

# **SCOTTISH DECLARATION OF TRUST**

among

**SANTANDER UK PLC**

**LANGTON MORTGAGES TRUSTEE LIMITED**

and

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

Re: Scottish Loans and Related Security

2010

GMB.RXM.S10494.1005



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## DECLARATION OF TRUST

among

**SANTANDER UK PLC**, incorporated under the Companies Act (registered number 2294747) and having its registered office at 2 Triton Square, Regent's Place, London NW1 3AN (the **Seller**);

and

**LANGTON MORTGAGES TRUSTEE LIMITED**, a private limited company incorporated under the laws of Jersey, Channel Islands (registered number 99388), and having its registered office at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands as trustee under and in terms of the Mortgages Trust Deed aftermentioned (the **Mortgages Trustee**);

and

**LANGTON FUNDING (NO. 1) LIMITED**, incorporated under the Companies Act (registered number 6432610) and having its registered office at c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (**Funding 1**).

## WHEREAS:

- (A) Title to the Scottish Trust Property aftermentioned is held by and vested in the Seller.
- (B) In terms of a Mortgages Trust Deed among Alliance & Leicester plc, Funding 1 and the Mortgages Trustee dated 25 January 2008 (as the same may be amended, restated, varied, supplemented and/or novated from time to time, the **Mortgages Trust Deed**) and to which the Seller became a party in place of Alliance & Leicester plc on 28 May 2010 by virtue of a bank business transfer scheme under Part VII of the Financial Services and Markets Act 2000 and the Mortgages Trust constituted in terms thereof, the Mortgages Trustee holds the Trust Property on trust for the Beneficiaries therein specified.
- (C) In terms of the Mortgage Sale Agreement entered into among, *inter alios*, Alliance & Leicester plc, Funding 1 and the Mortgages Trustee dated 25 January 2008 (as the same may be amended, restated, varied, supplemented and/or novated from time to time, the **Mortgage Sale Agreement**), and to which the Seller became a party by virtue of the said transfer scheme, the Seller has agreed to sell *inter alia* the Scottish Trust Property to the Mortgages Trustee to be held thereafter by the Mortgages Trustee under and in terms of the Mortgages Trust.
- (D) In implement of Clause 4.8(a)(v) of the Mortgage Sale Agreement and pending the taking of legal title to the Scottish Trust Property by the Mortgages Trustee, the Seller has undertaken to grant this deed.

**NOW THEREFORE** the parties **HEREBY AGREE** and **DECLARE** as follows:

### 1 Interpretation

In this deed (including the recitals hereto):-

- 1.1 the master definitions and construction schedule signed by, amongst others, Funding 1 and the Mortgages Trustee and dated 25 January 2008 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties to this deed) (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, varied, supplemented or restated from time to time) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this deed, and this deed shall be construed in accordance with the interpretation provisions set out in Clause 3 of the Master Definitions and Construction Schedule; and
- 1.2 **Scottish Trust Property** shall mean the Scottish Loans and their Related Security brief particulars of which are detailed in the schedule annexed and executed as relative hereto (the **Schedule**) and any Product Switch or Further Advances made in respect of such Scottish Loans, together with all right, title, interest and benefit of the Seller in and to:
- a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Scottish Loans and their Related Security including, without limitation, the right to demand, sue for, recover, receive and give receipts for all principal monies, interest and costs and the right to sue on all covenants and undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms;
  - b) subject where applicable to the subsisting rights of redemption of Borrowers, all MH/CP Documentation, Deeds of Postponement, all third party guarantees and any other collateral security for the repayment of the relevant Scottish Loans;
  - c) the right to exercise all the powers of the Seller in relation thereto;
  - d) all proceeds resulting from the enforcement of any of such Scottish Loans and their Related Security;
  - e) each Certificate of Title and Valuation Report relevant to such Scottish Loans and any right of action of the Seller against any solicitor, qualified conveyancer, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any of such Scottish Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any of such Scottish Loans or part thereof; and
  - f) the proceeds of all claims made by or on behalf of the Seller or to which the Seller is entitled in relation to the Scottish Properties secured by the Scottish Mortgages detailed in the Schedule under the Insurance Policies.

