

SCHEDULE 5

MORTGAGE MANAGEMENT AGREEMENT

1. Appointment of Mortgage Manager

1.1 Subject to Clause 2 and until termination pursuant to Clause 13, the Issuer and the Trustee hereby appoint the Mortgage Manager as their lawful agent and, on their behalf:

1.1.1 to manage the Loans and their Collateral Security, each to the extent of its interest therein, including but not limited to, the exercise of their rights, powers and discretions and compliance with their obligations and duties under the Loans and their Collateral Security and any related rights and duties, save to the extent of:

- (i) the duties and obligations of the Mortgage Administrator set out in the Service Specification; and
- (ii) any other duties and obligations which, notwithstanding that they are not included in the Service Specification, are actually undertaken by the Mortgage Administrator under the Mortgage Administration Agreement;

1.1.2 to provide to the Mortgage Administrator instructions from time to time in relation to the settlement and related administration of the Loans and the Mortgages as set out in the Service Specification and the Mortgage Administration Agreement.

1.2 The Mortgage Manager hereby accepts such appointment upon, and subject to, the terms and conditions of this Mortgage Management Agreement.

1.3 During the continuance of its appointment hereunder, the Mortgage Manager shall, upon and subject to the terms and conditions of this Mortgage Management Agreement, any other restrictions applicable to the Issuer and save as provided in the Mortgage Administration Agreement, have the full power, authority and right to do or cause to be done any and all things necessary, convenient or incidental to the management of the Loans and their Collateral Security or the exercise of such right, powers and discretions or compliance with such obligations and duties. For the avoidance of doubt all financial, operating and other policy decisions shall remain with the Issuer.

1.4 In acting as the agent of the Issuer and the Trustee in administering the Loans and their Collateral Security, the Mortgage Manager shall, subject to sub-Clause 3.2.3, act strictly in accordance with this Mortgage Management Agreement.

1.5 The Mortgage Manager may sub-contract or delegate the performance of all or any of its powers and obligations under this Mortgage Management Agreement provided that (but subject to sub-Clause 3.4.2):

- (i) the prior written consent of the Issuer and the Trustee to the proposed arrangement has been obtained;

- (ii) the terms of any contract by which such arrangements are to be made have been approved by the Issuer and the Trustee;
- (iii) where the arrangements involve the custody or control of any Loan Files and/or Property Deeds for the purpose of performing any delegated Services the sub-contractor or delegate has executed an acknowledgement in form and substance acceptable to the Trustee to the effect that any such Loan Files and/or Property Deeds are and will be held to the order of the Issuer and Trustee;
- (iv) where the arrangements involve or may involve the receipt by the sub-contractor or delegate of money belonging to the Trustee or the Issuer and/or which, in accordance with this Mortgage Management Agreement, are to be paid into the Collection Account, or the GIC Account, the sub-contractor or delegate has executed a legally binding declaration in form and substance acceptable to the Trustee that any such moneys held by it or to its order are held on trust for the Issuer and the Trustee and/or will be paid forthwith into the Collection Account or the GIC Account in accordance with Clause 6 of the Cash Management Agreement;
- (v) any such sub-contractor or delegate has executed a written waiver of any Security Interest arising in connection with such delegated services (to the extent that such Security Interest relates to the Charged Property or any amount referred to in sub-Clause 3.4.1(iv));
- (vi) neither the Issuer nor the Trustee shall have any liability for any costs, charges or expenses payable to or incurred by such sub-contractor or delegate or arising from the entering into, the continuance or the termination of any such arrangement;
- (vii) it shall be a term of any such arrangement (enforceable by the Trustee) that the sub-contractor or delegate shall comply with all directions of the Trustee and/or the Issuer (and in the event of any conflict between such directions any direction of the Trustee shall prevail) which do not breach the other terms of the arrangement, whether or not the Mortgage Manager is in breach in relation to such arrangement; and
- (viii) the proposed arrangement shall not result in a qualification, suspension, withdrawal or downgrade of, or otherwise adversely affect the then current rating of the Notes assigned by the Rating Agencies.

