall not be responsible for any unsuitability, inadequacy or unfitness of any of the Charged Property as security for any Secured Amount and shall not be obliged to make any investigation into, and shall be entitled to assume, the suitability, adequacy and fitness of the Charged Property as security for the Secured Amounts

14.4 Omission to Perfect

The Trustee shall not be liable for any failure, omission or defect in perfecting, protecting or further assuring the Security including (without prejudice to the generality of the foregoing) (a) any failure, omission or defect in registering, recording, or filing or procuring registration, recording, or filing of, or otherwise protecting or perfecting the Security or the priority thereof or the right or title of any person in or to the assets comprised in the Security by registering under any applicable registration laws in any applicable territory any notice or other entry

prescribed or pursuant to the provisions of any such laws and (b) any failure or omission to require any further assurances in relation to the Security

14.5 Insurance

Without prejudice to the provisions of any Transaction Document relating to insurance, neither the Trustee nor any Receiver shall be under any obligation to insure any of the Charged Property or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any loss, cost, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance

14.6 No responsibility

Neither the Trustee nor any Receiver shall be responsible for any loss, cost, damage, expense or liability occasioned to the Charged Property, however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any Secured Creditor, bank, broker, depositary, warehouseman or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any of the Transaction Documents or otherwise, and irrespective of whether the Charged Property is held by or to the order of any of such persons, unless such loss is caused by the fraud, wilful default, negligence or bad faith of the Trustee or such Receiver respectively

14.7 Loss

Neither the Trustee nor any Receiver will be liable for any decline in the value nor any loss realised upon any sale or other disposition of any of the Charged Property pursuant to the Trust Deed or other Transaction Document

14.8 Monitoring

Neither the Trustee nor any Receiver shall be under any obligation to monitor or supervise the functions of the Issuer or the Administrators or any other person under any of the Transaction Documents and each of the Trustee and such Receiver shall be and is hereby entitled and authorised to assume without enquiry, in the absence of knowledge or express written notice to the contrary, that each of the Issuer and the other parties hereto and thereto is duly performing and observing all the covenants, undertakings and provisions contained in the Transaction Documents relating to it and on its part to be performed and observed and that no event has happened which constitutes (and/or which with the giving of notice and/or the lapse of time and/or the Trustee making any relevant determination and/or issuing any relevant certificate, would constitute) an Event of Default

14.9 Monies in Account

Until such time as the Security becomes enforceable, the moneys standing to the credit of any account comprised in the Charged Property shall be dealt with in accordance with the provisions of the Transaction Documents and neither the Trustee nor the Receiver shall be responsible in such circumstances or at any other time for

any loss, cost expenses or other liability occasioned thereby whether by depreciation in value or by fluctuation in exchange rates or otherwise

14 10 Tax

Neither the Trustee nor any Receiver shall have any responsibility whatsoever to any other party hereto or to any Instrumentholder as regards any deficiency which might arise because the Trustee or the Receiver is subject to any tax in respect of the Charged Property or any part thereof or any income therefrom or any proceeds thereof

14 11 Possession

Without prejudice to the generality of the foregoing, entry into possession of the Charged Property shall not render the Trustee or the Receiver liable to account as mortgagee or heritable creditor in possession or to be liable for any loss on realisation or for any default or omission on realisation or for any default or omission for which a mortgagee or heritable creditor in possession might be liable unless such loss, default or omission is caused by its negligence or wilful default, and if and whenever the Trustee or the Receiver enters into possession of the Charged Property, it shall be entitled at any time at its pleasure to go out of such possession

14 12 No Indemnity

Each of the Issuer and the Secured Creditors agrees and acknowledges that in the event of the enforcement of the Security or the appointment of a Receiver, the Trustee shall not be obliged to indemnify out of its own money any such Receiver for any of its costs, charges, liabilities or expenses or to advance, in whatever form, any moneys to such a Receiver or any other person arising out of or in connection with such enforcement or to carry on or to require any Receiver to carry on, any business carried on from time to time in connection with the Charged Property.

14 13 No Obligation to Perfect Legal title

Neither the Trustee nor the Receiver shall be obliged (whether or not directed to do so by the Instrumentholders) to perfect legal title to any Mortgage or Charge in its name if, in its opinion, such perfection would or might result in the Trustee or the Receiver, as the case may be, becoming liable to or incurring any obligation to any Borrower under a Mortgage and Charge and, in its opinion, there is or would be insufficient cash to discharge, in accordance with the provisions of this Deed such liabilities or obligations as and when they arise

14 14 No Responsibility for the Loans

Without prejudice to the generality of this Clause 14 (*Protection of Trustee and Receiver*) the Trustee shall not be responsible for the genuineness, validity, effectiveness, suitability, admissibility in evidence or enforceability of any of the Transaction Documents or any of the mortgages, Standard Securities, charges or other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby

or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court and (without prejudice to the generality of the foregoing) the Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for

- (a) the nature, status, creditworthiness or solvency of any Borrower or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to any Borrower,
- (b) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of the Security or any mortgage or charge or any other document entered into in connection therewith,
- (c) the title, ownership, value, sufficiency or existence of any Property,
- (d) the registration, recording, filing, protection or perfection of the Security or any mortgage or charge or the priority of the security thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities,
- (e) the scope or accuracy of any representations, warranties or statements made by or on behalf of any Borrower in any application for any advance or in any Mortgage or Charge or in any document entered into in connection therewith,
- (f) the performance or observance by any Borrower or any other person of any provisions of any mortgage or charge or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing,
- (g) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with any the Security or mortgage or charge,
- (h) the title of the Issuer to any Mortgage, Charge or any other Charged Property,
- (i) the suitability, adequacy, or sufficiency of any lending criteria and any arrears and enforcement procedures operated by the Administrators or compliance therewith or compliance with any applicable criteria for any further advances or the legality or recoverability or enforceability thereof or the priority of the security in relation thereto,
- (j) the compliance with the provisions and contents of and the manner and formalities applicable to the execution of the Mortgages, Charges or any other security interest and any documents in connection therewith with or the

making of any advance intended to be secured thereby, with the mortgage indemnity policies and with any applicable laws or regulations (including without prejudice to the generality of the foregoing, the CCA or The Unfair Terms in Consumer Contract Regulations 1999),

- (k) the failure by the Mortgage Administrator, any Originator or the Issuer to obtain or comply with any licence, consent or other authority in connection with the origination, sale or purchase of any of the Loans in the Mortgage Pool or the making of any advances in connection therewith or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to any of the Loans or any other security interest or other documents entered into in connection therewith,
- (l) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, Standard Securities, charges or any other charged property or other further assurances in relation to any of the assets the subject matter of any of the documents or any other document,
- (m) any accounts or any other accounts, books, records or files maintained by the Sellers, the Cash/Bond Administrator, the Mortgage Administrator or any other person in respect of any of the Mortgages or Charges,
- (n) any failure to keep the Property Deeds and Loan Files properly identified as the property of the Issuer, or
- (o) any other matter or thing relating to or in any way connected with the Security or any Collateral Security or any document entered into in connection therewith whether or not similar to the foregoing

