

EXECUTION VERSION

**FIRST DEED OF AMENDMENT TO THE
INTERCOMPANY LOAN TERMS AND CONDITIONS**

1 OCTOBER 2010

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

and

**LANGTON SECURITIES (2008-1) PLC
(as 2008-1 Issuer)**

and

**LANGTON SECURITIES (2008-2) PLC
(as 2008-2 Issuer)**

and

**LANGTON SECURITIES (2008-3) PLC
(as 2008-3 Issuer)**

and

**CITICORP TRUSTEE COMPANY LIMITED
(as Funding 1 Security Trustee)**

and

**CITIBANK, N.A., London Branch
(as Agent Bank)**

ALLEN & OVERY

Allen & Overy LLP

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THIS FIRST DEED OF AMENDMENT TO THE INTERCOMPANY LOAN TERMS AND CONDITIONS is made on 1 October 2010

BETWEEN:

- (1) **LANGTON FUNDING (NO. 1) LIMITED** (registered number 6432610), a private limited company incorporated under the laws of England and Wales whose registered office is at c/o Structured Finance Management Limited, 35 Great St. Helen's, London EC3A 6AP (in its capacity as **Funding 1**);
- (2) **LANGTON SECURITIES (2008-1) PLC** (registered number 6432564), a public limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (in its capacity as the **2008-1 Issuer**);
- (3) **LANGTON SECURITIES (2008-2) PLC** (registered number 6501924), a public limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (in its capacity as the **2008-2 Issuer**);
- (4) **LANGTON SECURITIES (2008-3) PLC** (registered number 6601246), a public limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (in its capacity as the **2008-3 Issuer**);
- (5) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 0235914) acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as **Funding 1 Security Trustee**); and
- (6) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as **Agent Bank**).

WHEREAS:

- (A) On 25 January 2008, the 2008-1 Issuer made a loan to Funding 1 on the terms set out in the Intercompany Loan Terms and Conditions dated 25 January 2008 (the **Original Intercompany Loan Terms and Conditions**) and a separate intercompany loan confirmation dated 25 January, 2008 (the **2008-1 Issuer Intercompany Loan Confirmation** and, together with the Original Intercompany Loan Terms and Conditions, the **2008-1 Issuer Intercompany Loan Agreement**).
- (B) On 5 March 2008, the 2008-2 Issuer made a loan to Funding 1 on the terms set out in the Original Intercompany Loan Terms and Conditions and a separate intercompany loan confirmation dated 5 March 2008 (the **2008-2 Intercompany Loan Confirmation** and, together with the Original Intercompany Loan Terms and Conditions, the **2008-2 Issuer Intercompany Loan Agreement**).
- (C) On 17 June 2008, the 2008-3 Issuer made a loan to Funding 1 on the terms set out in the Original Intercompany Loan Terms and Conditions and a separate intercompany loan confirmation dated 17 June 2008 (the **2008-3 Intercompany Loan Confirmation** and, together with the Original Intercompany Loan Terms and Conditions, the **2008-3 Issuer Intercompany Loan Agreement**).
- (D) From time to time Funding 1 may enter into new intercompany loan agreements with New Issuers which shall be made on the terms set out in the Intercompany Loan Terms and Conditions (as the same may be amended, restated, varied, supplemented and/or novated from time to time in the manner set out herein) and the relevant new intercompany loan

confirmation (each a **New Intercompany Loan Confirmation** and, together with the Intercompany Loan Terms and Conditions, a **New Intercompany Loan Agreement**).

- (E) The parties to the 2008-1 Intercompany Loan Agreement, the 2008-2 Intercompany Loan Agreement and the 2008-3 Intercompany Loan Agreement have agreed to amend and restate the Original Intercompany Loan Terms and Conditions on the terms set out herein.

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

- 1.1 Terms used but not otherwise defined in this Deed shall, except where the context otherwise requires and save where otherwise defined herein, have the meanings given to them in the master definitions and construction schedule dated 25 January 2008 and signed by the parties hereto (as the same may be amended, restated, varied or supplemented from time to time with the consent of Funding 1 and each other party to an Intercompany Loan Agreement with Funding 1, including without limitation on 5 March 2008, 17 June 2008, 23 November 2009, 27 May 2010 and the date hereof) (the **Master Definitions and Construction Schedule**). This Deed shall be construed in accordance with the interpretation provisions set out in Clause 3 (Interpretation and Construction) of the Master Definitions and Construction Schedule.
- 1.2 The Original Intercompany Loan Terms and Conditions as amended and restated pursuant to this Deed will be referred to as the **First Amended and Restated Intercompany Loan Terms and Conditions** and/or the **Intercompany Loan Terms and Conditions**, as the context so requires.

2. AMENDMENTS TO THE ORIGINAL INTERCOMPANY LOAN TERMS AND CONDITIONS

- 2.1 Upon execution of this Deed by the parties hereto, the Original Intercompany Loan Terms and Conditions shall be and hereby are amended and restated in the form set out in Appendix 1 hereto and the 2008-1 Issuer Intercompany Loan Agreement, the 2008-2 Issuer Intercompany Loan Agreement and the 2008-3 Issuer Intercompany Loan Agreement will be deemed to be amended so that references to the Intercompany Loan Terms and Conditions signed by Funding 1, the Security Trustee and the Agent Bank for the purposes of identification on 25 January 2008, shall be construed as the Intercompany Loan Terms and Conditions as amended and restated by this Deed.

3. EXCLUSION OF THE THIRD PARTY RIGHTS

The parties to this Deed do not intend that any term of this Deed should be enforced, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Deed.

4. COUNTERPARTS AND SEVERABILITY

- 4.1 This Deed may be executed in any number of counterparts (manually or by facsimile) and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

4.2 Where any provision in or obligation under this Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Deed, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

5. GOVERNING LAW AND JURISDICTION

5.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by the laws of England.

5.2 Each party to this Deed hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Deed (including any non-contractual obligations arising out of or in connection with it), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

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

SIGNATORIES

Funding 1

EXECUTED as a DEED by
LANGTON FUNDING (NO. 1) LIMITED
acting by its directors, being
SEM Directors Limited and
SEM Directors (No.1) Limited

2008-1 Issuer

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

2008-2 Issuer

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

2008-3 Issuer

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

Agent Bank

EXECUTED as a DEED on behalf of
CITIBANK, N.A. LONDON BRANCH
acting by its duly authorised attorney
in the presence of

Witnesses:



Justin Ng
Vice President

Witness:



Carl Hardie
Vice President

Agency & Trust
Citigroup Centre
25 Cabot Square
Canary Wharf
London E14 5LB

Funding & Security Trustee

EXECUTED as DEED by
CITICORP TRUSTEE COMPANY
LIMITED

1572 Broadway, New York, New York
10019-1001

Agency & Trust

Name

Address



Carl Henke
Vice President

Agency & Trust
Citigroup Centre
25 Canada Square
Canary Wharf
London E14 5LB

APPENDIX 1

**FIRST AMENDED AND RESTATED INTERCOMPANY LOAN TERMS AND
CONDITIONS**

**FIRST AMENDED AND RESTATED
INTERCOMPANY LOAN TERMS AND CONDITIONS**

1 OCTOBER 2010

ALLEN & OVERY

Allen & Overy LLP

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FIRST AMENDED AND RESTATED TERMS AND CONDITIONS MADE ON 1 October 2010.

WHEREAS:

- (A) On 25 January, 2008 Langton Securities (2008-1) plc (the **2008-1 Issuer**) made a loan to Langton Funding (No. 1) Limited (**Funding 1**) on the terms set out in these terms and conditions (the **Intercompany Loan Terms and Conditions**) and the separate intercompany loan confirmation dated 25 January, 2008 (an **Intercompany Loan Confirmation** and, together with these Intercompany Loan Terms and Conditions, an **Intercompany Loan Agreement**).
- (B) From time to time Funding 1 may enter into new intercompany loan agreements with New Issuers which shall be made on the terms set out in these Intercompany Loan Terms and Conditions (as the same may be amended from time to time in the manner set out herein) and the relevant new intercompany loan confirmation or intercompany loan confirmations (each a **New Intercompany Loan Confirmation** and, together with the Intercompany Loan Terms and Conditions, a **New Intercompany Loan Agreement**).

1. INTERPRETATION

- 1.1 Terms used but not otherwise defined in these Intercompany Loan Terms and Conditions shall, except where the context otherwise requires and save where otherwise defined in the relevant Intercompany Loan Confirmation, have the meanings given to them in the master definitions and construction schedule dated 25 January 2008 and signed by the parties hereto (as the same may be amended, restated, varied or supplemented from time to time with the consent of Funding 1 and each other party to an Intercompany Loan Agreement with Funding 1, including, without limitation, on 5 March 2008, 17 June 2008, 23 November 2009, 27 May 2010 and the date hereof) (the **Master Definitions and Construction Schedule**). These Intercompany Loan Terms and Conditions shall be construed in accordance with the interpretation provisions set out in **Clause 3 (Interpretation and Construction)** of the Master Definitions and Construction Schedule. References in these Intercompany Loan Terms and Conditions to the Intercompany Loan Agreement shall include references to these Intercompany Loan Terms and Conditions as expressly incorporated into the relevant Intercompany Loan Agreement and shall be construed accordingly.

