

EXECUTION COPY

**ACCESSION AND AMENDMENT DEED TO FUNDING 1 DEED
OF CHARGE**

DATED 23 MARCH 2011

**LANGTON FUNDING (NO. 1) LIMITED
(as Funding 1)**

**CITICORP TRUSTEE COMPANY LIMITED
(as Funding 1 Security Trustee, 2008-3 Issuer Security Trustee, 2008-3 Note Trustee, 2010-1 Issuer
Security Trustee, 2010-1 Note Trustee, 2011-1 Issuer Security Trustee and 2011-1 Note Trustee)**

**CITIBANK N.A., LONDON BRANCH
(as 2010-2 Issuer Security Trustee and 2010-2 Note Trustee)**

**LANGTON SECURITIES (2010-2) PLC
(as 2010-2 Issuer and 2010-2 Funding 1 Start-Up Loan Provider)**

**LANGTON SECURITIES (2010-1) PLC
(as 2010-1 Issuer and 2010-1 Funding 1 Start-Up Loan Provider)**

**LANGTON SECURITIES (2008-3) PLC
(as 2008-3 Issuer and 2008-3 Funding 1 Start-Up Loan Provider)**

**LANGTON SECURITIES (2008-1) PLC
(as 2011 Issuer, 2011-1 Funding 1 Start-Up Loan Provider, a New Issuer, a New Funding Start-Up
Loan Provider and the New Funding 1 Secured Creditor)**

**LANGTON MORTGAGES TRUSTEE LIMITED
(as Mortgages Trustee)**

**SANTANDER UK PLC
(as Seller, Cash Manager, Funding 1 Account Bank,
Secretarial Services Provider, and Funding 1 Swap Provider)**

and

**STRUCTURED FINANCE MANAGEMENT LIMITED
(as Funding 1 Corporate Services Provider, Holdings Corporate Services Provider and PECOH
Corporate Services Provider)**

ALLEN & OVERY

Allen & Overy LLP

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THIS ACCESSION AND AMENDMENT DEED TO THE FUNDING 1 DEED OF CHARGE
(this **Deed**) is made on 23 March 2010

BETWEEN

- (1) **LANGTON FUNDING (NO. 1) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 6432610), whose registered office is at c/o Structured Finance Management Limited, 35 Great St. Helen's, London EC3A 6AP (**Funding 1**);
- (2) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 0235914) acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as **Funding 1 Security Trustee**, the security trustee with respect to the security granted by the 2008-3 Issuer, the 2010-1 Issuer and the 2011 Issuer (each as defined below), the **2008-3 Issuer Security Trustee**, the **2010-1 Issuer Security Trustee** and the **2011-1 Issuer Security Trustee** respectively) in each case pursuant to the relevant Issuer Deed of Charge (the **2008-3 Issuer Deed of Charge**, the **2010-1 Issuer Deed of Charge** and the **2011-1 Issuer Deed of Charge** respectively) and the note trustee with respect to the Notes issued by the 2008-3 Issuer, the 2010-1 Issuer and the 2011 Issuer (the **2008-3 Note Trustee**, the **2010-1 Note Trustee** and the **2011-1 Note Trustee** respectively) in each case pursuant to the relevant Note Trust Deed (the **2008-3 Note Trust Deed**, the **2010-1 Note Trust Deed** and the **2011-1 Note Trust Deed**, respectively);
- (3) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the security trustee with respect to the security granted by the 2010-2 Issuer (the **2010-2 Issuer Security Trustee**) pursuant to the Issuer Deed of Charge of Charge dated 12 October 2010 as supplemented by the Supplemental Deed of Charge dated 14 October 2010 (the **2010-2 Issuer Deed of Charge**) and the note trustee with respect to the Notes issued by the 2010-2 Issuer (the **2010-2 Note Trustee**) pursuant to the Note Trust Deed dated 12 October 2010 as supplemented by the Supplemental Trust Deed dated 14 October 2010 (the **2010-2 Note Trust Deed**);
- (4) **LANGTON SECURITIES (2010-2) PLC**, a company incorporated in England and Wales with limited liability (registered number 7381453), whose registered office is 35 Great St. Helen's, London EC3A 6AP (the **2010-2 Issuer** and the **2010-2 Funding 1 Start-Up Loan Provider**);
- (5) **LANGTON SECURITIES (2010-1) PLC**, a company incorporated in England and Wales with limited liability (registered number 7381471), whose registered office is 35 Great St. Helen's, London EC3A 6AP (the **2010-1 Issuer** and the **2010-1 Funding 1 Start-Up Loan Provider**);
- (6) **LANGTON SECURITIES (2008-3) PLC** a company incorporated in England and Wales with limited liability (registered number 6601246), whose registered office is 35 Great St. Helen's, London EC3A 6AP (the **2008-3 Issuer** and the **2008-3 Funding 1 Start-Up Loan Provider**);
- (7) **LANGTON SECURITIES (2008-1) PLC**, a public limited company incorporated in England and Wales (registered number 6432564), whose registered office is 35 Great St. Helen's, London EC3A 6AP (the **2011 Issuer**, the **2011-1 Funding 1 Start-Up Loan Provider**, a **New Issuer**, a **New Funding Start-Up Loan Provider** and the **New Funding 1 Secured Creditor**);
- (8) **SANTANDER UK PLC** a public limited company incorporated under the laws of England and Wales (registered number 2294747), whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (acting in its capacities as **Seller**, **Cash Manager**, **Funding 1 Account Bank**, **Secretarial Services Provider** and **Funding 1 Swap Provider**);

- (9) **STRUCTURED FINANCE MANAGEMENT LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 03853947), whose registered office is at 35 Great St. Helen's, London EC3A 6AP (acting in its capacities as the **Funding 1 Corporate Services Provider, Holdings Corporate Services Provider** and **PECOH Corporate Services Provider**); and
- (10) **LANGTON MORTGAGES TRUSTEE LIMITED**, (registered number 99388) a private limited company incorporated under the laws of Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands (in its capacity as **Mortgages Trustee**).

NOW THIS DEED WITNESSES AS FOLLOWS

WHEREAS

- (A) Pursuant to the terms of an Intercompany Loan Agreement (the **2011-1 Issuer Intercompany Loan Agreement**) dated 23 March 2011 made between *inter alios* Funding 1 and the New Funding 1 Secured Creditor (in such capacity, the 2011 Issuer), Funding 1 has agreed to repay the Intercompany Loan pursuant to the terms of the 2011-1 Issuer Intercompany Loan Agreement.
- (B) Pursuant to the terms of a New Funding 1 Start-Up Loan Agreement (the **2011-1 Funding 1 Start-Up Loan Agreement**) dated 23 March 2011 made between Funding 1 and the New Funding 1 Secured Creditor (in such capacity, the 2011-1 Funding 1 Start-Up Loan Provider), Funding 1 has agreed to repay the amounts due to the 2011-1 Funding 1 Start-Up Loan Provider pursuant to the terms of the 2011-1 Funding 1 Start-Up Loan Agreement.
- (C) Funding 1 has provided the Funding 1 Security Trustee with the benefit of the security described in the Funding 1 Deed of Charge to secure Funding 1's obligations to the Funding 1 Secured Creditors.
- (D) The terms of the Funding 1 Deed of Charge permit Funding 1 to secure its obligations to a New Funding 1 Secured Creditor thereunder.
- (E) The New Funding 1 Secured Creditor, in its capacities as 2011 Issuer, 2011-1 Funding 1 Start-Up Loan Provider, New Issuer and New Start-Up Loan Provider, has agreed to enter into this Deed to accede to the provisions of the Funding 1 Deed of Charge.
- (F) The Funding 1 Security Trustee and each of the other Funding 1 Secured Creditors have agreed to, among other things, acknowledge and agree to such accession.
- (G) Funding 1, the Funding 1 Security Trustee and each of the Funding 1 Secured Creditors have each agreed to make certain amendments to the Funding 1 Deed of Charge.