15 INDEMNITY

15.1 Without prejudice to the right of indemnity given by law to trustees, the Issuer further covenants with and undertakes to the Trustee, each other Secured Creditor and the Receiver to fully indemnify each of them and their respective officers, employees and agents from and against all Liabilities which any of them may incur or may be made against it (in the case of the Trustee, whether before or after the Security has become enforceable and whether before or after the giving of an Enforcement Notice)

- (a) in consequence of anything done or purported to be done or omitted by any of them under or in connection with this Deed or any of the other Transaction Documents to which the Trustee is a party or of any failure by the Issuer to comply with its obligations to any of them under or in connection with this Deed or any other Transaction Document, or
- (b) in consequence of any payment in respect of the Secured Amounts (whether made by the Issuer or a third person) being impeached or declared void for any reason whatsoever,

save to the extent that the same arise as a result of the fraud, negligence, wilful default, bad faith or breach of the provisions of this Deed or any of the Transaction Documents by the person claiming to be entitled to be indemnified

- 15.2 The Issuer covenants with and undertakes to each of the Trustee, the other Secured Creditors and each Receiver to pay the amounts payable under Clauses 9 (*Expenses*) and Clause 15 (*Indemnity*) on demand or, in the case of remuneration and fees payable to the Trustee under the Trust Deed, on the due dates for payment thereof, with interest as well after as before judgment or decree at the rate of one per cent per annum above the base rate from time to time of Barclays Bank PLC from the date on which they were paid, charged or incurred by the Trustee, a Secured Creditor, or such Receiver (as the case may require) or, in the case of remuneration and fees payable to the Trustee as aforesaid, the due date for payment thereof, until payment, as well after as before any judgment or decree
- 15.3 Unless otherwise specifically stated in any discharge of this Deed of Charge the provisions of Clause 9 (*Expenses*) and this Clause 15 shall continue in full force and effect notwithstanding such discharge

16 FURTHER ASSURANCES AND POWER OF ATTORNEY

16.1 Covenants

The Issuer covenants with and undertakes to the Trustee from time to time (notwithstanding that the Security may not have become enforceable and the Trustee may not have served any Enforcement Notice) upon demand

- (a) to execute, at the Issuer's cost, any document or do any act or thing which the Trustee or any Receiver may specify (including executing such Security Interests over its rights in and over the Charged Property and any other assets of the Issuer in such form as the Trustee and/or any Receiver may require) with a view to
- (i) registering, perfecting, protecting or improving any charge or security or Security Interest created or intended to be created by or pursuant to this Deed (including any act or document which may be required or desirable under the laws of any jurisdiction in which any property or assets may be located in order to confer on the Trustee security over such property and assets equivalent or similar to the security intended to be conferred by or pursuant to this Deed) and in such form as the Trustee or the Receiver may specify, and/or
- (ii) facilitating the realisation of or enforcement of rights of, all or any part of the Charged Property or the exercise, or proposed exercise, of any of the powers, duties or discretions vested or intended to be vested in the Trustee or such Receiver by or pursuant to this Deed or doing any act or thing deemed necessary by the Trustee or the Receiver, and/or
- (b) to give or join in giving or procure the giving of any notices to any persons and obtain or procure that there is obtained any necessary acknowledgements

in relation to such notices, all in such form, as the Trustee or the Receiver may require at the cost of the Issuer,

and for the purpose of this Clause 16 1, a certificate in writing signed by the Trustee to the effect that any particular assurance or thing is required by it shall be conclusive evidence of that fact provided that the Issuer shall not be obliged to execute any such documentation or take any other action or steps to the extent that it would breach a restriction in any agreement to which it is a party or conflict with any applicable law (including, without limitation, prior to the occurrence of any Perfection Event)

16 2 Power of Attorney

The Issuer executed on the Closing Date the Closing Arrangements Deed, which contains at clause 17 (*Issuer/Trustee Power of Attorney*) thereof a power of attorney in favour of the Trustee and the Issuer confirms that, as at the Restructuring Date, such power of attorney has not been revoked

17 OTHER SECURITY ETC

17 1 No Merger

The Security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice, any other Security Interest, right of recourse or other right whatsoever which the Trustee, or any Secured Creditor may now or at any time hereafter hold or have (or would, apart from the Security, hold or have) as regards the Issuer or any other person in respect of the Secured Amounts

17 2 Consolidation

The restriction on consolidation of mortgages contained in section 93 of the Act and section 17 of the Conveyancing and Law of Property Act 1881 shall not apply in relation to the Security

17 3 Cumulative Powers

The powers which this Deed confers on each of the Trustee, the Receiver, and the other Secured Creditors are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as it or he thinks appropriate, and it or he may, in connection with the exercise of its or his powers, join or concur with any person in any transaction, scheme or arrangement whatsoever, and the Issuer acknowledges that its or his respective powers shall in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing

18 WARRANTIES AND COVENANTS

18 1 Issuer Representations

The Issuer hereby represents and warrants to the Trustee for itself and on trust for the Instrumentholders and the other Secured Creditors and to each of them on the Closing Date, and will be deemed to represent and warrant on each Interest Payment Date, in each case by reference to the facts and circumstances then subsisting that

- (a) it is beneficially entitled (in equity or otherwise) to such of the Charged Property as is purported to be transferred to it pursuant to the Mortgage Sale Agreement,
- (b) it is at the date of the purchase of each Substitute Loan entitled in equity and beneficially to such of the Charged Property as is purported to be transferred to it pursuant to the Mortgage Sale Agreement in respect of such Substitute Loan,
- (c) it has taken all necessary steps to enable it to charge or assign by way of security the Charged Property in accordance with Clause 4 (*Security*),
- (d) it has not taken any action or steps (including, without limitation, disposing of all or any part of the Charged Property or creating any Security Interests over the Charged Property other than in accordance with Clause 4 (*Security*)) to prejudice its right, title and interest in and to the Charged Property,
- (e) it is the absolute legal and/or beneficial owner of the property, rights and assets expressed to be assigned or charged by it pursuant to this Deed, free and clear of any Security Interests in favour of any third party,
- (f) its Centre of Main Interests is in England, and
- (g) there are no assets or property of the Issuer over which no Security Interest may be created,

provided that the Sellers and the Administrators shall have no rights against the Issuer in relation to any breach of this warranty to the extent that such breach results directly or indirectly from any breach by the Sellers or the relevant Administrator of any representation, warranty or other obligation given or owed by it to the Issuer

18.2 Issuer Covenants

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

- (a) it will not create or permit to exist upon or affect any of the Charged Property any Security Interest whatsoever other than as created by this Deed or in accordance with the relevant Administration Agreement or which arises by operation of law,
- (b) it will not agree or attempt or purport to transfer, sell, convey, lend, part with or otherwise dispose of, or deal with, or grant any option, present or future, or right to acquire, any of the Charged Property or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so,
- (c) it shall ensure that save as permitted by this Deed, the Supplemental Deed of Charge (Note Restructuring) or the relevant Administration Agreement, no person other than the Issuer and the Trustee shall have any equitable or beneficial interest in the Charged Property,

