

**EXECUTION VERSION**

# **MORTGAGE SALE AGREEMENT**

**6 JUNE 2011**

**ACCORD MORTGAGES LIMITED**  
**as Seller**

**and**

**YORKSHIRE BUILDING SOCIETY**  
**as Servicer and Cash Manager**

**and**

**BRASS NO.1 PLC**  
**as Issuer**

**and**

**CAPITA TRUST COMPANY LIMITED**  
**as Security Trustee**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS AGREEMENT** is made on 6 June 2011

**BETWEEN:**

- (1) **ACCORD MORTGAGES LIMITED**, (registered number 02139881), whose registered address is at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (in its capacity as the **Seller**);
- (2) **YORKSHIRE BUILDING SOCIETY (YBS)**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (**YBS** and in its capacities as the **Cash Manager** and the **Servicer**);
- (3) **BRASS NO.1 PLC** (registered number 07427573), a limited liability company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Issuer**); and
- (4) **CAPITA TRUST COMPANY LIMITED**, a private limited company incorporated under the laws of England and Wales with company number 0239726 and with its principal office located at 7th Floor, Phoenix House, 18 King William Street, London EC4N 7HE (acting in its capacity as **Security Trustee**).

**WHEREAS:**

- (A) The Seller carries on the business of, *inter alia*, originating mortgage loans to individual borrowers secured on residential properties in England and Wales and Scotland.
- (B) The Seller has agreed to sell to the Issuer on the date hereof by way of assignment or in respect of the Scottish Loans by declaration of trust from the date hereof certain of the above mentioned residential mortgage loans together with the benefit of their related security on the terms and subject to the conditions set out in this Agreement.
- (C) YBS has agreed to guarantee the Sellers's repurchase obligations set out in **Clause 9** of this Agreement.

**IT IS HEREBY AGREED** as follows:

**1. DEFINITION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule made between the parties to the Transaction Documents on or about the date hereof (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto, the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Schedule 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 Master Definitions and Construction Schedule.
- 1.2 For the purposes of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Transaction Documents are, so far as applicable, incorporated herein.
- 1.3 Any schedule of Further Advances, Product Switches and/or Underpayment Options attached to any Further Advances notice, Product Switches notice and/or Underpayment Options notice substantially

in the form set out in **Schedule 9** (Further Advances, Product Switches and/or Underpayment Options Notice) may be provided in a document stored upon electronic media (including, but not limited to, a CD-ROM) in a format acceptable to the Issuer and the Security Trustee (each acting reasonably).

- 1.4 The Standard Documentation contained in or identified as **Exhibit 1** to this Agreement may be provided in a document stored upon electronic media (including, but not limited to, a CD-ROM) in a format acceptable to the Issuer and the Security Trustee (each acting reasonably).

## **2. SALE AND PURCHASE OF THE PORTFOLIO**

- 2.1 In consideration of the entry into and performance of the Transaction Documents to which the Issuer is a party and subject to the fulfilment on or before the Closing Date of the conditions set out in **Clauses 2.2** and **3.1** and compliance with the condition (the **Eligibility Criteria**) that no Event of Default shall have occurred which is continuing as at the Closing Date, the Seller hereby agrees to sell to the Issuer with full title guarantee or, in the case of the Scottish Loans and their Related Security comprised in the Portfolio, with absolute warrandice to the Issuer, all its right, title, interest and benefit in the Portfolio on the Closing Date in consideration of the Purchase Price and the Issuer agrees to purchase the Portfolio on the Closing Date. The Purchase Price will be satisfied by a combination of:

- (i) the payment by the Issuer to the Seller of the Initial Consideration (which shall be paid in accordance with **Clause 3.3**) on the Closing Date; and
- (ii) the payment of Deferred Consideration by the Issuer to the Seller in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Acceleration Priority of Payments, as applicable.

- 2.2 The obligation of the Seller under **Clause 2.1** shall be subject to and conditional upon:

- (a) the issue by the Issuer of the Notes on the Closing Date; and
- (b) the Transaction Documents having been executed and delivered by the parties thereto on or before the Closing Date.

- 2.3 For the avoidance of doubt and in respect of any Loan in the Portfolio to a Borrower, no Loan will be sold to the Issuer in accordance with this **Clause 2** unless all other Loans (including Further Advances) to the relevant Borrower secured on the same Property are also sold to the Issuer in accordance with this **Clause 2**.

## **3. CLOSING DATE**

- 3.1 (a) A meeting shall take place at 10.00 a.m. on the Closing Date at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD or such other time or offices as the parties may agree at which the Seller shall deliver to the Security Trustee or its representative the following documents:
- (i) two originals of the power of attorney dated as at the Closing Date and substantially in the form set out in **Schedule 5** (Seller Power of Attorney), duly executed by the Seller;
  - (ii) a copy of the board minutes of the Seller authorising the entry of the Seller into the Transaction Documents certified by an Authorised Signatory of the Seller and a copy of the board resolutions of YBS authorising the execution of this Agreement;

- (iii) in relation to those Loans which are Scottish Loans, a Scottish Declaration of Trust substantially in the form set out in **Schedule 4** (Scottish Declaration of Trust) with the Schedule thereto duly completed;
  - (iv) a duly executed assignment of the Third Party Building Policies substantially in the form set out in **Schedule 8** (Assignment of Third Party Buildings Policies);
  - (v) a duly executed assignment and assignation of rights against third parties comprised in the Portfolio dated as at the Closing Date and substantially in each of the forms set out in **Schedule 7** (Assignment of Third Party Rights);
  - (vi) an up to date, complete and accurate list of the mortgage loans and their related security which it is proposed will comprise the Portfolio which may be provided in a document stored upon electronic media (including, but not limited to, a CD-ROM) in a form acceptable to the Issuer and the Security Trustee (each acting reasonably); and
  - (vii) a solvency certificate delivered by each of the Seller and YBS each signed by two Authorised Signatories of the Seller and YBS (as applicable) dated as at the Closing Date substantially in the form set out in **Schedule 12**.
- (b) The parties hereto acknowledge that completion of the sale on the Closing Date of the sale to the Issuer of all of the Seller's right, title, interest and benefit in and to its Loans and their Related Security in the Portfolio shall occur upon consideration being made under **Clause 3.3** (and subject to the satisfaction of the conditions in **Clauses 2.2** and **3.1**) PROVIDED THAT the matters described in **Clauses 6.1, 6.3** and **6.4** shall not occur until the relevant time indicated in **Clause 6**.
- (c) If so requested by the Issuer, the Seller undertakes within ten (10) Business Days of the Closing Date to provide the Issuer and the Security Trustee with an updated, complete and accurate list of the Loans and their Related Security in the Portfolio and their Current Balances, which may be provided in a document stored upon electronic media (including but not limited to, a CD-ROM) in a format acceptable to the Issuer and the Security Trustee (each acting reasonably).

3.2 The Seller undertakes that from the Closing Date until the perfection of the assignment or assignation in accordance with **Clause 6** (or, if earlier, until delivery to or at the direction of the Issuer and/or the Security Trustee), that it shall hold or procure that the Servicer holds on its behalf the Title Deeds and the Loan Files relating to the Loans and their Related Security in the Portfolio that are in the Seller's possession or under the Seller's control or held to its order to the order of the Issuer or as the Issuer shall otherwise direct.

3.3 Subject to fulfilment of the conditions referred to in **Clauses 2.2** and **3.1**, the Seller shall be paid that part of the Purchase Price constituting the cash payment referred to in **Clause 2.1** by telegraphic transfer or some other method which transfers same day value by the Issuer on the Closing Date.

#### **4. FURTHER ADVANCES, PRODUCT SWITCHES, UNDERPAYMENT OPTIONS AND ASSET CONDITIONS**

##### **4.1 Sale and Purchase of Further Advances**

- (a) The sale of the Loans and their Related Security comprised in the Portfolio shall not impose or include any obligation on the Issuer to pay or make any Further Advances to Borrowers in respect of Loans comprised in the Portfolio, which obligation (if any) shall at all times, and

notwithstanding the sale of such Loans and their Related Security to the Issuer, remain an obligation of the Seller.

- (b) The Seller undertakes to the Issuer that it is and shall at all times remain solely responsible for offering and documenting any Further Advance and that the Seller is solely responsible for funding any relevant offer or, accepting any application, for a Further Advance made to or, received from, a Borrower with respect to a relevant Loan. For the avoidance of doubt, the Issuer will not be required to advance monies to the Seller or to a Borrower in order to fund such a Further Advance in any circumstances whatsoever.
- (c) The Issuer shall not itself make any Further Advance.
- (d) Subject to the fulfilment of the conditions set out in **Clauses 2.2** and **3.1** and in consideration for the entry into and performance of the Transaction Documents to which the Issuer is a party the Seller hereby agrees to sell with full title guarantee or, in the case of the Further Advances which relate to Scottish Loans and their Related Security within the Portfolio, with absolute warrandice, to the Issuer and the Issuer agrees to purchase each Further Advance on its Advance Date in consideration of the following:
  - (i) the payment by the Issuer to the Seller of the Further Advance Purchase Price on the Monthly Pool Date immediately following the Monthly Period in which such Advance Date occurred; and
  - (ii) the payment by the Issuer to the Seller of the Deferred Consideration in relation to the Loan to which such Further Advance relates in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Acceleration Priority of Payments (as applicable).
- (e) Beneficial interest in the Further Advances shall pass to the Issuer automatically on the relevant Advance Date (pursuant, in relation to any Scottish loans, to the Scottish Declaration of Trust) notwithstanding that the Further Advance Purchase Price shall be paid by the Issuer on the Monthly Pool Date immediately following the Monthly Period in which the relevant Advance Date occurred.
- (f) The Seller shall notify (by a notice in the form of **Schedule 9** hereto) the Issuer on the Monthly Pool Date following the Monthly Period in which any Further Advance was made of the Further Advance Purchase Price then due and payable by the Issuer in respect of the Further Advances sold to the Issuer during the previous Monthly Period. On such Monthly Pool Date, the Issuer shall pay such Further Advance Purchase Price by using amounts standing to the credit of the Principal Ledger on a first in first out basis.
- (g) If the Issuer or the Cash Manager on its behalf determines that the Issuer has insufficient funds standing to the credit of the Principal Ledger to pay in full the relevant Further Advance Purchase Price on the Monthly Pool Date following the Monthly Period in which the relevant Advance Date occurred, then the Issuer (or the Cash Manager acting on its behalf) will, prior to the Class Z VFN Commitment Termination Date, make a drawing under the Class Z VFN in an amount equal to the difference between (A) the aggregate of the amounts standing to the credit of the Principal Ledger and (B) the Further Advance Purchase Price and use such proceeds of the Class Z VFN to fund the purchase of Further Advances under the Loans.
- (h) If the Issuer is unable to fund the purchase of any Further Advance from funds standing to the credit of the Principal Ledger and any corresponding drawing under the Class Z VFN is not sufficient to cover such shortfall in the Further Advances Purchase Price to be paid on

the Monthly Pool Date, the Issuer shall not complete the purchase of the relevant Further Advance and the Seller must repurchase the related Loan and its Related Security on such Monthly Pool Date at its Current Balance (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) determined as at such Monthly Pool Date. **Clause 8.8** of this Agreement shall apply to any such repurchase.

- (i) If the Servicer determines on the Monthly Test Date immediately following the Monthly Period in which the relevant Further Advance was made that any of the relevant Asset Conditions have not been met as at the last day of the Monthly Period in which the relevant Further Advance was made (or such breach was subsequently discovered in respect of such date) then the Seller will have an obligation to remedy such breach within 90 days after receiving written notice of such breach from the Servicer and if such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 90 day period, the relevant Loan and its Related Security must be repurchased by the Seller at its then Current Balance (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) on the Monthly Pool Date immediately following the receipt of a Loan Repurchase Notice in accordance with **Clause 8** below.

#### **4.2 Product Switches**

- (a) The Seller may accept applications from, or make offers to, a Borrower for a Product Switch.
- (b) The Seller undertakes to the Issuer that it is and shall at all times remain solely responsible for documenting any relevant offer or, accepting any application, for a Product Switch made to or, received from, a Borrower with respect to any relevant Loan.
- (c) The Issuer shall not itself accept any application from, or make offers to, relevant Borrowers for Product Switches.
- (d) The Seller shall notify (by a notice in the form of **Schedule 9** hereto) the Issuer on the Monthly Pool Date following the Monthly Period in which any Product Switch was made of any such Product Switches made during the previous Monthly Period. This notice can be combined with the notice specified in **Clause 4.1(f)** above.
- (e) In the event that the Seller makes a Product Switch in respect of any relevant Loan in the Portfolio under the terms of this **Clause 4.2**, the relevant Loan in respect of which a Product Switch is made will remain in the Portfolio provided that it satisfies the Asset Conditions and it is a Permitted Product Switch.
- (f) If the Servicer determines on the Monthly Test Date immediately following the Monthly Period in which the Product Switch was made that any of the relevant Asset Conditions have not been met as at the last day of the Monthly Period in which such Product Switch was made or the Product Switch was not a Permitted Product Switch as at the last day of the Monthly Period in which such Product Switch was made (or such breach was subsequently discovered in respect of such date) then the Seller will have an obligation to remedy such breach within 90 days after receiving written notice of such breach from the Servicer and if such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 90 day period, the relevant Loan and its Related Security must be repurchased by the Seller at its then Current Balance on the Monthly Pool Date immediately following the receipt of a Loan Repurchase Notice in accordance with **Clause 8** below.



### 4.3 Underpayment Options

- (a) The Seller undertakes to the Issuer that it is and shall at all times remain solely responsible for documenting any election by a Borrower to exercise an Underpayment Option with respect to any relevant Loan.
- (b) The Seller shall notify (by a notice in the form of **Schedule 9** hereto) the Issuer on the Monthly Pool Date following the Monthly Period in which any Underpayment Option was made of any such Underpayment Options made during the previous Monthly Period. This notice can be combined with the notice specified in **Clause 4.1(f)** above.
- (c) In the event that the Seller makes an Underpayment Option in respect of any relevant Loan in the Portfolio under the terms of this **Clause 4.3**, the relevant Loan in respect of which an Underpayment Option is made will remain in the Portfolio provided that it satisfies the Asset Conditions.
- (d) If the Servicer determines on the Monthly Test Date immediately following the Monthly Period in which the Underpayment Option was made that any of the relevant Asset Conditions have not been met as at the last day of the Monthly Period in which such Underpayment Option was made (or such breach was subsequently discovered in respect of such date) then the Seller will have an obligation to remedy such breach within 90 days after receiving written notice of such breach from the Servicer and if such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 90 day period, the relevant Loan and its Related Security must be repurchased by the Seller at its then Current Balance on the Monthly Pool Date immediately following the receipt of a Loan Repurchase Notice in accordance with **Clause 8** below.

### 4.4 General

Notwithstanding anything to the contrary in this Agreement:

- (a) the Seller when offering or making a Further Advance, Underpayment Option or Product Switch must act in accordance with the procedures relating to Further Advances, Product Switches or Underpayment Options (as applicable) which would be acceptable to a Reasonable, Prudent Mortgage Lender; and
- (b) neither the Seller (nor the Servicer acting on behalf of the Issuer) shall take or omit to take any action, including without limitation, offering or making a Further Advance, Underpayment Option or Product Switch (as applicable) if such action or omission would result in the Issuer arranging or advising in respect of, administering or entering into a Regulated Mortgage Contract or agreeing to carry on any of these activities, if the Issuer would be required to be authorised under FSMA to do so.