1. INTERPRETATION

- 1.1 The master definitions and construction schedule signed by, amongst others, the parties to this Deed and dated 25 January 2008 as amended and restated on 5 March 2008, on 17 June 2008, on 27 May 2010, on 1 October 2010 and 23 March 2011 (as the same may be amended, restated and/or supplemented from time to time with the consent of the parties to the Funding 1 Deed of Charge) (the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule (as so amended, restated and/or supplemented from time to time) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the Recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set out in clause 3 of the Master Definitions and Construction Schedule.

2. REPRESENTATIONS AND WARRANTIES

The New Funding 1 Secured Creditor hereby represents and warrants to the Funding 1 Security Trustee and each of the Funding 1 Secured Creditors in respect of itself that as of the date of this Deed:

- (a) pursuant to the terms of the 2011-1 Issuer Intercompany Loan Agreement dated the date hereof, Funding 1 has agreed to pay it in its capacity as New Funding 1 Secured Creditor the amount specified in the 2011-1 Issuer Intercompany Loan Agreement;
- (b) pursuant to the terms of the 2011-1 Funding 1 Start-Up Loan Agreement dated the date hereof, Funding 1 has agreed to pay to the New Funding 1 Secured Creditor the amount (if any) specified in the 2011-1 Funding 1 Start-up Loan Agreement; and
- (c) both the 2011-1 Issuer Intercompany Loan Agreement and the 2011-1 Funding 1 Start-Up Loan Agreement expressly provide that all amounts due from Funding 1 thereunder are to be secured by the Funding 1 Deed of Charge.

3. ACCESSION

In consideration of the New Funding 1 Secured Creditor being accepted as a Funding 1 Secured Creditor for the purposes of the Funding 1 Deed of Charge, in its capacities as the 2011 Issuer, 2011-1 Funding 1 Start-up Loan Provider, New Issuer and New Funding 1 Start-UP Loan Provider, by the parties thereto as from the date of this Deed, the New Funding 1 Secured Creditor:

- (a) confirms that as from 23 March 2011, it intends to be a party to the Funding 1 Deed of Charge as a Funding 1 Secured Creditor;
- (b) undertakes to comply with and be bound by all of the provisions of the Master Definitions and Construction Schedule (as the same may be amended, restated and/or supplemented and/or restated from time to time), as if it had been an original party thereto;
- (c) undertakes to perform, comply with and be bound by all of the provisions of the Funding 1 Deed of Charge in its capacity as a Funding 1 Secured Creditor, as if it had been an original party thereto as provided in Clause 4.6 (New Funding 1 Secured Creditors) of the Funding 1 Deed of Charge; and
- (d) agrees that the Funding 1 Security Trustee shall be the Funding 1 Security Trustee of the Funding 1 Deed of Charge for all Funding 1 Secured Creditors upon and subject to the terms set out in the Funding 1 Deed of Charge.

4. SCOPE OF THE FUNDING 1 DEED OF CHARGE

Funding 1, the New Funding 1 Secured Creditor and the Funding 1 Security Trustee hereby agree that for relevant purposes under the Funding 1 Deed of Charge and the Master Definitions and Construction Schedule:

- (a) the 2011-1 Issuer Intercompany Loan Agreement and the 2011-1 Funding 1 Start-Up Loan Agreement shall each be treated as a Funding 1 Agreement; and
- (b) the New Funding 1 Secured Creditor shall be treated as a Funding 1 Secured Creditor.

5. AMENDMENT

5.1 As of the date hereof, the following Clause 1.2 shall be added to the Funding 1 Deed of Charge as follows:

"1.2 General

- (a) The parties hereto acknowledge and agree that the Issuer, Langton Securities (2008-1) PLC (for the purposes of this clause, the **2011 Issuer**) will issue new notes and make a new loan to Funding 1 on 23 March 2011.
- (b) The new loan to be made by the 2011 Issuer to Funding 1 on the 23 March 2011 shall be a New Intercompany Loan comprised of New Loan Tranches under a New Intercompany Loan Agreement. The new notes to be issued by the 2011 Issuer on 23 March 2011 shall be New Notes. There are no other outstanding Notes issued by the Issuer as at the date hereof.
- (c) Accordingly, the 2011 Issuer as lender of the New Loan and as issuer of the New Notes shall be a New Issuer.
- (d) Accordingly:
 - (i) references in the Funding Agreements to an Intercompany Loan (or the Loan Tranches) made under an Intercompany Loan Agreement shall mean the New Intercompany Loan (or the New Loan Tranches) made on 23 March 2011 by the 2011 Issuer as New Issuer;
 - (ii) references in the Funding Agreements to a Funding 1 Issuer shall include the 2011 Issuer in its capacity as the issuer of the New Notes to be issued by it on 23 March 2011 as New Issuer;
 - (iii) references in the Funding Agreements to a Funding 1 Start-Up Loan Provider shall include the 2011 Issuer in its capacity as the lender pursuant to the New Funding 1 Start-Up Loan Agreement to be made by it on 23 March 2011 and references in the Funding Agreements to the Funding 1 Start-Up Loan Agreements shall include the New Funding 1 Start-Up Loan Agreement to be made by the 2011 Issuer on 23 March 2011; and
 - (iv) in determining the amount to be allocated to the 2011 Issuer of Funding 1 Issuer Allocable Revenue Receipts, Shared Funding 1 Issuer Revenue Receipts, Funding 1 Issuer Allocable Principal Receipts and Shared Funding 1 Issuer Principal Receipts and under the Funding 1 Priority of Payments, such amounts shall be calculated and determined in respect of the 2011 Issuer as New Issuer and/or in respect of the New Intercompany Loan (or the New Loan Tranches) to be made by it on 23 March 2011 and/or the New Notes to be issued by it on 23 March 2011.
- (e) The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this clause. Provided that the Funding 1 Security Trustee shall not be obliged to do any further acts and things, which in the sole opinion of the Funding 1 Security Trustee, would have the effect of (i) increasing the obligations of the Funding 1 Security Trustee or (ii) modifying any of the Funding 1 Security Trustee's rights or powers or any protective provision from which the Funding 1 Security Trustee has the benefit or expose the Funding 1 Security Trustee to any liability."