1.6 Notwithstanding any sub-contract or delegation of the performance of any of its obligations under this Mortgage Management Agreement, the Mortgage Manager shall not thereby be released or discharged from any liability hereunder and shall remain responsible for the performance of its obligations under this Mortgage Management Agreement and (a) the performance or non-performance or the manner of performance of any sub-contractor or delegate of any of the services shall not affect the Mortgage Manager's obligations under this Mortgage Management Agreement; and (b) any breach by a delegate or sub-contractor of any obligation of the Mortgage Manager under this Mortgage Management Agreement shall be treated as a breach of this Mortgage Management Agreement by the Mortgage Manager.

- 1.7 The Mortgage Manager hereby waives any Security Interest arising or that may arise in connection with its performance of the Services, other than any Security Interest that arises pursuant to the Deed of Charge.
- 1.8 The Mortgage Manager shall not consent to any sub-contracting or delegation by the Mortgage Administrator pursuant to clause 3.4 of the Mortgage Administration Agreement without first obtaining the written consent of the Issuer and the Trustee to such arrangement and the terms thereof.

2. Condition to Appointment

Without prejudice to the obligations of the Mortgage Manager which this Mortgage Management Agreement contemplates will be performed on or before the Initial Issue Date, the appointment pursuant to Clause 1.1 is conditional upon Completion with respect to the Initial Loans having taken place and shall take effect upon and from such Completion automatically without further action on the part of any person. If Completion in relation to the Initial Loans has not occurred by 18 April 2006 or such later date as the Origination Agent, SF1, the Issuer, the Mortgage Manager and the Trustee agree, this Mortgage Management Agreement shall cease to be of further effect.

3. The Services

3.1 General

Without prejudice to the generality of Clause 1, the duties of the Mortgage Manager shall be the specific duties delegated to it set out in this Clause 3 and elsewhere in this Mortgage Management Agreement.

3.2 Duties

321 The Mortgage Manager shall at all times during the term of this Mortgage Management Agreement observe and perform the duties and obligations delegated to it pursuant to and in accordance with Clause 1.1 including, without limitation, the exercise of all such discretions as are from time to time required to be exercised in relation to the settlement and related administration of the Loans and their Collateral Security by the Mortgage Administrator where, pursuant to the Mortgage Administration Agreement, the Mortgage Administrator must act upon the instructions of the Mortgage Manager.

322 This Mortgage Management Agreement, the Mortgage Administration Agreement and the Cash Management Agreement set out the entire agreement and understanding between the parties in connection with the Mortgage Manager's duties and obligations in relation to the Loans and their Collateral Security.

323 It is acknowledged by the Origination Agent, SF1, the Issuer and the Trustee that mortgage lenders generally exercise discretion in administering their respective portfolios and that in giving instructions to the Mortgage Administrator as provided herein (including in respect of the operation of the Enforcement Procedures) and in otherwise taking action or making decisions

with respect to the Loans and their Collateral Security as set out herein, the Mortgage Manager shall exercise such discretion as would be exercised by a Prudent Mortgage Lender in the performance of those obligations and duties delegated to it pursuant to the foregoing provisions of this Mortgage Management Agreement.

3.2.4 For the avoidance of doubt:

- (i) a Group Company may itself make further advances to a Borrower secured by, or give its consent to a Borrower entering into, a second or subsequent mortgage or charge over a Property, *provided* that such action would not, in the reasonable opinion of the Mortgage Manager acting as a Prudent Mortgage Lender, materially prejudice the interests of the Issuer or the Trustee or the Noteholders of any class and *provided* further that all the rights of the relevant Group Company or the second or subsequent mortgagee or chargee, as the case may be, shall rank behind all present and future rights of the Issuer and the Trustee in the Loan, its related Collateral Security and the related Property and that such a second mortgage or charge is postponed to those present and future rights of the Issuer and the Trustee in the Loan, its related Collateral Security and the relevant Property; and
- (ii) if a Group Company makes a further advance on the security of a second mortgage or charge over the relevant Property in accordance with sub-Clause 3.2.4(i), the Trustee and the Issuer in accordance with their respective estates and interests shall be deemed to consent, pursuant to the Mortgage Conditions, to the creation of such second mortgage and the Trustee, the Issuer, the Mortgage Manager and such Group Company shall, at the expense of the relevant Group Company (as applicable), promptly execute all documents and do all things reasonably considered necessary or desirable to facilitate the creation of such second mortgage and to postpone all rights of that Group Company thereunder to those present and future rights of the Issuer and the Trustee in the Loan, its related Collateral Security and the relevant Property including, for the avoidance of doubt, future Further Advances.