- (d) it shall give such notices of assignment or assignation in relation to the Charged Property as may be required pursuant to the Mortgage Sale Agreement or by the Trustee (except in the circumstances described in Clause 16 (*Further Assurances and Power of Attorney*) of this Deed, the notices referred to in paragraph (a) of clause 8.1 (*No Perfection Acts prior to a Perfection Event*) of the Mortgage Sale Agreement),
- (e) so long as any of the Notes remains outstanding it will not have an interest in any bank account other than the Bank Accounts and the Collection Accounts unless, in each case, it obtains the prior written consent of the Trustee and such account is immediately charged in favour of and to the satisfaction of the Trustee so as to form part of the Security and the Trustee receives from the relevant other bank or financial institution an acknowledgement of the Security Interests and rights of the Trustee and an agreement that it will not exercise any right of set off it might otherwise have against the account in question,
- (f) in the event of termination of the Bank Agreement and/or the GIC, subject to and in accordance with the provisions of the Bank Agreement and the GIC, as applicable, it shall use its reasonable endeavours to enter into a replacement Bank Agreement and/or the GIC (as appropriate),
- (g) it
 - (i) has not engaged in or shall engage in any activity or carry on any trade, business or other activity which is not, or hold any capital assets the holding of which is not, reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in,
 - (ii) has not held or shall hold any shares or other interest in any company and shall not have any subsidiaries,
 - (iii) shall not have any employees,
 - (iv) shall not own, rent, lease or be in possession of any buildings or equipment or premises,
 - (v) shall not act as a director of or hold any office in any company or other organisation, or
 - (vi) shall not amend, supplement or otherwise modify its Memorandum or Articles of Association or other constitutional documents,
- (h) it shall not pay any dividend (save to the extent of any distributable profits and provided, in such case that payment does not otherwise breach the terms of the Transaction Documents) or make any other distribution to its shareholders or repay or redeem any of its share capital or issue any further shares,
- (i) it shall not incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or any obligation of any person,

- (j) it shall not consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person,
- (k) it shall not transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option over, any present or future right to acquire, any of its assets or undertaking or any interest, estate, right, title or benefit therein,
- (l) it shall not permit any of the Transaction Documents, the Insurance Contracts, other than the Individual Insurance Contracts, relating to the Mortgages owned by the Issuer or, in each case, the priority of the Security Interests created thereby to be amended, invalidated, rendered ineffective, terminated, postponed or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to the terms of the Trust Deed, the other Transaction Documents, the Conditions and the Residual Certificate Conditions, or permit any party to any of the Charged Obligation Documents or Insurance Contracts or any other person whose obligations form part of the Security or Charged Property to be released from such obligations, or dispose of any Charged Property,
- (m) no company which is at any time a member of the same group of companies as it for the purposes of section 109B to 109F of the Taxes Management Act 1970 has ceased or will cease to be resident in the United Kingdom for United Kingdom tax purposes,
- (n) it has not applied or become and will not apply to become part of any group for the purposes of section 43 of the Value Added Tax Act 1994 with any other company or group of companies, or any such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal the Value Added Tax Act 1994,
- (o) for the purposes of Chapter 6, Part 14 of the Corporation Tax Act 2010, neither it nor any company which has or has had (for those purposes) control of it, has at any time had control of any company in respect of which there has been a change of ownership and which has any liability to corporation tax which has been outstanding for more than six months after the date of the relevant assessment and it will not surrender or consent to the surrender of any amounts by way of group relief within the meaning of Part 5 of the Corporation Tax Act 2010,
- (p) it shall prepare its accounts
 - (i) in sterling, and
 - (ii) in accordance with generally accepted accounting practice as provided in section 1127 of the Corporation Tax Act 2010 which means, in relation to the affairs of a company that prepares accounts in accordance with international accounting standards, the generally accepted accounting practice with respect to such accounts, and in any other case, UK generally accepted accounting practice, provided that, while it is a "securitisation company" for the purposes of the Taxation

of Securitisation Companies Regulations 2006 and such regime or any successor regime remains in force, it shall prepare accounts in accordance with such regime or any successor regime,

- (q) it has been, and shall be, resident for tax purposes solely in, and has had, and shall have, its usual place of abode in the United Kingdom,
- (r) save where any of the following is done or omitted to be done either in the normal course of its business of the ownership of residential mortgages or in accordance with its normal administrative procedures in existence from time to time subject in each case to compliance with the Mortgage Administration Agreement and the Cash/Bond Administration Agreement
 - (i) it shall not except with the prior written consent of the Trustee which prior to the Security becoming enforceable, shall not be unreasonably withheld, negotiate, compromise, abandon or settle any claim for compensation (whether payable under any enactment or otherwise) or any claim under any of the Insurance Contracts, other than the Individual Insurance Contracts,
 - (ii) it shall not knowingly take or omit to take any action which would result in the avoidance or termination of any Insurance Contract or would reduce the amount payable on any claim thereunder provided that, for the avoidance of doubt, this paragraph shall not apply to any avoidance or termination of an Insurance Contract or any part thereof that occurs as a result of any matter done or omitted to be done by any Borrower,
 - (iii) it shall not knowingly take any action or omit to take any action which would result in the avoidance or termination of any applicable Buildings Policy maintained by the Issuer or a customer of the Issuer or reduce the amount payable on any claim thereunder,
 - (iv) it shall use its reasonable endeavours to procure the payment of premiums due and payable under any applicable Buildings Policy maintained by the Issuer in order that the cover provided by such Buildings Policy shall not lapse,
 - (v) upon receipt of notice that any Property is not insured against fire and other perils (including subsidence) under a Buildings Policy in accordance with the terms of each Loan, the Issuer will use reasonable endeavours at its own cost to procure that the relevant Administrator or sub-administrator (as the case may be) arranges such an insurance in accordance with the terms of each Loan,
 - (vi) it shall not, without the prior written consent of the Trustee, release any Borrower from any of its obligations to the Issuer under the relevant Loan and the related Collateral Security except in accordance with the terms of any of the Transaction Documents or save where it reasonably determines that such action is in its best interests or there is no

reasonable prospect of the recovery of the relevant Loan or a material part of it,

- (s) it shall at all times give to the Trustee such information and evidence as the Trustee shall require and in such form as the Trustee shall require (including but without prejudice to the generality of the foregoing, the procurement by the Issuer of all such certificates called for by the Trustee pursuant to paragraph (c) of clause 7 1 (*Covenants by the Issuer*) of the Trust Deed) for the purpose of the discharge of the duties, trusts, powers, authorities and discretions vested in it under this Deed, the Trust Deed, any Charged Obligation Document or by operation of law,
- (t) it shall cause to be prepared and certified by the Auditors in respect of each financial year, accounts in such form as will comply with the requirements for the time being of the Companies Acts and of the Stock Exchange,
- (u) it shall at all times keep proper books of account and records and permit the Trustee and any person appointed by the Trustee to whom the Issuer shall have no reasonable objection access to such books of account and other relevant records upon reasonable notice during normal business hours,
- (v) it shall send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) one copy of every balance sheet, profit and loss account, source and application of funds statement (if any) report or other notice, statement, circular or document issued or given to any holder of securities (including the Instrumentholders in their capacity as such) or creditors of the Issuer as soon as reasonably practicable following issue of the same,
- (w) it shall give notice in writing to the Trustee of the occurrence of any
 - (i) Event of Default, or
 - (ii) Potential Event of Default,promptly upon becoming aware thereof and without waiting for the Trustee to take any further action and the steps (if any) being taken to remedy or avoid the occurrence of any of the foregoing;
- (x) it shall give to the Trustee not later than 120 days after the end of its financial year and also at any other time upon reasonable request as soon as reasonably practicable following a demand therefor, deliver to the Trustee a certificate of the Issuer signed by a director of the Issuer to the effect that:
 - (i) there did not exist, as at a date not more than five days prior to the date of the delivery of the certificate any
 - (A) Event of Default; or
 - (B) Potential Event of Default,(or if such exists or existed, specifying the same), and