### 4.5 Solvency Certificate

If the short-term, unsecured, unsubordinated debt obligations of the Seller or (where the Seller does not have an independent rating) YBS fall below P-2 by Moody's or F-2 by Fitch or the Seller or (where the Seller does not have an independent rating) YBS has been put on "Rating Watch Negative" by Fitch such that it is treated by Fitch as being rated below such required ratings as specified above as at a Monthly Pool Date, the Seller must provide to the Issuer and the Security Trustee a solvency certificate (substantially in the form set out in **Schedule 12**), signed by two Authorised Signatories of the Seller.

#### 4.6 Asset Conditions

The Asset Conditions to be met at each Monthly Test Date in respect of any Further Advances, Product Switches and Underpayment Options made in the Monthly Period immediately preceding the Monthly Test Date are:

- (a) the Current Balance of the Loans comprising the Portfolio, in respect of which the aggregate amount in arrears is more than three times the Monthly Payment then due, is less than 5 per cent. of the aggregate Current Balance of the Loans comprising the Portfolio at that date;
- (b) the General Reserve Fund is at the General Reserve Required Amount, or failing such condition, a drawing is made under the Class Z VFN in order to replenish the General Reserve Fund to the General Reserve Fund Required Amount;
- (c) the Cash Manager is not aware that the then current ratings of the Class A Notes then outstanding would be downgraded, withdrawn or qualified as a result of the relevant Product Switch, Underpayment Option and/or Further Advance remaining in the Portfolio;
- (d) each Loan and its Related Security which is the subject of a Further Advance, Product Switch and/or an Underpayment Option complies at the date of such Further Advance, Product Switch and/or Underpayment Option with the Loan Warranties;
- (e) the Rating Agency Tests will not be breached as a result of the relevant Further Advance, Product Switch and/or Underpayment Option remaining in the Portfolio (after taking into account any drawing under the Class Z VFN);
- (f) the Eligibility Criteria have not been breached;
- (g) if the making of a Product Switch would result in a New Loan Type being included in the Portfolio and advance notice in writing of any such Loans subject to a Product Switch and/or Further Advance remaining in the Portfolio has been provided to Moody's and Fitch and there being no reduction, qualification or withdrawal by Moody's or Fitch of the then current ratings of the Class A Notes as a consequence thereof;
- (h) the Interest Rate Swap Agreement, which for Fixed Rate Loans and SVR Loans, comply with Moody's and Fitch's interest rate hedging criteria at that time, hedge against the interest rates payable in respect of such Further Advance, Product Switch and/or Underpayment Option until the maturity of such Loan;
- (i) the Class A Principal Deficiency Ledger does not have a debit balance as at the most recent Interest Payment Date after applying all Available Revenue Receipts on that Interest Payment Date;
- (j) the aggregate amount of all Further Advances (including the Further Advances made since the Closing Date) does not exceed 3 per cent. of the Current Balance of the Loans comprised in the Portfolio on the Closing Date;
- (k) if the short-term, unsecured, unsubordinated debt obligations of the Seller or (where the Seller does not have an independent rating) YBS are rated less than P-2 by Moody's or F-2 by Fitch or the Seller or (where the Seller does not have an independent rating) YBS has been put on "Rating Watch Negative" by Fitch such that it is treated by Fitch as being rated below such required ratings as specified above, respectively as at a Monthly Pool Date, the Seller has delivered a Solvency Certificate to the Security Trustee in accordance with **Clause 4.5;**

- (l) in respect of Further Advances, Product Switches or Underpayment Options, the Further Advance Date, the Switch Date or the Option Date (as the case may be) falls before the Step-Up Date; and
- (m) in respect of any Loan which is the subject of an Underpayment Option, the aggregate of the Overpayment Reserves in respect of all Loans comprising the Portfolio does not exceed 4 per cent. of the Current Balance of the Loans comprised in the Portfolio as at the relevant Monthly Test Date.

## **5. TRUST OF MONIES**

- 5.1 Notwithstanding the sales effected by this Agreement, (or by each Scottish Declaration of Trust declared pursuant hereto) if at, or at any other time after the Closing Date (but prior to any repurchase in accordance with **Clause 8**) the Seller holds, or there is held to its order, or it receives, or there is received to its order any property, interests, rights or benefits and/or the proceeds thereof (including, without limitation, the proceeds of any claim under the Third Party Buildings Policies) hereby agreed to be sold to the Issuer (or otherwise held on trust by the Seller for the Issuer under the Scottish Declaration of Trust) (and not repurchased by the Seller pursuant to **Clause 8**), the Seller undertakes to each of the Issuer and the Security Trustee that, subject to **Clause 6**, it will promptly remit, assign and/or transfer the same to the Issuer or, if appropriate, the Security Trustee or as any of them shall direct and until it does so or to the extent that the Seller is unable to effect such remittance, assignment or transfer, it will hold such property, interests, rights or benefits and/or the proceeds thereof upon trust for the Issuer.
- 5.2 If at, or any time after, the Closing Date the Issuer holds, or there is held to its order, or it receives, or there is received to its order, any property, interests, rights or benefits relating to any Loan and its Related Security repurchased by the Seller pursuant to **Clause 8** and/or the proceeds thereof, the Issuer undertakes to the Seller that it will remit, assign, re-assign, retrocess or transfer the same to the Seller, as the case may require, and until it does so or to the extent that the Issuer is unable to effect such remittance, assignment, re-assignment, retrocession or transfer, the Issuer undertakes to hold such property, interests, rights or benefits and/or the proceeds thereof upon trust for the Seller as the beneficial owner thereof or as the Seller may direct PROVIDED THAT the Issuer shall not be in breach of its obligations under this **Clause 5.2** if, having received any such monies and paid them to third parties in error, it pays an amount equal to the monies so paid in error to the Seller in accordance with the Servicing Agreement.

## **6. PERFECTION OF THE SALE**

- 6.1 Completion of transfer by way of assignment or, in the case of Scottish Loans and their Related Security, assignation, of the legal title of the Loans and their Related Security to the Issuer will be completed on or before the 20th Business Day after the earliest to occur of the following:
  - (a) the Seller being required to perfect legal title to the Loans and their Related Security:
    - (i) by an order of a court of competent jurisdiction;
    - (ii) by a regulatory authority which has jurisdiction over the Seller; or
    - (iii) by any organisation of which the Seller is a member or whose members comprise, but are not necessarily limited to, mortgage lenders with whose instructions it is customary for the Seller to comply; or
  - (b) it becoming necessary by law to do any or all of the acts referred to in paragraph (a) above; or

- (c) the security under the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee, in jeopardy and the Security Trustee being required by the Note Trustee (on behalf of the Noteholders) so long as any Notes are outstanding or the other Secured Creditors if no Notes are then outstanding to take action to reduce that jeopardy; or
- (d) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (e) the occurrence of a Seller Insolvency Event.

6.2 For the avoidance of doubt, prior to the completion of the assignment, assignation, or transfer (as appropriate) of any Loan and its Related Security to the Issuer pursuant to **Clause 6.1**, with effect from the Closing Date relating to that Loan and its Related Security legal title to each Loan and its Related Security in the Portfolio shall be vested in the Seller and sole beneficial title and interest shall be vested in the Issuer. Prior to perfection of the transfer of the legal title to Loans and their Related Security pursuant to this **Clause 6**, the Seller undertakes (to the extent that any of the following is vested in it) to hold all right, title, interest and benefit (both present and future) in and under (a) the Loans and their Related Security, following the acquisition of such Loans and their Related Security by the Issuer and (b) any sums that are or may become due in respect thereof, on trust for the Issuer (excluding from such trust any Loans which have been repurchased by the Seller).

6.3 Perfection of the transfer, assignation and assignment in accordance with **Clause 6.1** of:

- (a) the English Mortgages in the Portfolio shall be effected by means of a transfer in the form of the relevant Land Registry Transfer set out in **Schedule 2** (Register of Transfers);
- (b) an SLR Transfer in the case of Mortgages over Properties title to which is registered in the Land Register of Scotland (substantially in the form set out in **Part 1 of Schedule 3**);
- (c) a Sasine Transfer, in the case of Mortgages over Properties title to which is recorded in the General Register of Sasines (substantially in the form set out in **Part 3 of Schedule 3**); and
- (d) the Loans and relevant Related Security shall be effected through notification to the relevant Borrowers and/or guarantors and/or insurers or other relevant third parties of the sale and transfer or assignment or assignation of the relevant Loans and their Related Security,

and, in each case, notice shall be given to each Borrower or any other relevant person of the sale and transfer of that Borrower's Loan and its Related Security to the Issuer and the charge by the Issuer of the Issuer's interest in that Borrower's Loan and its Related Security to the Security Trustee pursuant to the Deed of Charge.

6.4 Perfection of the transfer of other Related Security comprised in the Portfolio not catered for in **Clause 6.3** (including in respect of any Mortgage over unregistered land), shall be in such form as the Issuer and the Security Trustee may require.

6.5 Prior to perfection pursuant to **Clause 6.1**, the Issuer and the Security Trustee will not:

- (a) submit or require the submission of any notice, form, request or application to, or pay any fee for the registration of, or the noting of any interest at the Land Charges Department of The Land Registry or, the Registers of Scotland, in relation to, the Issuer's or Security Trustee's interests in the Portfolio;

- (b) give or require the giving of any notice to any Borrower or any other relevant person of the sale or transfer of that Borrower's Loan and its Related Security to the Issuer, the declaration of the Scottish Declaration of Trust, or the charge by the Issuer of the Issuer's interest in that Borrower's Loan and its Related Security to the Security Trustee pursuant to the Deed of Charge;
- (c) send or require to be sent to any solicitor, or (in Scotland) qualified conveyancer who has acted on behalf of the Seller in respect of any Mortgage with respect to which the Seller has not received a complete set of the Title Deeds, a letter or other communication requiring such solicitor, or (in Scotland) qualified conveyancer to hold such documents to the order of the Issuer or the Security Trustee (as the case may be); or
- (d) take any other step or action analogous to those in paragraphs (a) to (c) above.

6.6 Within twenty-five (25) Business Days following perfection of the assignments, assignments, or transfers contemplated by this Agreement pursuant to **Clause 6.1**, the Seller will do all of the acts, matters or things (including, for the avoidance of doubt, those acts, matters and things referred to in **Clause 6.5**) as the Security Trustee or the Issuer requires the Seller to do, including providing a bulk transfer of Direct Debit Mandates and, in the case of all Borrowers who do not make payment by Direct Debit, ensuring that all Borrowers will be instructed to make all payments under the Loans directly to the GIC Account or such replacement bank account as the Security Trustee or the Issuer requires in order to give effect to the terms of the assignments and assignments contemplated in this Agreement, including without limitation completing all registration formalities.

6.7 The Seller shall indemnify each of the Issuer and the Security Trustee from and against any and all costs, fees and expenses (including, without limitation, legal fees and expenses and any applicable VAT thereon) which may be properly incurred by the Issuer and/or the Security Trustee and by reason of the doing of any act, matter or thing in order to perfect legal title to the Loans and their Related Security (where entitled to do so under this **Clause 6**) including those relating to the discharge of any charges in favour of a third party which have not been postponed to a Further Advance.

6.8 The Issuer (subject to the prior written consent of the Security Trustee) shall, as soon as reasonably practicable following receipt of notification to it, or its agents, of completion of the registration or recording of the transfer of all of the relevant Mortgages and other acts required to perfect the transfer of the relevant Loans and their Related Security, give notice thereof to the Seller and with such notice return the Seller Power of Attorney.

## 7. UNDERTAKINGS

7.1 The Issuer undertakes to the Seller that it will at all times (or will direct the relevant Servicer at all times to) use reasonable endeavours to administer and enforce (and exercise its powers and rights and perform its obligations under) the Loans comprised in the Portfolio and their Related Security in accordance with the policies set out at **Schedule 11** (Seller's Policies) to this Agreement (subject to such changes made by the Seller prior to transfer of legal title to the Loans in accordance with **Clause 6** in accordance with the standard of a Reasonable, Prudent Mortgage Lender).

7.2 The Seller and the Issuer undertake to each other and to the Security Trustee that if and to the extent that any determination shall be made by any court or other competent authority or any ombudsman or regulator that:

- (a) any term which relates to the recovery of interest under the Standard Documentation applicable to a Loan and its Related Security is unfair; or

- (b) the Standard Variable Rate or any other discretionary interest rate or margin payable under any Loan (subject to any applicable caps, discounts and fixed rates) may not be set by any successors or assigns of the Seller or those deriving title from it; or
- (c) there has been any breach of or non-observance or non-compliance with any obligation, undertaking, covenant or condition on the part of the Seller relating to the interest payable by or applicable to a Borrower under any Loan,

then, subject to the receipt by the Security Trustee of a certificate signed by two authorised signatories of the Servicer stating that such a determination has been made under paragraph (a), (b), or (c) above (which the Security Trustee shall be entitled to accept as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all Secured Creditors), the Issuer will serve upon the Seller a notice in the form of the Loan Repurchase Notice substantially in the form set out in **Schedule 6** (Loan Repurchase Notice) requiring the Seller to repurchase the relevant Loan and all other Loans under the relevant Mortgage Account and its Related Security in accordance with **Clause 8.8** (but in the case of a determination in respect of paragraph (b) above, only if at any time on or after such determination, the Standard Variable Rate of the Seller (as applicable) or other discretionary interest rate or margin shall be below or shall fall below the standard variable rate of interest set by such successors or assigns or those deriving title from them).

- 7.3 The Seller undertakes to the Issuer and the Security Trustee that (i) if its or (where the Seller does not have an independent rating) YBS's long term unsecured, unsubordinated and unguaranteed debt obligations cease to be assigned a long term credit rating from Moody's of at least Baa3 or from Fitch of at least BBB- (or such other long term rating which is otherwise acceptable to the relevant Rating Agency), the Seller (unless Moody's and/or, as the context may require, Fitch, as applicable, confirms that the current ratings of the Class A Notes will not be adversely affected) will deliver to the Issuer and the Security Trustee details of the names and addresses of the Borrowers with Loans then in the Portfolio, which may be provided in the document stored upon electronic media and a draft letter of notice to such Borrowers of the sale and assignment or assignation of the Loans (for the avoidance of doubt including any Scottish Loans) and their Related Security to the Issuer and (ii) if its or (where the Seller does not have an independent rating) YBS's long term unsecured, unsubordinated and unguaranteed debt obligations cease to be assigned a long term credit rating from Moody's of at least Baa3 or the Seller or (where the Seller does not have an independent rating) YBS has been put on "Rating Watch Negative" by Fitch such that it is treated by Fitch as being rated below such required ratings as specified above (in each case, unless Moody's and/or, as the context may require, Fitch, as applicable, confirms that the current ratings of the Class A Notes will not be adversely affected), the Seller shall deliver an update of such information to the same parties on a monthly basis thereafter PROVIDED THAT, should the Seller be required as described in this **Clause 7.3** to provide the details of the names and addresses of Borrowers to the Security Trustee and the Issuer, each of the Security Trustee and the Issuer hereby agrees to appoint an agent that is located in the United Kingdom and which maintains all appropriate registrations, notifications, licences and authorities (if any) required under the Data Protection Act 1998 to receive and maintain such information on its behalf and security measures satisfactory to the Seller (acting reasonably) for protecting personal data.