- 5.2 As of the date hereof, Clause 7.1 of the Funding 1 Deed of Charge shall be read as set out in Schedule 2.
- 5.3 As of the date hereof, Clause 12.1 of the Funding 1 Deed of Charge (as amended by the First Accession and Amendment Deed and the Fourth Accession and Amendment Deed) shall be read as set out in Schedule 3.
- 5.4 As of the date hereof, Schedule 4 of the Funding 1 Deed of Charge shall be read as set out in Schedule 1.

6. CONSENT AND DIRECTION

- 6.1 Pursuant to Clause 20.2 of each of the 2008-3 Note Trust Deed, the 2010-1 Note Trust Deed and the 2010-2 Note Trust Deed, the 2008-3 Note Trustee, the 2010-1 Note Trustee and the 2010-2 Note Trustee, respectively, hereby concur with the Funding 1 Security Trustee and the other Funding 1 Secured Creditors in making the amendments to the Funding 1 Deed of Charge set out in Clause 5 and hereby direct the 2008-3 Issuer Security Trustee 2010-1 Issuer Security Trustee and the 2010-2 Issuer Security Trustee, respectively, to concur with Funding 1, the Funding 1 Security Trustee and the other Funding 1 Secured Creditors in making such amendments to the Funding 1 Deed of Charge by entering into this Deed and to direct the Funding 1 Security Trustee to concur with Funding 1 and the other Funding 1 Secured Creditors in making such amendments to the Funding 1 Deed of Charge by entering into this Deed.
- 6.2 Pursuant to Clause 12.1 of each of the 2008-3 Issuer Deed of Charge, the 2010-1 Issuer Deed of Charge and the 2010-2 Issuer Deed of Charge, the 2008-3 Issuer Security Trustee, the 2010-1 Issuer Security Trustee and the 2010-2 Issuer Security Trustee, respectively, hereby concur with the Funding 1 Security Trustee and the other Funding 1 Secured Creditors in making the amendments to the Funding 1 Deed of Charge set out in Clause 5 and hereby direct the Funding 1 Security Trustee to concur with Funding 1 and the other Funding 1 Secured Creditors in making such amendments to the Funding 1 Deed of Charge by entering into this Deed.
- 6.3 Pursuant to Clause 12.1 of the Funding 1 Deed of Charge, the Funding 1 Security Trustee hereby concurs with the Funding 1 Secured Creditors in making the amendments to the Funding 1 Deed of Charge set out in Clause 5 and consents to such amendments to the Funding 1 Deed of Charge by entering into this Deed.

7. APPLICATION

Prior to and following enforcement of the Funding 1 Security all amounts at any time held by Funding 1, the Cash Manager or the Funding 1 Security Trustee in respect of the security created under this Deed shall be held and/or applied by such person subject to and in accordance with the relevant provisions of the Funding 1 Deed of Charge.

8. NOTICES

Any notice or communication to be given to the 2011 Issuer under or in connection with this Deed, the Funding 1 Deed of Charge or the Master Definitions and Construction Schedule shall be given in the manner and at the times set out in Clause 31 (Notices) of the Funding 1 Deed of Charge to the addresses given in this Clause 8 (Notices) or at such other address as the 2011 Issuer may have notified to the other parties hereto and/or thereto in writing.

The address referred to in this Clause 8 (Notices) for the New Funding 1 Secured Creditor is:

Langton Securities (2008-1) PLC
c/o Structured Finance Management Limited,
35 Great St. Helen's,
London EC3A 6AP

For the attention of:

The Directors

Telephone:

+44 (0)207 398 6300

Facsimile:

+44 (0)20 7398 6325

or such other address and/or numbers as the New Funding 1 Secured Creditor may notify to the parties to the Funding 1 Deed of Charge in accordance with the provisions thereof.

9. CHOICE OF LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

DULY EXECUTED AND DELIVERED AS A DEED by each of the parties hereto or on its behalf on the date appearing on page 1.

Funding 1

EXECUTED as a **DEED** by
LANGTON FUNDING (NO. 1) LIMITED
by two directors, being
SFM Directors Limited and
SFM Directors (No.2) Limited

) 
)
)
)
) 

Funding 1 Security Trustee, 2008-3 Issuer Security Trustee, 2008-3 Note Trustee, 2010-1 Issuer Security Trustee, 2010-1 Note Trustee, 2011-1 Issuer Security Trustee and 2011-1 Note Trustee

EXECUTED as a **DEED** by
CITICORP TRUSTEE COMPANY LIMITED
acting by its duly authorised attorney

in the presence of

Witness's signature:

Name:

Address:

)
)
)
)
) 
Jillian Hamblin
Director

)
)
)
)
) 
David Mares
Director

2010-2 Issuer Security Trustee and 2010-2 Note Trustee

EXECUTED as a **DEED** by
CITIBANK, N.A., LONDON BRANCH
acting by

in the presence of:

Witness's signature

Name

Address

)
)
)
)
) 
Jillian Hamblin
Vice President

2010-2 Issuer and 2010-2 Funding 1 Start-Up Loan Provider

EXECUTED as a **DEED** by
LANGTON SECURITIES (2010-2) PLC
acting by its duly authorised attorney

)
)
)



in the presence of

Witness's signature:



Name:

Address:

SLAUGHTER AND MAY
ONE BUNHILL ROW
LONDON EC1Y 8YY

2010-1 Issuer and 2010-1 Funding 1 Start-Up Loan Provider

EXECUTED as a **DEED** by)
LANGTON SECURITIES (2010-1) PLC)
acting by its duly authorised attorney)



in the presence of

Witness's signature:

Name:

Address:



SLAUGHTER AND MAY
ONE BUNHILL ROW
LONDON EC1Y 8YY

2008-3 Issuer and 2008-3 Funding 1 Start-Up Loan Provider

EXECUTED as a **DEED** by)
LANGTON SECURITIES (2008-3) PLC)
acting by two directors, being)
SFM Directors Limited)
and SFM Directors (No. 2) Limited)



2011 Issuer, 2011-1 Funding 1 Start-Up Loan Provider and the New Funding 1 Secured Creditor

EXECUTED as a **DEED** by)
LANGTON SECURITIES (2008-1) PLC)
by two directors, being)
SFM Directors Limited and)
SFM Directors (No.2) Limited)



Seller, Cash Manager, Funding 1 Account Bank, Secretarial Services Provider and Funding 1 Swap Provider

EXECUTED as a **DEED** by)
SANTANDER UK PLC)
acting by its duly authorised attorney)
)

Polakowski

in the presence of

Witness's signature:

Hughes

Name:

SLAUGHTER AND MAY
ONE BUNHILL ROW
LONDON EC1Y 8YY

Address:

Funding 1 Corporate Services Provider, Holdings Corporate Services Provider and PECO Holdings Corporate Services Provider

EXECUTED as a **DEED** by)
STRUCTURED FINANCE MANAGEMENT)
LIMITED)
by one director and)
the Company Secretary)

W. J. ...

[Signature]

Mortgages Trustee

EXECUTED as a **DEED** on behalf of)
LANGTON MORTGAGES TRUSTEE)
LIMITED, acting by its duly)
authorised attorney)
)
)
)
)
)
)

J. B. ...

in the presence of

Witness's signature:

Hughes

Name:

SLAUGHTER AND MAY
ONE BUNHILL ROW
LONDON EC1Y 8YY

Address:

SCHEDULE 1

AMENDED SCHEDULE 4 TO THE FUNDING 1 DEED OF CHARGE

FUNDING 1 PRIORITY OF PAYMENTS

PART 1

FUNDING 1 PRE-ACCELERATION REVENUE PRIORITY OF PAYMENTS

1. Rules for application of Funding 1 Available Revenue Receipts

Rule (1)

Subject as provided in rules (2) and (4) below, the portion of Funding 1 Issuer Allocable Revenue Receipts remaining after item (f) of the Funding 1 Pre-Acceleration Revenue Priority of Payments, shall constitute **Shared Funding 1 Issuer Revenue Receipts**. Shared Funding 1 Issuer Revenue Receipts will be allocated by the Cash Manager on a Funding 1 Interest Payment Date in accordance with item (g) of the Funding 1 Pre-Acceleration Revenue Priority of Payments and will continue to be distributed on such Funding 1 Interest Payment Date in accordance with item (g) of the Funding 1 Pre-Acceleration Revenue Priority of Payments until either there are no remaining amounts of Shared Funding 1 Issuer Revenue Receipts to be allocated and distributed or there are no remaining Funding 1 Issuers entitled to such Shared Funding 1 Issuer Revenue Receipts on such Funding 1 Interest Payment Date. If there is more than one Funding 1 Issuer that is entitled to Shared Funding 1 Issuer Revenue Receipts, then each such Funding 1 Issuer will be allocated a portion of Shared Funding 1 Issuer Revenue Receipts equal to:

amount of Shared Funding 1 Issuer Revenue Receipts	x	$\frac{\text{Outstanding Principal Amount of the Intercompany Loan of such Funding 1 Issuer entitled to Shared Funding 1 Issuer Revenue Receipts}}{\text{aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers entitled to such Shared Funding 1 Issuer Revenue Receipts}}$
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Rule (2)

No Funding 1 Issuer shall be entitled to nor shall any Funding 1 Issuer receive any amount of Funding 1 Issuer Allocable Revenue Receipts from Funding 1 on a Funding 1 Interest Payment Date on which such Funding 1 Issuer is not required to make a payment in accordance with the applicable Funding 1 Issuer Pre-Acceleration Revenue Priority of Payments or other relevant Funding 1 Issuer Priority of Payments which applies to that Funding 1 Issuer on such Funding 1 Interest Payment Date. The Cash Manager will take account of all of the funds which are or will become available to any Funding 1 Issuer on such Funding 1 Interest Payment Date and which constitute Funding 1 Issuer Available Revenue Receipts (including any payments due under any swap agreement, any amounts standing to the credit of any Funding 1 Issuer Reserve Fund and any interest or other income received or to be received prior to the relevant Funding 1 Interest Payment Date by that Funding 1 Issuer) for the purpose of making this determination.

Rule (3)

If, on any Funding 1 Interest Payment Date, any Funding 1 Issuer Allocable Revenue Receipts and/or any Shared Funding 1 Issuer Revenue Receipts are paid to any Funding 1 Issuer and are applied by that Funding 1 Issuer in reducing any deficiency recorded on any principal deficiency ledger of that Funding 1 Issuer (but only to the extent of any deficiency which has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer), then such Funding 1 Issuer Allocable Revenue Receipts and/or such Shared Funding 1 Issuer Revenue Receipts so applied shall constitute repayments of principal under the Intercompany Loan Agreement of that Funding 1 Issuer and shall reduce the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer accordingly.

Rule (4)

For the purpose of determining the amount of Funding 1 Issuer Allocable Revenue Receipts and/or Shared Funding 1 Issuer Revenue Receipts which may be paid to any Funding 1 Issuer on any Funding 1 Interest Payment Date, the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer shall be deemed to be reduced by the amount of any deficiency recorded on the Funding 1 Issuer principal deficiency ledger of that Funding 1 Issuer as at such Funding 1 Interest Payment Date, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer.

2. Distribution of Funding 1 Available Revenue Receipts before service on Funding 1 of an Intercompany Loan Acceleration Notice

This section sets out the priority of payments of Funding 1 Available Revenue Receipts. Except for amounts due to third parties (other than parties to the Transaction Documents) by each Funding 1 Issuer and/or Funding 1 under item (a) or amounts due to the Funding 1 Account Bank and/or by way of fees under the relevant Issuer Intercompany Loan Agreement to the Issuer Account Bank or to any other Funding 1 Issuer Account Bank, which will in each case be paid when due, on each Funding 1 Interest Payment Date (but prior to the date on which an Intercompany Loan Acceleration Notice is served on Funding 1), the Cash Manager will apply the Funding 1 Available Revenue Receipts for such date in the following order of priority (the **Funding 1 Pre-Acceleration Revenue Priority of Payments**):

- (a) without priority among them but in proportion to the respective amounts due (including remuneration), to pay amounts due to:
 - (i) the Funding 1 Security Trustee (together with interest and any amount in respect of VAT thereon) and to provide for any amounts due or to become due in the immediately following interest period to the Funding 1 Security Trustee under the Funding 1 Deed of Charge; and
 - (ii) any third party creditors of Funding 1 (other than those referred to later in this priority of payments), which amounts have been incurred without breach by Funding 1 of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any of these amounts expected to become due and payable in the immediately following Funding 1 Interest Period by Funding 1 and to pay or discharge any liability of Funding 1 for corporation tax on any chargeable income or gain of Funding 1;
- (b) without priority among them but in proportion to the respective amounts due, towards payment of amounts, if any, due and payable (in each case together with any VAT thereon)

to the Cash Manager under the terms of the Cash Management Agreement, to the Funding 1 Account Bank under the terms of the Funding 1 Bank Account Agreement, to the Funding 1 Corporate Services Provider under the terms of the Funding 1 Corporate Services Agreement and to the Secretarial Services Provider under the terms of the Secretarial Services Agreement;