**2 Declaration of Trust**

The Seller hereby DECLARES that from and after the date hereof it holds and, subject to Clause 8 below, shall henceforth hold the Scottish Trust Property and its whole right, title, benefit and interest, present and future, therein and thereto in trust absolutely for the Mortgages Trustee and its assignees (whether absolutely or in security) whomsoever.

**3 Intimation**

The Seller hereby intimates to the Mortgages Trustee the coming into effect of the trust hereby declared and created and the Mortgages Trustee by its execution of this deed immediately subsequent to the execution hereof by the Seller acknowledges such intimation.

**4 Dealings with Scottish Trust Property and Negative Pledge**

The Seller warrants and undertakes to the Mortgages Trustee that:

- 4.1 as at the date hereof it holds, subject to any pending registration or recording in the Registers of Scotland, legal title to the Scottish Trust Property unencumbered by any fixed or floating charge, diligence or other Security Interest;
- 4.2 it shall not create or agree to create any fixed or floating charge or other Security Interest over or which may attach to or affect the whole or any part of the Scottish Trust Property or otherwise dispose of the same at any time when such Scottish Trust Property or part thereof remains subject to the trust hereby created; and
- 4.3 it shall deal with the Scottish Trust Property (including without prejudice to said generality the calculation and setting of any interest rate applicable thereto) in accordance with the provisions of the Transaction Documents and the specific written instructions (if any) of the Mortgages Trustee or its foresaids and shall take, subject to Clause 8 below, any such action as may be necessary (including for the avoidance of doubt the raising or defending of any proceedings in any court of law whether in Scotland or elsewhere) to secure or protect the title to the Scottish Trust Property but only in accordance with the specific written instructions (if any) of the Mortgages Trustee or its foresaids.

**5 Transfer of Title**

- 5.1 The Mortgages Trustee and its foresaids as beneficiary hereunder shall have the right to call upon the Seller to execute and deliver to the Mortgages Trustee, subject to the terms of Clause 6 of the Mortgage Sale Agreement, valid assignations of the Scottish Trust Property or any part thereof or otherwise to complete its title to the Scottish Trust Property or any part thereof, and that notwithstanding the winding up of the Seller, the making of any administration order or the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator in respect of the Seller or the appointment of a receiver to all or any part of the Scottish Trust Property.

- 5.2 Without prejudice to the generality of Clause 5.1 above, the Seller undertakes to the Mortgages Trustee and binds and obliges itself that, upon the occurrence of any one of the events specified in Clause 6.1 of the Mortgage Sale Agreement, it will within five London Business Days of such occurrence provide such information as is necessary to enable the Mortgages Trustee to complete Scottish Transfers (including all schedules and annexures thereto) in relation to the whole of the Scottish Trust Property.
- 5.3 For further assuring the said rights and powers specified in this Clause 5, the Seller has granted a power of attorney in favour of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee substantially in the form set out in Schedule 5 to the Mortgage Sale Agreement.

## **6 Mortgages Trustee Declaration of Trust**

The Mortgages Trustee by its said execution of this Deed hereby DECLARES that its whole right, title and beneficial interest in and to the Scottish Trust Property in terms of this deed are and shall be held (to the extent not already so held) by the Mortgages Trustee and its foresaids under and in terms of the Mortgages Trust and all sums and amounts received or held by the Mortgages Trustee relating thereto or deriving therefrom have been and shall be comprised in the Trust Property as defined in the Mortgages Trust Deed and shall be added (to the extent aforesaid) to the Trust Property and held by the Mortgages Trustee under the Mortgages Trust Deed.

## **7 Mortgages Trust Intimation**

The Mortgages Trustee hereby intimates to Funding 1 and the Seller, as Beneficiaries of the Mortgages Trust, the declaration of trust made in terms of Clause 6 above and Funding 1 and the Seller by executing this deed acknowledge such intimation.

## **8 Termination of Trust**

If:

- 8.1 legal title to any part or parts of the Scottish Trust Property is taken by the Mortgages Trustee or its foresaids in accordance with the provisions of Clause 5 above (which in the case of any Scottish Mortgage shall be constituted by the registration or recording of the title thereto in the Registers of Scotland); or
- 8.2 any part or parts of the Scottish Trust Property forms the subject of a repurchase by the Seller in accordance with the terms of Clause 8.5 of the Mortgage Sale Agreement; or
- 8.3 any Scottish Loan and its Related Security comprised within the Scottish Trust Property is redeemed in full,

the trust hereby declared and created pursuant to Clauses 2 and 3 above shall (but only when any of the events or transaction before stated has been completed irrevocably, validly and in full) *ipso facto* fall and cease to be of effect in respect of such part or parts of the Scottish Trust Property but shall continue in full force and effect in respect of the whole remainder (if any) of the Scottish Trust Property.