3.2.5 Without prejudice to the generality of sub-Clause 3.2.3 and for the avoidance of doubt, the Mortgage Manager may direct the Mortgage Administrator to release one or more of joint Borrowers from any liability under a Loan and its Collateral Security provided that (a) the Lending Criteria are still satisfied in respect of that Loan and its Collateral Security following such release or (b) if the Lending Criteria are not so satisfied, the Trustee consents to such release, and, in either case, the Mortgage Manager may direct the Mortgage Administrator on the date of such release of any such joint Borrowers to permit a substitute Borrower or Borrowers to take the place and assume the obligations of the released Borrower or Borrowers *provided* that the Lending Criteria are still satisfied in respect of the Loan and its Collateral Security following such release and substitution.

3.3 Conversion of Mortgages

- 33.1 The Mortgage Manager may on behalf of the Issuer and on behalf of the Trustee agree to any request by a Borrower to convert any Loan into a Repayment Loan, an Interest Only Loan, a Fixed Rate Mortgage, a Standard Mortgage or a Discount Mortgage and the conditions referred to in sub-Clause 3.3.2 are satisfied and, where the Mortgage Manager so agrees and such conditions are satisfied, it shall give such instructions to the Mortgage Administrator as are necessary to procure the Mortgage Administrator to give effect to such conversion.
- 33.2 The following conditions must be satisfied before any Loan may be converted in accordance with Clause 3.3.1:
- (i) no Enforcement Notice has been given by the Trustee which remains in effect at the date of the relevant conversion;
 - (ii) each Converted Loan will be on terms of the relevant Standard Documentation utilised at the time of such conversion by the Origination Agent to document the terms of Loans and which has not been varied in any material respect since the Initial Issue Date;
 - (iii) the Lending Criteria, to the extent applicable, have been applied to the Converted Loan in accordance with sub-Clause 3.3.1;
 - (iv) any significant change which has been made to the Lending Criteria shall have been disclosed by the Mortgage Manager to the Rating Agencies insofar as the change is applicable to the Loan;
 - (v) the effect of such conversion would not be to extend the final maturity date of such Loan to beyond the date falling three years prior to the final maturity of the Class B Notes;
 - (vi) the total balance of all Loans in the Mortgage Pool which are 90 days or more in arrears does not exceed 15 per cent. of the total balance of all the Loans in the Mortgage Pool, save that the figure of 15 per cent. may be increased from time to time upon the Rating Agencies agreeing that such increase will not result in a qualification, suspension, withdrawal or downgrade of, or otherwise adversely affect the then current ratings of the Notes;
 - (vii) the Warranties in the DACS 1/Issuer Mortgage Sale Agreement are correct in relation to the Converted Loan upon conversion in accordance with this Clause 3.3;
 - (viii) following such conversion, the aggregate of the Balances of Loans which have converted from Repayment Loans to Interest Only Loans shall not exceed 25 per cent. of the aggregate Balances of Loans comprising the Completion Mortgage Pool as of the Initial Issue Date;
 - (ix) the Reserve Fund shall be fully funded;

- (x) in the event that a Standard Mortgage is converted to a Fixed Rate Mortgage the Issuer shall enter into fixed/floating hedging arrangements satisfactory to the Rating Agencies for the term of such Loan with a notional amount equal to the Balance of such Loan;
- (xi) in the event that the margin on the Loan receivable pursuant to any hedging arrangement in respect of a Loan referred to at (x) above is less than the full reversionary margin on such Loan as at the Initial Issue date, then the difference between such amounts shall have been collected from Revenue Receipts and credited to the Fixed Rate/Discount Collateral Ledger subject to (xii) below;
- (xii) in the event that a Standard Mortgage is converted to a Discount Mortgage, the aggregate amount of such discount for the term of such Loan shall have been collected and credited to the Fixed Rate/Discount Collateral Ledger;
- (xiii) in the event that conversion of a Loan will cause the full reversionary margin of the Mortgage Pool to more than 0.10 per cent. below the full reversionary margin, as of the Initial Issue Date, of the outstanding Mortgage Pool, no such conversion shall be permitted unless a sum equal to such shortfall in the full reversionary margin shall have been collected from Revenue Receipts and credited to the Fixed Rate/Discount Collateral Ledger; and
- (xiv) there shall be no debit balance on any Principal Deficiency Ledger.