2. CONDITIONS PRECEDENT

2.1 Conditions precedent

Save as the Issuer and the Issuer Security Trustee may otherwise agree, the Loan Tranches will not be made available by the Issuer for utilisation unless:

- (a) Funding 1, the Issuer, the Funding 1 Security Trustee and the Issuer Security Trustee have signed an Intercompany Loan Confirmation (substantially in the form set out in Schedule 3 to these Intercompany Loan Terms and Conditions);
- (b) all of the information and documents listed in Schedule 1 to the Intercompany Loan Confirmation have been delivered to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee; and
- (c) the conditions set out in Clause 5.1 (Drawdown Conditions relating to the Loan Tranches) have been satisfied.

2.2 New Intercompany Loan Agreements

Funding 1 may at any time, by written notice to the relevant Funding 1 Issuer Security Trustee party to an Intercompany Loan Agreement with Funding 1, the Funding 1 Security Trustee and the Rating Agencies, enter into a New Intercompany Loan Agreement with a New Issuer and draw New Loan Tranches made available thereunder, including any increases in such Loan Tranches in connection with the issue of any Further Securities. Each New Loan Tranche will be financed by the issue of New Notes (including, in the case of any New Issuer other than the 2008-1 Issuer, the 2008-2 Issuer and the 2008-3 Issuer, any Further Securities) by a New Issuer, and will only be permitted if the following conditions precedent are satisfied on the relevant Drawdown Date:

- (a) the proceeds of the New Intercompany Loan Agreement are used by Funding 1 in accordance with Clause 3.1 (Purpose and application of the Loan Tranches) hereof;
- (b) each of the Rating Agencies confirm in writing to the Funding 1 Security Trustee that there will not, as a result of the New Issuer issuing any New Notes or Funding 1 entering into any additional agreements as a result of entering into the New Intercompany Loan, be any adverse effect on the then current ratings by the Rating Agencies of the existing Rated Notes of any Funding 1 Issuer, the proceeds of which have been advanced to Funding 1 pursuant to, *inter alia*, these Intercompany Loan Terms and Conditions;
- (c) the Funding 1 Reserve Fund is as at the applicable Closing Date funded up to the Funding 1 Required Reserve Amount;
- (d) no Funding 1 Intercompany Loan Event of Default under any Intercompany Loan Agreement to which Funding 1 is a party is continuing or unwaived;
- (e) no Note Event of Default in respect of any Notes of any Funding 1 Issuer shall have occurred which is continuing or unwaived;
- (f) no Note Acceleration Notice has been served on any Funding 1 Issuer;
- (g) each Funding 1 Issuer Liquidity Reserve Fund (if required to be established) is fully funded up to the Funding 1 Issuer Liquidity Reserve Fund Required Amount;
- (h) no Principal Deficiency Ledger of any Funding 1 Issuer has a debit balance; and
- (i) any other relevant conditions precedent specified in the Intercompany Loan Confirmation.

3. PURPOSE

3.1 Purpose and application of the Loan Tranches

The Loan Tranches shall be used by Funding 1 either:

- (a) to make an Initial Contribution to the Mortgages Trustee (which the Mortgages Trustee will use to pay the Seller part of the consideration for the sale of the Loans and their Related Security) which will result in a corresponding increase in Funding 1's share of the Trust Property);
- (b) to acquire a portion of the Current Seller Share of the Trust Property from the Seller and/or any Further Funding Company pursuant to the terms of the Mortgages Trust Deed; and/or
- (c) to refinance existing debt of Funding 1 and/or any Further Funding Company, including all or any part of any existing Intercompany Loan.

3.2 Application of amounts

Without prejudice to the obligations of Funding 1 under this Clause 3, neither the Funding 1 Security Trustee nor any of the Funding 1 Secured Creditors shall be obliged to concern themselves as to the application of amounts drawn by Funding 1 under the Intercompany Loan Agreement.

4. LIMITED RECOURSE

4.1 Deferred interest and extinguishment of interest

To the extent that, subject to and in accordance with the Funding 1 Pre-Acceleration Revenue Priority of Payments, the funds available to Funding 1 to pay interest on any Loan Tranche on a Funding 1 Interest Payment Date (after discharging Funding 1's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Loan Tranche (**Deferred Interest**) will not then fall due but will instead be deferred until the first Funding 1 Interest Payment Date for such Loan Tranche thereafter on which sufficient funds are available (after allowing for Funding 1's liabilities of a higher priority and subject to and in accordance with the Funding 1 Pre-Acceleration Revenue Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Loan Tranches and payment of any Additional Interest will also be deferred until the first Funding 1 Interest Payment Date for such Loan Tranches thereafter on which funds are available (after allowing for Funding 1's liabilities of a higher priority subject to and in accordance with the Funding 1 Pre-Acceleration Revenue Priority of Payments) to Funding 1 to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall be deferred to the Final Repayment Date of the applicable Loan Tranches under the Intercompany Loan Agreement, when, after the application of all funds then available to pay interest, such unpaid amounts will be extinguished (that is, no further amounts will be due).

4.2 Deferral of other amounts and principal

To the extent that, subject to and in accordance with the relevant Funding 1 Priority of Payments, the funds available to Funding 1 to pay fees, and principal and other amounts (excluding interest but including (without limitation) any amount due for breach of any representation, warranty, covenant or undertaking by Funding 1 under the Intercompany Loan Agreement) are insufficient to pay the full amount of such fees, principal and other amounts, payment of the shortfall (**Deferred Amount**) will not then fall due but will instead be deferred until the first Funding 1 Interest Payment Date thereafter on which sufficient funds are available (after allowing for Funding 1's liabilities of a higher priority and subject to and in accordance with the relevant Funding 1 Priority of Payments) to fund the payment of such Deferred Amount to the extent of such available funds. Default Interest will accrue on unpaid fees and other amounts (excluding principal amounts) in accordance with Clause 15.

Deferred Amounts shall be deferred to the Final Repayment Date of all the Loan Tranches under the Intercompany Loan Agreement, when, after the application of all funds then available to pay fees, principal and other amounts, any remaining unpaid amounts will be extinguished (that is, no further amounts will be due).

5. UTILISATION OF THE LOAN TRANCHES

5.1 Drawdown conditions relating to the Loan Tranches

Save as otherwise provided in the Intercompany Loan Agreement, the Loan Tranches will be made available by the Issuer to Funding 1 on the Closing Date if:

- (a) the Notes have been issued by the Issuer and the subscription proceeds have been received by or on behalf of the Issuer;
- (b) not later than 2.00 p.m. (London time) on the Closing Date (or such later time as may be agreed in writing by Funding 1, the Issuer and the Funding 1 Security Trustee), the Issuer and the Funding 1 Security Trustee have received from Funding 1 a Drawdown Notice requesting a drawing under the Intercompany Loan Agreement, receipt of which shall (subject to the terms of the Intercompany Loan Agreement and to the issue of the Notes by the Issuer) oblige Funding 1 to borrow the whole of the amount requested in the Drawdown Notice on the date stated in the Drawdown Notice (which shall be the Closing Date) upon the terms and subject to the conditions contained in the Intercompany Loan Agreement;
- (c) Funding 1 has confirmed in the relevant Drawdown Notice that:
 - (i) no Intercompany Loan Event of Default has occurred under an Intercompany Loan to which Funding 1 is a party and is continuing unremedied (if capable of remedy) or unwaived or would result from the making of the Loan Tranches;
 - (ii) the representations set out in Clause 12 (Representations and Warranties of Funding 1) are true on and as of the Closing Date by reference to the facts and circumstances then existing;
- (d) the aggregate principal amount of the Loan Tranches to be drawn on the Drawdown Date would not exceed the amount available for drawing under the Intercompany Loan Agreement as at the relevant Drawdown Date, including, for these purposes, any amount by which the aggregate principal amount of such Loan Tranches may be increased in connection with an issue of Further Securities by the relevant Issuer;
- (e) Funding 1 has delivered a solvency certificate substantially in the form set out in Schedule 2 to these Intercompany Loan Terms and Conditions; and
- (f) each of the applicable Transaction Documents has been duly executed by the relevant parties.

5.2 Single drawing of the Loan Tranches

- (a) Subject to Clause 5.2(a) each of the Loan Tranches will only be available for drawing in one amount by Funding 1 on the Drawdown Date subject to satisfaction of the matters specified in Clause 2.1 (Conditions precedent) and Clause 5.1 (Drawdown conditions relating to the Loan Tranches).
- (b) Where the Issuer issues Further Securities, Funding 1 shall be entitled to make a further drawing in respect of the relevant Loan Tranche as increased by the aggregate principal amount of the relevant Further Securities on the Drawdown Date relating to such issue of Further Securities pursuant to the delivery of a Drawdown Notice in relation to such further drawing in accordance with Clause 5.1 (Drawdown conditions relating to the Loan Tranches).