- (ii) during the period from and including the relevant date as of which the last such certificate was given (or, in the case of the first such certificate the date hereof) to and including the date as of which such annual or demanded certificates are given, the Issuer has complied in all material respects with its material obligations contained in this Deed and the other Charged Obligation Documents or (if such is not the case) giving in reasonable detail the circumstances of such non-compliance,
- (y) it shall pay all premiums or other sums payable by it in respect of the Insurance Contracts, produce to the Trustee upon receipt of reasonable notice and in so far as it is able, all or any of the receipts for the last premiums payable thereunder and comply with the terms and conditions of the relevant policies,
- (z) it shall upon service by the Trustee of an Enforcement Notice upon it or upon the Security otherwise becoming enforceable, act solely on the directions of the Trustee or any Receiver in relation to the exercise of any rights under the Mortgages (including the right to set interest rates),
- (aa) it shall use reasonable endeavours to procure that all monies received by it or on its behalf are dealt with in accordance with the terms of the Cash/Bond Administration Agreement and this Deed,
- (bb) it shall promptly obtain, maintain and comply with the terms of and upon request, supply certified copies to the Trustee of, any authorisation, consent or licence required under any regulation or law to enable it to perform its obligations under, or for the validity or enforceability, of this Deed and the other Transaction Documents,
- (cc) it shall procure that its obligations under this Deed, the Trust Deed and the other Charged Obligation Documents do and will rank ahead of all its other present and future obligations, except for those that are mandatorily preferred by law applying to companies generally,
- (dd) it shall promptly pay all taxes, assessments and governmental charges imposed upon it or its assets,
- (ee) intentionally omitted,
- (ff) intentionally omitted,
- (gg) in the event of termination of the Mortgage Administration Agreement, subject to and in accordance with the provisions of the Mortgage Administration Agreement, it shall use its reasonable endeavours to enter into a replacement Mortgage Administration Agreement,
- (hh) in the event of termination of the Cash/Bond Administration Agreement, subject to and in accordance with the provisions of the Cash/Bond Administration Agreement, it shall use its reasonable endeavours to enter into a replacement Cash/Bond Administration Agreement,

- (ii) it shall not offer to surrender to any company any amounts which are available for surrender by way of group relief within Part 5 of the Corporation Tax Act 2010 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,
- (jj) it shall not engage in any activities in the United States (directly or through agents), nor derive any income from United States sources as determined under United States income tax principles and will not hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States tax principles,
- (kk) it shall file or procure the filing with the Registrar of Companies pursuant to Chapter I of Part XII of the Companies Act 1985 of duly completed Forms 395 together with an executed original of this Deed, with the required fee within 21 days after the date of this Deed and shall procure the filing with the Registrar of Companies pursuant to Chapter 1 of Part XII of the Companies Act 1985 and/or Part 25 of the Companies Act 2006 of duly completed Forms 395 or Forms MR01 (as applicable), and, where appropriate Forms 398, together with executed originals or certified copies (as applicable) of each Supplemental Deed of Charge or Scottish Sub-Security granted pursuant to this Deed and the required fee within 21 days from the date of creation thereof and shall register or procure the registration of the Charge at the NI Companies Registry on the Slavenburg Register, with a completed Form 402, Form 405 and certified copy of the Charge being delivered to the Registry,
- (ll) it shall not purchase or otherwise acquire any debt securities (including the Notes),
- (mm) on the date of this Deed it shall join with the Trustee in giving notice of the assignments by way of security and the Security to each other party to any Transaction Document not being a party to this Deed and on any date hereafter (to the extent only that such notice and acknowledgement is not given under or pursuant to this Deed) join with the Trustee in giving notice of the assignments by way of security and the Security to any party to a Transaction Document entered into by the Issuer after the date of this Deed, in each case in the form (or substantially in the form) set out in Schedule 5 (*Form of Notice of Assignment*),
- (nn) intentionally omitted,
- (oo) it will immediately upon receipt or notice of the same supply to the Trustee full details of any application or pending application to the court for an administration order under paragraph 10 of Schedule B1 to the Insolvency Act 1986 made in respect of the Issuer and (without prejudice to paragraph 12(2) of Schedule B1 to the Insolvency Act 1986) of any actual or proposed appointment of an administrator by the holder of a qualifying floating charge (within the meaning of paragraph 14 of Schedule B1 to the Insolvency Act

1986) or (without prejudice to paragraph 26(1) of Schedule B1 to the Insolvency Act 1986) by the Issuer or its directors,

- (pp) it shall maintain its Centre of Main Interests in England,
- (qq) intentionally omitted,
- (rr) it confirms that the Loans will be accounted for as "financial assets" and that such accounting treatment accords with generally accepted accounting practice,
- (ss) it confirms that sections 344 to 346 of the Corporation Tax Act 2009 (transferee leaving group after replacing transferor as party to a loan relationship) and sections 630 to 632 of the Corporation Tax Act 2009 (transferee leaving group after replacing transferor as party to derivative contract) will not apply to it, and
- (tt) it confirms that it will not pay any dividends in an accounting period which are greater than its retained profit,

provided that neither the Sellers nor the Administrators shall have any rights against the Issuer in relation to any breach of the representations, warranties and undertakings under this Clause 18 to the extent that such breach results directly or indirectly from any breach by the Sellers or the Administrators of any of the representations, warranties, or other obligations given or owed by either or both of them to the Issuer

18.3 Seller Covenants

Each of the Sellers hereby covenants and undertakes that it is and will at all material times remain (a) incorporated in England and Wales under the Companies Act 1985 and (b) resident for tax purposes solely in the United Kingdom

19 APPLICATION TO COURT

The Trustee may

- (a) at any time after the Security has become enforceable apply to the Court for an order that the terms of this Deed or the trusts of this Deed or any of them be carried into execution under the direction of the Court and for the appointment of a Receiver of the Charged Property or any part thereof and for any other order in relation to the administration of the terms of this Deed or the trusts of this Deed or any of them as the Trustee shall deem fit, and
- (b) assent to or approve any application to the Court made at the instance of the holders of the Most Senior Class of Notes,

and the Trustee shall be indemnified by the Issuer against all Liabilities incurred by it in relation to any such applications or proceedings

20 MISCELLANEOUS

20 1 Rights Cumulative

No failure on the part of the Trustee, and the other Secured Creditors to exercise, and no delay on its part in exercising, any right or remedy under this Deed will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. Subject as provided herein to the contrary, the rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

20 2 Waiver

Any waiver and any consent by the Trustee, and the other Secured Creditors under this Deed must be in writing and may be given subject to any conditions thought fit by the Trustee. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

20 3 Duties

The Issuer will pay all stamp duties, Land Registry and similar fees, filing and registration fees and other transaction taxes required in relation to or for the purpose of procuring the execution, validity, enforceability or carrying into effect of this Deed and the security created hereby and keep the Trustee and the other Secured Creditors indemnified against any failure or delay in paying the same.