3.4 Notices and Forms

- 3.4.1 Within the statutorily prescribed period the Mortgage Manager will procure that the particulars of the security created by the Issuer pursuant to the Deed of Charge, will be submitted for registration on behalf of the Issuer at the Companies Registration Office, by way of a duly completed Form C1 pursuant to Section 99 of the Companies Act, 1963 (as amended).
- 3.4.2 On the Initial Issue Date the Mortgage Manager shall on behalf of the Issuer give notice to the parties to the Charged Obligation Documents of the security interests created over the Issuer's rights in respect of such Charged Obligation Documents.

3.5 Approval and Authorisations

The Mortgage Manager shall prepare and submit to the relevant authority on behalf of the Issuer all applications and requests that may be necessary or desirable for any approval, authorisation, consent or licence in connection with the business of the Issuer.

4. Mortgage Rate

- 4.1 The Issuer and the Trustee grant the Mortgage Manager full right, liberty and authority (and the Origination Agent acknowledges such grant) to determine and set the rate or rates of interest applicable to the Loans on each date on which such rate or rates may be re-set thereunder in accordance with the terms of such Loans and in compliance with any applicable requirements of the Financial Regulator. The Origination Agent, SF1, the Issuer and the Trustee shall be bound by any rate or rates of interest applicable to the Loans set in accordance with this Mortgage Management Agreement.
- 4.2 The Mortgage Manager shall, no later than two Business Days prior to the date on which any change of interest rate made in accordance with Clause 4.1 is to become effective, advise the Mortgage Administrator in writing of such change.

5. Enforcement of Mortgages

The Mortgage Manager shall provide all reasonable instructions to the Mortgage Administrator so as to enable the Mortgage Administrator to use all reasonable endeavours to collect all payments due under or in connection with the Loans and their related Collateral Security and to enforce all covenants and obligations of each Borrower and any other relevant persons in accordance with the Enforcement Procedures and the Mortgage Manager shall comply with all reasonable requirements of the Issuer and/or the Trustee in relation to such enforcement within the Enforcement Procedures or, to the extent that the Enforcement Procedures are not applicable having regard to the nature of the default in question, take such action as would a Prudent Mortgage Lender in respect of such default.

6. Substitute Loans and Further Advances

- 6.1 The Mortgage Manager, acting on behalf of the Issuer, shall only accept an offer made by the Origination Agent on behalf of SF1 pursuant to clause 2.6 of the DACS 1/Issuer Mortgage Sale Agreement for the sale of a Substitute Loan and its related Collateral Security to the Issuer provided that the Issuer has available to it Substitute Loan Purchase Funds in an amount not less than the consideration which would be payable for such Substitute Loan in accordance with clause 3.2 of the DACS 1/Issuer Mortgage Sale Agreement and provided further that the following conditions are satisfied:
- 6.1.1 the principal amount outstanding of the Substitute Loan (together with all other Substitute Loans purchased by the Issuer on that day and amounts credited to the Further Advances Ledger and Further Advances made (otherwise than from funds credited to the Further Advances Ledger) on that day) does not exceed an amount equal to the amount standing to the credit of Principal Ledger at the close of business on the day preceding such Determination Date calculated in accordance with the Cash Management Agreement;
- 6.1.2 upon the purchase of any Substitute Loan, the conditions set out in Clause 6.3 are satisfied;