6. INTEREST

6.1 Interest Periods

- (a) The first Funding 1 Interest Period will commence on (and include) the Drawdown Date of the Loan Tranches and end on (but exclude) the first Funding 1 Interest Payment Date falling thereafter. Each subsequent Funding 1 Interest Period shall commence on (and include) a Funding 1 Interest Payment Date and end on (but exclude) the next following Funding 1 Interest Payment Date.
- (b) Whenever it is necessary to compute an amount of interest in respect of the Loan Tranches for any period (including any Funding 1 Interest Period), such interest shall be calculated on the basis of actual days elapsed in a 365 day year.

6.2 Determination of Loan Tranche Rates of Interest

- (a) The rate of interest payable in respect of each Loan Tranche (each a **Loan Tranche Rate of Interest** and together the **Loan Tranches Rates of Interest**) shall be determined on the basis of the provisions set out below:
 - (i) on the first Loan Tranche Interest Determination Date (being the first day of the Funding 1 Interest Period for which the rate will apply) of the Loan Tranches, the Agent Bank will determine the Loan Tranche Rates of Interest in accordance with the provisions of the Intercompany Loan Confirmation;
 - (ii) on each subsequent Loan Tranche Interest Determination Date, the Agent Bank will determine the Relevant Screen Rate in respect of each Loan Tranche as at or about 11.00 a.m. (London time) on the Loan Tranche Interest Determination Date in question. If the Relevant Screen Rate is unavailable, the Agent Bank will request the principal London office of each of the Reference Banks to provide the Agent Bank with its offered quotation to leading banks for three-month Sterling deposits of £10,000,000 in the London inter-bank market as at or about 11.00 a.m. (London time) on the Loan Tranche Interest Determination Date and the Loan Tranche Rates of Interest for the relevant Funding 1 Interest Period shall be the aggregate of (A) the Relevant Margin (as defined in the relevant Intercompany Loan Confirmation) for the Loan Tranches and (B) the Relevant Screen Rate for the Loan Tranches or, if the Relevant Screen Rate is unavailable, the linear interpolation of the arithmetic mean of such offered quotations for three-month Sterling deposits (rounded upwards, if necessary, to five decimal places);
 - (iii) if on any Loan Tranche Interest Determination Date, the Relevant Screen Rate is unavailable and only two or three of the Reference Banks provide offered quotations, the Loan Tranche Rates of Interest for the relevant Funding 1 Interest Period shall be determined in accordance with the provisions of sub-paragraph (i) above on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Loan Tranche Interest Determination Date, only one or none of the Reference Banks provide the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Funding 1 Security Trustee and the Issuer for the purposes of agreeing two banks (or, where one only of the Reference Banks provided such a quotation, one additional bank) to provide such a quotation or quotations to the Agent Bank (which bank or banks are in the opinion of the Funding 1 Security Trustee suitable for such purpose) and the Loan Tranche Rates of Interest for the Funding 1 Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed (or, as the case may be, the offered quotations of such bank as so agreed and

the relevant Reference Bank). If no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the Loan Tranche Rates of Interest for the relevant Funding 1 Interest Period shall be the Loan Tranche Rates of Interest in effect for the last preceding Funding 1 Interest Period to which sub-paragraph (i) shall have applied but taking account of any change in the Relevant Margin; and

- (iv) there will be no maximum or minimum Loan Tranche Rate of Interest.
- (b) The Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on each Loan Tranche Interest Determination Date, determine and notify the Issuer, Funding 1, the Cash Manager and the Funding 1 Security Trustee of (i) the Loan Tranche Rates of Interest applicable to the relevant Funding 1 Interest Period and (ii) the sterling amount (the **Interest Amount**) payable in respect of such Funding 1 Interest Period in respect of the Outstanding Principal Amount of each Loan Tranche. The Interest Amount in respect of each Loan Tranche shall be determined by applying the relevant Loan Tranche Rate of Interest to the Outstanding Principal Amount of the relevant Loan Tranche, multiplying the sum by the number of days in such period divided by 365 days and rounding the resultant figure to the nearest pence (half a pence being rounded upwards).
- (c) If the Agent Bank does not at any time for any reason determine the Loan Tranche Rate of Interest and/or calculate the Interest Amount for any of the Loan Tranches in accordance with the foregoing paragraphs, the Funding 1 Security Trustee (or an agent appointed by it) shall (i) determine the Loan Tranche Rate of Interest at such rate as (having such regard as it shall think fit to the procedure described above) it shall deem fair and reasonable in all the circumstances and/or (as the case may be) (ii) calculate the Interest Amount for each Loan Tranche in the manner specified in Clause 6.2(a) and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.
- (d) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Clause 6, whether by the Reference Banks (or any of them) or any other bank or the Agent Bank or the Funding 1 Security Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on Funding 1, the Issuer, the Cash Manager, the Reference Banks, such bank, the Agent Bank, the Funding 1 Security Trustee and (in such absence as aforesaid) no liability to Funding 1 shall attach to the Issuer, the Reference Banks, such bank, the Agent Bank, the Funding 1 Security Trustee or the Cash Manager in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

7. REPAYMENT

7.1 When Intercompany Loan is due and payable

The Intercompany Loan shall become due and payable on the earlier to occur of:

- (a) any date specified in relation to such Intercompany Loan in the applicable Intercompany Loan Confirmation;
- (b) the date upon which a Trigger Event occurs, subject as provided otherwise in the applicable Intercompany Loan Confirmation;
- (c) the date upon which a Note Acceleration Notice is served on the Issuer under the relevant Note Trust Deed and/or the security is enforced under the Funding 1 Issuer Deed of Charge; and

- (d) the date upon which an Intercompany Loan Acceleration Notice is served on Funding 1 under the Intercompany Loan Agreement and/or the security is enforced under the Funding 1 Deed of Charge.

7.2 Repayment subject to Intercompany Loan Confirmation and Funding 1 Deed of Charge

The Intercompany Loan shall be repaid on the Funding 1 Interest Payment Dates and in the amounts and in the manner specified in the related Intercompany Loan Confirmation and the Funding 1 Deed of Charge.

7.3 Allocation of Losses by Funding 1 to each Funding 1 Issuer

- (a) Save as otherwise provided herein, Funding 1 and the Issuer agree that all Losses sustained on the Loans during a Trust Calculation Period applied in reduction of the Funding 1 Share of the Trust Property on the Distribution Date immediately succeeding such Trust Calculation Period pursuant to Clause 15 (Allocation of Losses) of the Mortgages Trust Deed shall be allocated by Funding 1 to each Funding 1 Issuer in respect of each relevant Intercompany Loan by an amount equal to:

$$\begin{array}{r} \text{Amount of Losses} \\ \text{allocated to} \\ \text{Funding 1} \end{array} \times \frac{\text{Outstanding Principal Amount of the} \\ \text{Intercompany Loan of the Issuer}}{\text{aggregate Outstanding Principal Amount of the} \\ \text{Intercompany Loans of all Funding 1 Issuers}}$$

- (b) Any allocation of Losses as provided in paragraph (a) above shall not reduce the Outstanding Principal Amount of any Funding 1 Issuer Intercompany Loan, except as set out in Clauses 7.4 (Deemed Allocation of Losses) and 7.5 (Actual Allocation of Losses).

7.4 Deemed allocation of Losses

For the purpose of determining the amount of:

- (a) the Outstanding Principal Amount of each relevant Intercompany Loan in Clause 7.3(a) (Allocation of Losses by Funding 1 to each Funding 1 Issuer) above;
- (b) Funding 1 Issuer Allocable Revenue Receipts;
- (c) Shared Funding 1 Issuer Revenue Receipts;
- (d) Funding 1 Issuer Allocable Principal Receipts; and
- (e) Shared Funding 1 Issuer Principal Receipts,

Funding 1 and the Issuer agree that an Intercompany Loan of a Funding 1 Issuer shall be **deemed** to be reduced by the amount of any deficiency recorded on the relevant Funding 1 Principal Deficiency Ledger as at such Funding 1 Interest Payment Date, but only to the extent any such principal deficiency has arisen as a result of Losses on the Loans previously allocated by Funding 1 to the relevant Intercompany Loan Agreement.

7.5 Actual Allocation of Losses

To the extent that the Issuer receives from Funding 1 on any Funding 1 Interest Payment Date any Funding 1 Issuer Allocable Revenue Receipts and/or any Shared Funding 1 Revenue Receipts, and those moneys are applied by the Issuer to reduce any deficiency recorded on the relevant Funding 1 Principal Deficiency Ledger (but only to the extent of any deficiency which has arisen as a result of Losses on the Loans that have been allocated by Funding 1 to the Issuer), such amount of Funding 1 Issuer Allocable Revenue Receipts and/or any Shared Funding 1 Revenue Receipts so applied shall be re-characterised as, and will constitute, a repayment of principal in respect of the relevant Intercompany Loan, and will thereby reduce the Outstanding Principal Amount of such Intercompany Loan on such Funding 1 Interest Payment Date.