9 **Change of Trustee**

Except with the prior consent of the Mortgages Trustee and (for so long as each retains any right or interest in the Scottish Trust Property) Funding 1 and the Funding 1 Security Trustee, the Seller shall not be entitled to resign office as a trustee or assume a new trustee or trustees under this deed.

10 **Variation**

This deed and the trusts hereby declared, created and acknowledged pursuant to Clauses 2 and 3 and Clauses 6 and 7 above shall not be varied in any respect without the consent in writing of the Mortgages Trustee and (for so long as each retains any right or interest in the Scottish Trust Property) Funding 1 and the Funding 1 Security Trustee.

11 **Governing Law**

11.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the law of Scotland other than Clause 6 hereof which shall be governed by and construed in accordance with the law of England and Wales.

11.2 Each of the parties hereby prorogates the non-exclusive jurisdiction of the Scottish courts so far as not already subject thereto and waives any right or plea of *forum non conveniens* in respect of such jurisdiction.

12 **Registration**

The parties hereto consent to the registration of this deed for preservation.

IN WITNESS WHEREOF these presents consisting of this and the preceding four pages together with the Schedule annexed hereto are executed for and on behalf of the Seller, the Mortgages Trustee and Funding 1 as follows:

SUBSCRIBED for and on behalf of  
**SANTANDER UK PLC**

at London

on 1 October 2010

by .....

.....Attorney

(Signature)

acting as its attorney before this witness

..... Witness  
(Signature)

**Stepra Bratnevska**  
.....  
(Print Full Name)

.....  
**ALLEN & OVERY LLP**  
(Address) **ONE BISHOPS SQUARE**  
**LONDON E1 6AD**

SUBSCRIBED for and on behalf of  
**LANGTON MORTGAGES TRUSTEE  
LIMITED**

at London

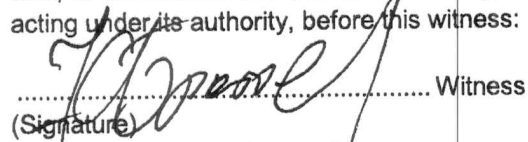
on 1 October 2010

by .....



(Signature)

acting as its attorney and being a person  
who, in accordance with the laws of Jersey, is  
acting under its authority, before this witness:

 Witness  
(Signature)

*Stepha Braberska*  
(Print Full Name)

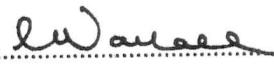
**ALLEN & OVERY LLP**  
**ONE BISHOPS SQUARE**  
**LONDON E1 6AD**  
(Address)

SUBSCRIBED for and on behalf of  
**LANGTON FUNDING (NO. 1) LIMITED**

at London

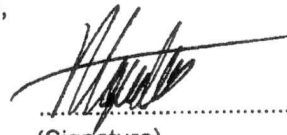
on 01 October 2010

by .....



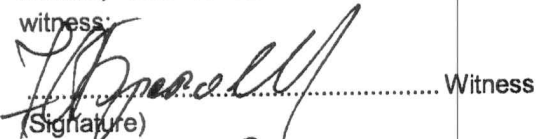
(Signature)

for and on behalf of SFM Directors Limited,  
one of its directors and



(Signature)

for and on behalf of SFM Directors (No. 2)  
Limited, one of its directors before this  
witness:

 Witness  
(Signature)

*Stepha Braberska*  
(Print Full Name)

**ALLEN & OVERY LLP**  
**ONE BISHOPS SQUARE**  
**LONDON E1 6AD**  
(Address)

This is the Schedule referred to in the foregoing Declaration of Trust among Santander UK plc, Langton Mortgages Trustee Limited and Langton Funding (No. 1) Limited

**DETAILS OF SCOTTISH LOANS AND RELATED SECURITY**

1.	2.	3.	4.	5.	6.
Account Reference	Deed Title No.	Deeds Location	Asset Balance	Property Address	Borrower 1 and Borrower 2