- 7.4 The Seller undertakes to the Issuer and the Security Trustee that, pending perfection of the assignment, assignation, or transfer after the occurrence of any event under **Clause 6**, the Seller:
- (a) shall not do or omit to do any act or thing which might prejudice the interests of the Issuer and/or the Security Trustee in the Portfolio;
  - (b) shall promptly notify the Issuer and the Security Trustee in writing if it receives written notice of any litigation or claim calling into question in any material way that Seller's or the

Issuer's title to any Loan comprised in the Portfolio or its Related Security or if it becomes aware of any material breach of any of the Loan Warranties or other obligations under this Agreement unless such breach is rectified or such Loan is repurchased by the Seller;

- (c) shall, if required so to do by the Issuer or the Security Trustee, participate or join in any legal proceedings to the extent necessary to protect, preserve and enforce that Seller's or the Issuer's or the Security Trustee's title to or interest in any Loan or its Related Security PROVIDED THAT the Seller is reimbursed by the Issuer, in the case of the Issuer subject to and in accordance with the relevant Priority of Payments under and in accordance with the Transaction Documents, for the reasonable legal expenses and costs of such proceedings;
- (d) shall use all reasonable endeavours to obtain as soon as reasonably possible:
  - (i) that information which accurately and definitively identifies the relevant Mortgages (which may, for the avoidance of doubt, include the relevant title number) to each Property in respect of which a Mortgage is registered at the Land Registry or the Land Register of Scotland and the recording date and county of each Scottish Mortgage which is recorded in the General Register of Sasines (to the extent that such data does not appear in the Portfolio Notice or the annexure to the Scottish Declaration of Trust), provided that following the occurrence of an Event of Default, the Seller shall use reasonable endeavours to obtain as soon as reasonably possible in respect of the Mortgages over Properties located in England and Wales the title numbers to each Property in respect of which a Mortgage is registered at the Land Registry or, in respect of Scottish Mortgages, the Land Register of Scotland title numbers to each Property in respect of which a Mortgage is registered at the Land Register of Scotland and the recording county and recording date of each Mortgage over Properties located in Scotland recorded in the General Register of Sasines in each case to the extent such title number or other such information has not yet been provided;
  - (ii) the title number to each relevant Property in respect of which a Mortgage is registered in the Land Register of Scotland and the recording dates and/or, where necessary, the recording county of each Scottish Mortgage recorded at the General Register of Sasines to the extent that such title number or recording date or recording county does not appear in Part 1 of the Appendix to this Agreement; and
  - (iii) shall, where relevant, make and enforce claims under the Third Party Building Policies relating to the Properties of which it has the benefit and hold the proceeds of such claims on trust for the Issuer or as the Issuer may direct.

7.5 The Seller undertakes to the Issuer and the Security Trustee that it shall grant security powers of attorney to the Issuer and the Security Trustee substantially in the form set out in **Schedule 5** (Seller Power of Attorney) allowing any of the Issuer, the Security Trustee and their delegates from time to time (*inter alia*) to set the Standard Variable Rate and other discretionary rates and margins applicable to Loans (subject to the applicable Mortgage Conditions and **Clause 7.1**) in the circumstances referred to in **Clause 4** of the relevant Servicing Agreement PROVIDED THAT nothing in this **Clause 7.5** shall prevent the Seller (or any of its attorneys from time to time) from setting the interest rate applicable to a relevant Loan higher than those set or to be set or required or to be required by the Issuer or the Security Trustee or any delegate thereof. The Seller further undertakes to the Issuer and the Security Trustee that it will provide (and will procure that any successor, transferee or assignee provides), if required by the Issuer or the Security Trustee, a further power of attorney substantially in the form set out in **Schedule 5** (Seller Power of Attorney) including, for the avoidance of doubt, following any property transfer pursuant to the terms of the Banking Act 2009.

- 7.6 Unless (following an Event of Default) either the Security Trustee or the Issuer needs to ensure that there is no Shortfall (as defined in **Clause 4.3** of the Servicing Agreement) neither the Security Trustee nor the Issuer shall set the Standard Variable Rate and other discretionary mortgage rates and margins for Loans which are in the Portfolio (disregarding any discounts or additions to it) at rates higher than the then equivalent rates for loans originated by the Seller which are not in the Portfolio. Notwithstanding any provision of this Agreement or any other Transaction Document, the Security Trustee shall not be bound to take any steps to ascertain whether or not there is a Shortfall and, until it shall have actual knowledge or express notice pursuant to the Deed of Charge to the contrary, the Security Trustee shall be entitled to assume that no such Shortfall exists.

## **8. WARRANTIES AND REPURCHASE BY THE SELLER**

- 8.1 (a) The Seller hereby makes the Loan Warranties in relation to each of the Loans and their Related Security in the Portfolio on the Closing Date in favour of the Issuer and the Security Trustee.
- (b) The Seller hereby makes the Loan Warranties in relation to each Loan which is subject to a Further Advance made by the Seller on the last day of the Monthly Period in which the relevant Advance Date occurred in favour of the Issuer and the Security Trustee.
- (c) The Seller hereby makes the Loan Warranties in relation to each Loan which is subject to a Product Switch made by the Seller on the last day of the Monthly Period in which the relevant Switch Date occurred in favour of the Issuer and the Security Trustee.
- (d) The Seller hereby makes the Loan Warranties in relation to each Loan which is subject to an Underpayment Option made by the Seller on the last day of the Monthly Period in which the relevant Option Date occurred in favour of the Issuer and the Security Trustee
- (e) Each statement comprised in the Loan Warranties shall be construed as a separate statement and (save as expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other such statement.
- (f) The Seller acknowledges:
- (i) that the Loan Warranties are made with a view to inducing the Issuer and the Security Trustee either to enter into this Agreement and the other Transaction Documents to which it is a party or to inducing the Issuer to agree to purchase the Loans and their Related Security;
- (ii) that each of the Issuer and the Security Trustee has entered into this Agreement and the other Transaction Documents to which it is a party in reliance upon the Loan Warranties notwithstanding any information in fact possessed or discoverable by the Issuer and/or the Security Trustee or otherwise disclosed to any of them; and
- (iii) that prior to entering into this Agreement and the other Transaction Documents to which each is a party neither the Issuer nor the Security Trustee has made any enquiries of any matter.
- (g) The Security Trustee and the Issuer acknowledge that they have not entered into this Agreement in reliance upon any representation, warranty or undertaking other than those set out in this Agreement or upon any other enquiry, investigation or search whatsoever.



8.2 The Issuer's and the Security Trustee's sole remedy in respect of a breach of any of the Loan Warranties shall be to take action under this **Clause 8**. Furthermore, in respect of any actual or alleged breach of **Clause 8.1**, the Issuer shall, as applicable:

- (a) notify the Seller as soon as reasonably practicable following any claim by any person of or arising from such actual or alleged breach and thereafter keep the Seller informed in relation to such claim;
- (b) not settle or compromise any such claim made or otherwise do anything which may be prejudicial to the position of the Seller in relation thereto having regard to this Agreement, except pursuant to the written directions of the Seller or with the Seller's prior written approval, such directions and approval not to be unreasonably withheld; and
- (c) comply with the Seller's reasonable directions as to answering, disputing, defending, compromising, settling, or otherwise in relation to the claim made or initiated (including without limitation the instruction of particular legal advisers), and if and to the extent required by the Seller, do such things as the Seller may reasonably require to enable and authorise the Seller or persons nominated by the Seller to answer, dispute, defend, compromise, settle or otherwise deal with any such claim, or mitigate loss or potential loss on behalf of the Issuer,

subject in each case to the Seller indemnifying the Issuer and the Security Trustee against the consequences (including the direct costs) of complying with the Seller's directions and requirements.

8.3 In the event of a material breach of any of the Loan Warranties in respect of any Loan and/or its Related Security made under **Clause 8.1** or if any of those Loan Warranties proves to be materially untrue in the case of a Loan in respect of which a Further Advance, Product Switch or Underpayment Option is made as at the last day of the Monthly Period in which such Further Advance, Product Switch or Underpayment Option is made as tested at the Monthly Test Date immediately after the Monthly Period in which the Seller made the relevant Further Advance, Underpayment Option or Product Switch (as the case may be):

- (a) the Issuer shall give notice to the Seller as soon as reasonably practicable and in any event within 30 days of discovery of such breach or breaches, specifying the Loans to which such breach or breaches relate and (in reasonable detail having regard to its level of knowledge) the facts giving rise to such breach or breaches and where practicable what, in its reasonable opinion, is its best estimate (on a without prejudice basis) of the amount of any warranty claim;
- (b) the Seller shall use all reasonable endeavours to remedy the matter giving rise to any breach of a Loan Warranty at any time within 90 days from and including the date upon which the Issuer gives notice under paragraph (a).

Where the Seller fails to remedy the matter giving rise to the breach of a Loan Warranty within the above 90 day period, then, subject to the prior written consent of the Security Trustee (which shall be given upon receipt by the Security Trustee of a certificate signed by two authorised signatories of the Servicer stating that a determination has been made that the repurchase of such Loans pursuant to this **Clause 8** is for equivalent value (which shall mean equivalent value in the proceeds of further funding under the Class Z VFN)), the Issuer shall serve upon the Seller a Loan Repurchase Notice in duplicate substantially in the form set out in **Schedule 6** (Loan Repurchase Notice) requiring the Seller repurchase the relevant Loan (which, for the avoidance of doubt, shall include any Loan to which a Further Advance, Product Switch or Underpayment Option relates) and its Related Security (and any other Loan secured or intended to be secured by that Related Security or any part of it) in accordance with **Clause 8.8**.

- 8.4 If the Seller accepts an application from, or makes an offer (which is accepted) to, a Borrower for a Further Advance in respect of any Loan in the Portfolio and the Asset Conditions set out in **Clause 4.6** (other than that set out in **Clause 4.6(d)**) are not satisfied on the Monthly Test Date immediately following the Monthly Period in which the Further Advance was made and the Seller fails to remedy the matter giving rise to such breach within 90 days from and including such Monthly Test Date, then the Issuer shall serve on the Seller a Loan Repurchase Notice (in duplicate) substantially in the form set out in **Schedule 6** (Loan Repurchase Notice) requiring the Seller to repurchase the relevant Loan which is the subject of the Further Advance and its Related Security in accordance with **Clause 8.8**. Any breach of **Clause 4.6(d)** in the case of a Further Advance shall be subject to **Clause 8.3** (above).
- 8.5 If the Seller accepts an application from, or makes an offer (which is accepted) to, a Borrower for a Product Switch in respect of any Loan in the Portfolio and (A) the Product Switch was not a Permitted Product Switch and (B) the Asset Conditions set out in **Clause 4.6** are not satisfied on the Monthly Test Date immediately following the Monthly Period in which the Product Switch was made and the Seller fails to remedy the matter giving rise to such breach within 90 days from and including such Monthly Test Date, then the Issuer shall serve on the Seller a Loan Repurchase Notice (in duplicate) substantially in the form set out in **Schedule 6** (Loan Repurchase Notice) requiring the Seller to repurchase the relevant Loan which is the subject of the Product Switch and its Related Security in accordance with **Clause 8.8**. If the Seller accepts an application from, or makes an offer (which is accepted) to, a Borrower for a Product Switch which converts a Loan to a Buy to Let Loan that Loan shall be in material breach of the Loan Warranties and **Clause 8.3** above shall apply.
- 8.6 If the Seller accepts an application from a Borrower for an Underpayment Option in respect of any Loan in the Portfolio and the Asset Conditions set out in **Clause 4.6** are not satisfied on the Monthly Test Date immediately following the Monthly Period in which the Underpayment Option was made and the Seller fails to remedy the matter giving rise to such breach within 90 days from and including such Monthly Test Date, then the Issuer shall serve on the Seller a Loan Repurchase Notice (in duplicate) substantially in the form set out in **Schedule 6** (Loan Repurchase Notice) requiring the Seller to repurchase the relevant Loan which is the subject of the Underpayment Option and its Related Security in accordance with **Clause 8.8**. Any breach of **Clause 4.6(d)** in the case of an Underpayment Option shall be subject to **Clause 8.3** (above).
- 8.7 If an Interest Rate Swap Agreement has a notional balance greater than zero or if a replacement interest rate swap provider is appointed on terms similar to those set out in the Interest Rate Swap Agreement, then if any Back-to-Back Swap relating to that Interest Rate Swap Agreement is terminated, the Issuer shall promptly serve on the Seller a Loan Repurchase Notice (in duplicate) substantially in the form set out in **Schedule 6** (Loan Repurchase Notice) requiring the Seller to repurchase any Loan subject to a Further Advance, Product Switch or Underpayment Option in accordance with **Clause 8.8**.
- 8.8 Upon receipt of a Loan Repurchase Notice duly signed on behalf of the Issuer, the Seller shall promptly sign and return a duplicate copy, and the Seller shall repurchase from the Issuer and the Issuer shall accordingly re-assign or re-transfer to the Seller free from the Security created by or pursuant to the Deed of Charge, the relevant Loan or Loans and its (or their) Related Security (and any other Loan secured or intended to be secured by that Related Security or any part of it). Completion of such repurchase pursuant to this **Clause 8.8** shall take place (i) on the Monthly Pool Date immediately following the receipt of such Loan Repurchase Notice or (ii) such other date as the Issuer may direct in the Loan Repurchase Notice (PROVIDED THAT the date so specified by the Issuer shall not be later than ninety (90) days after receipt by the Seller of such notice).
- 8.9 On the repurchase date specified in the Loan Repurchase Notice, the Seller shall pay to the appropriate GIC Account (or as the Issuer shall direct) an amount equal to the aggregate of the

Current Balance (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) of the relevant Loan or Loans (determined as at the relevant Monthly Pool Date (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer)), as the case may be. Where a Loan is repurchased by the Seller, the provisions of **Clause 8.10** shall apply.

- 8.10 On the date of completion of any repurchase of a Loan or Loans and its (or their) Related Security in accordance with this **Clause 8**, the Security Trustee shall be deemed to give its consent to such repurchase (and, for the avoidance of doubt, the release of such Loan from the Security) if the Security Trustee receives written confirmation from an Authorised Signatory of each of the Issuer and the Seller that the repurchase has been made in accordance with this **Clause 8** and the purchase price for such loan or Loans has been paid to the GIC Account (or such other account as the Issuer shall direct).
- 8.11 If the assignment or transfer to the Issuer of such Loan or Loans and its (or their) Related Security has been perfected in accordance with **Clause 6**:
- (a) a transfer of such Mortgage to the Seller in the form of the relevant Land Registry Transfer (or, if the transfer is in respect of unregistered land, in the form agreed between the Issuer and the Seller);
  - (b) if notice has previously been given to the relevant Borrower of the sale of that Borrower's Loan and its Related Security to the Issuer, give further notice to the Borrower of the repurchase of that Borrower's Loan and its Related Security by the Seller; and
  - (c) a re-assignment of the rights of the Issuer in respect of the relevant Related Security other than the relevant Mortgage, in a form reasonably acceptable to the Seller;
  - (d) if the relevant Scottish Mortgage is over a Property the title to which is registered in the Land Register of Scotland an SLR Transfer (substantially in the form set out in **Part 2 of Schedule 3**);
  - (e) if the relevant Scottish Mortgage is over a Property the title to which is recorded in the General Register of Sasines, a Sasine Transfer (substantially in the form set out in **Part 4 of Schedule 3**); and
  - (f) a notification to the Servicer that all further sums due in respect of such repurchased Loan are for the Seller's account.
- 8.12 The Security Trustee agrees and acknowledges that upon the repurchase of a Loan or Loans and its (or their) Related Security in accordance with this **Clause 8** such Loan and its Related Security (and any other related rights under the same) shall be released from the Security constituted by the Deed of Charge.
- 8.13 Upon completion of any purchase, transfer, re-transfer or repurchase pursuant to this **Clause 8**, the Seller shall cease to be under any further obligation to hold any Loan Files, Title Deeds or other documents relating to such Loan or Loans and its (or their) Related Security to the order of the Issuer and if the Issuer holds or has under its control the Loan Files and other documents relating to the Loan or Loans it will return them (or direct the return) to the Seller. Any such purchase, transfer, re-transfer or repurchase by the Seller of or in respect of a Loan or Loans and its (or their) Related Security shall constitute a discharge and release of the Seller from any claims which the Issuer or the Security Trustee may have against the Seller arising from the relevant Loan Warranties in relation to that Loan and its Related Security only but shall not affect any rights arising from a breach of any

other express provision of this Agreement or any Loan Warranty in relation to any other Loan and other Related Security.