- (c) towards payment of all amounts (if any) due and payable to the Funding 1 Swap Provider under the Funding 1 Swap Agreement (including termination payments, but excluding any Funding 1 Swap Excluded Termination Amount);
- (d) to pay to each Funding 1 Issuer, in no order of priority among them, an amount up to its Funding 1 Issuer Allocable Revenue Receipts in respect of interest, fees and other amounts (excluding principal) due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer but not exceeding the aggregate amount of, and to be applied in the amounts and priorities set forth in, the applicable Funding 1 Issuer Pre-Reserve Payments;
- (e) in no order of priority among them, *pro rata*, from each Funding 1 Issuer's Allocable Revenue Receipts, to credit the Funding 1 Reserve Ledger in an amount up to the Funding 1 Reserve Required Amount;
- (f) to pay to each Funding 1 Issuer, in no order of priority among them, an amount up to its Funding 1 Issuer Allocable Revenue Receipts in respect of (i) interest, fees and other amounts (excluding principal) due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer and (ii) interest, principal and other amounts due and payable to each Funding 1 Issuer under its relevant Funding 1 Start-Up Loan Agreement, but not exceeding the aggregate amount of, and to be applied in the amounts and priorities set forth in the Funding 1 Issuer Post-Reserve Payments;
- (g) to the extent required, to apply all remaining Shared Funding 1 Issuer Revenue Receipts in the priorities set forth in (d) to (f) above, but as if references to Funding 1 Issuer Allocable Revenue Receipts were to its share of the Shared Funding 1 Issuer Revenue Receipts;
- (h) without priority among them but in proportion to the respective amounts due, to pay (without double counting):
 - (i) any other amounts due to each Funding 1 Issuer under the Intercompany Loan Agreement of that Funding 1 Issuer and not otherwise provided for in this priority of payments; and
 - (ii) any Funding 1 Swap Excluded Termination Amount due and payable by Funding 1 to the Funding 1 Swap Provider under the Funding 1 Swap Agreement;
- (i) towards payment of an amount to be retained by Funding 1 equal to the sum of: (1) an amount equal to 0.01% of the Funding 1 Available Revenue Receipts for such Funding 1 Interest Payment Date and (2) an amount equal to the aggregate of 0.01% of the Funding 1 Available Revenue Receipts in respect of each previously occurring Funding 1 Interest Payment Date to the extent that such amount was not retained by Funding 1 in accordance with this paragraph (i) on such Funding 1 Interest Payment Date or any subsequently occurring Funding 1 Interest Payment Date;
- (j) towards payment of any Deferred Contribution due from Funding 1 to the Mortgages Trustee pursuant to the terms of the Mortgages Trust Deed; and
- (k) the balance (if any) to Funding 1.

For the avoidance of doubt, the Funding 1 Pre-Acceleration Revenue Priority of Payments also applies before and after the occurrence of a Trigger Event and before and after the service of a Note Acceleration Notice on any Funding 1 Issuer.

PART 2

FUNDING 1 PRE-ACCELERATION PRINCIPAL PRIORITIES OF PAYMENTS

1. Due and payable dates of Loan Tranches

A Loan Tranche (or part thereof) shall become due and payable on the earlier to occur of:

- (a) any date specified in relation to such Loan Tranche in the applicable Intercompany Loan Confirmation;
- (b) the date upon which a Trigger Event occurs;
- (c) the date upon which a Note Acceleration Notice is served on a Funding 1 Issuer under the Note Trust Deed or new Note Trust Deed of a New Issuer (as applicable) and/or a Funding 1 Issuer's security is enforced under the relevant Funding 1 Issuer Deed of Charge; and
- (d) the date upon which an Intercompany Loan Acceleration Notice is served on Funding 1 under an Intercompany Loan Agreement and/or security is enforced under the Funding 1 Deed of Charge.

In each case, when a Loan Tranche becomes due and payable, it shall continue to be due and payable until it is fully repaid. If there are insufficient Funding 1 Available Principal Receipts to repay a Loan Tranche on a Funding 1 Interest Payment Date upon which that Loan Tranche is due and payable, then the shortfall will be repaid on subsequent Funding 1 Interest Payment Dates from Funding 1 Available Principal Receipts until that Loan Tranche is fully repaid. Any remaining unpaid amounts under the Issuer Intercompany Loan after the Final Repayment Date of the last maturing Loan Tranche (after application of any available amounts) will be extinguished.

2. Repayment of Funding 1 Loan Tranches before an Asset Trigger Event or service on Funding 1 of an Intercompany Loan Acceleration Notice

On each Funding 1 Interest Payment Date prior to the occurrence of an Asset Trigger Event or the service on Funding 1 of an Intercompany Loan Acceleration Notice, the Cash Manager shall apply Funding 1 Available Principal Receipts in the following priority (the **Funding 1 Pre-Acceleration Principal Priority of Payments**) (but, in the case of (a) and (b) below, only so long as the Rated Notes of a Funding 1 Issuer are outstanding):

- (a) to pay to each Funding 1 Issuer, as a credit towards its Funding 1 Issuer Reserve Fund, *pro rata*, and in no order of priority between them, the amount required to replenish the Funding 1 Issuer Reserve Fund of that Funding 1 Issuer up to the applicable Funding 1 Issuer Reserve Required Amount but only to the extent that monies have been drawn from its Funding 1 Issuer Reserve Fund to make Funding 1 Issuer Reserve Principal Payments;
- (b) to pay to each Funding 1 Issuer as a credit towards its Funding 1 Issuer Liquidity Reserve (if established), *pro rata* and in no order of priority between them, the amount required by that Funding 1 Issuer: (A) to initially fund its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Fund Reserve Required Amount, and (B) once its Funding 1 Issuer Liquidity Reserve Fund has been initially funded, to the extent that its Funding 1 Issuer Available Revenue Receipts or its Shared Funding 1 Issuer Revenue Receipts are insufficient to do so, to replenish its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Reserve Fund Required Amount;

- (c) to pay to each Funding 1 Issuer, in no order of priority between them, an amount equal to the lesser of (i) its remaining Funding 1 Issuer Allocable Principal Receipts, and (ii) the amount required in respect of principal due and payable on the Intercompany Loan of that Funding 1 Issuer (to the extent not already repaid pursuant to item (b) above), which amount shall be an amount up to the aggregate amount of, and shall be applied in the amounts and priorities set forth in, the Funding 1 Issuer Principal Priority of Payments for that Funding 1 Issuer;
- (d) to apply all Shared Funding 1 Issuer Principal Receipts in accordance with item (c) above, but as if references to Funding 1 Issuer Allocable Principal Receipts were to its share of the Shared Funding 1 Issuer Principal Receipts; and
- (e) the balance (if any) to be credited to the Funding 1 Principal Ledger.

For the avoidance of doubt, the Funding 1 Pre-Acceleration Principal Priority of Payments will also apply before and after the occurrence of a Non-Asset Trigger Event and before and after the service of a Note Acceleration Notice on any Funding 1 Issuer.

3. **The Rules**

In the applicable circumstances, the following rules apply in determining the amounts to be paid under the Funding 1 Pre-Acceleration Principal Priority of Payments set out above on each Funding 1 Interest Payment Date:

Rule (1)

One Business Day prior to each Funding 1 Interest Payment Date, the Cash Manager will calculate the Funding 1 Issuer Allocable Principal Receipts for each Funding 1 Issuer in respect of such Funding 1 Interest Payment Date. Subject as provided in Rules (2) to (6) below, the **Funding 1 Issuer Allocable Principal Receipts** for a Funding 1 Issuer is an amount that is equal to the sum of:

- (a) the amount, if any, by which the relevant Funding 1 Issuer Reserve Fund will be less than the relevant Funding 1 Issuer Reserve Required Amount, in each case prior to the application of Funding 1 Available Principal Receipts on such Funding 1 Interest Payment Date but following the application of Funding 1 Available Revenue Receipts on such Funding 1 Interest Payment Date;
- (b) the amount, if any, by which the relevant Funding 1 Issuer Liquidity Reserve Fund will be less than the relevant Funding 1 Issuer Liquidity Reserve Required Amount, in each case prior to the application of Funding 1 Available Principal Receipts on such Funding 1 Interest Payment Date but following the application of Funding 1 Available Revenue Receipts on such Funding 1 Interest Payment Date; and
- (c) an amount equal to the lesser of: (i) the sum of (A) any Bullet Loan Tranche or Scheduled Amortisation Amount due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer on that Funding 1 Interest Payment Date and (B) any other principal amount due and payable under the Intercompany Loan of that Funding 1 Issuer on such Funding 1 Interest Payment Date; and (ii) an amount equal to:

Funding 1 Available Principal Receipts minus the aggregate amount payable under items (a) and (b) above in respect of all Funding 1 Issuers on such Funding 1 Interest Payment Date	x	$\frac{\text{Outstanding Principal Amount of the Intercompany Loan of such Funding 1 Issuer}}{\text{aggregate Outstanding Principal Amount of all Intercompany Loans of all Funding 1 Issuers}}$
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Rule (2)

For the purpose of determining the amount of Funding 1 Issuer Allocable Principal Receipts and/or Shared Funding 1 Issuer Principal Receipts which may be paid to any Funding 1 Issuer on any Funding 1 Interest Payment Date pursuant to Rule (1) above or Rule (5) below, the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer shall be deemed to be reduced by the amount of any deficiency recorded on the principal deficiency ledger of that Funding 1 Issuer as at such Funding 1 Interest Payment Date, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer.

Rule (3)

In determining the amount due and payable under Rule (1)(c)(i), the amount of Funding 1 Available Principal Receipts payable to each Funding 1 Issuer on a Funding 1 Interest Payment Date will be reduced by an amount equal to the aggregate of the Funding 1 Issuer Available Revenue Receipts of that Funding 1 Issuer which are to be applied on that Funding 1 Interest Payment Date in reducing deficiencies recorded on the Funding 1 Issuer Principal Deficiency Ledgers of that Funding 1 Issuer, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer.

Rule (4)

No Funding 1 Issuer shall be entitled to, or shall receive on a Funding 1 Interest Payment Date, any amount of Funding 1 Issuer Allocable Principal Receipts from Funding 1 if that Funding 1 Issuer is not required to make a principal payment on the relevant Funding 1 Interest Payment Date in accordance with the applicable Funding 1 Issuer Pre-Enforcement Principal Priority of Payments or to credit that Funding 1 Issuer Reserve Fund and/or that Funding 1 Issuer Liquidity Reserve.

Rule (5)

The portion of Funding 1 Issuer Allocable Principal Receipts (calculated in accordance with Rule (1)(c)(ii) above), not required to be applied by a Funding 1 Issuer on a Funding 1 Interest Payment Date in accordance with the applicable Funding 1 Issuer Pre-Enforcement Principal Priority of Payments (excluding the amount of any Funding 1 Issuer Reserve Fund or Funding 1 Issuer Liquidity Reserve Fund (if any)) shall constitute **Shared Funding 1 Issuer Principal Receipts**. Shared Funding 1 Issuer Principal Receipts will be allocated and distributed by the Cash Manager in accordance with item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments and will continue to be applied in accordance with item (d) until either there are no amounts of Shared Funding 1 Issuer Principal Receipts to be so allocated and distributed on such Funding 1 Interest Payment Date or there are no remaining Funding 1 Issuers entitled to such Shared Funding 1 Issuer Principal Receipts on such Funding 1 Interest Payment Date. Save as provided in Rule (2) above, if there is more than one Funding 1 Issuer that is entitled to shared Funding 1 Issuer Principal Receipts, then each such Funding 1 Issuer will be allocated a portion of the Shared Funding 1 Issuer Principal Receipts equal to:

amount of Shared Funding 1 Issuer Principal Receipts	x	$\frac{\text{Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer entitled to Shared Funding 1 Issuer Principal Receipts}}{\text{aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers entitled to Shared Funding 1 Issuer Principal Receipts}}$
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Rule (6)

The repayment of the Intercompany Loan of any Funding 1 Issuer prior to the occurrence of a Trigger Event or the service of an Intercompany Loan Acceleration Notice on Funding 1 will be made in accordance with the terms of the Intercompany Loan Agreement and the Funding 1 Deed of Charge.

4. Repayment of Funding 1 Loan Tranches after an Asset Trigger Event and before the service on Funding 1 of an Intercompany Loan Acceleration Notice

On each Funding 1 Interest Payment date after the occurrence of an Asset Trigger Event but before the service on Funding 1 of an Intercompany Loan Acceleration Notice, the Cash Manager shall apply Funding 1 Available Principal Receipts in the following priority (the **Funding 1 Post-Asset Trigger Principal Priority of Payments**) (but, in the case of (a) and (b) below, only so long as the Rated Notes of a Funding 1 Issuer are outstanding):

- (a) to pay to each Funding 1 Issuer, as a credit towards its Funding 1 Issuer Reserve Fund, *pro rata* and in no order of priority between them, the amount required to replenish the Funding 1 Issuer Reserve Fund of that Funding 1 Issuer up to the applicable Funding 1 Issuer Reserve Required Amount, but only to the extent that monies have been drawn from its Funding 1 Issuer Reserve Fund to make Funding 1 Issuer Reserve Principal Payments;
- (b) to pay to each Funding 1 Issuer as a credit towards its Funding 1 Issuer Liquidity Reserve, *pro rata* and in no order of priority between them, the amount required by that Funding 1 Issuer: (A) to initially fund its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Fund Reserve Required Amount, and (B) once its Funding 1 Issuer Liquidity Reserve Fund has been initially funded, to the extent that its Funding 1 Issuer Available Revenue Receipts or its shared Funding 1 Issuer Revenue Receipts are insufficient to do so, to replenish its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Fund Reserve Required Amount;
- (c) to pay to each Funding 1 Issuer, in no order of priority between them, an amount equal to the lesser of: (i) its remaining Funding 1 Issuer Allocable Principal Receipts, and (ii) the amount required in respect of principal due on the Intercompany Loan of that Funding 1 Issuer, which amount shall be an amount up to the aggregate amount of, and shall be applied in the amounts and priorities set forth in, the Funding 1 Issuer Principal Priority of Payments for that Funding 1 Issuer;
- (d) to apply all shared Funding 1 Principal Receipts in the accordance with item (c) above, but as if references to Funding 1 Issuer Allocable Principal Receipts were to its share of the shared Funding 1 Issuer Principal Receipts; and
- (e) the balance (if any) to be credited to the Funding 1 Principal Ledger.

5. The rules

In the applicable circumstances, the rules set out above in relation to the application of monies in the Funding 1 Pre-Acceleration Principal Priority of Payments will apply to the application of monies in the Funding 1 Post-Asset Trigger Principal Priority of Payments, except as follows:

- (a) in Rule (1), item (c)(i) shall be amended to read "(i) all principal amounts due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer on such Funding 1 Interest Payment Date"; and
- (b) in Rule (5), references to item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments shall mean references to item (d) of the Funding 1 Post-Asset Trigger Principal Priority of Payments.