- 6.13 the Substituted Loan shall have Verified prior to purchase;
 - 6.14 the Substitute Loan is not, unless confirmed by the Rating Agencies as not adversely affecting the then current ratings of the Notes, be a different type of Loan than those Loans in the Mortgage Pool; and
 - 6.15 all conditions set out in the DACS 1/Issuer Mortgage Sale Agreement relating to the sale and purchase of Substitute Loans will be satisfied;
- 6.2** The Mortgage Manager, acting on behalf of the Issuer, shall only accept an offer made by the Origination Agent on behalf of SF1 pursuant to clause 2.7 of the DACS 1/Issuer Mortgage Sale Agreement for the sale of a Further Advance (and any applicable related Collateral Security) to the Issuer if the following conditions are satisfied:-
- 6.21 immediately prior to the making of and the purchase, transfer and assignment of any Further Advance, the relevant Borrower is not in material breach of any of the conditions of the relevant Borrower's existing Loan and Mortgage;
 - 6.22 upon the the purchase, transfer and assignment of any Further Advance, the conditions set out in Clause 6.3 are satisfied;
 - 6.23 the amount of such Further Advance (together with all other Further Advances purchased by the Issuer on that day) does not exceed an amount equal to the aggregate of the Available Capital Funds and the amount standing to the credit of the Further Advances Ledger at such time;
 - 6.24 prior to making the Further Advance no second mortgage or charge has been created over the relevant Property unless such second mortgage or charge has been expressly subordinated by deed to the Mortgage securing such Further Advance;
 - 6.25 the weighted average LTV of the Mortgage Pool following the purchase by the Issuer of the relevant Further Advance shall not be more than 2.5 per cent. greater than the weighted average LTV of the Completion Mortgage Pool as of the Initial Issue Date;
 - 6.26 the Reserve Fund shall be fully funded;
 - 6.27 the aggregate of the Balances of Loans in the Mortgage Pool which are greater than ninety days in arrears shall not be greater than 15 per cent. of the aggregate of the Balances of all Loans comprising the Mortgage Pool save that the figure of 15 per cent. May be increased from time to time upon the Rating Agencies agreeing that such increase will not cause the then current ratings of the notes to be suspended, qualified, withdrawn or downgraded;
 - 6.28 all conditions set out in this Mortgage Management Agreement relating to Further Advances have been satisfied;
 - 6.29 if no valuation report has been obtained in respect of the Property that secures the Loan to which such Further Advance relates, within the twelve month

period prior to the proposed purchase, no purchase shall be made until an updated valuation report has been obtained; and

62.10 there shall be no debit balance on any Principal Deficiency Ledger.

6.3 The conditions referred to in sub-Clauses 6.1.2 and 6.2.2 are as follows:

63.1 the Lending Criteria as at the Initial Issue Date insofar as they are applicable to the Further Advance or Substitute Loan have been applied to the Further Advance or Substitute Loan at the time the Further Advance or Substitute Loan was made;

63.2 any significant change which has been made to the Lending Criteria shall have been disclosed by the Mortgage Manager to the Rating Agencies insofar as the change is applicable to the Loan;

63.3 no Enforcement Notice (as defined in the Deed of Charge) has been given by the Trustee which remains in effect;

63.4 the Balance of the Further Advance, when added to the sum of the aggregate Balances of any Further Advance previously purchased by the Issuer during the relevant Interest Period, does not exceed 15 per cent. of the aggregate Balances of the Loans in the Completion Mortgage Pool as at the Initial Issue Date, save that the figure of 15 per cent. referred to above may be increased from time to time upon the Rating Agencies agreeing that such increase will not cause the then current ratings of the Notes to be suspended, qualified, withdrawn or downgraded;

63.5 SF1 is not in breach of any obligation on its part to repurchase any Loan in accordance with the DACS 1/Issuer Mortgage Sale Agreement; and

63.6 the interest rate applicable in respect of any Further Advance will not be less than the then applicable Variable Rate in the case of Standard Mortgages.

7. Powers of Attorney

7.1 The Issuer hereby undertakes to execute on the date hereof a power of attorney in the form of Appendix 1 to appoint the Mortgage Manager as its attorney, on the terms therein contained.

7.2 The Mortgage Manager hereby undertakes to execute on the date hereof a power of attorney in the form of Appendix 2 to appoint the Trustee as its attorney, on the terms therein contained, and the Trustee undertakes that it will only exercise any rights or powers under the said power of attorney in the event that the Trustee has served an Enforcement Notice.

8. Remuneration

On each Interest Payment Date the Issuer shall pay to the Mortgage Manager as a mortgage management fee an annual amount which together with Value Added Tax thereon (if any)] equals the product of 0.03 per cent. per annum and the aggregate Principal Amount Outstanding of the Class A Notes, the Class M Notes and the Class

B Notes on the first day of the Interest Period ending on the said Interest Payment Date divided by four.

9. Costs and Expenses

9.1 The Issuer will reimburse the Mortgage Manager for all reasonable out of pocket costs, expenses and charges (not being costs, expenses and liabilities of the Issuer falling within Clause 9.2, general overheads or fees payable to sub-contractors or delegates) properly paid by the Mortgage Manager in the performance of the Services provided that any amount withdrawn from the Collection Account or the GIC Account in accordance with sub-clause 4.5.2 of the Cash Management Agreement shall satisfy the Issuer's obligation to pay such costs, expenses and charges.