- 8.14 Upon any completion of the repurchase by the Seller of any Scottish Loan and its Related Security in accordance with this **Clause 8**, such Scottish Loan and its Related Security shall thereupon be released from the relevant Scottish Trust and shall cease to form part of the relevant Scottish Trust Property.
- 8.15 After the Seller becomes aware of any event and/or fact which may reasonably give rise to an obligation under any Clause of this Agreement to repurchase any Loan it shall notify the Issuer and the Security Trustee in writing thereof as soon as reasonably practicable.
- 8.16 The parties to this Agreement may waive or amend the Loan Warranties, only if they have obtained the written consent of the Security Trustee at or prior to the time the amendment or waiver takes place. The Security Trustee shall be entitled to consent to such waiver or amendment provided that it receives written confirmation from the Cash Manager (and signed by two Authorised Signatories) that the then current ratings of the Class A Notes will not downgraded, withdrawn or qualified.
- 8.17 The terms of this **Clause 8** shall not prejudice the rights of the Issuer.
- 8.18 If a breach of a Loan Warranty arises in respect of any Loan and (in either case) no repurchase requirement arises in respect of the Seller pursuant to this **Clause 8** neither the Issuer nor the Security Trustee shall have any claim against the Seller in respect of, or in relation to, such breach of Loan Warranty in relation to that Loan. For the avoidance of doubt, save as provided for in this **Clause 8**, the Seller is not obliged to repurchase any other Loan or its Related Security.
- 8.19 If the Seller makes any payment to the GIC Account (or as the Issuer shall direct) in full satisfaction of any claim made by the Issuer or the Security Trustee in relation to any Loan Warranty set out in **Schedule 1** (Loan Warranties), the Issuer or the Security Trustee, as the case may be, shall assign to the Seller such rights as they have against any third party which relate to such claim.
- 8.20 If a Loan has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is due to be repurchased pursuant to this **Clause 8**, the Seller shall not be obliged to repurchase the Loan and the Related Security but shall instead indemnify the Issuer and the Security Trustee against any loss suffered by reason of any Loan Warranty relating to or otherwise affecting that Loan being untrue or incorrect by reference to the facts subsisting at the date on which the relevant Loan Warranty was given, provided that the amount of such indemnity shall not exceed the sum of (a) the Current Balance of the Loan that would have been payable by the Borrower in respect of such Loan on and after the relevant completion date for the repurchase in relation to such Loan had the Loan existed and complied with each of the Loan Warranties set out in **Schedule 1** (Loan Warranties) as at such date in relation to such Loan and (b) interest thereon from such relevant completion date at the weighted average yield of the Loans in the Portfolio, as calculated by the Servicer.

## **9. GUARANTEE**

### **9.1 YBS unconditionally and irrevocably:**

- (a) guarantees to each of the Issuer and (other than in respect of Loans in respect of which the security expressed to be created by or pursuant to the Deed of Charge has been released by the Security Trustee) the Security Trustee the proper and punctual performance by the Seller of the Guaranteed Obligations in accordance with this Agreement and unconditionally and irrevocably undertakes to each of the Issuer and (other than in respect of Loans in respect of which the security expressed to be created by or pursuant to the Deed of Charge has been

released by the Security Trustee) the Security Trustee that if and each time the Seller does not properly perform the Guaranteed Obligations, YBS (or one of its subsidiaries) will procure that the Seller (or, failing which, YBS or one of its subsidiaries) carries out and performs the Guaranteed Obligations forthwith upon first written demand by the Issuer or (other than in respect of the Released Loans) following the Security becoming enforceable, the Security Trustee.

- (b) agrees with the Issuer and the Security Trustee that if any Guaranteed Obligation becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Issuer and/or the Security Trustee immediately on demand against any cost, loss or liability it incurs as a result of the Seller not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due. The amount payable by YBS under this indemnity will not exceed the amount it would have had to pay under this **Clause 9** if the amount claimed had been recoverable on the basis of a guarantee.

9.2 The obligations of YBS under this **Clause 9** will not be affected by an act, omission, matter or thing which, but for this **Clause 9**, would reduce, release or prejudice any of its obligations under this **Clause 9**.

9.3 YBS waives any right it may have of first requiring the Issuer or the Security Trustee to proceed against or enforce any other rights or security or claim payment from any person before claiming from YBS under this **Clause 9**. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary..

## **10. FURTHER ASSURANCE**

10.1 The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents that may be necessary or desirable to give full effect to the transactions contemplated by this Agreement (but subject always to **Clause 6**).

10.2 The Seller shall provide all reasonable co-operation to the Issuer and the Security Trustee to enable them to carry out their respective duties and enforce their rights under the Transaction Documents. Without prejudice to the generality of the foregoing, the Seller shall:

- (a) upon reasonable prior notice and during normal office hours, permit the Issuer, the Security Trustee and their authorised employees and agents and other persons nominated by the Security Trustee and approved by the Seller (such approval not to be unreasonably withheld or delayed), to review the Loans, Loan Files and any Related Security in relation to the Portfolio (subject to such person(s) agreeing to keep the same confidential PROVIDED THAT disclosure shall be permitted to the professional advisors and auditors of the party to whom such disclosure is made and/or to the extent that such disclosure is required by law or for the purpose of any judicial or other proceedings or for the purpose of discharging, in such manner as it thinks fit, its duties under or in connection with any of the Transaction Documents); and/or
- (b) give promptly all such information and explanations relating to the Loans and their Related Security as the Issuer and/or the Security Trustee may reasonably request (including a list of the Loans and their Related Security in the Portfolio),

PROVIDED THAT prior to completion of the transfer of the legal title to the Loans and their Related Security in accordance with **Clause 6**, the Seller shall be under no obligation to provide any information or documentation to any person other than the Issuer and/or the Security Trustee or their respective employees and/or professional advisors or allow such person access to the Loan Files or

Title Deeds if to do so would result in a breach of the applicable Loan Agreement or the Data Protection Act 1998.

## **11. CONSEQUENCES OF BREACH**

Without prejudice to **Clauses 7 and 8**, the Issuer and the Security Trustee severally acknowledge and agree with the Seller, and the Security Trustee acknowledges and agrees with the Issuer, that the Seller shall have no liability or responsibility (whether, in either case, contractual, delictual or tortious, express or implied) for any loss or damage for or in respect of any breach of, or any act or omission in respect of, any of its obligations hereunder other than loss or damage directly (and not indirectly or consequentially) suffered by the Issuer by reason of such breach, act or omission. For this purpose (and without limiting the scope of the above exclusion in respect of indirect or consequential loss or damage) any loss or damage suffered by the Issuer or such assets as a result of the breach, act or omission in question also having been or given rise to an Event of Default or enforcement of the Security created by the Deed of Charge shall be treated as indirect or consequential loss or damage PROVIDED THAT this sentence shall not apply to any direct or non-consequential loss or damage arising from any such breach, act or omission.

## **12. SUBORDINATION**

The Seller agrees with the Issuer and the Security Trustee that on the enforcement of any Mortgage any sums owed to the Seller by a Borrower and which are secured under such Mortgage and the rights and remedies of the Seller in respect of the sums owed to the Seller shall at all times be subject and subordinated to any sums owed to the Issuer by the Borrower and which are secured under such Mortgage and to the rights and remedies of the Issuer in respect of such sums owed to the Issuer by the Borrower.

## **13. NON-MERGER**

Any term of this Agreement to which effect is not given on the Closing Date (including in particular, but without limitation, the liability of the Seller under the Loan Warranties and the indemnity in **Clause 6.7**) shall not merge and shall remain in full force and effect notwithstanding the sale and purchase contemplated by this Agreement.

## **14. NO AGENCY OR PARTNERSHIP**

It is hereby acknowledged and agreed by the parties that nothing in this Agreement shall be construed as giving rise to any relationship of agency, save as expressly provided herein, or partnership between the parties and that in fulfilling its obligations hereunder, each party shall be acting entirely for its own account.

## **15. PAYMENTS/VAT**

- 15.1 Except as otherwise specifically provided, all payments to be made pursuant to this Agreement shall be made in sterling in immediately available funds without exercising or seeking to exercise any right of set-off as may otherwise exist and shall be deemed to be made when they are received by the payee and shall be accounted for accordingly unless failure to receive any payment is due to an error by the payee's bank.
- 15.2 Any sum (or other consideration) payable (or provided) by the Issuer to the Seller pursuant to this Agreement shall be deemed to be inclusive of any VAT chargeable on any supply or supplies for which that sum (or other consideration) is the consideration (in whole or in part) for VAT purposes and section 89 of the Value Added Tax Act 1994 shall not apply to affect the amount of such sum (or other consideration) payable (or provided).

## **16. WAIVERS AND VARIATION**

- 16.1 Exercise or failure to exercise any right under this Agreement shall not, unless otherwise herein provided, constitute a waiver of that or any other right.
- 16.2 Subject to **Clause 24.7** of the Deed of Charge any amendments to this Agreement will be made only with the prior written consent of each party to this Agreement.

## **17. NOTICES**

Any notices to be given pursuant to this Agreement to any of the parties hereto shall be in writing and shall be sufficiently served if sent by prepaid first class post, by hand, by facsimile transmission or by email and shall be deemed to be given (in the case of facsimile transmission) when despatched or (in the case of email) when sent or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Accord, as Seller, to Accord Mortgages Limited, c/o Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (facsimile number: +44 (0)1 2743 91858) for the attention of Treasury Operations Manager;
- (b) in the case of the Issuer, to Brass No.1 PLC, c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (facsimile number: +44 (0) 20 7397 3600) for the attention of The Directors; and
- (c) in the case of the Security Trustee, to Capita Trust Company Limited, 7th Floor, Phoenix House, 18 King William Street, London EC4N 7HE (facsimile number +44 (0)20 7800 4180) for the attention of Corporate Trusts Manager,

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 17**.

## **18. ASSIGNMENT AND SALE**

- 18.1 Subject always to the provisions of **Clause 19**, no party hereto shall be entitled to assign all or any part of its rights or obligations hereunder to any other party without the prior written consent of each of the other parties hereto (which shall not, if requested, be unreasonably withheld) save that the Issuer shall be entitled to assign whether by way of security or otherwise all or any of its rights under this Agreement without such consent to the Security Trustee pursuant to the Deed of Charge and the Security Trustee may at its sole discretion assign all or any of its rights under or in respect of this Agreement without such consent to any successor or additional Security Trustee in exercise of its rights under the Deed of Charge.
- 18.2 The Seller acknowledges that on the assignment pursuant to the Deed of Charge by the Issuer to the Security Trustee of the Issuer's rights under this Agreement, the Security Trustee may enforce such rights in the Security Trustee's own name without joining the Issuer in any such action (which right the Seller hereby waives) and the Seller hereby waives as against the Security Trustee any rights or equities in its favour arising from any course of dealing between the Seller and the Issuer.

## **19. CHANGE OF SECURITY TRUSTEE**

- 19.1 If there is any change in the identity of the Security Trustee in accordance with the Deed of Charge, the Seller and the Issuer shall execute such documents and take such action as the successor or additional Security Trustee and the outgoing Security Trustee may reasonably require for the purpose of vesting in the successor or additional Security Trustee the rights and obligations of the outgoing Security Trustee hereunder and releasing the outgoing Security Trustee from its future obligations under this Agreement and the Seller shall give notice thereof to the Rating Agencies.
- 19.2 It is hereby acknowledged and agreed that by its execution of this Agreement the Security Trustee shall not assume or have any of the obligations or liabilities of the Seller or the Issuer hereunder and that the Security Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement. For the avoidance of doubt, the parties to this Agreement acknowledge that the rights, powers and obligations of the Security Trustee are governed by the Deed of Charge. Any liberty, power or right which may be exercised or determination which may be made under this Agreement by the Security Trustee may be exercised or made in the Security Trustee's absolute discretion without any obligation to give reasons therefor and the Security Trustee shall not be responsible for any liability occasioned by so acting if acting pursuant to the Deed of Charge without prejudice to its express obligations assumed hereunder. For the avoidance of doubt and without prejudice to the obligations of the Issuer, neither the Security Trustee nor any receiver appointed pursuant to the Deed of Charge shall be liable to pay any amounts under this Agreement.

## **20. NON-PETITION**

- 20.1 Each party to this Agreement (other than the Issuer and the Security Trustee) hereby, in addition to and without prejudice to its rights and obligations as a Secured Creditor (including, without limitation, pursuant to **Clause 21.1** of the Deed of Charge), agrees that it shall not take any steps whatsoever to recover any amount due or owing to it pursuant to this Agreement or any other debts whatsoever owing to it by the Issuer, or procure the winding-up or liquidation of the Issuer or the making of an administration order in relation to the Issuer or the filing of documents with the court in relation to the Issuer or the service of a notice of intention to appoint an administrator in relation to the Issuer in respect of any of the liabilities of the Issuer whatsoever other than to the extent expressly permitted under the Deed of Charge.
- 20.2 This **Clause 20** shall survive the termination of this Agreement.

## **21. LIMITED RECOURSE**

- (a) The Seller hereby acknowledges and agrees that all obligations of the Issuer to the Seller in respect of amounts owing to the Seller pursuant to this Agreement are subject to the terms of **Clause 21.2** of the Deed of Charge.
- (b) This **Clause 21** shall survive the termination of this Agreement.

## **22. OBLIGATIONS AS CORPORATE OBLIGATIONS**

### **22.1 No recourse against shareholders and others**

No party to this Agreement shall have any recourse against nor shall any personal liability attach to any shareholder, officer, agent, employee or director of any member of the Issuer in his capacity as such, by any Proceedings or otherwise, in respect of any obligation, covenant, or agreement of any member of the Issuer contained in the Transaction Documents.



**22.2 No liability for obligations of any member of the Issuer**

No party, other than the Issuer, shall have any liability for the obligations of the Issuer and nothing in the Transaction Documents shall constitute the giving of a guarantee, an indemnity or the assumption of a similar obligation by any of other party to the Transaction Documents in respect of the performance by the Issuer of its obligations.

**23. THIRD PARTY RIGHTS**

A person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**24. EXECUTION IN COUNTERPARTS; SEVERABILITY**

24.1 This Agreement may be executed in any number of counterparts (manually or by facsimile) each of which when so executed and delivered is an original, but all the counterparts together constitute the same document. This Agreement shall be fully effective and binding on each party hereto upon at least one copy of this Agreement having been executed and delivered by such party notwithstanding that any other party to this Agreement has executed or has delivered or delivers a counterpart of their Agreement.

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

**25. GOVERNING LAW**

25.1 This Agreement and any non-contractual obligations arising out of or in relation to this Agreement shall be governed by and construed in accordance with the laws of England (other than those terms of this Agreement specific to the law of Scotland which shall be construed in accordance with Scots law).

25.2 Each party to this Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement (including a dispute relating to any non-contractual obligations arising out of or relating to this Agreement), 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 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.

**IN WITNESS WHEREOF** the parties hereto have executed and delivered this Agreement as a deed on the day and year first before written.