8. PREPAYMENT

8.1 Prepayment for taxation or other reasons

If:

- (a) Funding 1 would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from amounts due under the Intercompany Loan Agreement any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature and such obligation of the Funding 1 cannot be avoided by Funding 1 taking reasonable measures available to Funding 1, or
- (b) a Loan Tranche becomes illegal as described in Clause 10 (Illegality),

then, without prejudice to the obligations of Funding 1 under Clause 10 (Illegality) and subject to Clause 11 (Mitigation), Funding 1 may, on any Funding 1 Interest Payment Date having given not more than 60 days and not less than 30 days' (or such shorter period as may be required by any relevant law in the case of any Loan Tranche which becomes illegal pursuant to Clause 10 (Illegality)) prior written notice to the Issuer and the Funding 1 Security Trustee (or on or before the latest date permitted by the relevant law in the case of Clause 10 (Illegality)) and while the relevant circumstances continue, prepay all but not some only of all of the Loan Tranches without penalty or premium but subject to Clause 15 (Default Interest and Indemnity).

8.2 Application of monies

The Issuer hereby agrees to apply any amounts received by way of prepayment pursuant to Clauses 7 (Repayment) and 8.1 (Prepayment for taxation or other reasons) in redeeming the corresponding Notes in accordance with the Conditions of such Notes.

8.3 Funding 1 Ledgers

Funding 1 shall maintain, or cause to be maintained, the Funding 1 Ledgers in accordance with the Cash Management Agreement.

9. TAXES

9.1 No gross up

All payments by Funding 1 under the Intercompany Loan Agreement shall be made without any deduction or withholding for or on account of and free and clear of, any Taxes, except to the extent

that Funding 1 is required by law to make payment subject to deduction or withholding for or on account of any Taxes.

9.2 Tax receipts

All Taxes required by law to be deducted or withheld by Funding 1 from any amounts paid or payable under the Intercompany Loan Agreement shall be paid by Funding 1 to the appropriate authority when due and Funding 1 shall, within 30 days of the payment being made, deliver to the Issuer evidence satisfactory to the Issuer (including all relevant Tax receipts) that the payment has been duly remitted to the appropriate authority.

10. ILLEGALITY

10.1 If, at any time, it is unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche made or to be made by it under the Intercompany Loan Agreement, then the Issuer shall, promptly after becoming aware of the same, deliver to Funding 1, the Funding 1 Security Trustee and the Rating Agencies a legal opinion to that effect from reputable counsel and if the Issuer so requires, Funding 1 shall promptly to the extent necessary to cure such illegality prepay all the Loan Tranches subject to and in accordance with the provisions of Clause 8.1 (Prepayment for taxation or other reasons).

10.2 The Issuer hereby agrees to apply any amounts received by way of prepayment pursuant to Clause 10.1 in redeeming the corresponding Notes in accordance with the Conditions of such Notes.

11. MITIGATION

If circumstances arise in respect of the Issuer which would, or would upon the giving of notice, result in:

- (a) the prepayment of the Loan Tranches pursuant to Clause 10 (Illegality);
- (b) a withholding or deduction being required to be made by Funding 1 on account of Taxes pursuant to Clause 9 (Taxes),

then, without in any way limiting, reducing or otherwise qualifying the obligations of Funding 1 under this Agreement, the Issuer shall:

- (i) promptly upon becoming aware of the circumstances, notify the Funding 1 Security Trustee, Funding 1 and the Rating Agencies; and
- (ii) upon written request from Funding 1, take such steps as may be practical to mitigate the effects of those circumstances including (without limitation) the assignment of all its rights under the Intercompany Loan Agreement to, and assumption of all its obligations under that Intercompany Loan Agreement by, another company satisfactory to the Funding 1 Security Trustee, which is willing to participate in the relevant Loan Tranches in its place and which is not subject to (a) and/or (b) above,

provided that no such transfer or assignment and transfer may be permitted unless the Rating Agencies confirm in writing to the Issuer and the Funding 1 Security Trustee that there will be no downgrading of the then current rating of the Rated Notes (if previously rated) of any Funding 1 Issuer as a result (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time) and Funding 1 indemnifies the Issuer and the Funding 1 Security Trustee for any costs and expenses properly incurred as a result of such transfer or assignment.

12. REPRESENTATIONS AND WARRANTIES OF FUNDING 1

12.1 Representations and warranties

Funding 1 makes the representations and warranties set out in this Clause 12 to the Issuer and the Funding 1 Security Trustee (as trustee for each of the Funding 1 Secured Creditors).

12.2 Status

- (a) It is a limited liability company duly incorporated, validly existing and registered under the laws of the jurisdiction in which it is incorporated, capable of being sued in its own right and not subject to any immunity from any proceedings.
- (b) It has the power to own its property and assets and to carry on its business as it is being conducted.

12.3 Powers and authority

It has the power to enter into, perform and deliver, and has taken all necessary corporate and other action to authorise the execution, delivery and performance by it of each of the Transaction Documents to which it is a party.

12.4 Legal validity

Each Transaction Document to which it is or will be a party constitutes or when executed in accordance with its terms will constitute, a legal, valid and binding obligation enforceable in accordance with its terms, subject to general equitable principles, insolvency, liquidation and other laws affecting creditors rights generally.

12.5 Non-conflict

The execution by it of each of the Transaction Documents to which it is a party and the exercise by it of its rights and the performance of its obligations under such Transaction Documents including, without limitation, borrowing pursuant to the terms of the Intercompany Loan Agreement or granting any security contemplated by the Transaction Documents will not:

- (a) result in the existence or imposition of nor oblige it to create any Security Interest in favour of any person (other than the Funding 1 Secured Creditors) over all or any of its present or future revenues or assets;
- (b) conflict with any document which is binding upon it or any of its assets;
- (c) conflict with its constitutional documents; or
- (d) conflict with any law, regulation or official or judicial order of any government, governmental body or court, domestic or foreign, having jurisdiction over it.

12.6 No litigation

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened.

12.7 No default

No Intercompany Loan Event of Default is continuing unremedied (if capable of remedy) or unwaived or would result from the making of any Loan Tranche.

12.8 Authorisations

All governmental consents, licences and other approvals and authorisations required or desirable in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Transaction Documents have been obtained or effected (as appropriate) and are in full force and effect.

12.9 Registration requirements

Except for due registration of the Funding 1 Deed of Charge under Section 395 of the Companies Act 1985 or Section 860 of the Companies Act 2006, it is not necessary that the Funding 1 Deed of Charge or the Intercompany Loan Agreement be filed, recorded or enrolled with any authority or that, except for registration fees payable to the Registrar of Companies in respect of the Security Documents, any stamp, registration or similar tax be paid on or in respect thereof.

12.10 Ranking of security

The security conferred by the Funding 1 Deed of Charge constitutes a first priority security interest of the type described in the Funding 1 Deed of Charge, over the security assets referred to, in the Funding 1 Deed of Charge and the security assets are not subject to any prior or *pari passu* Security Interests.

12.11 No other business

- (a) It has not traded or carried on any business since its date of incorporation or engaged in any activity whatsoever that is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that it will engage.
- (b) It is not party to any material agreements other than the Transaction Documents.

12.12 Ownership

- (a) Its entire issued share capital is legally and beneficially owned and controlled by Holdings.
- (b) Its shares are fully paid.

12.13 Good title as to assets

Funding 1 is and will remain the absolute beneficial owner of the Funding 1 Share and absolute legal and beneficial owner of all other assets charged or assigned by the Funding 1 Deed of Charge to which it is a party.

12.14 Tax

- (a) It is tax resident and legally domiciled solely in its jurisdiction of incorporation.
- (b) It has no branch, business establishment or other fixed establishment outside the United Kingdom.
- (c) Its centre of main interests for the purpose of the EU Insolvency Regulation (EC) No 1346/2000 of 29 May 2000 (the **Regulation**) is in England.
- (d) It has no purpose for entering into the Funding 1 Agreements that is an unallowable purpose within the meaning of Section 442 of the Corporation Tax Act 2009 (CTA), section 691 of the CTA or Regulation 12 of the Taxation of Securitisation Companies Regulations 2006.

- (e) The obtaining of a tax advantage (as defined in section 1139 of the Corporation Tax Act 2010) for any person is not the main or one of the main purposes for Funding 1 in entering into the Transaction Documents to which it is a party.

12.15 Repetition

The representations in this Clause 12 shall survive the execution of the Intercompany Loan Agreement and the making of each Loan Tranche under the Intercompany Loan Agreement, and shall be repeated by Funding 1 on each Funding 1 Interest Payment Date after the date of the Intercompany Loan Agreement by reference to the facts and circumstances then subsisting.

13. COVENANTS

13.1 Duration

The undertakings in this Clause 13 remain in force from the date of the Intercompany Loan Agreement for so long as any amount is or may be outstanding under the Intercompany Loan Agreement.

13.2 Information

Funding 1 shall supply to the Funding 1 Security Trustee and the Rating Agencies:

- (a) as soon as the same are available, its audited accounts for that Financial Year; and
- (b) promptly, such other information in connection with the matters contemplated by the Transaction Documents as the Funding 1 Security Trustee or the Rating Agencies may reasonably request.