9.2 The Issuer authorises the Mortgage Manager on its behalf to incur those costs, expenses and liabilities to third parties other than itself and any affiliate which must necessarily be incurred in the enforcement of any Loan or the Issuer's and/or the Trustee's rights and remedies in relation thereto.

10. Information

10.1 Mortgage Manager's Accounts

The Mortgage Manager shall, as soon as they become available but in any event within 180 days after the end of each accounting reference period of the Mortgage Manager, deliver to the Trustee, the Issuer and each of the Rating Agencies a copy of its annual audited balance sheet, profit and loss account and directors' report together with any other documents annexed thereto.

10.2 Access to Books and Records

The Mortgage Manager shall permit any of the Issuer, the Issuer's auditors, the Trustee, the Trustee's auditors and with the Mortgage Manager's prior approval (such approval not to be unreasonably withheld or delayed), the Rating Agencies and any professional adviser of the Trustee at any time upon reasonable notice to have access to all books of record, account and other relevant records relating to the administration of the Loans and related matters in accordance with this Mortgage Management Agreement.

10.3 Other Information

1031 The Mortgage Manager shall (as soon as practicable after such event has come to its attention) give notice in writing to the Issuer, the Trustee and each of the Rating Agencies of any Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate would constitute an Event of Default.

1032 The Mortgage Manager shall within three Business Days of being requested to do so by the Issuer or the Trustee deliver to the Issuer, the Trustee and each of the Rating Agencies a certificate setting out (so far as available to the Mortgage Manager) such information as is requisite to enable the Issuer to comply with its obligations under clause 13.1.16 of the Trust Deed.

- 1033 The Mortgage Manager shall (as soon as practicable after such event has come to its attention) give notice in writing to the Trustee and the Rating Agencies of the details of any pending legal action (including any enforcement or sanction proceedings by the Financial Regulator) and any judgements or decrees given against the Mortgage Manager which, in the reasonable opinion of the Mortgage Manager, could have a material adverse effect on the obligations of the Mortgage Manager under this Mortgage Management Agreement and the Mortgage Manager shall notify any court in which such action is being heard of the Issuer's and the Trustee's interests in the Loans and their related Collateral Security.
- 1034 The Mortgage Manager shall sign and execute all such documents, and do all such acts and things as the Issuer or the Trustee may reasonably require in order to enable the Issuer to comply with its obligations under clause 13.1.17 of the Trust Deed.
- 1035 The Mortgage Manager shall give to each of the Issuer and the Trustee such information and evidence as it shall reasonably require, and in such form as it shall reasonably require, as to the performance by the Mortgage Manager of its obligations under this Mortgage Management Agreement and any similar information and evidence provided to the Mortgage Manager by the Mortgage Administrator pursuant to the Mortgage Administration Agreement relating to the performance of the Mortgage Administrator under the Mortgage Administration Agreement and for the purpose of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee under the Trust Deed or the Deed of Charge or by operation of law.
- 1036 The Mortgage Manager shall give to the Issuer, the Trustee and each of the Rating Agencies (a) within seven Business Days after demand by the Issuer or the Trustee therefor and (b) (without the necessity for any such demand) promptly after its audited accounts become available in respect of each accounting reference period of the Issuer commencing with the financial period ending on 30 November 2006 and in any event not later than 180 days after the end of each such accounting reference period a certificate to the effect that as at a date not more than seven days before delivering such certificate (the "**relevant date**"), to the best of the knowledge, information and belief of the Mortgage Manager:
- (i) there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) (i) any Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate would constitute an Event of Default (or if such exists or existed specifying the same) or (ii) any event referred to in sub-Clause 13.1.1 to 13.1.5 inclusive; and
 - (ii) during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant date of such certificate it has complied with all of its obligations contained in this Mortgage Management Agreement and that the Issuer has complied with all its obligations

contained in the Trust Deed and the Deed of Charge or (if such is not the case) specifying the respects in which it has not complied.