**Issuer**

**EXECUTED and DELIVERED as a DEED**  
by **BRASS NO.1 PLC**  
acting by its authorised attorney:  
Attorney  
in the presence of

  
Mark Filer

BIKO TWESIME  


Witness

Name

Address

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

**Seller**

**EXECUTED and DELIVERED as a DEED**

by **ACCORD MORTGAGES LIMITED**

acting by its attorney:

Attorney

in the presence of

Witness

Name

Address

**Cash Manager**

The **COMMON SEAL** of

**YORKSHIRE BUILDING SOCIETY**

is affixed to this **DEED** in the presence of:

By authority of the Board of Directors

**Servicer**

The **COMMON SEAL** of

**YORKSHIRE BUILDING SOCIETY**

is affixed to this **DEED** in the presence of:

By authority of the Board of Directors

**Security Trustee**

**EXECUTED and DELIVERED as a DEED by**

**CAPITA TRUST COMPANY LIMITED**

acting by:

Director:

Director:

Witness

Name

Address

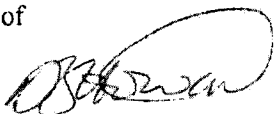
**Seller**

**EXECUTED and DELIVERED as a DEED**  
by **ACCORD MORTGAGES LIMITED**  
acting by its attorney:

Attorney **RICHARD DRIVER**  
in the presence of

)  
) R. S. Driver  
)

Witness



Name

**DAWN HOWARD**

Address

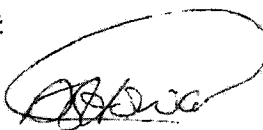
**YORKSHIRE HOUSE**  
**YORKSHIRE DRIVE**  
**BRADFORD W. YORKS**

**Cash Manager**

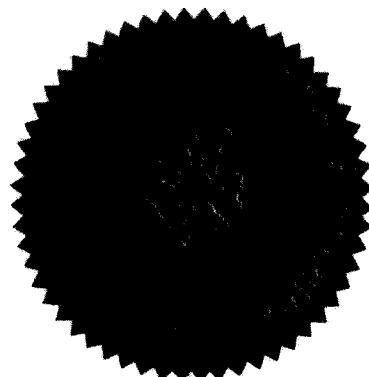
The **COMMON SEAL** of  
**YORKSHIRE BUILDING SOCIETY**  
is affixed to this **DEED** in the presence of:

**DAWN HOWARD**

By authority of the Board of Directors



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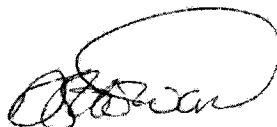


**Servicer**

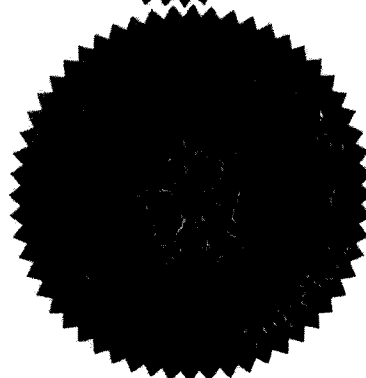
The **COMMON SEAL** of  
**YORKSHIRE BUILDING SOCIETY**  
is affixed to this **DEED** in the presence of:

**DAWN HOWARD**

By authority of the Board of Directors



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**Security Trustee**

**EXECUTED and DELIVERED as a DEED** by  
**CAPITA TRUST COMPANY LIMITED**

acting by:

Director:

Director:

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Witness

Name

Address

**Seller**

**EXECUTED and DELIVERED as a DEED**  
**by ACCORD MORTGAGES LIMITED**  
acting by its attorney:  
Attorney  
in the presence of

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)

Witness

Name

Address

**Cash Manager**

The **COMMON SEAL** of  
**YORKSHIRE BUILDING SOCIETY**  
is affixed to this **DEED** in the presence of:

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)

By authority of the Board of Directors

)

**Servicer**

The **COMMON SEAL** of  
**YORKSHIRE BUILDING SOCIETY**  
is affixed to this **DEED** in the presence of:

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By authority of the Board of Directors

)

**Security Trustee**

**EXECUTED and DELIVERED as a DEED by**  
**CAPITA TRUST COMPANY LIMITED**

)  
)

acting by:

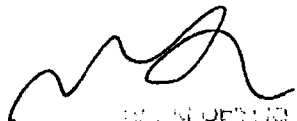

)

Director:

)

Director:

)

  
SEAN PETER MARTIN  
  
BEVERLEY MICHAEL DOUGLAS

## **SCHEDULE 1**

### **LOAN WARRANTIES**

#### **1. Loans**

- 1.1 The particulars of the Loans set out in the Portfolio Notice are true, complete and accurate in respect of the data fields described in the Schedule to the Portfolio Notice as at the Cut-Off Date and in relation to all Loans the details of such loans as recorded in the computer system of the Seller, to the extent they relate to data fields in the relevant Portfolio Notice, are complete, true and accurate as at the Cut-Off Date.
- 1.2 Each Loan was originated or purchased by the Seller in the ordinary course of business and was denominated in pounds Sterling upon origination (or was denominated in euro upon origination or acquisition if the euro has been adopted as the lawful currency of the United Kingdom).
- 1.3 No Loan has a Current Balance of more than £650,000.
- 1.4 Prior to the making of each Initial Advance and Further Advance, the Lending Criteria and all preconditions to the making of any Loan were satisfied in all material respects (for the avoidance of doubt, including but not limited to that the relevant income certification in relation to Borrowers have been performed on all Loans (except for Fast Track Loans)) subject only to such exceptions and waivers as made on a case by case basis as would be acceptable to a Reasonable, Prudent Mortgage Lender.
- 1.5 The Lending Criteria are consistent with the criteria that would be used by a Reasonable, Prudent Mortgage Lender.
- 1.6 Each Loan and its Related Security was made substantially on the terms of the Standard Documentation without any material variation thereto and nothing has been done subsequently to add to, lessen, modify or otherwise vary the express provisions of any of the same in any material respect.
- 1.7 At least two monthly payments due in respect of each Loan have been paid by the relevant Borrower.
- 1.8 The Current Balance on each Loan and its Related Security constitute a legal, valid, binding and enforceable debt due to the Seller from the relevant Borrower and the terms of each Loan and its Related Security constitute valid and binding obligations of the Borrower enforceable in accordance with their terms and non-cancellable except that enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies.
- 1.9 The rate of interest under each Loan is charged in accordance with the Standard Documentation, subject to the terms of any offer letter in relation thereto.
- 1.10 No agreement for any Loan is in whole or in part a regulated agreement or consumer credit agreement (as defined in Section 8 of the Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time) (the CCA)) or, to the extent that any Loan is in whole or in part a regulated agreement or consumer credit agreement, the procedures and requirements set out in the Consumer Credit Act 1974 have been complied with in all material respects.

- 1.11 All of the Borrowers are individuals (and not partnerships) and were aged 18 years or older at the date they executed the relevant Mortgage.
- 1.12 No Loan has a maturity date falling later than three years earlier than the Final Maturity Date.
- 1.13 Each Loan and its Related Security is valid, binding and enforceable in accordance with its terms and is non-cancellable except that enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies.
- 1.14 All approvals, consents and other steps necessary to permit a legal or equitable or beneficial transfer, or a transfer of servicing or other disposal as and in the manner contemplated by the Transaction Documents from the Seller to the Issuer, of the Loans and their related Mortgages to be sold under this Agreement have been obtained or taken and there is no requirement in order for the transfer to be effective to obtain the consent of the Borrower before, on or after any equitable or beneficial transfer or before any legal transfer of the Loans and their related Mortgages and such transfer or disposal shall not give rise to any claim by the Borrower against the Issuer, the Security Trustee or any of their successors in title or assigns.
- 1.15 No Related Security consists of "stock" or "marketable" securities (in either case for the purposes of Section 122 of the Stamp Act 1891), "chargeable securities" (for the purposes of Section 99 of the Finance Act 1986) or a "chargeable interest" for the purposes of Section 48 of the Finance Act 2003.
- 1.16 None of the provisions of the Loans have been waived, altered or modified in any way by the Seller other than:
- (a) any variation agreed with a Borrower to control or manage arrears on a Loan;
  - (b) any variation in the maturity date of a Loan unless the maturity date is later than three years earlier than the Final Maturity Date;
  - (c) any variation imposed by statute or as a result of UK government policy changes or initiatives aimed at assisting homeowners (including Borrowers) in meeting payments on their mortgage loans or any variation in the frequency with which the interest payable in respect of the Loan is charged;
  - (d) any variation to the interest rate as a result of the Borrowers switching to a different rate;
  - (e) any change to a Borrower under the Loan or the addition of a new Borrower under a Loan or removal of a Borrower;
  - (f) any change in the repayment method of the Loan; or
  - (g) any partial release of security where, after such release, the Loan continues to satisfy the applicable LTV ratio requirements set out in the Rating Agency Tests,
- provided that** this Loan Warranty 1.16 does not apply to Product Switches.
- 1.17 No Loan is one or more months in arrears.
- 1.18 So far as the Seller is aware, no Borrower is in breach of any obligation under a Loan other than in respect of Monthly Payments.

- 1.19 No Loan is a Self-certified Loan, Buy to Let Loan, a New Build Loan, an Offset Loan or a Right to Buy Loan.
- 1.20 No Loan had an Unindexed LTV greater than 85% as at the Cut-Off Date.
- 1.21 No Loan had an Indexed LTV greater than 90% as at the Cut-Off Date.
- 1.22 No Borrower had a credit application score of less than 200 in respect of its application for the relevant Mortgage (as determined in accordance with the Seller's origination policies).
- 1.23 To the best of the Seller's knowledge, no Borrower had ever filed for bankruptcy or been sequestrated or had a county court judgment or court decree entered or awarded against him on or prior to the date they executed the relevant Mortgage.
- 1.24 No Loan is guaranteed by a third-party guarantor.
- 1.25 Each Loan has been designated as a prime Loan under the Seller's designated origination policies.
- 1.26 The Seller is not required to make any future further advances under any Loan (such as with future reserve loans and retention loans).
- 1.27 Other than the limited exceptions set out in **Schedule 13** to this Agreement, to the best of the Seller's knowledge, no Borrower had been in arrears with another mortgage lender at any point during the 12 months prior to the date of such Borrower's Initial Advance under its Loan.

## **2. Mortgages**

- 2.1 Subject in certain appropriate cases to the completion of an application for registration or recording at the Land Registry or the Registers of Scotland, as applicable, the whole of the Current Balance on each Loan is secured by a Mortgage or Mortgages over a residential Property and each Mortgage constitutes a valid and subsisting first charge by way of legal mortgage or charge or (in Scotland) first ranking standard security over the relevant Property, and subject only in certain appropriate cases to applications for registrations or recordings at the Land Registry of England and Wales or in the Registers of Scotland which, where required, have been made and are pending and in relation to such cases the Seller is not aware of any notice or any other matter that would prevent such registration or recording.
- 2.2 Each Mortgage is substantially in the form of the pro forma contained in the Standard Documentation which was applicable at the time the Mortgage was executed.
- 2.3 The Borrower has good and marketable title to the relevant Property (subject to registration of the title at the Land Registry or registration or recording at the Registers of Scotland) free from any encumbrance (except the Mortgage and any subsequent ranking mortgage or heritable security) which would materially adversely affect such title and, without limiting the foregoing, in the case of a leasehold or long lease Property:
  - (a) the lease cannot be forfeited or irritated on the bankruptcy or sequestration of the tenant;
  - (b) any requisite consent of the landlord to or notice to the landlord of, the creation of the Related Security has been obtained or given; and
  - (c) a copy of the consent or notice has been or will be placed with the Title Deeds.

### **3. The Properties**

- 3.1 All of the Properties are in England, Wales or Scotland.
- 3.2 Each Property constitutes a separate dwelling unit and is (in England and Wales) either freehold or leasehold or (in Scotland) heritable or held under a long lease.
- 3.3 In relation to each English Mortgage, every person who, at the date upon which the relevant Loan was made, had attained the age of seventeen and who had been notified to the Seller as residing or being about to reside in a Property subject to a Mortgage, is either the relevant Borrower or has signed a Deed of Consent.
- 3.4 In relation to each Scottish Mortgage, all necessary MH/CP Documentation has been obtained so as to ensure that neither the relevant Property nor the relevant Mortgage is subject to or affected by any statutory rights of occupancy under the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or (as applicable) the Civil Partnership Act 2004.
- 3.5 As far as the Seller is aware, no Property has been let by the Borrower otherwise than by way of:
- (a) an assured shorthold tenancy which meets the requirements of Section 19A or Section 20 of the Housing Act 1988;
  - (b) an assured tenancy; or
  - (c) a short assured tenancy which meets the requirements of Section 32 of the Housing (Scotland) Act 1988,
- in each case which meets the Seller's Policy in connection with lettings to non-owners.
- 3.6 No Loan relates to a Property which is not a residential Property.

### **4. Valuers' and Solicitors' Reports**

- 4.1 The Seller has not agreed to waive any of its rights against any valuer, solicitor, licensed or qualified conveyancer or other professional who has provided information, carried out work or given advice in connection with any Loan or Related Security.
- 4.2 Prior to the granting of each Mortgage, the Seller received a Valuation Report from a Valuer on the relevant Property (or such other form of valuation as would be acceptable to a Reasonable, Prudent Mortgage Lender), the contents of which were such as would be acceptable to a Reasonable, Prudent Mortgage Lender.
- 4.3 Prior to making a Loan to a Borrower, the Seller:
- (a) caused its approved solicitors or approved conveyancers to carry out in relation to the relevant Property all investigations, searches and other actions and enquiries which a Reasonable, Prudent Mortgage Lender or its solicitors normally make when lending to an individual on the security of residential property, as the case may be, in England and Wales or Scotland; and
  - (b) received a Certificate of Title from approved solicitors or approved conveyancers relating to such Property and the results thereof were such as would be acceptable to a Reasonable, Prudent Mortgage Lender in order to proceed with the Loan.



## **5. Buildings Insurance**

As far as the Seller is aware, each Property is insured (from the date of completion of the relevant Loan):

- (a) under the Third Party Buildings Policies;
- (b) against all risks usually covered by a Reasonable, Prudent Mortgage Lender in England and Wales and Scotland, advancing money on the security of residential property; and
- (c) to an amount not less than the full reinstatement cost as determined by the relevant valuer.

## **6. The Seller's Title**

- 6.1 Immediately prior to the purchase of any Loan and the Related Security by the Issuer, and subject to registration or recording at the Land Registry or the Registers of Scotland (as the case may be), the Seller has good title to, and is the absolute unencumbered legal and beneficial owner of, all property, interests, rights and benefits in relation to the Loans and Related Security agreed to be sold and/or assigned and/or held in trust by the Seller to or for the Issuer pursuant to this Agreement free and clear of all Security Interests, claims and equities (including, without limitation, rights of set-off or counterclaim and unregistered dispositions which override first registration and unregistered interests which override registered dispositions (as listed in Schedule 1 and Schedule 3 respectively of the Land Registration Act 2002), in the case of any property, interests or rights governed by English law, or any overriding interest as defined in Section 28(1) of the Land Registration (Scotland) Act 1979, in the case of any property, interests or rights governed by Scots law) subject in each case only to this Agreement and the Borrower's equity of redemption and the Seller is not in breach of any covenant or warranty implied by reason of its selling the Portfolio with full title guarantee or in the case of any Scottish Loans and their Related Security, with absolute warrandice (or which would be implied if the relevant Land Registry Transfers or Scottish Transfers, as applicable, were completed and registered or recorded, as appropriate).
- 6.2 As far as the Seller is aware, all steps necessary to perfect the Seller's title to the Loans and the Related Security were duly taken at the appropriate time or are in the process of being taken, in each case (where relevant) within any applicable priority periods or time limits for registration with all due diligence and without undue delay.
- 6.3 The Loan Files relating to each of the Loans and their Related Security are held by, or are under the control of:
  - (a) the Seller; or
  - (b) the relevant Servicer.
- 6.4 Neither the entry by the Seller into this Agreement nor any transfer, assignment, assignation or creation of trust contemplated by this Agreement affects or will adversely affect any of the Loans and their Related Security and the Seller may freely assign and enter into trust arrangements in respect of all its rights, title, interests and benefits therein as contemplated in this Agreement without breaching any term or condition applying to any of them.
- 6.5 The Seller has not knowingly waived or acquiesced in any breach of any of its rights in respect of a Loan or its Related Security, other than waivers and acquiescence such as a Reasonable, Prudent Mortgage Lender might make on a case by case basis.