20 4 Amendments

No amendment or variation of this Deed shall be effective unless it is made as a deed and executed by (or by some person duly authorised by) each of the parties hereto.

20 5 No Assignment by Issuer

The Issuer may not assign (whether by way of security or otherwise) all or any of its rights under this Deed and may not transfer any of its obligations under this Deed without the consent of the Trustee.

20 6 No Assignment by Secured Creditor

A Secured Creditor shall not assign, transfer or create any trust or interest in (whether by way of security or otherwise howsoever) all or any of its rights or interest under this Deed to any person (a "Transferee") unless that Transferee undertakes (in favour of the Trustee, the Issuer and each other Secured Creditor) to be bound by the provisions of this Deed, as if it had been named as an original Secured Creditor, any such assumption of obligations by a Transferee to be without prejudice to all obligations of the transferor hereunder which shall continue to subsist.

20 7 Reliance

The Trustee shall be entitled to rely on (and to accept as conclusive evidence save in the case of manifest error) a certificate from each Secured Creditor as to the amounts

owed to such Secured Creditor under the Transaction Documents. The Trustee shall not take into account for the purpose of the application of moneys in accordance with the relevant Priority of Payments any amounts of which it has not been notified by the intended recipient on or prior to the date in question.

20.8 Certification

Each Secured Creditor will, at all times, promptly provide the Trustee and/or any Receiver on request with a certificate setting out detailed information as to the amount of the Secured Amounts to which such Secured Creditor is entitled and such other information as the Trustee and/or any Receiver may require to enable or facilitate the Trustee and/or any Receiver to perform its functions under this Deed or under any of the Transaction Documents, such certificate to be in a form required by the Trustee and/or any Receiver. In determining the respective entitlements of the Secured Creditors under this Deed, such certificates shall be binding on all of the Secured Creditors.

20.9 Statement

In any action, proceedings or claim relating to this Deed or the Security, a statement as to any amount due to any Secured Creditor or of the Secured Amounts or any part thereof or a statement of any amounts which have been notified to the Trustee as being amounts due to any Secured Creditor which is certified as being correct by an officer of the Trustee or an officer of the relevant Secured Creditor shall, save in the case of manifest error, be conclusive evidence that such amount is in fact due and payable.

21 TRUSTEE PROVISIONS

21.1 The following provisions of the Trust Deed shall apply, *mutatis mutandis*, for the purposes of this Deed:

- (a) Clause 8 (*Waivers, Modifications and Substitution*),
- (b) Clause 9 (*Enforcement*),
- (c) Clause 10 (*Application of Moneys*),
- (d) Clause 11 (*Terms of Appointment*),
- (e) Clause 12 (*Costs and Expenses*),
- (f) Clause 13 (*Appointment, Removal and Retirement*), and
- (g) Schedule 4 (*Provisions for Meetings of Instrumentholders*).

21.2 Any person appointed as, or assuming the position of, trustee in relation to the Charged Property pursuant to the terms of this Deed shall have all the rights, powers and benefits which are vested in the Trustee pursuant to the terms of this Deed.

21.3 Each of the Secured Creditors hereby acknowledges that it is bound by and has notice of all of the provisions of the Trust Deed as if such person was an Instrumentholder.

21 4 For the avoidance of doubt, each of the Secured Creditors hereby acknowledges that it is bound by each and every waiver and modification granted or effected by the Trustee under or pursuant to the Trust Deed and each other provision of the Transaction Documents and shall give effect to the same

22 **RESTRICTION ON ENFORCEMENT OF SECURITY, NON-PETITION AND LIMITED RECOURSE**

22 1 **No proceedings against the Issuer**

Notwithstanding any provision of the Transaction Documents to the contrary, each party hereto (other than the Issuer) agrees with the Issuer, subject to the proviso to this Clause 22 1 and Clause 22 2, that

- (a) only the Trustee is entitled to enforce the Security or to take proceedings against the Issuer to enforce the Security or any of the provisions of the Trust Deed, this Deed and the Supplemental Deed of Charge (Note Restructuring),
- (b) each party hereto (other than the Trustee) and any person acting on behalf of such party shall have no right to take any proceedings against the Issuer to enforce the Security or any of the provisions thereof, or, save in accordance with the terms of the Transaction Documents, to direct the Trustee to do so,
- (c) each party hereto, and any person acting on behalf of such party, is not entitled to take any steps or proceedings which would result in the Priority of Payments or the Redemption Priority not being observed or complied with,
- (d) each party hereto (other than the Trustee) shall have no right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to such party, and
- (e) the parties hereto shall not be entitled to petition or commence any Insolvency Proceedings in respect of the Issuer or any of its revenues or assets for so long as the Notes are outstanding, provided that the Trustee may prove or lodge a claim in the Insolvency Proceedings of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under this Deed,

provided that:

- (i) if the Trustee, having become bound to do so, fails to serve an Enforcement Notice and/or, subject to the proviso to Clause 7 4 (*Security Enforceable*), fails to take any steps or proceedings to enforce such security pursuant to Clause 10 (*The Trustee's Powers*) or 11 (*Receiver*) within a reasonable period, and such failure is continuing, the Secured Creditors shall be entitled to take any such steps and proceedings as they shall deem necessary (other than procuring the winding-up, dissolution, assignment, re-organisation, bankruptcy, insolvency, examination or liquidation of the Issuer), and

- (ii) the obligations of the Issuer to the parties to this Deed and the Instrumentholders pursuant to Clause 7 (*Upon Enforcement*) shall be limited in accordance with Clause 22.2 (*Limited Recourse*) below

22.2 Limited Recourse

- (a) Each party hereto (other than the Issuer) agrees with the Issuer that notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to such party are limited in recourse as set out below
 - (i) each party hereto agrees that it will have a claim only in respect of, and will be limited to, the property, assets and rights of the Issuer which are subject to the Security and the amounts received, realised or otherwise recovered therefrom and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital,
 - (ii) sums payable to a party hereto on any date in respect of the Issuer's obligations to such party on such date shall be limited to the lesser of (A) the aggregate amount of all sums due and payable to such party on such date and (B) the aggregate amounts of funds received, realised or otherwise recovered by or for the account of the Issuer and/or the Trustee and the other Secured Creditors in respect of the assets which are the subject of the Security whether pursuant to enforcement of the Security or otherwise including amounts received, realised or otherwise recovered prior to enforcement of the Security, net of any sums which are payable by the Issuer to parties other than that party on such date in accordance with the applicable Priority of Payments and/or the Redemption Priority, as applicable, and the terms of this Deed in priority to or *pari passu* and *pro rata* with sums payable to such party, and
 - (iii) on the Final Maturity Date or following final distribution of net proceeds of enforcement of the Security if the Trustee certifies, in its sole discretion, that the Issuer has insufficient funds to pay in full all of the Issuer's outstanding payment obligations to that party under the Transaction Documents and that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from enforcement of the Security or otherwise) then that party shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall cease to be due and payable
- (b) Notwithstanding any other clause in the Transaction Documents, no provision in any Transaction Document shall limit or in any way reduce the amount of interest that would otherwise be payable by the Issuer under any Note, if and to the extent that such limitation or reduction falls to any extent to be determined by reference to the results of any business or part of a business or the value of any property

