

Scottish Declaration of Trust

DECLARATION OF TRUST

Britannic Money plc (Registered Number 2048895) and having its Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (the "**Originator**")

with consent of
Arianty No.1 plc (Registered Number 3946857)
whose Registered Office is at
Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS ("**Arianty**")
in favour of

First Flexible No. 4 plc, (Registered Number: 4176542) and having its Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (the "**Issuer**")

WHEREAS:

- (A) Legal title to the Scottish Trust Property aftermentioned is held by and vested in the Originator;
- (B) Arianty has, without completing legal title thereto, purchased the said Scottish Trust Property from the Originator;
- (C) By a Mortgage Sale Agreement made among *inter alios* the Originator, Arianty and the Issuer dated 26 July 2001 (the "**Mortgage Sale Agreement**") Arianty has agreed to sell and the Issuer has agreed to purchase *inter alia* the said Scottish Trust Property; and
- (D) In implement of clause 5.1(c) of the Mortgage Sale Agreement the Originator has undertaken at the request of Arianty, to grant this deed pending the taking of legal title by the Issuer to the said Scottish Trust Property in accordance with the provisions of the Mortgage Sale Agreement.

NOW THEREFORE the parties HEREBY AGREE and DECLARE as follows:

1. INTERPRETATION

In this deed (including the recitals hereto):

- 1.1 words and expressions shall (unless the context otherwise requires) have the same meanings respectively ascribed to them in the Master Definitions Schedule entered into among the Originator, Arianty, the Issuer and others dated of even date with the Mortgage Sale Agreement; and
- 1.2 **Scottish Trust Property** shall mean the Scottish Mortgages (including the Mortgage Loans secured thereby) details of which are specified in the Schedule annexed and executed as relative hereto, together with:
 - (a) all principal sums, including (subject to clause 6 hereof) any Further Advances and any Redraws present or future, interest and expenses comprised therein and secured thereby;
 - (b) the whole rights pertaining thereto specified in clause 2.2 of the Mortgage Sale Agreement including without prejudice to the generality thereof all Related Security granted in respect of such Scottish Mortgages;

- (c) all monies, rights, interest, benefits and others pertaining thereto or deriving therefrom;
- (d) all powers and remedies for enforcing the same; and
- (e) all proceeds resulting from the enforcement of any of the Scottish Mortgages and their Related Security.

2. DECLARATION OF TRUST

The Originator hereby DECLARES with the consent and concurrence of Arianty for its respective right, title and interest in and to the Scottish Trust Property as is testified by its execution hereof that from and after the date hereof the Originator holds and, subject to clause 6 hereof, shall henceforth hold the Scottish Trust Property and its whole right title and interest, present and future therein and thereto in trust absolutely for the Issuer and its successors and assignees (whether absolutely or in security) whomsoever.

3. INTIMATION

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

4. WARRANTIES AND UNDERTAKINGS

The Originator and Arianty warrant and undertake that:

- 4.1 as at the date hereof the Originator holds legal title to the Scottish Trust Property unencumbered by any Security Interest;
- 4.2 they shall not create or agree to create any Security Interest over or which may attach to or affect the whole or any part of the Scottish Trust Property at any time when such property or part thereof remains subject to the trust hereby created; and
- 4.3 they shall deal with the Scottish Trust Property (including without prejudice to said generality the setting of any interest rate applicable thereto) in accordance with the provisions of the Mortgage Sale Agreement and the specific written instructions (if any) of the Issuer or its foresaids and shall take, subject to clause 6 hereof, 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 Issuer or its foresaids.

5. POWERS OF BENEFICIARY

The provisions of the Mortgage Sale Agreement shall be deemed to be incorporated herein in so far as the same pertain to the Scottish Trust Property and during the continuance of the trust hereby declared and created the Issuer as beneficiary hereunder shall have the benefit of all rights and powers thereby conferred, including without limitation the right in the circumstances therein specified to perfect legal title to the Scottish Trust Property or any part thereof

and to call upon the Originator and/or Arianty to undertake all acts and things and execute all deeds and documents as may be required to effect the same, and that notwithstanding the winding up of the Originator and/or Arianty or the making of any administration order in respect of the Originator and/or Arianty or the appointment of a receiver to all or any part of the Scottish Trust Property, and for further assuring the said rights and powers the Originator and Arianty have executed and delivered to the Issuer a power of attorney in the form set out in Schedule II to the Mortgage Sale Agreement.

6. TERMINATION OF TRUST

In the event of:

- 6.1 legal title to any part or parts of the Scottish Trust Property being taken by the Issuer in accordance with the provisions of clause 5.5 of the Mortgage Sale Agreement (which in the case of any Standard Security shall be constituted by the registration or recording of the title thereto of the Issuer in the Registers of Scotland), or
- 6.2 any part or parts of the Scottish Trust Property forming the subject of a repurchase by the Originator or Arianty, as appropriate, in accordance with the provisions of clauses 6, 9.1 or 10.4 of the Mortgage Sale Agreement, or
- 6.3 any Further Advance relating to any Scottish Mortgage comprised within the Scottish Trust Property not being purchased by the Issuer from the Originator in accordance with the provisions of clause 10 of the Mortgage Sale Agreement, or
- 6.4 the right to repayment of any Redraw (including any Payment Holiday) relating to any Scottish Mortgage comprised within the Scottish Trust Property not being purchased by the Issuer from the Originator in accordance with the provisions of clause 12 of the Mortgage Sale Agreement,

the trust hereby declared and created shall (but only (i) when any of the events or transactions before stated has been completed irrevocably, validly and in full, and (ii) provided that the said trust shall continue to be of effect in respect of the remaining Scottish Trust Property as aftermentioned) ipso facto fall and cease to be of effect in respect of such part or parts of the Scottish Trust Property (including the relevant Further Advance or Redraw as the case may be) but shall continue in full force and effect in respect of the whole remainder (if any) of the Scottish Trust Property.

7. ASSIGNATION

The Issuer and its foresaids shall be entitled to assign (whether absolutely or in security) its right and interests under this deed and the trust hereby declared and created and the Originator and Arianty hereby undertake, in the event of any such assignation being made by the Issuer, to execute and deliver all deeds and documents necessary for receiving and acknowledging intimation of such assignation.

8. VARIATION

This deed and the trust hereby declared and created shall not be varied in any respect without the consent in writing of the Issuer or its foresaids.

9. **GOVERNING LAW**

This deed shall be governed by and construed in accordance with the laws of Scotland and each of the parties 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.

10. **REGISTRATION**

The parties hereto consent to the registration of these presents for preservation:

IN WITNESS WHEREOF these presents typewritten on this and the preceding three pages are together with the Schedule annexed hereto executed for and on behalf of the Originator, Arianty and the Issuer as follows:

SUBSCRIBED for and on behalf of the
said BRITANNIC MONEY plc

at Sir William Atkins House, Ashley Avenue, Epsom, Surrey
KT18 5AS
on 26 July 2001
by AW Vayha
and AM Wellman

SUBSCRIBED for and on behalf of the
said ARIANTY NO. 1 plc

at Sir William Atkins House, Ashley Avenue, Epsom,
Surrey KT18 5AS
on 26 July 2001
by AW Vayha
and AM Wellman

SUBSCRIBED for and on behalf of the
said FIRST FLEXIBLE NO. 4 plc

at Sir William Atkins House, Ashley Avenue, Epsom,
Surrey KT18 5AS
on 26 July 2001
by AW Vayha
and AM Wellman