## **7. Interest Rates payable under the Loans**

Each Loan in the Portfolio is either:

- (a) a Variable Rate Loan or Fixed Rate Loan; or
- (b) a New Loan Type which will not result in the then current ratings of the Class A Notes being downgraded, withdrawn or qualified.

## **8. FSA Regulation**

- 8.1 In respect of any Mortgages entered into after 31 October 2004, the Seller was authorised by and had permission from the FSA for entering into Regulated Mortgage Contracts as lender at the time that it entered into each such Mortgage and continues to be so authorised and hold such permission.
- 8.2 From and including 31 October 2004 the Seller is authorised by and had permission from the FSA for conducting any other regulated activities (as set out in the FSMA (Regulated Activities) Order 2001, as amended (the **Order**)) in respect of a Regulated Mortgage Contract (as defined in Article 61(3)(a) of the Order in respect of the Mortgages).
- 8.3 The Seller has complied in all material respects with all regulatory requirements in respect of the Mortgages, in particular the provisions of MCOB.
- 8.4 The Seller is not aware of any pending action or proceeding by an applicant against the Seller in respect of the Mortgages.
- 8.5 Each officer or employee of the Seller in any capacity which involves a controlled function (as defined in the FSA Rules) or involves the supervision of any person or persons so engaged is and was at all relevant times a validly registered "approved person" in accordance with the FSA Rules.
- 8.6 The Seller has created and maintained all records in respect of the Mortgages in accordance with the FSA Rules and any other Regulatory Requirement.
- 8.7 The Seller has not altered the terms of any letter of offer accepted by a Borrower relating to a Loan or otherwise changed any of the terms and conditions relating to any Loan other than in accordance with the terms and conditions of the letter of offer relating to a Loan as accepted by the applicable Borrower other than as requested by a Borrower.

## **9. General**

- 9.1 The Seller has, since the making of each Loan, kept or procured the keeping of full and proper accounts, books and records as are necessary to show all material transactions, payments, receipts, proceedings and notices relating to such Loan.
- 9.2 Neither the Seller (nor as far as the Seller is aware any of its agents) has received written notice of any litigation, claim, dispute or complaint (in each case, subsisting, threatened or pending) in respect of any Borrower, Property, Loan or Related Security which (if adversely determined) might have a material adverse effect on the value of the Portfolio or any part of it.
- 9.3 There are no governmental authorisations, approvals, licences or consents required as appropriate for the Seller to enter into or to perform its obligations under this Agreement or to render this Agreement legal, valid, binding, enforceable and admissible in evidence in a court in England and Wales or Scotland which have not been obtained.

## **SCHEDULE 2**

### **REGISTER OF TRANSFERS**

#### **PART 1**

##### **SELLER REGISTERED TRANSFER**

**In the form of the Land Registry Form TR4 with such amendments as the Issuer may reasonably require to give effect to the Mortgage Sale Agreement or in such other form as the Issuer may reasonably require to take account of changes in law or practice.**

## **PART 2**

### **ISSUER REGISTERED TRANSFER**

**In the form of the Land Registry Form TR4 with such amendments as the Seller may reasonably require to give effect to any Loan Repurchase Notice in accordance with the Mortgage Sale Agreement or in such other form as the Seller may reasonably require to take account of changes in law or practice.**

### SCHEDULE 3

#### SCOTTISH TRANSFERS

##### PART 1

##### SELLER SLR TRANSFER

We, **ACCORD MORTGAGES LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 02139881), having our registered office at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Transferor**) CONSIDERING THAT in terms of a Mortgage Sale Agreement dated 6 June 2011 among us, the Transferor, Yorkshire Building Society, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered office is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ, Brass No.1 PLC, a limited liability company incorporated under the laws of England and Wales (registered number 07427573), whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Transferee**) and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Mortgage Sale Agreement**) we have sold our whole right, title and interest in and to the Standard Securities and others hereinafter mentioned to the Transferee NOW THEREFORE we the Transferor IN CONSIDERATION of the sums payable in terms of and in implement *pro tanto* of the Mortgage Sale Agreement HEREBY ASSIGN to the Transferee:

- (a) the Standard Securities granted by the respective parties whose names are specified in Column 3 of the Schedule annexed and executed as relative hereto in favour of us, the Transferor, for all sums due and to become due, to the extent of the sums specified in the relative entry in Column 6 of the said Schedule being the amounts now due under the said respective Standard Securities, the said Standard Securities being registered in the Land Register under the Title Number specified in the relative entry in Column 4 of the said Schedule on the date specified in the relative entry in Column 5 of the said Schedule; and
- (b) the whole right, title and interest of us the Transferor in and under all and any personal bonds, credit agreements or agreements for loan (however constituted) secured by the said Standard Securities and granted by or entered into with the said respective parties whose names are specified in Column 3 of the said Schedule:

With interest from and also arrears and accumulations of interest due and unpaid as at [●]: And we grant warrantice:

**IN WITNESS WHEREOF** these presents [consisting of this and the preceding page] together with the Schedule annexed are executed as follows:

**SUBSCRIBED** for and on behalf of  
**ACCORD MORTGAGES LIMITED**

at.....

on.....Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....  
(Print Full Name)

.....

.....

.....  
(Address)

**This is the Schedule referred to in the foregoing Assignment by Accord Mortgages Limited in favour of Brass No.1 PLC**

1	2	3	4	5	6
Account No.	Address	Borrower Full Names	Title Number	Registration Date	Balance Due

..... Attorney  
for and on behalf of  
**ACCORD MORTGAGES LIMITED**

*[When completing the SLR Transfer, please ensure that the pro forma signing details appear on the final page of the SLR Transfer, i.e. on a page containing part of the text of the SLR Transfer. Note that the text of the SLR Transfer does not include the words from "IN WITNESS WHEREOF" to "executed as follows".]*

## PART 2

### ISSUER SLR TRANSFER

We, **BRASS NO.1 PLC**, a limited liability company incorporated under the laws of England and Wales (registered number 07427573), having our registered office at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Transferor**) CONSIDERING THAT in terms of (1) a Mortgage Sale Agreement dated 6 June 2011 among us, the Transferor, Yorkshire Building Society, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered office is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ, Accord Mortgages Limited, a private limited company incorporated under the laws of England and Wales (registered number 02139881), whose registered office is at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Transferee**) and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Mortgage Sale Agreement**) and (2) a Loan Repurchase Notice dated [●] between us, the Transferor, and the Transferee we have sold our whole right, title and interest in and to the Standard Securities and others hereinafter mentioned to the Transferee NOW THEREFORE we the Transferor IN CONSIDERATION of the sums payable in terms of and in implement *pro tanto* of the Mortgage Sale Agreement HEREBY ASSIGN to the Transferee:

- (a) the Standard Securities granted by the respective parties whose names are specified in Column 3 of the Schedule annexed and executed as relative hereto in favour of the Transferee for all sums due and to become due, to the extent of the sums specified in the relative entry in Column 6 of the said Schedule being the amounts now due under the said respective Standard Securities, the said Standard Securities being registered in the Land Register under the Title Number specified in the relative entry in Column 4 of the said Schedule on the date specified in the relative entry in Column 5 of the said Schedule; and
- (b) the whole right, title and interest of us the Transferor in and under all and any personal bonds, credit agreements or agreements for loan (however constituted) secured by the said Standard Securities and granted by or entered into with the said respective parties whose names are specified in Column 3 of the said Schedule:



With interest from and also arrears and accumulations of interest due and unpaid as at [●]: And we grant warrantice:

**IN WITNESS WHEREOF** these presents consisting of this and the preceding page together with the Schedule annexed are executed as follows:

**SUBSCRIBED** for and on behalf of  
**BRASS NO.1 PLC**

at.....

on.....Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....  
(Print Full Name)

.....

.....

.....  
(Address)

**This is the Schedule referred to in the foregoing Assignment by Brass No.1 PLC in favour of Accord Mortgages Limited**

1	2	3	4	5	6
Account No.	Address	Borrowers' Full Names	Title Number	Registration Date	Balance Due

..... Attorney  
for and on behalf of  
**BRASS NO.1 PLC**

*[When completing the SLR Transfer, please ensure that the pro forma signing details appear on the final page of the SLR Transfer, i.e. on a page containing part of the text of the SLR Transfer. Note that the text of the SLR Transfer does not include the words from "IN WITNESS WHEREOF" to "executed as follows".]*

### PART 3

#### SELLER SASINE TRANSFER

We, **ACCORD MORTGAGES LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 02139881), having our registered office at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Transferor**) CONSIDERING THAT in terms of a Mortgage Sale Agreement dated 6 June 2011 among us, the Transferor, Yorkshire Building Society, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered office is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ, Brass No.1 PLC, a limited liability company incorporated under the laws of England and Wales (registered number 07427573), whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Transferee**) and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Mortgage Sale Agreement**) we have sold our whole right, title and interest in and to the Standard Securities and others hereinafter mentioned to the Transferee NOW THEREFORE we the Transferor IN CONSIDERATION of the sums payable in terms of and in implement *pro tanto* of the Mortgage Sale Agreement HEREBY ASSIGN to the Transferee:

- (a) the Standard Securities granted by the respective parties whose names are specified in Column 3 of the Schedule annexed and executed as relative hereto in favour of us, the Transferor, for all sums due and to become due, to the extent of the sums specified in the relative entry in Column 6 of the said Schedule being the amounts now due under the said respective Standard Securities, the said Standard Securities being recorded in the General Register of Sasines for the County specified in the relative entry in Column 4 of the said Schedule on the date specified in the relative entry in Column 5 of the said Schedule; and
- (b) the whole right, title and interest of us, the Transferor, in and under all and any personal bonds, credit agreements or agreements for loan (however constituted) secured by the said Standard Securities and granted by or entered into with the said respective parties whose names are specified in Column 3 of the said Schedule:

With interest from and also arrears and accumulations of interest due and unpaid as at [●]: And we grant warrantice:

**IN WITNESS WHEREOF** these presents [consisting of this and the preceding page] together with the Schedule annexed are executed as follows:

**SUBSCRIBED** for and on behalf of  
**ACCORD MORTGAGES LIMITED**

at.....

on.....Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....  
(Print Full Name)

.....

.....

.....  
(Address)

**This is the Schedule referred to in the foregoing Assignment by Accord Mortgages Limited in favour of Brass No.1 PLC**

1	2	3	4	5	6
Account No.	Address	Borrowers' Full Names	County	Recording Date	Balance Due

..... Attorney  
for and on behalf of  
**ACCORD MORTGAGES LIMITED**

*[When completing the Sasine Transfer, please ensure that the pro forma signing details appear on the final page of the Sasine Transfer, i.e. on a page containing part of the text of the Sasine Transfer. Note that the text of the Sasine Transfer does not include the words from "IN WITNESS WHEREOF" to "executed as follows".]*

## PART 4

### ISSUER SASINE TRANSFER

We, **BRASS NO.1 PLC**, a limited liability company incorporated under the laws of England and Wales (registered number 07427573), having our registered office at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Transferor**) CONSIDERING THAT in terms of (1) a Mortgage Sale Agreement dated 6 June 2011 among us, the Transferor, Yorkshire Building Society, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered office is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ, Accord Mortgages Limited, a private limited company incorporated under the laws of England and Wales (registered number 02139881), whose registered office is at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Transferee**) and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Mortgage Sale Agreement**) and (2) a Loan Repurchase Notice dated [●] between us, the Transferor, and the Transferee we have sold our whole right, title and interest in and to the Standard Securities and others hereinafter mentioned to the Transferee NOW THEREFORE we the Transferor IN CONSIDERATION of the sums payable in terms of and in implement *pro tanto* of the Mortgage Sale Agreement HEREBY ASSIGN to the Transferee:

- (a) the Standard Securities granted by the respective parties whose names are specified in Column 3 of the Schedule annexed and executed as relative hereto in favour of the Transferee for all sums due and to become due, to the extent of the sums specified in the relative entry in Column 6 of the said Schedule being the amounts now due under the said respective Standard Securities, the said Standard Securities being recorded in the General Register of Sasines for the County specified in the relative entry in Column 4 of the said Schedule on the date specified in the relative entry in Column 5 of the said Schedule; and
- (b) the whole right, title and interest of us the Transferor in and under all and any personal bonds, credit agreements or agreements for loan (however constituted) secured by the said Standard Securities and granted by or entered into with the said respective parties whose names are specified in Column 3 of the said Schedule:

With interest from and also arrears and accumulations of interest due and unpaid as at [●]: And we grant warrantice:

**IN WITNESS WHEREOF** these presents [consisting of this and the preceding page] together with the Schedule annexed are executed as follows:

**SUBSCRIBED** for and on behalf of  
**BRASS NO.1 PLC**

at.....

on.....Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....  
(Print Full Name)

.....

.....

.....  
(Address)

**This is the Schedule referred to in the foregoing Assignment by Brass No.1 PLC in favour of Accord Mortgages Limited**

1	2	3	4	5	6
Account No.	Address	Borrowers' Full Names	County	Recording Date	Balance Due

..... Attorney  
for and on behalf of  
**BRASS NO.1 PLC**

*[When completing the Sasine Transfer, please ensure that the pro forma signing details appear on the final page of the Sasine Transfer, i.e. on a page containing part of the text of the Sasine Transfer. Note that the text of the Sasine Transfer does not include the words from "IN WITNESS WHEREOF" to "executed as follows".]*



## SCHEDULE 4

### SCOTTISH DECLARATION OF TRUST

#### DECLARATION OF TRUST

by

- (1) **ACCORD MORTGAGES LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 02139881), whose registered office is at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Seller**);

in favour of

- (2) **BRASS NO.1 PLC**, a limited liability company incorporated under the laws of England and Wales (registered number 07427573), whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Issuer**).

#### WHEREAS:

- (A) Title to the Scottish Trust Property aftermentioned is held by and vested in the Seller.
- (B) In terms of a Mortgage Sale Agreement dated 6 June 2011 among the Seller, the Issuer, Capita Trust Company Limited (the **Security Trustee**) and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Mortgage Sale Agreement**) the Seller has agreed to sell and transfer *inter alia* the said Scottish Trust Property to the Issuer.
- (C) In implement of **Clause 3.1(a)** of the Mortgage Sale Agreement and pending the taking of legal title to the said Scottish Trust Property by the Issuer, the Seller has undertaken to grant this Deed.

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

#### 1. INTERPRETATION

- 1.1 The master definitions and construction schedule dated 6 June 2011 made among the Seller, the Issuer, the Security Trustee and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, and this Deed shall be construed in accordance with the interpretation provisions set out in **Clause 2** of the Master Definitions and Construction Schedule.
- 1.2 In this Deed, **Scottish Trust Property** shall mean the Scottish Loans and their Related Security brief particulars of which are set out in the Schedule annexed and executed as relative hereto (the **Schedule**) and all right, title, interest and benefit of the Seller in and to:
- (a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest, Capitalised Interest, Capitalised Expenses, Capitalised Arrears and Further Advances) and other sums due or to become due in respect of such Scottish Loans and Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on

all obligations and undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Conditions;

- (b) subject where applicable to the subsisting rights of redemption of Borrowers, all MH/CP Documentation, all Deeds of Consent, all third party guarantees and any other collateral security for the repayment of the relevant Scottish Loans;
- (c) the right to exercise all the powers of the Seller in relation thereto;
- (d) to the extent they are assignable or the benefit thereof can be transferred, each Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, qualified conveyancer, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Scottish Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Scottish Loan or part thereof;
- (e) the Insurance Policies (including, without limitation, the proceeds of all claims to which the Seller is entitled under the Insurance Policies), insofar as they relate to such Scottish Loans; and
- (f) all proceeds resulting from the enforcement of any of such Scottish Loans and their Related Security.