13.3 Notification of Default

Funding 1 shall notify the Issuer and the Funding 1 Security Trustee of any Intercompany Loan Event of Default (and the steps, if any, being taken to remedy it) promptly upon its occurrence.

13.4 Authorisations

Funding 1 shall promptly:

- (a) obtain, maintain and comply with the terms of; and
- (b) upon request, supply certified copies to the Issuer and the Funding 1 Security Trustee of, any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, any Transaction Document to which it is a party.

13.5 *Pari passu* ranking

Funding 1 shall procure that its obligations under the Transaction Documents do and will rank at least *pari passu* with all its other present and future unsecured obligations, except for obligations mandatorily preferred by law applying to companies generally.

13.6 Negative pledge

Funding 1 shall not create or permit to subsist any security interest (including but not limited to any mortgage, standard security, charge (whether legal or equitable), assignment by way of security,

pledge, lien, hypothecation or other security interest securing any obligation of any person (including, without limitation, any trust or arrangement having the effect of providing security)) over or in respect of any of its assets (unless arising by operation of law) other than as provided pursuant to the Transaction Documents.

13.7 Disposals

Funding 1 shall not either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, sell, assign, transfer, lease, provide an option (whether present or in the future), part with or otherwise dispose of all or any part of its assets, properties or undertakings or any interest, estate, rights, title or benefit therein, other than as provided for pursuant to the Transaction Documents.

13.8 Mergers and acquisitions

- (a) Funding 1 shall not, without the consent of the Issuer and the Funding 1 Security Trustee, enter into any amalgamation, demerger, merger or reconstruction.
- (b) Funding 1 shall not acquire any assets or business or make any investments other than as contemplated in the Transaction Documents.

13.9 Lending and borrowing

- (a) Save as contemplated by the Transaction Documents, Funding 1 shall not make any loans or provide any other form of credit to any person.
- (b) Funding 1 shall not give any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which Funding 1 assumes any liability of any other person.
- (c) Funding 1 shall not incur any indebtedness in respect of any borrowed money other than under the Transaction Documents.

13.10 Shares and dividends

Funding 1 shall not:

- (a) declare or pay any dividend or make any other distribution in respect of any of its shares other than in accordance with the Funding 1 Deed of Charge;
- (b) issue any further shares or alter any rights attaching to its issued shares as at the date hereof;
or
- (c) repay or redeem any of its share capital.

13.11 Change of business

- (a) Funding 1 shall not carry on any business or engage in any activity other than as contemplated by the Transaction Documents.
- (b) Funding 1 shall not have any subsidiaries or subsidiary undertakings as defined in the Companies Act 2006, as amended.
- (c) Funding 1 shall not have any employees or own any premises.

13.12 United States Activities

Funding 1 will not engage in any activities in the United States (directly or through agents), will not 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.

13.13 Funding 1 Deed of Charge

Funding 1 undertakes that its obligations to the Issuer shall at all times be secured by the Funding 1 Deed of Charge.

14. DEFAULT

14.1 Intercompany Loan Events of Default

Each of the events set out in Clauses 14.2 to 14.9 (inclusive) is an Intercompany Loan Event of Default (whether or not caused by any reason whatsoever outside the control of Funding 1 or any other person).

14.2 Non-payment

Subject to Clause 4.1 (Deferred interest and extinguishment of interest), Funding 1 does not pay on the due date or for a period of five London Business Days after such due date any amount payable by it under any Intercompany Loan Agreement at the place at and in the currency in which it is expressed to be payable.

14.3 Breach of other obligations

Funding 1 does not comply in any material respect with any of its obligations under the Transaction Documents (other than those referred to in Clause 14.2 (Non-payment)) and such non-compliance, if capable of remedy, is not remedied promptly and in any event within twenty London Business Days of Funding 1 becoming aware of the non-compliance or receipt of a notice from the Funding 1 Security Trustee requiring Funding 1's non-compliance to be remedied.

14.4 Misrepresentation

A representation, warranty or statement made or repeated in or in connection with any Transaction Document or in any document delivered by or on behalf of Funding 1 under or in connection with any Transaction Document is incorrect in any material respect when made or deemed to be made or repeated.

14.5 Insolvency

Any corporate action is taken by Funding 1, or any legal proceedings are started, for the winding-up, dissolution, administration or appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of Funding 1 or of any or all of Funding 1's revenues and assets or any documents are filed with the court for the appointment of an administrator of Funding 1 or any formal notice of intention to appoint an administrator of Funding 1 is served or any application is made or petition is lodged for the making of an administration order in relation to Funding 1.

14.6 Creditors' process

Any attachment, sequestration, distress or execution affects any asset of Funding 1 and is not discharged within twenty London Business Days.

14.7 Unlawfulness

It is or becomes unlawful for Funding 1 to perform any of its obligations under any Transaction Document.

14.8 The Funding 1 Deed of Charge

The Funding 1 Deed of Charge is not, or is alleged by Funding 1 not to be, binding on or enforceable against Funding 1 or effective to create the security intended to be created by it.

14.9 Ownership

The entire issued share capital of Funding 1 ceases to be legally and beneficially owned and controlled by Holdings.

14.10 Acceleration

Upon the occurrence of an Intercompany Loan Event of Default which is continuing unremedied and/or has not been waived, the Issuer may (and shall, if so directed in writing by the Funding 1 Security Trustee subject to the provisions of the Funding 1 Deed of Charge) by written notice to Funding 1 (the **Intercompany Loan Acceleration Notice**) which is copied to each of the Funding 1 Secured Creditors and the Mortgages Trustee:

- (a) declare the Loan Tranches under the Intercompany Loan Agreement to be immediately due and payable (whereupon the same shall, subject to Clause 14.11 (Repayment of Loan Tranche on acceleration)), become so payable together with accrued interest thereon and any other sums then owed by Funding 1 under the relevant Intercompany Loan Agreement or Agreements; and/or
- (b) declare the Loan Tranches under the Intercompany Loan Agreement to be due and payable on demand of the Funding 1 Security Trustee.

14.11 Repayment of Loan Tranche on acceleration

Upon the Issuer declaring the Loan Tranches to be immediately due and payable pursuant to Clause 14.10(a) (Acceleration), the amount due and payable in respect of the Loan Tranches shall be calculated on the basis described in Clause 8.1 (Prepayment for taxation or other reasons).

15. DEFAULT INTEREST AND INDEMNITY

15.1 Default Loan Interest Periods

If any sum due and payable by Funding 1 under the Intercompany Loan Agreement is not paid on the due date for payment in accordance with any relevant provision of the Intercompany Loan Agreement or if any sum due and payable by Funding 1 under any judgment or decree of any court in connection with the Intercompany Loan Agreement is not paid on the date of such judgment or decree, the period beginning on such due date or, as the case may be, the date of such judgment or decree and ending on the date upon which the obligation of Funding 1 to pay such sum (the balance thereof for the time being unpaid being herein referred to as an **unpaid sum**) is discharged shall be

divided into successive periods, each of which (other than the first) shall start on the last day of the preceding such period and the duration of each of which shall (except as otherwise provided in this Clause 15) be selected by the Funding 1 Security Trustee having regard to when such unpaid sum is likely to be paid.

15.2 Default interest

During each such period relating to an unpaid sum as is mentioned in this Clause 15 an unpaid sum shall bear interest at the rate per annum which the Issuer, acting reasonably, determines and certifies to Funding 1 and the Funding 1 Security Trustee, will be sufficient to enable it to pay interest and other costs and indemnities on or in respect of any amount which the Issuer does not pay as a result of a non-payment under the Intercompany Loan Agreement.

15.3 Payment of default interest

Any interest which shall have accrued under Clause 15.2 (Default interest) in respect of an unpaid sum shall be due and payable and shall be paid by Funding 1 at the end of the period by reference to which it is calculated or on such other date or dates as the Funding 1 Security Trustee may specify by written notice to Funding 1.

15.4 Broken periods

Funding 1 shall forthwith on demand indemnify the Issuer against any loss or liability that the Issuer incurs as a consequence of any payment of principal being received from any source otherwise than on a Funding 1 Interest Payment Date or an overdue amount being received otherwise than on its due date.

15.5 Funding 1's payment indemnity

Funding 1 undertakes to indemnify the Issuer:

- (a) against any cost, claim, loss, expense (including legal fees) or liability together with any amount in respect of Irrecoverable VAT thereon (other than by reason of the negligence or wilful default by the Issuer), which it may sustain or incur as a consequence of the occurrence of any Intercompany Loan Event of Default or any default by Funding 1 in the performance of any of the obligations expressed to be assumed by it in any of the Transaction Documents (other than by reason of negligence or wilful default on the part of the Issuer or prior breach by the Issuer of the terms of any of the Transaction Documents to which it is a party);
- (b) against any loss it may suffer as a result of its funding a Loan Tranche requested by Funding 1 under the Intercompany Loan Agreement (which shall include the amounts referred to in clause 6 of the Intercompany Loan Confirmation) but not made; and
- (c) against any other loss or liability (other than by reason of the negligence or default of the Issuer or breach by the Issuer of the terms of any of the Transaction Documents to which it is a party (except where such breach is caused by the prior breach of Funding 1) or loss of profit) it may suffer by reason of having made the Loan Tranches available or entering into the Intercompany Loan Agreement or enforcing any security granted pursuant to the Funding 1 Deed of Charge.