6. Repayment of Loan Tranches under Intercompany Loan Agreement when Funding 1 receives an amount outstanding under the proceeds of a New Intercompany Loan or a Refinancing Distribution

If either:

- (a) the proceeds of a New Issuer Intercompany Loan are to be used to refinance all or part of the Loan Tranches outstanding under the Intercompany Loan(s); or
- (b) Funding 1 has received, or will receive during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date, a Refinancing Distribution funded by another Beneficiary and either:
 - (i) the Funding 1 Issuer has issued, or will issue within the period of 60 days of receipt of that Refinancing Distribution, an Optional Redemption Notice to the Noteholders in the circumstances set out in (and in accordance with) the Terms and Conditions of the Notes; or
 - (ii) with the consent of Funding 1, the contributing Beneficiary specifies that the proceeds of the Refinancing Distribution are to be applied (in whole or in part) by Funding 1 towards repayment of all or part of the Loan Tranches outstanding under the Intercompany Loan(s),

then Funding 1 will not apply the amount received under the New Intercompany Loan or the relevant Refinancing Distribution in accordance with the Funding 1 Pre-Acceleration Principal Priority of Payments. Rather, Funding 1 will apply the amount received under the New Intercompany Loan or, as applicable, the relevant Refinancing Distribution to repay the relevant Loan Tranches under the Intercompany Loan(s). If (at any time) only one Loan Tranche is outstanding under the Intercompany Loans, then Funding 1 shall apply the amount received under the New Intercompany Loan or, as applicable, the relevant refinancing distribution to repay such Funding 1 Loan Tranches.

PART 3

FUNDING 1 POST-ACCELERATION PRIORITY OF PAYMENTS

The Cash Manager will apply amounts received following the service of an Intercompany Loan Acceleration Notice on Funding 1 or, as applicable, the Funding 1 Security Trustee will apply amounts received or recovered following the enforcement of the Funding 1 Security in accordance with the following order of priority (the **Funding 1 Post-Acceleration Priority of Payments**):

- (a) without priority among them, but in proportion to the respective amounts due (including remuneration), to pay amounts due to the Funding 1 Security Trustee and any receiver appointed by the Funding 1 Security Trustee, together with interest and any amount in respect of VAT thereon as provided therein, and to provide for any amounts due or to become due to the Funding 1 Security Trustee and the receiver in the following interest period under the Funding 1 Deed of Charge; and
- (b) without priority among them but in proportion to the respective amounts due, towards payment of amounts (if any) due to the Cash Manager under the terms of the Cash Management Agreement, to the Funding 1 Account Bank under the terms of the Funding 1 Bank Account Agreement, to the Funding 1 Corporate Services Provider under the terms of the Funding 1 Corporate Services Agreement and to the Secretarial Services Provider under the terms of the Secretarial Services Agreement;
- (c) towards payment of amounts (if any) due to the Funding 1 Swap Provider under the Funding 1 Swap Agreement (including any termination payment, but excluding any Funding 1 Swap Excluded Termination Amount);
- (d) in no order of priority among them but in proportion to the respective amounts due, to each Funding 1 Issuer its Funding 1 Issuer Allocable Revenue Receipts and its Funding 1 Issuer Allocable Principal Receipts towards payment of amounts of interest, principal and fees due to each Funding 1 Issuer under its Intercompany Loan Agreement;
- (e) to the extent required, to apply all Shared Funding 1 Issuer Revenue Receipts and Shared Funding 1 Principal Receipts in the accordance with item (d) above, but as if references to Funding 1 Issuer Allocable Revenue Receipts were to its share of the Shared Funding 1 Issuer Revenue Receipts and as if references to Funding 1 Issuer Allocable Principal Receipts were to its share of the Shared Funding 1 Issuer Principal Receipts;
- (f) any Funding 1 Swap Excluded Termination Amounts due to the Funding 1 Swap Provider;
- (g) to pay interest due or overdue on, and to repay principal to, the Funding 1 Start-Up Loan Providers under the Funding 1 Start-Up Loan Agreements pro rata and pari passu;
- (h) towards payment of any Deferred Contribution due from Funding 1 to the Mortgages Trustee pursuant to the terms of the Mortgages Trust Deed; and
- (i) the balance (if any) to Funding 1.

Rules for application of Funding 1 Available Revenue Receipts and Funding 1 Available Principal Receipts following service of an Intercompany Loan Acceleration Notice on Funding 1

The following rules apply to the allocation of monies by the Cash Manager or, as applicable, the Funding 1 Security Trustee following the service of an Intercompany Loan Acceleration Notice on Funding 1 or the enforcement of the Funding 1 Security:

Rule (1) Subject as provided in Rules (2) and (3) below, the portion of Funding 1 Issuer Allocable Revenue Receipts remaining after item (d) of the Funding 1 Post-Acceleration Priority of Payments, shall constitute (for the purposes of the Funding 1 Post-Acceleration Priority Of Payments) **Shared Funding 1 Issuer Revenue Receipts**. Shared Funding 1 Issuer Revenue Receipts will be allocated and distributed by the Cash Manager or, as applicable, the Funding 1 Security Trustee in accordance with item (e) of the Funding 1 Post-Acceleration Priority of Payments and will continue to be distributed in accordance with item (e) until each relevant Intercompany Loan is fully repaid (taking into account any principal repayments, and subject to the terms of this Deed and each Intercompany Loan Agreement). If there is more than one Funding 1 Issuer that is entitled to Shared Funding 1 Issuer Revenue Receipts, then each such Funding 1 Issuer will be allocated a portion of Shared Funding 1 Issuer Revenue Receipts equal to:

$$\text{amount of Shared Funding 1 Issuer Revenue Receipts} \times \frac{\text{Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer entitled to Shared Funding 1 Issuer Revenue Receipts}}{\text{aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers entitled to Shared Funding 1 Issuer Revenue Receipts}}$$

Rule (2) The Cash Manager or, as applicable, the Funding 1 Security Trustee will take account of all of the other funds which are or will become available to any Funding 1 Issuer on any relevant date and which constitute Funding 1 Issuer Available Revenue Receipts (including any payments due under any swap agreement, any amounts standing to the credit of any reserve fund and any interest or other income received or to be received by that Funding 1 Issuer). Any such amounts shall reduce the amount payable to the relevant Funding 1 Issuer.

Rule (3) For the purpose of determining the amount of Funding 1 Issuer Allocable Revenue Receipts and/or Shared Funding 1 Issuer Revenue Receipts (as defined in Rule (1) above) and or Funding 1 Issuer Allocable Principal Receipts (as defined in Rule (4) below) and/or Shared Funding 1 Issuer Principal Receipts (as defined in Rule (5) below) which may be paid to any Funding 1 Issuer on any date, the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer shall be deemed to be reduced by the amount of any deficiency recorded on the principal deficiency ledger of that Funding 1 issuer as at such date, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer.