23 EXECUTION AND EFFECTIVENESS

This Deed shall be fully effective and binding upon the Issuer and the Trustee upon at least one copy of this Deed having being executed and delivered by both the Issuer and the Trustee notwithstanding that any other person expressed to be a party to this Deed has not then executed and delivered this Deed and notwithstanding any such other party has executed or executes and has delivered or delivers a counterpart of this Deed

SCHEDULE 1
FORM OF STANDARD SECURITY (LAND REGISTER)

WE, EMF-UK 2008-1 PLC, incorporated under the Companies Act 1985 in England (Number 6505161) and having our registered office at c/o Wilmington Trust SP Services (London) Limited, Tower 42 (Level 11), 25 Old Broad Street, London, EC2N 1HQ (hereinafter referred to as the "**Company**") hereby in security of all sums and all other obligations and liabilities due and that may become due to BNY CORPORATE TRUSTEE SERVICES LIMITED, whose office is at One Canada Square, London E14 5AL as trustee under and in terms of the Trust Deed between us the Company and the said BNY CORPORATE TRUSTEE SERVICES LIMITED dated 18 March 2008 (hereinafter referred to as the "**Trust Deed**") (the said BNY CORPORATE TRUSTEE SERVICES LIMITED and its successors as such trustee whomsoever being hereinafter referred to as the "**Trustee**") by us the Company under and in terms of (a) the Trust Deed and/or the Instruments defined therein and constituted thereby and/or (b) the Mortgage Sale Agreement among us the Company, the Trustee, PREFERRED MORTGAGES LIMITED, incorporated under the Companies Act 1985 in England (Number 3137809) having its registered office at 6 Broadgate, London EC2M 2QS and SOUTHERN PACIFIC MORTGAGE LIMITED (Number 3266119) having its registered office at 1st Floor, 6 Broadgate, London EC2M 2QS, dated 18 March 2008 (hereinafter referred to as the "**Mortgage Sale Agreement**") and/or (c) the Deed of Charge among us the Company, the Trustee and others dated 18 March 2008 (hereinafter referred to as the "**Deed of Charge**") (including without limitation the Secured Amounts as defined in the master definitions schedule set out in Schedule 1 (*Master Definitions Schedule*) of the Master Securitisation Agreement among us the Company, the Trustee and others dated 18 March 2008) and any variation or alteration thereof GRANT a Standard Security in favour of the Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 4 of Part 1 of the Schedule annexed and executed as relative hereto in favour of the parties whose names are specified by abbreviation in Column 1 of Part 1 of the said Schedule, (the full names of said parties being specified in Part 2 of the said Schedule) for all sums due and to become due over the subjects therein described, registered said respective Standard Securities in the Land Register under the Title Number specified in the relative entry in Column 5 of Part 1 of the said Schedule on the date specified in the relative entry in Column 6 of Part 1 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the "**Principal Securities**") Together with our whole right, title and interest, present and future therein and thereto The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being (the "**Standard Conditions**") shall apply And we agreed that the Standard Conditions shall be varied to the effect that (One) in the event of any breach or default in respect of the obligations and others hereby secured at any time on the part of us the Company the Standard Security hereby created shall for the avoidance of doubt be thereupon enforceable and the Trustee shall be entitled to call up and enforce the same in accordance with the provisions of the said Act, (Two) without prejudice to the rights and remedies of the Trustee under the Standard Conditions or the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Trustee or any nominee of the Trustee and (b) the Trustee shall have power to uplift, receive, sue for and discharge all sums due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if these presents had not been granted, have

been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and (Three) in so far as the provisions of the Trust Deed, the Mortgage Sale Agreement or the Deed of Charge extend, add to, depart from or conflict with the Standard Conditions, the Trust Deed, the Mortgage Sale Agreement and the Deed of Charge or any of them shall subject to the provisions of the said Act prevail and take effect And we grant warrandice And we further ASSIGN to the Trustee in security of all sums and other obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan granted by or entered into with the said respective parties whose names are specified in Column 4 of Part 1 of the said Schedule and secured by the Principal Securities

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are together with the Schedule annexed hereto executed at London on [*date in words for execution copies*]

SUBSCRIBED for and on behalf of

EMF-UK 2008-1 PLC

by

Director

and

Director/Secretary

**Schedule referred to in the foregoing Standard Security by EMF-UK 2008-1 PLC in
favour of BNY CORPORATE TRUSTEE SERVICES LIMITED**

Part 1

1	2	3	4	5	6	7
Originator	Account Number	Address	Borrowers Full Names	Title Number	Registration Date of Standard Security	Sum now due

**Part 2
Originator Details**

[]

SCHEDULE 2
FORM OF STANDARD SECURITY (SASINE REGISTER)

WE, EMF-UK 2008-1 PLC, incorporated under the Companies Act 1985 in England (Number 6505161) and having our registered office at c/o Wilmington Trust SP Services (London) Limited, Tower 42 (Level 11), 25 Old Broad Street, London, EC2N 1HQ (hereinafter referred to as the "**Company**") hereby in security of all sums and all other obligations and liabilities due and that may become due to BNY CORPORATE TRUSTEE SERVICES LIMITED, whose principal office is at One Canada Square, London E14 5AL as trustee under and in terms of the Trust Deed between us the Company and BNY CORPORATE TRUSTEE SERVICES LIMITED dated 18 March 2008 (hereinafter referred to as the "**Trust Deed**") (the said BNY CORPORATE TRUSTEE SERVICES LIMITED and its successors as such trustee whomsoever being hereinafter referred to as the "**Trustee**") by us the Company under and in terms of (a) the Trust Deed and/or the Instruments defined therein and constituted thereby and/or (b) the Mortgage Sale Agreement among us the Company, the Trustee, PREFERRED MORTGAGES LIMITED, incorporated under the Companies Act 1985 in England (Number 3137809) having its registered office at 6 Broadgate, London EC2M 2QS and SOUTHERN PACIFIC MORTGAGE LIMITED (Number 3266119) having its registered office at 1st Floor, 6 Broadgate, London EC2M 2QS, dated 18 March 2008 (hereinafter referred to as the "**Mortgage Sale Agreement**") and/or (c) the Deed of Charge among us the Company, the Trustee and others dated 18 March 2008 (hereinafter referred to as the "**Deed of Charge**") (including without limitation the Secured Amounts as defined in the master definitions schedule set out in Schedule 1 (*Master Definitions Schedule*) of the Master Securitisation Agreement among us the Company, the Trustee and others dated 18 March 2008) and any variation or alteration thereof GRANT a Standard Security in favour of the Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 4 of Part 1 of the Schedule annexed and executed as relative hereto in favour of the parties whose names are specified by abbreviation in Column 1 of Part 1 of the said Schedule (the full names of said parties being specified in Part 2 of the said Schedule) for all sums due and to become due over the subjects therein described, lying in the County specified in the relative entry in Column 5 of Part 1 of the said Schedule, recorded said respective Standard Securities in the Register for the County specified as aforesaid in the relative entry in Column 5 of Part 1 of the said Schedule on the date specified in the relative entry in Column 6 of Part 1 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the "**Principal Securities**") Together with our whole right, title and interest, present and future therein and thereto The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being (the "**Standard Conditions**") shall apply And we agree that the Standard Conditions shall be varied to the effect that (One) in the event of any breach or default in respect of the obligations and others hereby secured at any time on the part of us the Company the Standard Security hereby created shall for the avoidance of doubt be thereupon enforceable and the Trustee shall be entitled to call up and enforce the same in accordance with the provisions of the said Act, (Two) without prejudice to the rights and remedies of the Trustee under the Standard Conditions or the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Trustee or any nominee of the Trustee and (b) the Trustee shall have power to uplift, receive, sue for and discharge all sums due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and