## **2. DECLARATION OF TRUST**

The Seller hereby DECLARES that from and after the date hereof the Seller holds and subject to **Clause 6** below, 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 assignees (whether absolutely or in security) whomsoever.

## **3. INTIMATION**

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

## **4. DEALINGS WITH SCOTTISH TRUST PROPERTY AND NEGATIVE PLEDGE**

The Seller warrants and undertakes that:

- (a) as at the date hereof it holds, subject to any pending registration or recording in the Registers of Scotland, legal title to the Scottish Trust Property unencumbered by any fixed or floating charge, diligence or other Security Interest;
- (b) it shall not create or agree to create any fixed or floating charge or other Security Interest over or which may attach to or affect the whole or any part of the Scottish Trust Property or otherwise dispose of the same at any time when such Scottish Trust Property or part thereof remains subject to the trust hereby created; and
- (c) it shall deal with the Scottish Trust Property (including without prejudice to the foregoing generality the calculation and setting of any interest rate applicable thereto) in accordance with the provisions of the Transaction Documents and the specific written instructions (if any) of the 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 and (for so long as it retains any right or interest in the Scottish Trust Property) the Security Trustee.

## **5. TRANSFER OF TITLE**

- 5.1 The Issuer and its foresaids as beneficiaries hereunder shall have the right to call upon the Seller to execute and deliver to the Issuer or its foresaids, subject to the terms of **Clause 6** of the Mortgage Sale Agreement, valid assignments of the Scottish Trust Property or any part thereof, and that notwithstanding the winding up of the Seller or the appointment of an administrator in respect of the Seller or the appointment of a receiver to all or any part of the Scottish Trust Property.
- 5.2 The Seller undertakes to the Issuer and binds and obliges itself that, upon the occurrence of any one of the events specified in **Clause 6.1** of the Mortgage Sale Agreement, it will within twenty five Business Days of such occurrence provide such information as is necessary to enable the Issuer to complete Scottish Transfers (including all Schedules and annexures thereto) in relation to the whole of the Scottish Trust Property.
- 5.3 For further assuring the said rights and powers specified in this **Clause 5**, the Seller has granted a power of attorney in favour of the Issuer and the Security Trustee substantially in the form set out in schedule 5 to the Mortgage Sale Agreement.

## **6. TERMINATION OF TRUST**

- 6.1 If:
- (a) legal title to any part or parts of the Scottish Trust Property is taken by the Issuer in accordance with the provisions of **Clause 5** above (which, in the case of any Scottish Mortgage, shall be constituted by the registration or recording of the title thereto in the Registers of Scotland); or
  - (b) any part or parts of the Scottish Trust Property forms the subject of a repurchase or purchase in accordance with the terms of **Clause 8** of the Mortgage Sale Agreement,

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

## **7. CHANGE OF TRUSTEE**

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

## **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 and (for so long as it retains any right or interest in the Scottish Trust Property) the Security Trustee.

9. **GOVERNING LAW**

This Deed shall be governed by and construed in accordance with the law of Scotland and each of the parties hereby proroates 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 consisting of this and the preceding [three] pages together with the Schedule annexed are executed as follows:

**SUBSCRIBED** for and on behalf of  
**ACCORD MORTGAGES LIMITED**

at.....

on.....Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....  
(Print Full Name)

.....

.....

.....  
(Address)

**SUBSCRIBED** for and on behalf of  
**BRASS NO.1 PLC**

at.....

on.....

.....Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....  
(Print Full Name)

.....

.....

.....  
(Address)

This [and the following pages] comprise[s] the Schedule referred to in the foregoing Declaration of Trust by Accord Mortgages Limited in favour of Brass No.1 PLC

**DETAILS OF SCOTTISH MORTGAGE LOANS AND RELATED SECURITY**

1	2	3
Balance Due	Name of Borrower	Address of Secured Property

.....  
for and on behalf of  
**Accord Mortgages Limited**  
.....  
Attorney  
for and on behalf of  
**Brass No.1 PLC**

*[When completing the Scottish Declaration of Trust, please ensure that the pro forma signing details appear on the final page of the Scottish Declaration of Trust, i.e. on a page containing part of the text of the Scottish Declaration of Trust. Note that the text of the Scottish Declaration of Trust does not include the words from "IN WITNESS WHEREOF" to "executed as follows".]*

## **SCHEDULE 5**

### **SELLER POWER OF ATTORNEY**

**THIS DEED OF POWER OF ATTORNEY** is made on [●] by:

**ACCORD MORTGAGES LIMITED**, (registered number 02139881), 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (acting in its capacity as the **Seller**)

**IN FAVOUR OF** each of:

- (1) **BRASS NO.1 PLC** registered number 07427573), a limited liability company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Issuer**); and
- (2) **CAPITA TRUST COMPANY LIMITED** (the **Security Trustee**).

**WHEREAS:**

- (A) By virtue of a mortgage sale agreement dated 6 June 2011 and made between (1) the Seller, (2) the Issuer and (3) the Security Trustee (the **Mortgage Sale Agreement**) provision was made for the execution by the Seller of this Power of Attorney.
- (B) Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Master Definitions and Construction Schedule made between the parties to the Transaction Documents on or about 6 June 2011 (as the same may be amended, varied or supplemented from time to time with the consent of the parties to the Master Definitions and Construction Schedule) and this Power of Attorney shall be construed in accordance with the interpretation provisions set out in **Clause 2** of the Master Definitions and Construction Schedule.

**NOW THIS DEED WITNESSETH** as follows:

1. The Seller irrevocably and by way of security for the performance of the covenants, conditions and undertakings on the part of the Seller contained in the Mortgage Sale Agreement and the Servicing Agreement **HEREBY APPOINTS** each of the Issuer and, only following the Security becoming enforceable, the Security Trustee and any receiver and/or administrator appointed from time to time in respect of the Issuer or its assets (each an **Attorney**) severally to be its true and lawful attorney for the Seller and in the Seller's name or otherwise to do any act matter or thing which any Attorney considers necessary or desirable for the protection, preservation or enjoyment of that Attorney's interest in the Loans and their Related Security and/or which ought to be done under the covenants, undertakings and provisions contained in the Mortgage Sale Agreement (in each case subject to the terms of the Mortgage Sale Agreement) including (without limitation) any or all of the following:
  - (a) to execute, sign, seal and deliver (using the company seal of the Seller where appropriate) any conveyance, assignment, assignation or transfer of or trust over the Loans or any of them to the Issuer and its successors in title or to any other person or persons entitled to the benefit thereof;
  - (b) to execute, sign, seal and deliver (using the company seal of the Seller where appropriate) any conveyance, assignment, assignation or transfer of or trust over the Related Security or any item comprised therein (to the extent only that such item or items relate to the Loans) to the Issuer and its successors in title or to any other person or persons entitled to the benefit

thereof or entitled to be registered at The Land Registry as proprietor or registered owner thereof or to be registered in the Land Register of Scotland or recorded in the General Register of Sasines as heritable creditor thereof (as the case may be);

- (c) to do every other act or thing which the Seller is obliged to do under the Mortgage Sale Agreement or which that Attorney may otherwise consider to be necessary proper or expedient for fully and effectually vesting or transferring the interests sold thereunder in the Loans and their Related Security or any or each of them and/or the Seller's estate right and title therein or thereto in or to the Issuer and its successors in title or to any other person or persons entitled to the benefit thereof (as the case may be) in the same manner and as fully and effectually in all respects as the Seller could have done including, without limitation, any of the acts referred to in **Clauses 6.3(a) to 6.3(d)** of the Mortgage Sale Agreement;
- (d) to exercise its rights, powers and discretions under the Loans including the right to fix the rate or rates of interest payable under the Loans in accordance with the terms thereof including, for the avoidance of doubt, whilst such Loans subsist and subject to the consent of the Issuer being given to the setting of such rates, setting the Seller's Standard Variable Rate or other discretionary rates and margins applicable to the Loans in the circumstances referred to in **Clause 4** of the Servicing Agreement and/or following perfection in accordance with **Clause 6.1** of the Mortgage Sale Agreement of the assignments, assignments or transfers contemplated by the Mortgage Sale Agreement PROVIDED THAT nothing in this **Clause 1** shall prevent the Seller (or any of its attorneys from time to time) from setting a higher rate than those set or to be set or required or to be required by the Issuer under this Power of Attorney;
- (e) to discharge the Mortgages or any of them and to sign, seal, deliver and execute such receipts, releases, surrenders, discharges, instruments and deeds as may be requisite or advisable in order to discharge the relevant Property or Properties from the Mortgages or any of them; and
- (f) to exercise all the powers of the Seller in relation to such Loans and their Related Security including for the avoidance of doubt to demand, sue for and receive all monies due and payable under the Loans and their Related Security or any other collateral security or related right.

2. Each Attorney shall have the power by writing under its hand by an officer of the Attorney from time to time to appoint a substitute who shall have power to act on behalf of the Seller as if that substitute shall have been originally appointed Attorney by this Power of Attorney (including, without limitation, the power of further substitution) and/or to revoke any such appointment at any time without assigning any reason therefor.
3. Each of the Attorneys may delegate to one or more person all or any of the powers referred to in **Clause 1** on such terms as it thinks fit and may revoke any such delegation at any time.
4. The Seller hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorneys shall lawfully do or cause to be done in and concerning the Loans or their Related Security by virtue of this Power of Attorney.
5. The laws of England shall apply to this Power of Attorney and any non-contractual obligations arising out of or in relation to this Power of Attorney and the interpretation thereof.
6. A person who is not a party to this Power of Attorney may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.



**IN WITNESS WHEREOF** the Seller has executed and delivered this document as a deed the day and year first before written.

**Seller**

**EXECUTED and DELIVERED as a DEED** )  
**by ACCORD MORTGAGES LIMITED** )  
**acting by its attorney:** )

**Attorney**

**in the presence of**

**Witness**

**Name**

**Address**

## SCHEDULE 6

### LOAN REPURCHASE NOTICE

To: Accord Mortgages Limited  
1 Filey Street, Bradford,  
  
West Yorkshire, BD1 5AT  
(the **Seller**)

From: Brass No.1 PLC  
c/o Wilmington Trust SP Services (London) Limited  
Third Floor, 1 King's Arms Yard  
London EC2R 7AF (the **Issuer**);

For the purpose of this notice, the **Principal Agreement** shall mean the Mortgage Sale Agreement dated 6 June 2011 made between, *inter alios*, the Issuer and the Seller (as the same may be or have been amended, varied or supplemented from time to time with the consent of those parties).

Save where the context otherwise requires, words and expressions in this notice shall have the same meanings respectively as when used in the Principal Agreement.

In accordance with **Clause [9.3/9.4/9.5]** of the Principal Agreement, upon receipt of this Loan Repurchase Notice by the Seller there shall exist between the Seller and the Issuer an agreement (the **Agreement for Sale**) for the sale by the Issuer to the Seller of the Loans and their Related Security more particularly described in the Schedule hereto. Completion of such sale shall take place on [    ].

The Agreement for Sale shall incorporate, mutatis mutandis, the relevant provisions of the Principal Agreement.

Dated [            ]

.....

For and on behalf of  
**BRASS NO.1 PLC**

*[On duplicate*

We hereby acknowledge receipt of and confirm the contents of the Loan Repurchase Notice dated [    ].

.....

Signed for and on behalf of  
**ACCORD MORTGAGES LIMITED**  
in its capacity as the Seller

**Schedule**

1.	2.	3.	4.	5.
Account No.	Date of advance	Sums Due	Region Code	Seller

## **SCHEDULE 7**

### **ASSIGNMENT OF THIRD PARTY RIGHTS**

#### **PART 1**

#### **DEED OF ASSIGNMENT**

**THIS DEED OF ASSIGNMENT** is made on [●]

**BY:**

- (1) **ACCORD MORTGAGES LIMITED** (registered number 02139881), a private limited company incorporated under the laws of England and Wales, whose registered office is at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Transferor**)

**IN FAVOUR OF:**

- (2) **BRASS NO.1 PLC** (registered number 07427573), a public limited company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Transferee**).

**WHEREAS:**

- (A) By the charges by way of legal mortgage (the **Mortgages**, brief particulars of which are set out in the Annexure hereto) the properties (brief particulars of which are similarly set out) became security for the repayment of the monies therein mentioned.
- (B) By the Mortgage Sale Agreement, the Transferor agreed to sell and the Transferee agreed to buy all right, title, interest and benefit (both present and future) of the Transferor in and under the Mortgages and all Related Security and all monies secured by those Mortgages and such Related Security.

**NOW THIS DEED WITNESSETH** as follows:

1. Capitalised terms in this Deed (including the recitals) shall, except where the context otherwise requires and save where otherwise defined in this Deed, bear the meanings given to them in the Master Definitions and Construction Schedule made between the parties to the Transaction Documents on or about 6 June 2011 (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) and this Deed shall be construed in accordance with the interpretation provisions set out in **Clause 2** thereof.
2. The Transferor hereby assigns absolutely unto the Transferee with full title guarantee:
  - (a) the benefit of all Related Security relating to the Mortgages (including without limitation all securities for the principal monies and interest secured by the Mortgages and the benefit of all consents to mortgage signed by occupiers of the mortgaged properties and the benefit of all guarantees, indemnities and surety contracts relating to the Mortgages) other than any such Related Security which has been transferred to the Transferee by other means or which is not otherwise capable of such transfer; and
  - (b) all causes of action of the Transferor against any person in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in

connection with any Related Security relating to the Mortgages or affecting the decision to make any advance in connection with such Mortgages.

3. A person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
4. This Deed and any non-contractual obligations arising out of, or in connection with it, shall be governed by and construed in accordance with the laws of England.

**IN WITNESS WHEREOF** this document has been executed and delivered as a deed the day and year first before written.

**Seller**

**EXECUTED and DELIVERED as a DEED** )  
**by ACCORD MORTGAGES LIMITED** )  
**acting by its attorney:** )

Attorney

in the presence of

Witness

Name

Address

**Annexure**

1.	2.	3.	4.	5.
Account No.	Date of advance	Sums Due	Region Code	Seller

## PART 2

### ASSIGNATION OF THIRD PARTY RIGHTS

We, **ACCORD MORTGAGES LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 02139881), having our registered office at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Transferor**), CONSIDERING that in terms of the standard securities (the **Mortgages**), brief particulars of which are set out in the Schedule hereto, the properties (brief particulars of which are similarly set out) became security for the repayment of the monies therein mentioned, AND FURTHER CONSIDERING that in terms of a mortgage sale agreement among us, the Transferor and others dated 6 June 2011 (as the same may be amended, restated, varied or supplemented from time to time with the consent of the parties thereto, the **Mortgage Sale Agreement**) we have agreed to sell all right, title, interest and benefit (both present and future) of us, the Transferor, in and under the Mortgages and all other Related Security for the Loans secured by the Mortgages and all monies secured by those Mortgages and such Related Security to Brass No.1 PLC, a limited liability company incorporated under the laws of England and Wales (registered number 07427573), whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Transferee**), NOW THEREFORE we, the Transferor HEREBY in implement *pro tanto* of the Mortgage Sale Agreement and for the consideration therein specified ASSIGN to the Transferee:

- (a) the benefit of all such Related Security (including without limitation all securities for the principal monies and interest secured by the Mortgages (other than the Mortgages) and the benefit of all MH/CP Documentation and the benefit of all guarantees, indemnities and surety contracts relating to the Mortgages) other than any such Related Security which has been assigned to the Transferee by other means or which is not otherwise capable of such assignment; and
- (b) all rights of action of the Transferor against any person in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with any Related Security relating to the Mortgages or affecting the decision to make any advance in connection with such Mortgages,

and we, the Transferor, grant absolute warrandice.