16. PAYMENTS

16.1 Payment

- (a) Subject to Clause 4 (Limited Recourse), interest and principal shall be paid on the Loan Tranches for value by Funding 1 to the Issuer Transaction Account specified by the Issuer in the Intercompany Loan Confirmation on each Funding 1 Interest Payment Date and the relevant irrevocable payment instruction for such payment shall be given by Funding 1 by no later than noon on the Intercompany Loan Determination Date immediately before the relevant Funding 1 Interest Payment Date to the Cash Manager under the Cash Management Agreement (with a copy to the Issuer (as applicable) and the Funding 1 Security Trustee).
- (b) On each date on which the Intercompany Loan Agreement requires an amount to be paid by Funding 1 under that Intercompany Loan Agreement, Funding 1 shall, unless the Intercompany Loan Agreement specifies otherwise, make the same available to the Issuer in accordance with the terms of the Intercompany Loan Agreement and by payment in Sterling in immediately available, freely transferable, cleared funds to the Issuer Transaction Account specified in the Intercompany Loan Confirmation or, if the Intercompany Loan Agreement specifies otherwise, to the relevant account or to such other account as the Issuer (with the consent of the Funding 1 Security Trustee) may notify to Funding 1 for this purpose.

16.2 Alternative payment arrangements

If, at any time, it shall become impracticable (by reason of any action of any governmental authority or any change in law, exchange control regulations or any similar event) for Funding 1 to make any payments under the Intercompany Loan Agreement in the manner specified in Clause 16.1 (Payment), then Funding 1 shall make such alternative arrangements for the payment direct to the Issuer of amounts due under the Intercompany Loan Agreement as are acceptable to the Funding 1 Security Trustee (acting reasonably).

16.3 No set-off

Subject to the terms of the Intercompany Loan Confirmation, all payments required to be made by Funding 1 under the Intercompany Loan Agreement shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

17. ENTRENCHED PROVISIONS

Each of Funding 1, the Issuer and the Funding 1 Security Trustee acknowledge and agree that Funding 1 may from time to time enter into New Intercompany Loan Agreements subject to the provisions of Clause 2 (Conditions Precedent) of this Agreement. If Funding 1 intends to enter into a New Intercompany Loan Agreement then the provisions of this Agreement may be varied (with the consent of the parties to this Agreement) in the Intercompany Loan Confirmation to the extent necessary to reflect the terms of that New Intercompany Loan PROVIDED THAT no variation shall be made to any of the following terms without the prior written consent of the Funding 1 Secured Creditors and the Rating Agencies:

- (a) the Funding 1 Interest Payment Dates;
- (b) the determination of the Loan Tranche Rates of Interest (other than the Relevant Margin);
- (c) Clause 4 (Limited Recourse);

- (d) Clause 7 (Repayment); and
- (e) Clause 9 (Taxes).

18. FURTHER PROVISIONS

18.1 Evidence of indebtedness

In any proceeding, action or claim relating to the Intercompany Loan Agreement a statement as to any amount due to the Issuer under the Intercompany Loan Agreement which is certified as being correct by an officer of the Funding 1 Security Trustee shall, unless otherwise provided in the Intercompany Loan Agreement, be prima facie evidence that such amount is in fact due and payable.

18.2 Rights cumulative, waivers

The respective rights of the Issuer and the Funding 1 Security Trustee under the Intercompany Loan Agreement:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

18.3 Severability

If a provision of the Intercompany Loan Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of the Intercompany Loan Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of the Intercompany Loan Agreement.

18.4 Notices

Any notices to be given pursuant to the Intercompany Loan Agreement to any of the parties thereto shall be in writing and shall be sufficiently served if sent by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 5.00 p.m. (London time) on a London Business Day or on the next London Business Day if delivered thereafter or on a day which is not a London Business Day or (in the case of first class post) when it would be received in the ordinary course of post and shall be sent to such addresses as are set out in the Intercompany Loan Confirmation or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this Clause 18.4.

18.5 Variation

Subject to Clause 17 (Entrenched Provisions), no variation of any provision(s) of the Intercompany Loan Agreement shall be effective unless it is in writing and signed by (or by a person duly authorised by) each of the parties to the Intercompany Loan Agreement.

18.6 Funding 1 Security Trustee

The Funding 1 Security Trustee shall have no responsibility for any of the obligations of the Issuer or any other party to the Intercompany Loan Agreements (other than itself). For the avoidance of doubt, the parties to the Intercompany Loan Agreement acknowledge that the rights and obligations of the Funding 1 Security Trustee under the Intercompany Loan Agreements are governed by and shall be exercised or performed subject to and in accordance with the Funding 1 Deed of Charge.

18.7 Counterparts

The Intercompany Loan Agreement may be signed (manually or by facsimile) and delivered in more than one counterpart all of which, taken together, shall constitute one and the same Agreement.

18.8 Third Party Rights

The Intercompany Loan Agreement does not create any right under the Contracts (Rights of Third Parties) Act 1999 which is enforceable by any person who is not a party to the Intercompany Loan Agreement.

19. REDENOMINATION

Each obligation under this Agreement which has been denominated in sterling shall be redenominated in Euro in accordance with EMU legislation upon such redenomination of the Notes.

20. GOVERNING LAW

The Intercompany Loan Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

21. SUBMISSION TO JURISDICTION

Each party to the Intercompany Loan Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to the Intercompany Loan Agreement (including any non-contractual obligations arising out of or in connection with it), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to the Intercompany Loan Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

SCHEDULE 1

NOTICE OF DRAWDOWN OF A LOAN TRANCHE

From: Langton Funding (No. 1) Limited (**Funding 1**)

To: [] (the **Issuer**)

Copy: Citicorp Trustee Company Limited (the **Funding 1 Security Trustee**)

Dear Sirs,

1. We refer to the agreement between, *inter alios*, ourselves, the Issuer and the Security Trustee (as from time to time amended, varied, restated, novated and/or supplemented (the **Intercompany Loan Agreement**)) dated [] whereby an Intercompany Loan was made available to Funding 1. Terms defined in the Intercompany Loan Agreement shall have the same meaning in this notice.
2. We hereby give you notice that, pursuant to the Intercompany Loan Agreement and upon the terms and subject to the conditions contained therein, we wish a [further drawing under] [*describe Loan Tranche*] to be made to us as follows:
 - (a) Amount: £[] of which £[] is to be retained by you by way of set off against our obligation to reimburse such amount to you on the Closing Date under [clause 6.1] (Fee for provision of Loan Tranche) of the Intercompany Loan Confirmation.
 - (b) Drawdown Date: []
3. We confirm that no Intercompany Loan Event of Default has occurred and is continuing which has not been waived, or would result from the making of such Loan Tranche.
4. We confirm that the principal amount of the Loan Tranche requested does not exceed the amount available under the Intercompany Loan Agreement as at [relevant Drawdown Date [as increased pursuant to the issue of Further Securities by the Issuer.]].
5. The net proceeds of this drawdown should be credited to our account numbered [] with [].

Yours faithfully,

SFM Directors Limited, as Director
for and on behalf of
Langton Funding (No. 1) Limited

SCHEDULE 2

SOLVENCY CERTIFICATE

Langton Funding (No.1) Limited (the Company)
(registered number 6432610)

35 Great St. Helen's
London EC3A 6AP

To: [●]

[Date]

Expressions defined in the Master Definitions and Construction Schedule dated [●] by, among others, Langton Funding (No.1) Limited and Citicorp Trustee Company Limited (as **Funding 1 Security Trustee**) shall, unless the context otherwise requires, have the same meaning in this Certificate.