generally to do whatever is or may be or would, if these presents had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and (Three) in so far as the provisions of the Trust Deed, the Mortgage Sale Agreement or the Deed of Charge extend, add to, depart from or conflict with the Standard Conditions, the Trust Deed, the Mortgage Sale Agreement and the Deed of Charge or any of them shall subject to the provisions of the said Act prevail and take effect And we grant warrandice And we further ASSIGN to the Trustee in security of all sums and other obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan granted by or entered into with the said respective parties whose names are specified in Column 4 of Part 1 of the said Schedule and secured by the Principal Securities

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are together with the Schedule annexed hereto executed at London on the [] day of [] as follows

SUBSCRIBED for and on behalf of

EMF-UK 2008-1 PLC

by

Director

and

Director/Secretary

**Schedule referred to in the foregoing Standard Security by EMF-UK 2008-1 PLC in
favour of BNY CORPORATE TRUSTEE SERVICES LIMITED**

Part 1

1	2	3	4	5	6	7
Originator	Account Number	Address	Borrowers Full Names	County	Recording Date of Standard Security	Sum now due

Part 2

[]

SCHEDULE 3
FORM OF ASSIGNATION IN SECURITY

WE, EMF-UK 2008-1 PLC, incorporated under the Companies Act 1985 in England (Number 6505161) and having our Registered Office at c/o Wilmington Trust SP Services (London) Limited, Tower 42 (Level 11), 25 Old Broad Street, London, EC2N 1HQ (hereinafter referred to as the "**Company**") CONSIDERING that we have granted in security of the sums and obligations therein specified [two] Standard Securities of even date with these presents in favour of BNY CORPORATE TRUSTEE SERVICES LIMITED, whose principal office is at One Canada Square, London E14 5AL as trustee under and in terms of the Trust Deed between us the Company and the said BNY CORPORATE TRUSTEE SERVICES LIMITED dated 18 March 2008 (hereinafter referred to as the "**Trust Deed**") (the said BNY CORPORATE TRUSTEE SERVICES LIMITED and its successors as such trustee whomsoever being hereinafter referred to as the "**Trustee**") over our whole right, title and interest as heritable creditor under the Standard Securities therein specified FURTHER CONSIDERING that we the Company are in right of the assignees' part of the several assignments (hereinafter referred to as the "**Assignations**") of the policies of life assurance (hereinafter referred to as the "**Life Policies**") granted by the respective granters of the said Standard Securities as collateral security for the sums thereby secured AND NOW SEEING that in further security of the said sums and obligations before mentioned we have agreed to grant these presents NOW THEREFORE we the Company in security of all sums and other obligations and liabilities due and that may become due to the Trustee by us the Company under and in terms of (a) the Trust Deed and/or the Instruments defined therein and constituted thereby and/or (b) the Mortgage Sale Agreement among, among others, us the Company, the Trustee, PREFERRED MORTGAGES LIMITED, incorporated under the Companies Act 1985 in England (Number 3137809) having its registered office at 6 Broadgate, London EC2M 2QS, and SOUTHERN PACIFIC MORTGAGE LIMITED (Number 3266119) having its registered office at 1st Floor, 6 Broadgate, London, EC2M 2QS, dated 18 March 2008 (hereinafter referred to as the "**Mortgage Sale Agreement**") and/or (c) the Deed of Charge among us the Company, the Trustee and others dated 18 March 2008 (hereinafter referred to as the "**Deed of Charge**") (including without limitation the Secured Amounts as defined in the master definitions schedule set out in Schedule 1 (*Master Definitions Schedule*) of the Master Securitisation Agreement among us the Company, the Trustee and others dated 18 March 2008) and any variation or alteration thereof HEREBY ASSIGN to the Trustee (one) our whole right, title and interest in and to the assignees' part of the Assignations of the Life Policies granted in favour of the parties whose names are specified by abbreviation in Column 1 of Part 1 of the Schedule annexed and executed as relative hereto (the full names of said parties being specified in Part 2 of the said Schedule) by the respective parties whose names are specified in Column 3 of Part 1 of the said Schedule and (two) our whole right, title and interest in and to the Life Policies assigned by the Assignations effected on the lives of the said respective parties whose names are specified in Column 3 of Part 1 of the said Schedule with the respective life assurance companies whose names are specified in the relative entry in Column 4 of Part 1 of the said Schedule, the numbers of the said Life Policies being specified in the relative entry in Column 5 of Part 1 of the said Schedule together with all sums secured thereby and all bonuses and benefits arising thereunder, with powers to the Trustee in the event of any breach or default in respect of the obligations and others hereby secured at any time on the part of us the Company, and as otherwise provided in accordance with the terms and provisions of the Trust Deed, the Mortgage Sale Agreement and the Deed of Charge, to uplift, receive, sue for and discharge all sums due and to become due under the Assignations and the Life Policies or any of them

and to sell, assign, surrender, take over or otherwise deal with the Assignations or the Life Policies or any of them and to discharge the same in whole or in part and generally to do everything in relation to the Assignations and the Life Policies which we the Company could have done if these presents had not been granted, including without prejudice to the generality thereof all rights and powers specified and contained in the Trust Deed, the Mortgage Sale Agreement and the Deed of Charge, declaring that the exercise or otherwise by the Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken herein or otherwise by us the Company

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are together with the Schedule annexed hereto executed at London on the [] day of [] as follows.