The Transferee may at any time after the date of this Assignment serve on each relevant party intimation of the assignment made in terms hereof (and we the Transferor acknowledge that no previous such intimation has been given).

This Assignment is governed by Scots Law.



Capitalised terms in this Assignment shall, except where the context otherwise requires and save where otherwise defined in this Assignment, bear the meanings given to them in the Master Definitions and Construction Schedule made between *inter alios* the Transferor and the Transferee on [●] (as the same may be amended, restated, varied or supplemented from time to time with the consent of the parties hereto), and this Assignment shall be construed in accordance with the interpretation provisions set out in **Clause 2** thereof.

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

**SUBSCRIBED** for and on behalf of  
**ACCORD MORTGAGES LIMITED**

at.....

on..... Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....  
(Print Full Name)

.....

.....

.....  
(Address)

**This is the Schedule referred to in the foregoing Assignment by Accord Mortgages Limited in favour of Brass No.1 PLC**

1	2	3	4
Balance Due	Name of Borrower	Address of Secured Property	Account No.

## SCHEDULE 8

### ASSIGNMENT OF THIRD PARTY BUILDINGS POLICIES

**THIS ASSIGNMENT** is made on [●]

**BETWEEN:**

- (1) **ACCORD MORTGAGES LIMITED** (registered number 02139881), a private limited company incorporated under the laws of England and Wales, whose registered office is at 1 Filey Street, Bradford, West Yorkshire, BD1 5AT (the **Seller**); and
- (2) **BRASS NO.1 PLC** (registered number 07427573), a public limited company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Issuer**).

**WHEREAS:**

- (A) By a Mortgage Sale Agreement dated 6 June 2011 between, inter alios, the Seller and the Issuer (the Agreement), the Seller sold and the Issuer purchased, all of the beneficial right, title and interest in Loans and Related Security comprised in the Portfolio in respect thereof with a right to call for legal title from the Seller in accordance with the provisions of the Agreement.
- (B) The Seller has the benefit of contracts of insurance (the **Third Party Buildings Policies**) which relate to Loans from time to time held by the Seller and the Properties upon which they are secured.
- (C) In conjunction with the assignment of Loans and their Related Security comprised in the Portfolio to the Issuer, the Seller will assign the benefit of the Third Party Buildings Policies in respect of those Loans and Related Security on the Closing Date.

**NOW THIS DEED WITNESSETH** as follows:

- (a) In relation to each Loan and Related Security which may from time to time be purchased by the Issuer in accordance with the terms of the Agreement, the Seller hereby conveys, transfers and assigns to the LLP absolutely all its present and future interest in the Third Party Buildings Policies to the extent to which it relates to such Loans and their Related Security (including all moneys and proceeds to become payable under any of the same and all covenants relating thereto and all powers and remedies for enforcing the same) *provided that* such assignment in respect of a Loan and its Related Security shall not take effect unless and until, such Loan and its Related Security has been acquired by the LLP in compliance with **Clause 2 and 3** of the Agreement. The Seller acknowledges and agrees that such assignment will be immediately effective on the First Transfer Date, without any further act, matter or thing by or on behalf of the Seller.
- (b) This Deed shall be governed by and construed in accordance with English law. Capitalised words and expressions shall (unless the context otherwise requires) have the meanings ascribed to them in the Agreement.

**IN WITNESS** whereof the parties have caused this Deed to be executed as a deed for delivery on the day and year first before written.

**EXECUTED as a DEED by** )  
**ACCORD MORTGAGES LIMITED** )  
acting by its attorney )

Attorney )

in the presence of: )

Witness's signature:

Name:

Address:

**EXECUTED as a DEED by** )  
**BRASS NO.1 PLC** )  
acting by its attorney )

Attorney )

in the presence of: )

Witness's signature:

Name:

Address:



## SCHEDULE 9

### FURTHER ADVANCE, PRODUCT SWITCH AND/OR UNDERPAYMENT OPTION NOTICE

To: Brass No.1 PLC  
c/o Wilmington Trust SP Services (London) Limited  
Third Floor, 1 King's Arms Yard  
London EC2R 7AF  
(the **Issuer**)

From: Accord Mortgages Limited  
1 Filey Street, Bradford,  
West Yorkshire, BD1 5AT

(the **Seller**)

Date: [●]

For the purpose of this notice, the **Principal Agreement** shall mean the Mortgage Sale Agreement dated 6 June 2011 made between, *inter alios*, the Issuer and the Seller (as the same may be or have been amended, varied or supplemented from time to time with the consent of those parties).

Save where the context otherwise requires, words and expressions in this notice shall have the same meanings respectively as when used in the Principal Agreement.

In accordance with and subject to **Clause 4** of the Principal Agreement this notice confirms that the Further Advances, Product Switches and/or Underpayment Options more particularly described in the Schedule hereto were made to the relevant Borrowers in the Monthly Period immediately preceding the date of this notice and at the relevant time, the relevant tests in respect of such Further Advances, Product Switches and/or Underpayment Options were met.

[The Further Advance Purchase Price is £[●]].

Dated [       ]

.....  
Signed for and on behalf of  
**ACCORD MORTGAGES LIMITED**  
in its capacity as the Seller

# **Schedule**

1.	2.	3.	4.	5.
Account No.	Advance    Date    / Switch Date / Option Date	Further Advance / Product Switches / Underpayment Options	Amount of such Further Advance    /    Product Switch / Underpayment Option	Region Code

**SCHEDULE 10**

**LENDING CRITERIA**

**[To be included on CD Rom]**



**SCHEDULE 11**

**SELLER'S POLICIES**

**PART 1**

**INTEREST RATE SETTING POLICY**

**[To be included on CD Rom]**

**PART 2**

**COMPLAINTS POLICY**

**[To be included on CD Rom]**

**PART 3**

**POLICY FOR THE HANDLING OF MORTGAGE ARREARS, POSSESSION AND MORTGAGE  
SHORTFALL DEBT RECOVERY**

**[To be included on CD Rom]**

## **EXHIBIT 1**

### **STANDARD DOCUMENTATION**

#### **MORTGAGE CONDITIONS**

1. Mortgage Conditions (England and Wales) 2004 ACC724 MR GI 17/06/05
2. Mortgage Conditions (England and Wales) 2006 ACC724 MR GI 07/12/06
3. Mortgage Conditions (England and Wales) 2007 ACC0724 10/2007
4. Mortgage Conditions (Scotland) 2004 – ACC 726 MR GI (31/07/06)
5. Mortgage Conditions (Scotland) 2006 – ACC 726 MR GI (07/12/06)
6. Mortgage Conditions (Scotland) 2007 – ACC 0726 (10.2007)

#### **LOAN TERMS**

7. Mortgage Loan Terms ACC 1302 MR GI 05/07/05
8. Mortgage Loan Terms ACC 1302 MR GI 05/01/07
9. Mortgage Loan Terms ACC 1302 10/2007
10. Mortgage Loan Terms – ACC 1302 MR (11.2004)

#### **MORTGAGE APPLICATION FORMS**

11. Accord Mortgages Application Form (for direct applications) ACC 772D MR GI 10/02/06
12. Accord Mortgages Application Form (for direct applications) ACC 772D MR GI 06/07/06
13. Accord Mortgages Application Form (for direct applications) ACC 772D MR GI 11/01/07
14. Accord Mortgages Application Form (for direct applications) ACC 772D MR GI 19/07/07
15. Accord Mortgages Application Form (for direct applications) ACC 772D 07/04/09
16. Accord Mortgages Application Form (for direct applications) ACC 772D 10/03/10
17. Accord Mortgages Application Form (for online applications) ACC 772EComMR 10/03/06
18. Accord Mortgages Application Form (for online applications) ACC 772EComMR 21/04/06
19. Accord Mortgages Application Form (for online applications) ACC 772EComMR GI 24/07/06
20. Accord Mortgages Application Form (for online applications) ACC 772EComMR GI 11/01/07
21. Accord Mortgages Application Form (for online applications) (Draft) ACC 772EComMR GI 23/01/07
22. Accord Mortgages Customer Declaration for online applications ACC 779MR GI 08/08/05

23. Accord Mortgages Customer Declaration for online applications ACC 779MR GI 06/07/06
24. Accord Mortgages Customer Declaration for online applications ACC 779MR GI 19/07/07
25. Accord Mortgages Application Form (for introduced applications) ACC 772 MR GI 13/02/06
26. Accord Mortgages Application Form (for introduced applications) ACC 772 MR GI 06/07/06
27. Accord Mortgages Application Form (for introduced applications) ACC 772MR GI 11/01/07
28. Accord Mortgages Application Form (for introduced applications) ACC 772MR GI 24/07/07
29. Accord Mortgages Application Form (for introduced applications) ACC 772 27/10/08
30. Accord Mortgages Application Form (for introduced applications) ACC 0772 10/03/10
31. Additional Loan Application Form (for direct applications) ACC 773D MR GI 17/06/05
32. Additional Loan Application Form (for direct applications) ACC 773D MR GI 08/08/06
33. Additional Loan Application Form (for direct applications) ACC 773D MR GI 11/01/07
34. Additional Loan Application Form (for direct applications) ACC 0773D 12/11/07
35. Additional Loan Application Form (for direct applications) ACC 0773D 25/03/09
36. Additional Loan Application Form (for direct applications) ACC 0773D 10/03/10
37. Additional Loan Application Form (for introduced applications) ACC 773 MR 08/02/05
38. Additional Loan Application Form (for introduced applications) ACC 773 MR GI 06/07/06
39. Additional Loan Application Form (for introduced applications) ACC 773 MR GI 11/01/07
40. Additional Loan Application Form (for introduced applications) ACC 773 MR GI 19/07/07
41. Additional Loan Application Form (for introduced applications) ACC 0773 29/10/07
42. Additional Loan Application Form (for introduced applications) ACC 0773 02/02/09
43. Additional Loan Application Form (for introduced applications) ACC 0773 25/03/09
44. Additional Loan Application Form (for introduced applications) ACC 0773 10/03/10

#### **MORTGAGE DEEDS**

45. Accord Mortgage Deed (Land Registry Reference MD740D) ACCL 2 MR 11/2004
46. Accord Mortgage Deed (Land Registry Reference MD740F) ACCL 2 MR 07/12/2006
47. Accord Mortgage Deed (Land Registry Reference MD740G) ACCL 0002 10/2007
48. Accord Mortgage Deed (Land Registry Reference MD740E) (Substituted Security) ACCL 40 10/05/2005

49. Accord Mortgage Deed (Land Registry Reference MD740H) (Substituted Security) ACCL 0040 10/2007
50. Accord Mortgage Deed (Land Registry Reference MD740C) (Additional Property) ACCL 7 08/04/2004

#### **MORTGAGE OFFER LETTERS**

51. Sample Mortgage Offer letter 91562375 – 7 September 2006
52. Sample Mortgage Offer letter 91596008 – 1 November 2006
53. Sample Mortgage Offer letter 92285529 – 19 September 2007
54. Sample Mortgage Offer letter 92596001 – 11 April 2008

#### **INSTRUCTIONS TO SOLICITORS**

55. Mortgage Instructions (England & Wales) ACC 1071 MR 06/05/05
56. Mortgage Instructions (England & Wales) ACC 1071 MR 01/06/07
57. Mortgage Instructions (England & Wales) ACC 1071 02/01/08
58. Mortgage Instructions (England & Wales) ACC 1071 30/06/08
59. Mortgage Instructions (England & Wales) ACC 1071 21/08/08
60. Mortgage Instructions (Scotland) – ACC 1071(S) MR (01/11/04)
61. Mortgage Instructions (Scotland) – ACC 1071(S) MR (30/11/06)
62. Mortgage Instructions (Scotland) – ACC 1071(S) MR (01/06/07)
63. Mortgage Instructions (Scotland) – ACC 1071(S) (18/12/07)
64. Mortgage Instructions (Scotland) – ACC 1071(S) (30/06/08)
65. Mortgage Instructions (Scotland) – ACC 1071(S) (21/08/08)

#### **CERTIFICATES OF TITLE**

66. Certificate of Title and Request for Advance ACCL 1 28/11/05
67. Certificate of Title and Request for Advance ACCL 0001 10/2007

#### **DEEDS OF POSTPONEMENT**

68. Deed of Postponement ACC 596 31/03/03
69. Deed of Postponement ACC 0596 10/2007
70. Deed of Postponement ACC 0596 06/2008

## **STANDARD SECURITIES**

- 71. Standard Security – ACCL 2 S MR (11.2004)
- 72. Standard Security – ACCL 2 S MR (23/11/05)
- 73. Standard Security – ACCL 2 S ARTL (31/07/06)
- 74. Standard Security – ACCL 2 S MR (08/12/06)
- 75. Standard Security – ACCL 0002S (10.2007)
- 76. Standard Security Additional Security – ACCL 0007S (10.2007)

## SCHEDULE 12

### FORM OF SOLVENCY CERTIFICATE

[●] 2011

Expressions defined in the Master Definitions and Construction Schedule dated on or about 6 June 2011 by, among others, Yorkshire Building Society, Accord Mortgages Limited and Capita Trust Company Limited as Security Trustee and Note Trustee shall, unless the context otherwise requires, have the same meaning in this Certificate.

We, \_\_\_\_\_ and \_\_\_\_\_, being [directors/officers] of [●] (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) in relation to this Certificate and the Company's entry into, and ability to perform its obligations under, the Transaction Documents to which it is a party (the Documents) (including effecting any sale or granting any security) and any related documents;
4. the Company is not unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and will not become unable to do so in consequence of entering into the Documents and/or performing its obligations under those documents (including effecting any sale or granting any security);
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 its entry into the Documents and/or its performance of its obligations under those documents;
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 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 with a view to obtaining a moratorium in respect of any indebtedness; 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. neither its entry into the Documents nor its performance of its obligations under those documents would will not be a transaction at an undervalue within the meaning of section 238 of the Insolvency Act 1986. The value of any consideration received by the Company for such actions would not be significantly less than the value of any consideration provided by the Company under the Documents;
9. the Documents are being entered into, and the Company's performance of its obligations under those documents will be undertaken, in good faith and for the purpose of carrying on the Company's business (including raising finance through a securitisation) and there are reasonable grounds for believing that such actions would benefit the Company;
10. in entering into the Documents and/or performing its obligations under those documents:
  - (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; and
  - (b) it is 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 to otherwise prejudice the interests of such a person in relation to the claim which he is making or may make as contemplated by section 423 of the Insolvency Act 1986;
11. in entering into the Transaction Documents to which the Company is a party and/or performing its obligations thereunder, the Company has not and will not breach any provision or exceed any powers contained in its Memorandum and Articles of Association (or similar constitutive documents); and
12. insofar as the Transaction relates to assets located in Scotland or otherwise subject to Scots law, then in addition to the foregoing:
  - (c) the assets of the Company currently exceed its liabilities (taking into account its actual, contingent and prospective liabilities) for the purpose of section 242 of the Act (and equivalent provisions of the common law of Scotland) and will continue to do so notwithstanding the Company entering into the Transaction and/or performing its obligations thereunder; and
  - (d) the entry into the Transaction 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 Transaction is not, nor will be, collusive with the purpose of prejudicing the general body of creditors of the Company.

.....  
Authorised Signatory  
**For and on behalf of [●]**

.....  
Authorised Signatory  
**For and on behalf of [●]**

**SCHEDULE 13**  
**EXEMPT LOANS**

1.      Loan identifier - 92057623
2.      Loan identifier - 92366197
3.      Loan identifier - 91377691
4.      Loan identifier - 91275198
5.      Loan identifier - 91963523
6.      Loan identifier - 91778157
7.      Loan identifier - 91463288
8.      Loan identifier - 91749734
9.      Loan identifier - 92700763
10.     Loan identifier - 91503921