We, _____ and _____, being Directors of Langton Funding (No.1) Limited (the **Company**) hereby certify that as at the date of this Certificate:

1. we are duly authorised officers of the Company;
2. we have made all appropriate searches, enquiries and investigations (including, without limitation, of the Company's books and records, the Company's management accounts and the Company's accounts required by law) to ascertain the true position in relation to everything stated below;
3. the directors of the Company have duly considered the provisions of the insolvency laws of England and Wales and Scotland (including, without limitation, the provisions of sections 123 and 238 to 243 (inclusive) and 423 of the Insolvency Act 1986) and the provisions of Articles 103, 202 to 205 and 367 of the Insolvency (Northern Ireland) Order 1989 (as amended) (the **NI Order**) in relation to this Certificate and the Company entering into and the Company's ability to perform its obligations in respect of the issue of Notes (the [●] Notes) by the Company on or about [●], the lending of the proceeds thereof to Funding 1 and the entry into of various related transactions by, amongst others, the Company on such date (together the [●] **Securitisation**);
4. to the best of our knowledge and belief, the Company is not unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or article 103 of the NI Order and would not become unable to do so in consequence of entering into the [●] **Securitisation** and there is no reason for believing that the foregoing state of affairs will not continue thereafter;
5. the Company's assets currently exceed its liabilities (taking into account its actual, contingent and prospective liabilities) and will continue to do so notwithstanding the entry into by it of the [●] **Securitisation** and there is no reason for believing that the foregoing state of affairs will not continue thereafter;
6. no execution, diligence or other process issued on a judgment, decree or order of any court in favour of a creditor of the Company remains unsatisfied in whole or in part;
7. to the best of our knowledge and belief, no action has been taken or is pending, no other steps have been taken by any person (including, without limitation, the Company, the directors of the Company,

or any creditors of the Company or any floating charge holder) and no legal proceedings have been commenced or are threatened or are pending for:

- (a) the winding-up, liquidation, dissolution, administration or reorganisation of the Company; or
- (b) the Company to enter into any composition or arrangement with its creditors generally; or
- (c) the appointment of a receiver, administrator, administrative receiver, trustee or similar officer in respect of the Company or any of its property, undertaking or assets,

and no event equivalent to any of the foregoing has occurred in or under the laws of any relevant jurisdiction;

- 8.
 - (a) (i) no notice of intention to appoint an administrator of the Company has been given under paragraph 26 of Schedule B1 to the Insolvency Act 1986 or under paragraph 27 of Schedule B1 to the NI Order nor has a copy of any such notice been filed with the court under paragraph 27 of Schedule B1 to the Insolvency Act 1986 or under paragraph 28 of Schedule B1 to the NI Order; (ii) no notice of appointment of an administrator of the Company has been filed under paragraphs 18 or 29 of Schedule B1 to the Insolvency Act 1986; (iii) no application for an administration order in relation to the Company has been made; and (iv) no administrator has been appointed or sought to be appointed in respect of the Company and none of the insolvency procedures referred to in this paragraph have been threatened against the Company;
 - (b) (i) no steps have been taken by the Company with a view of obtaining a moratorium in respect of any indebtedness of the Company or for the purpose of proposing a company voluntary arrangement; and (ii) no event equivalent to any of the foregoing has occurred in or under the laws of any relevant jurisdiction;
 - (c) neither the entry into of the [●] Securitisation nor the making of any drawing nor granting of security under the [●] Securitisation will be a gratuitous alienation under section 242 of the Insolvency Act 1986 (and equivalent provisions of the common law of Scotland), since such drawing and/or grant of security is made for adequate consideration;
- 9. the entry into of the [●] Securitisation would not be a transaction at an undervalue within the meaning of section 238 of the Insolvency Act 1986 or article 202 of the NI Order, since the value of any consideration received by the Company as a result of such [●] Securitisation is not and will not be significantly less than the value of any consideration provided by the Company under the [●] Securitisation;
- 10. the entry into of the [●] Securitisation will be entered into or made, as the case may be, by the Company, in good faith and for the purpose of carrying on its business, and there are reasonable grounds for believing that such entry into of such [●] Securitisation would benefit the Company;
- 11. in entering into the [●] Securitisation:
 - (a) the Company has no desire or intention to give and has taken no action which would have the effect of conferring a preference to any person as contemplated by section 239 of the Insolvency Act 1986 or article 203 of the NI Order; and
 - (b) is it not the purpose of the Company to put assets beyond the reach of a person who is making, or may at some time make, a claim against the Company or of otherwise prejudicing the interests of such a person in relation to the claim which he is making or may make;

12. the entry into of the [●] Securitisation will constitute reciprocal obligations of the Company with the other parties thereto for the purposes of section 243 of the Insolvency Act 1986 (and equivalent provisions of the common law of Scotland) and the entry into of the [●] Securitisation is not, nor will be, collusive with the purpose of prejudicing the general body of creditors of the Company;
13. in entering into the [●] Securitisation, the Company has not and will not breach any provision of or exceed any powers contained in its Memorandum and Articles of Association; and
14. the centre of main interests, as such term is defined in Article 3(1) of the European Union Council Regulation (EC) No. 1346 of 2000, of the Company is and remains in England and all board meetings are held at the Company's registered office.

.....
SFM Directors Limited, as Director
For and on behalf of Langton Funding (No.1) Limited

.....
SFM Directors (No. 2) Limited, as Director
For and on behalf of Langton Funding (No.1) Limited

SCHEDULE 3

FORM OF RELEVANT INTERCOMPANY LOAN CONFIRMATION

INTERCOMPANY LOAN CONFIRMATION

DATED [●]

LANGTON FUNDING (NO. 1) LIMITED
as Funding 1

LANGTON SECURITIES [●] PLC
as [●] Issuer

CITICORP TRUSTEE COMPANY LIMITED
as Funding 1 Security Trustee and as Issuer Security Trustee

CITIBANK, N.A., LONDON BRANCH
as Agent Bank

ALLEN & OVERY

Allen & Overy LLP

THIS AGREEMENT is dated [●]

BETWEEN:

- (1) **LANGTON FUNDING (NO. 1) LIMITED** (registered in England and Wales No. 6432610) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (**Funding 1**);
- (2) **LANGTON SECURITIES [●] PLC** (registered in England and Wales No. [●]) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the [●] **Issuer**);
- (3) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 0235914) acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, acting in its capacities as **Funding 1 Security Trustee** and as **Issuer Security Trustee**; and
- (4) **CITIBANK N.A., LONDON BRANCH**, whose offices are at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB acting in its capacity as **Agent Bank**.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 The issuer master definitions and construction schedule signed by, among others, the parties hereto on [●] (as the same may be amended, varied, restated and/or supplemented from time to time with the consent of the parties hereto) (the **Issuer Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Issuer Master Definitions and Construction Schedule (as so amended, varied, restated and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in clause 2 of the Issuer Master Definitions and Construction Schedule.

1.2 Unless the context otherwise requires, references in the Intercompany Loan Terms and Conditions to:

Issuer means the [●] Issuer;

Funding 1 Issuer Transaction Account means the Issuer Transaction Account;

Intercompany Loan means the Issuer Intercompany Loan;

Intercompany Loan Agreement means the Issuer Intercompany Loan Agreement; and

Intercompany Loan Confirmation means the Issuer Intercompany Loan Confirmation.

[further complete as appropriate]

2. INTERCOMPANY LOAN TERMS AND CONDITIONS

Each of the parties to this Agreement agree that the Intercompany Loan Terms and Conditions signed by Funding 1, the Funding 1 Security Trustee and the Agent Bank for the purposes of identification on 25 January, 2008 as amended and restated pursuant to the first deed of amendment to the Intercompany Loan Terms and Conditions dated 1 October 2010 between, amongst others, Funding 1 and the Funding 1 Security Trustee and the provisions set out therein shall form part of

this Agreement and shall be binding on the parties to this Agreement as if they had expressly been set out herein. References in "this Agreement" herein shall be construed accordingly.

3. THE LOAN TRANCHES

3.1 Loan Tranches

- (a) [The AAA Loan Tranches shall be in the initial maximum aggregate principal amount of [●] which corresponds to the equivalent in Sterling of the principal amount upon initial issue of the Class A Notes (converted at the relevant Exchange Rate) which consists of the following sub-tranches:
 - (i) the AAA (Class A[●]) shall be in the maximum aggregate principal amount of £[●] and which corresponds [to the equivalent in Sterling of] the principal amount upon issue of the Class A[●] Notes [(converted at the relevant Exchange Rate)]; and
 - (ii) the AAA (Class A[●]) shall be in the maximum aggregate principal amount of £[●] and which corresponds to [the equivalent in Sterling of]the principal amount upon issue of the Class A[●] Notes [(converted at the relevant Exchange Rate)];
- (b) The AA (Class B) Loan Tranche shall be in the maximum aggregate principal amount of [●] which corresponds [to the equivalent in Sterling of]the principal amount upon issue of the Class B Notes [(converted at the relevant Exchange Rate)]; and
- (c) The Subordinated (Class Z) Loan Tranche shall be in the maximum aggregate principal amount of [●] which corresponds [to the equivalent in Sterling of]the principal amount upon issue of the Class Z Notes[(converted at the relevant Exchange Rate)].
- (d) The principal amount of each of the AAA Loan Tranches, the AA (Class B) Loan Tranches and the Subordinated (Class Z) Loan Tranches shall be increased by the aggregate principal amount of any relevant issue of Further Securities which corresponds to such Loan Tranche. The maximum aggregate principal amount of each such Loan Tranche shall be the aggregate of the amounts set out in Clause[s] (a), [(b)] [and (c)] above and the amount(s) of any corresponding Loan Tranche set out in any further Intercompany Loan Confirmation(s) pursuant to an increase of Further Securities.

3.2 Conditions Precedent

Save as the Issuer and the Funding 1 Security Trustee may otherwise agree, the Loan Tranches will not be available for utilisation unless all the information and documents listed in Schedule 1 have been delivered to the Funding 1 Security Trustee.