SUBSCRIBED for and on behalf of

EMF-UK 2008-1 PLC

by

Director

and

Director/Secretary

**Schedule referred to in the foregoing Assignment by EMF-UK 2008-1 PLC in favour of
BNY CORPORATE TRUSTEE SERVICES LIMITED**

Part 1

1	2	3	4	5
Originator	Account Number	Borrowers Full Names	Life Company	Policy Numbers

Part 2

[]

SCHEDULE 4
FORM OF SUPPLEMENTAL DEED OF CHARGE

ASSIGNATION IN SECURITY

BETWEEN:

- (1) **EMF-UK 2008-1 PLC**, incorporated under the Companies Act 1985 in England (company number 6505161) and having its registered office at c/o Wilmington Trust SP Services (London) Limited, Tower 42 (Level 11), 25 Old Broad Street, London, EC2N 1HQ (the "**Issuer**"), and
- (2) [**PREFERRED MORTGAGES LIMITED**, incorporated under the Companies Act 1985 in England (Number 3137809) having its registered office at No 6 Broadgate, London EC2M 2QS, ("**PML**")]/[**SOUTHERN PACIFIC MORTGAGE LIMITED**, (registered number 3266119) whose registered office is 1st Floor, 6 Broadgate, London EC2M 2QS, ("**SPML**")]

BACKGROUND:

- (A) This deed is supplemental to a Deed of Charge dated 18 March 2008 (the "**Deed of Charge**") made between among others the Issuer and BNY Corporate Trustee Services Limited incorporated under the Companies Act 1985 in England and having its office at One Canada Square, London E14 5AL (the "**Trustee**", which expression shall include its successor or successors as trustee under and in terms of the Trust Deed),
- (B) In terms of the Deed of Charge the Trustee *inter alia* holds the security constituted or to be constituted by or pursuant to the Deed of Charge for the Secured Creditors,
- (C) A Supplemental Scottish Declaration of Trust dated [] (the "**Supplemental Scottish Declaration of Trust**") has been entered into between [PML] / [SPML] and the Issuer and delivered, in terms of which certain Scottish Loans together with their related Scottish Mortgages and other collateral security relative thereto as more fully specified and defined therein (the "**Additional Scottish Trust Property**") are held in trust by [PML] / [SPML] for the Issuer, and
- (D) This deed is made by the Issuer and [PML] / [SPML] in favour of the Trustee in accordance with and pursuant to clause 4.5 (*Scottish Trust Security*) of the Deed of Charge

NOW THEREFORE the parties hereto HAVE AGREED and DO HEREBY AGREE as follows

- 1 Words and expressions defined in the Master Definitions Schedule set out in Schedule 1 (*Master Definitions Schedule*) to the Master Securitisation Agreement dated on or about 18 March 2008 and signed by, among others, the Issuer and [PML] / [SPML] (as the same may be amended from time to time) shall unless the context otherwise requires or unless otherwise defined herein have the same meanings in this deed (including the recitals thereto)

- 2 The Issuer as holder of the beneficial interest therein and with absolute warrandice and subject to the proviso for redemption contained in Clause 5 (*Redemption and Release*) of the Deed of Charge HEREBY ASSIGNS to and in favour of the Trustee in security for the discharge and payment of the Secured Amounts the Issuer's whole right, title and interest, present and future, in and to the Additional Scottish Trust Property as defined in the Supplemental Scottish Declaration of Trust granted in terms of sub-clause(s) [6 3(b) (*Documentary Conditions Precedent to Completion of Prefunded Loans*) [and] [6 7(b) (*Documentary Conditions Precedent to Completion of Newly-Originated Loans*)] [and [6 10(b) (*Documentary Conditions Precedent to Completion for Ported Loans*)] [and] [10 5 (*Substitution of Loans*)] of the Mortgage Sale Agreement and in and to the Supplemental Scottish Declaration of Trust, surrogating and substituting the Trustee in its full right and place therein and thereto
- 3 The Issuer (for itself and on behalf of the Trustee) hereby gives notice of and intimates the assignation in security made in terms of Clause 2 hereof to [PML] / [SPML] as trustee under the Supplemental Scottish Declaration of Trust and [PML] / [SPML] by its execution hereof immediately subsequent to the execution of this deed by the Issuer consents thereto, acknowledges such notice and intimation and confirms that save under or pursuant to the Charged Obligation Documents as at the date hereof it has not received notification of any other dealing with the Additional Scottish Trust Property or any part thereof or the Supplemental Scottish Declaration of Trust
- 4 The parties hereby agree that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in and the security and other rights and powers created under and pursuant to the Deed of Charge shall be deemed to be repeated herein and shall apply *mutatis mutandis* to the property referred to in Clause 2 hereof and the security and other rights and powers created under and pursuant hereto and that the whole remaining terms of the Deed of Charge shall, except in so far as inconsistent herewith apply *mutatis mutandis* hereto provided always that this deed shall be without prejudice to the Deed of Charge and all of the rights, powers obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed
- 5 This deed shall be governed by and construed in accordance with the law of Scotland

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are executed for and on behalf of the Issuer and [PML] / [SPML] as follows

SUBSCRIBED for and on behalf of the said

EMF-UK 2008-1 PLC

at

on

by

Director

Director/Secretary

SUBSCRIBED for and on behalf of the said

**[PREFERRED MORTGAGES LIMITED] / [SOUTHERN PACIFIC MORTGAGE
LIMITED]**

at

on

by

Director

Director/Secretary

SCHEDULE 5
FORM OF NOTICE OF ASSIGNMENT

To [Addressee(s)]

In respect of the [Description of Transactions Document or Charged Property]

[Date]

Dear Sirs,

Terms and expressions used in this letter are as defined in the deed of charge (the "**Deed of Charge**") between EMF-UK 2008-1 PLC (the "**Issuer**"), BNY Corporate Trustee Services Limited (the "**Trustee**") and others dated 18 March 2008

We give notice to each addressee of this letter that by assignment(s) under or pursuant to the Deed of Charge, the Issuer has assigned absolutely, by way of security for the payment and performance of certain obligations of the Issuer described in the Deed of Charge (the "**Secured Amounts**"), to the Trustee all its right, title, benefit and interest under the [Agreement(s)] (the "**Assigned Documents**") [including its right, title interest and benefit in relation to [describe property] and including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof and the proceeds of any of the foregoing, (hereinafter called "**Issuer Property**")].

By signing the enclosed copy of this notice you acknowledge and consent to the assignments and agree that

- (a) from the date of this notice you are obliged to and you will pay all moneys which are or may become payable to the Issuer under the aforesaid agreements to or to the order of the Trustee, and
- (b) you have not, at the date of this notice, received notice that any third party has or will have any right or interest whatsoever in the Issuer Property

Notwithstanding the assignments made by the Issuer and referred to in this notice, the Trustee hereby confirms and you further acknowledge that

- (i) you may continue to make all payments becoming due to the Issuer in respect of the Issuer Property in the manner envisaged by the relevant Assigned Document(s), and
- (ii) the Issuer shall be entitled to exercise its rights, powers and discretions and entitled to and liable to perform its obligations in relation to the Issuer Property and under the Assigned Documents in accordance with the provisions of the Assigned Documents,

but only until such time as you receive notice from the Trustee to the contrary or to the effect that the security created under the Deed of Charge has become enforceable, in which event from receipt of such notice you agree that you will pay all monies becoming due and payable

to the Issuer in respect of the Issuer Property in accordance with any instructions received from the Trustee

This letter is governed by, and shall be construed in accordance with, English law, except that to the extent of any Issuer Property which may be situated in Scotland at any time, it is governed by and shall be construed in accordance with the laws of Scotland

Please acknowledge receipt of this notice and your agreement to the above by executing and returning the copy of this letter attached hereto

Yours faithfully,

For and on behalf of
EMF-UK 2008-1 PLC

by

Authorised Signatory

Name

Title

For and on behalf of
BNY CORPORATE TRUSTEE SERVICES LIMITED

by

Authorised Signatory

Name

Title

We acknowledge receipt of the above notice and the terms of the assignment created by you
in respect of the Issuer Property

In respect of the [Agreement]

For and on behalf of

[Party to Transaction Document]

by

Authorised Signatory

Name

Title