Rule (4) Subject to Rule (3) above, for the purpose of the Funding 1 Post-Acceleration Priority Of Payments, **Funding 1 Issuer Allocable Principal Receipts** for a Funding 1 Issuer is an amount on any relevant date that is equal to the lesser of: (a) the Outstanding Principal Amount of the relevant Intercompany Loan Agreement of that Funding 1 Issuer and (b) an amount equal to:

amount of Funding 1 Issuer Principal Receipts	x	$\frac{\text{Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer}}{\text{aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers}}$
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Rule (5) Subject to Rule (3) above, the portion of Funding 1 Issuer Allocable Principal Receipts (calculated in accordance with Rule 4(b) above), not required to be applied by a Funding 1 Issuer on the relevant date in accordance with the applicable Funding 1 Issuer Post-Enforcement Priority of Payments shall constitute **Shared Funding 1 Issuer Principal Receipts**. Shared Funding 1 Issuer Principal Receipts will be allocated and distributed by the Cash Manager or, as applicable, the Funding 1 Security Trustee in accordance with item (e) of the Funding 1 Post-Acceleration Priority of Payments and will continue to be distributed in accordance with item (e) until each relevant Intercompany Loan is fully repaid (taking into account any repayments of interest and fees, and subject to the terms of this Deed and each Intercompany Loan Agreement). If there is more than one Funding 1 Issuer that is entitled to Shared Funding 1 Issuer Principal Receipts, then each such Funding 1 Issuer will be allocated a portion of the Shared Funding 1 Issuer Principal Receipts equal to:

amount of Shared Funding 1 Issuer Principal Receipts	x	$\frac{\text{Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer entitled to Shared Funding 1 Issuer Principal Receipts}}{\text{aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers entitled to Shared Funding 1 Issuer Principal Receipts}}$
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SCHEDULE 2

AMENDED CLAUSE 7 OF THE FUNDING 1 DEED OF CHARGE

7.1 Priorities of Payment – after service of an Intercompany Loan Acceleration Notice

All monies received or recovered following service of an Intercompany Loan Acceleration Notice shall be applied by the Cash Manager or, following the enforcement of the Funding 1 Security, the Funding 1 Security Trustee (or a Receiver appointed on its behalf) (save to the extent required otherwise by law) in accordance with the Funding 1 Post-Acceleration Priority of Payments set out in Part 3 of Schedule 4 (Funding 1 Priority of Payments).

SCHEDULE 3

AMENDED CLAUSE 12 TO THE FUNDING 1 DEED OF CHARGE

12.1 Modification

- (a) Subject to paragraph (b) below, the Funding 1 Security Trustee shall, without any consent or sanction of the Funding 1 Secured Creditors (except where they are a party to the relevant Funding 1 Agreement the subject of such modification, where the consent of such party will be required), be required to concur with Funding 1 or any other person in making or giving its consent to any modifications to any Funding 1 Agreement only if so directed by the Funding 1 Issuer Security Trustees (subject to the provisions of the relevant Funding 1 Issuer Deed of Charge), so long as there is any Loan Tranche outstanding, and otherwise by all of the Funding 1 Secured Creditors.
- (b) Subject to paragraph (c) below, the Funding 1 Security Trustee shall, without any consent or sanction of the Funding 1 Secured Creditors (except where they are a party to the relevant Funding 1 Agreement the subject of such modification, where the consent of such party will be required), be required to concur with Funding 1 or any other person in making or giving its consent to any modifications to any Funding 1 Agreement or the Master Definitions and Construction Schedule that are requested by Funding 1 or the Cash Manager, provided that Funding 1 or the Cash Manager, as the case may be, has certified to the Funding 1 Security Trustee in writing that such modifications are required in order to accommodate:
- (i) the entry into by Funding 1 or any Further Funding Company of any New Intercompany Loan Agreement or the amendment of any existing Intercompany Loans or the issue of Further Securities by any New Issuer or the Issuer;
 - (ii) the entry into by Funding 1 or any Further Funding Company of any New Funding 1 Start-Up Loan Agreement and/or the entry into by the Issuer or any New Issuer of any New Issuer Start-Up Loan Agreement or the amendment or increasing in size of any existing Funding 1 Start-up Loan Agreement or Issuer Start-up Loan Agreement;
 - (iii) the addition of other relevant Funding 1 Secured Creditors and/or Funding 1 Issuer Secured Creditors and/or New Issuers and/or Further Funding Companies to the Transaction Documents;
 - (iv) the assignment of New Loan Types or their Related Security to the Mortgages Trustee;
 - (v) the inclusion of a New Beneficiary as a beneficiary of the Mortgages Trust;
 - (vi) the issue (directly or indirectly) of debt by Funding 1 and/or any Further Funding Company (other than as referred to in paragraphs (i) and (ii) above);
 - (vii) changes to the Funding 1 Reserve Fund Required Amount, the Funding 1 Issuer Reserve Required Amounts and/or the Funding 1 Issuer Liquidity Reserve Required Amounts and/or the manner in which such amounts are funded;
 - (viii) changes to be made to the definitions of Asset Trigger Event and Non-Asset Trigger Event; and/or

- (ix) any changes to the criteria of any of the Rating Agencies which take effect after the date of these presents and only once the Notes issued by the 2008-3 Issuer, the 2010-1 Issuer and the 2010-2 Issuer which are outstanding as at 23 March 2011 (or fungible therewith) have been redeemed in full.
- (c) The Funding 1 Security Trustee shall only be required to agree or consent to the modifications set out in paragraph (b) above if the Funding 1 Security Trustee is satisfied that:
- (i) in respect of the matters set out in paragraphs (b)(i), (iv) and (v) above, Funding 1 or the Cash Manager has certified to the Funding 1 Security Trustee that the conditions precedent to:
 - (A) New Notes or Further Securities being issued by any New Issuer or the Issuer and/or Loan Tranches being made available to Funding 1 by a New Issuer (as set out in Condition 11.4 (Modifications and Determinations by Note Trustee) and Clause 2 (Conditions Precedent) of the Intercompany Loan Terms and Conditions and Schedule 1 of the relevant Intercompany Loan Confirmation); or
 - (B) the assignment of New Loans, New Loan Types or their Related Security to the Mortgages Trustee (as set out in Clause 4 (Sale and Purchase of New Portfolios, Product Switches and Further Advances) of the Mortgage Sale Agreement); or
 - (C) the inclusion of a New Beneficiary of the Mortgages Trust (as set out in Clause 17 (New Beneficiary of the Mortgages Trust) of the Mortgages Trust Deed),have been satisfied; and
 - (ii) the Funding 1 Security Trustee has received written confirmation from each of the Rating Agencies in respect of paragraph (b) above that the relevant modifications will not result in a reduction, qualification or withdrawal of the current ratings of the Notes (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time).
- (d) Each Funding 1 Secured Creditor hereby acknowledges that the Funding 1 Security Trustee is required to make the modifications set out in paragraph (b) above (subject to paragraph (c)), and each Funding 1 Secured Creditor further acknowledges that such modifications may adversely affect the manner in which the Mortgages Trustee allocates monies to Funding 1 and/or the amount of monies available to Funding 1 to meet the Funding 1 Secured Obligations. Each Funding 1 Secured Creditor agrees that such modifications shall be binding on it and, unless the Funding 1 Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Funding 1 Secured Creditors as soon as practicable after the modifications have been made.
- (e) Each of the Funding 1 Secured Creditors agrees from time to time to do and perform such other and further acts and execute and deliver any and all such other documents and instruments (to the extent that the Funding 1 Security Trustee is a party thereto, in form and substance satisfactory to it) as may be required by law or necessary to give effect to the intent and purpose of this Clause 12.1 (Modification).