4. INTEREST

4.1 Payment of Interest

Subject to Clause 4 (Deferred Interest) of the Intercompany Loan Terms and Conditions, on each Funding 1 Interest Payment Date Funding 1 will pay to the Issuer for same day value to the Issuer Transaction Account interest on each Loan Tranche in the amounts as calculated in accordance with this Clause 4.

4.2 Determination of Rates of Interest to first Funding 1 Interest Payment Date

On the Closing Date the Agent Bank will determine the Initial Relevant Screen Rate (as defined below) in respect of each Loan Tranche as at or about 11.00 a.m. (London time) on that date. If the Initial Relevant Screen Rate is unavailable, the Agent Bank will request the principal London office of each of the Reference Banks to provide the Agent Bank with its offered quotations to leading banks for [●] month and [●] month sterling deposits of £10,000,000, in the London inter-bank market as at or about 11.00 a.m. (London time) on such Closing Date. The Loan Tranche Rates of Interest for the first Funding 1 Interest Period shall be the aggregate of (a) the Relevant Margin and (b) the Initial Relevant Screen Rate or, if the Initial Relevant Screen Rate is unavailable, the linear interpolation of the arithmetic mean of such offered quotations for [●]-month sterling deposits and the arithmetic mean of such offered quotations for [●]-month sterling deposits (rounded upwards, if necessary, to five decimal places).

Initial Relevant Screen Rate means the linear interpolation of the arithmetic mean of the offered quotations to leading banks for [●]-month sterling deposits and the arithmetic mean of the offered quotations to leading banks for [●]-month sterling deposits (rounded upwards if necessary to five decimal places) displayed on the Reuters screen LIBOR01 (or such replacement pages on that service which displays the information) or, if that service ceases to display the information, such other service as may be determined by the Issuer with the approval of the Funding 1 Security Trustee.

[Set out interest rate, interest periods and payment dates]

5. REPAYMENT

5.1 *[Describe, inter alios:*

Repayment subject to terms of the Funding 1 Deed of Charge;

Repayment of relevant Loan Tranches prior to the occurrence of a Trigger Event and prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice;

Repayment after a Non-Asset Trigger Event but prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice;

Repayment after an Asset Trigger Event but prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice;

Repayment following the service on Funding 1 of an Intercompany Loan Acceleration Notice].

5.2 Acknowledgement of New Intercompany Loans

The Issuer hereby acknowledges and agrees that from time to time Funding 1 may enter into New Intercompany Loans with New Issuers and that the obligation of Funding 1 to repay this Intercompany Loan and any New Intercompany Loan will depend on the amount of Funding 1 Available Revenue Receipts and Funding 1 Available Principal Receipts available to pay amounts due to the Issuer and each New Issuer. Subject to Clause 13 (Additional Provisions Regarding the Funding 1 Security Trustee) of the Funding 1 Deed of Charge, any amendments to this Agreement will be made only with the prior written consent of each party to this Agreement.

5.3 Repayment

Repayments of principal under this Clause 5 shall be paid by Funding 1 to the Issuer for same day value to the Issuer Transaction Account.

5.4 Application of repayment

The Issuer hereby agrees to apply any amounts received by way of repayment pursuant to Clause 5 (Repayment) in making repayments under the relevant Notes pursuant to Condition 5.2 (Mandatory Redemption).

6. PREPAYMENT

[describe prepayment provisions matching the prepayment of the relevant Notes]

7. CERTAIN FEES, ETC.

[describe payment and provision, including set-off, for fees and indemnities]

8. SHORTFALLS

[describe allocation of payments by Funding 1 in the event of a shortfall in respect of interest and fees and/or principal]

9. ADDRESSES

The addresses referred to in Clause 18.4 of the Intercompany Loan Terms and Conditions are as follows:

The Security Trustee:

For the attention of: Agency and Trust

Address: Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Facsimile: +44 (0) 20 7508 3872/3878

The Issuer:

For the attention of: The Secretary

Address: Langton Securities [●] plc

Facsimile: +44 (0) 20 7398 6325

Copy to: Santander UK plc
2 Triton Square
Regent's Place
London NW1 3AN
Facsimile number +44 (0) 20 7756 5627
For the attention of Company Secretary

Funding 1:

For the attention of: The Secretary
Address: Langton Funding (No. 1) Limited
Facsimile: +44 (0) 20 7398 6325

Copy to: Santander UK plc
2 Triton Square
Regent's Place
London NW1 3AN
Facsimile number +44 (0) 20 7756 5627
For the attention of Company Secretary

Rating Agencies:

Moody's: 2 Minster Court, Mincing Lane, London EC3R 7XB
For the attention of: Asset Backed Finance
Telephone: +44 (0) 20 7772 5332
Fax: +44 (0) 20 7772 5400

Fitch: 101 Finsbury Pavement, London EC2A 1RS
For the attention of: European Structured Finance
Telephone: +44 (0) 7417 4355
Fax: +44 (0) 7417 6262

Standard & Poor's: Garden House, 18 Finsbury Circus, London EC2M 7BP
For the attention of: Structured Finance Surveillance Group
Telephone: +44 (0) 7826 3855
Fax: +44 (0) 7826 3598

SCHEDULE 1
CONDITIONS PRECEDENT

1. Authorisations

- (a) A copy of the memorandum and articles of association and certificate of incorporation of Funding 1.
- (b) A copy of a resolution of the board of directors of Funding 1 authorising the entry into, execution and performance of each of the relevant Transaction Documents to which Funding 1 is a party and authorising specified persons to execute those on its behalf.
- (c) A certificate of a director of Funding 1 certifying:
 - (i) that each document delivered under this paragraph 1 is correct, complete and in full force and effect as at a date no later than the date of the Loan Tranche Supplement and undertaking to notify the Funding 1 Security Trustee and the Issuer Security Trustee if that position should change prior to the Closing Date; and
 - (ii) as to the identity and specimen signatures of the directors and signatories of Funding 1.

2. Security

- (a) The Funding 1 Deed of Charge [(and the Deed of Accession (if applicable))] duly executed by the parties thereto.
- (b) Duly completed bank account mandates in respect of the Funding 1 GIC Account and the Funding 1 Transaction Account.
- (c) Security Power of Attorney for Funding 1.

3. Legal opinion

Legal opinions of:

- (a) Slaughter and May, English legal advisers to the Seller, the Issuer and Funding 1, addressed to, and in form and substance satisfactory to, the Issuer;
- (b) Tods Murray LLP, Scottish legal advisers to the Seller, the Issuer and Funding 1, addressed to the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee;
- (c) Mourant Ozannes, Jersey legal advisers to the Mortgages Trustee, addressed to the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee; and
- (d) McGrigors Belfast LLP, Northern Irish legal advisers to the Seller, the Issuer and Funding 1, addressed to the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee; and
- (e) Allen & Overy LLP, English legal advisers to the sole lead manager addressed to, and in form and substance satisfactory to, the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee.

4. Transaction Documents

Duly executed copies of:

- (a) the Cash Management Agreement;
- (b) the Controlling Beneficiary Deed;
- (c) the Data Transfer Agreement;
- (d) the Funding 1 Bank Account Agreement;
- (e) the Funding 1 Corporate Services Agreement;
- (f) the Funding 1 Deed of Charge [and any relevant Deed of Accession thereto];
- (g) the relevant Funding 1 Start-Up Loan Agreement;
- (h) the Funding 1 Swap Agreement;
- (i) the relevant Global Notes and any Definitive Notes (if applicable);
- (j) the relevant Issuer Bank Account Agreement;
- (k) the relevant Issuer Cash Management Agreement;
- (l) the relevant Issuer Corporate Services Agreement;
- (m) the relevant Issuer Deed of Charge [and any relevant Deed of Accession thereto];
- (n) the relevant Issuer Master Definitions and Construction Schedule;
- (o) the relevant Issuer Post-Enforcement Call Option Agreement;
- (p) the relevant Issuer Start-up Loan Agreement;
- (q) the relevant Issuer Swap Agreements and any related Issuer Swap Guarantees;
- (r) the Master Definitions and Construction Schedule;
- (s) the Mortgage Sale Agreement;
- (t) the Mortgages Trust Deed;
- (u) the Mortgages Trustee Bank Account Agreement;
- (v) the Mortgages Trustee Corporate Services Agreement;
- (w) the Mortgages Trustee Guaranteed Investment Contract;
- (x) the relevant Paying Agent and Agent Bank Agreement;
- (y) each Scottish Declaration of Trust relating to the Portfolio;
- (z) the Secretarial Services Agreement;

- (aa) the Seller Power of Attorney; and
- (bb) the Servicing Agreement;
- (cc) the relevant Subscription Agreement and/or the relevant Note Purchase Agreement.

5. Other Documentation

- (a) Confirmation that the relevant Notes have been issued by the Issuer and the subscription proceeds received by the Issuer; and
- (b) Copies of the Prospectus in respect of the relevant Notes.

6. Miscellaneous

Solvency certificates from Funding 1 signed by two directors of Funding 1.