- 103.7 The Issuer and the Trustee may accept as sufficient evidence of any fact or matter such information provided by the Mortgage Manager pursuant to this Clause 10 by way of certificate of the Mortgage Manager and the Issuer and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Issuer or the Trustee acting on such information.
- 103.8 Not later than 30 days prior to the earlier of (a) the Interest Payment Date falling immediately before the seventh anniversary of the Initial Issue Date and (b) the first Interest Payment Date following the date on which the aggregate Balances of the Loans in the Mortgage Pool shall have been reduced to less than 20 per cent. of the original Principal Amount Outstanding of the Notes the Mortgage Manager shall review the Issuer's ability to meet all its expenses following such Interest Payment Date and shall inform the Issuer, the Trustee and each of the Rating Agencies in writing of the results of such review.
- 103.9 The Mortgage Manager shall provide upon request such information as is reasonably required by the Account Bank in relation to the Mortgage Pool and/or the Issuer and shall, where requested to do so by the Issuer or the Trustee, request any such information from the Mortgage Administrator pursuant to clause 10.2 of the Mortgage Administration Agreement.
- 103.10 The Mortgage Manager shall from time to time upon request from any of the Rating Agencies request from the Mortgage Administrator such further information pursuant to clause 3.5 of the Mortgage Administration Agreement as the Rating Agencies reasonably require.

11. Representations, Warranties and Covenants

- 11.1** Each party (other than the Trustee) represents and warrants to the other that it is duly incorporated and that has power under its Memorandum and Articles of Association and all necessary corporate authority has been obtained and action taken to carry on its business as it is now being conducted and to sign and deliver and perform the transactions contemplated in this Mortgage Management Agreement.
- 11.2** Each individual executing this Mortgage Management Agreement on behalf of a party (other than the Trustee) represents and warrants that he has been duly empowered by that party to so execute and that all necessary action to authorise execution of this Mortgage Management Agreement by him has been taken by that party.
- 11.3** Each party (other than the Trustee) warrants and undertakes to the other that in the performance of this Mortgage Management Agreement it will comply with all laws, regulations, decrees and other ordinances issued by any governmental, state or other authority and has obtained and will maintain all licences, consents and authorisations necessary for or incidental to the performance of its obligations under this Mortgage Management Agreement.

- 11.4 The Mortgage Manager hereby covenants with each of the Issuer and the Trustee that:
- 11.41 it shall devote such time and attention and shall exercise all such skill, care and diligence in the performance of the Services and the other obligations contained in this Mortgage Management Agreement as would a prudent manager performing such services and other obligations;
 - 11.42 it will obtain and keep in force all licences, approvals, registrations, authorisations and consents which may be necessary in connection with the performance of the Services and the other obligations contained in this Mortgage Management Agreement and in particular any applicable authorisations, licences or registrations under the Data Protection Acts 1998 and 2003 and the Consumer Credit Act, 1995;
 - 11.43 in the event that the Issuer is required to register under the Data Protection Acts 1998 and 2003, it shall procure that any such registration is effected on behalf of the Issuer in accordance with the Data Protection Acts 1998 and 2003 and shall liaise with the Corporate Services Provider, to the extent required, to ensure that the Issuer complies with the relevant provisions of the Data Protection Acts 1998 and 2003;
 - 11.44 the Mortgage Manager acknowledges that in providing services under this Mortgage Management Agreement, it may have access to and process personal data within the meaning of the Data Protection Acts 1988 and 2003 on behalf of the Issuer and the Trustee. In such circumstance, the Mortgage Manager agrees that:
 - (i) it will process such personal data solely in accordance with the instructions of the Issuer and the Trustee and in accordance with the terms of this Mortgage Management Agreement and;
 - (ii) it will implement and maintain such technical security measures and organisational measures as are required to comply with the data security obligations of the Data Protection Acts 1988 and 2003.
 - 11.45 it shall comply with all legal requirements in the performance of the Services and the other obligations contained in this Mortgage Management Agreement;
 - 11.46 it shall make all payments required to be made by it pursuant to this Mortgage Management Agreement on the due date for payment thereof in euro for value on such day;
 - 11.47 it will procure compliance with the conditions set out in Clause 7 of the DACS 1/Issuer Mortgage Sale Agreement; and
 - 11.48 it will notify the Trustee promptly upon becoming aware of any legal proceedings being taken against it or of any judgment being given against it in any proceedings, in each case which would materially and adversely affect its ability to perform its obligations under this Mortgage Management Agreement.

- 11.5** The covenants of the Mortgage Manager in Clause 11.4 shall remain in force until this Mortgage Management Agreement is terminated but without prejudice to any right or remedy of the Issuer, and/or the Trustee arising from breach of any such covenant prior to the date of termination of this Mortgage Management Agreement.
- 11.6** The Mortgage Manager shall indemnify the Issuer and the Trustee and their respective directors, officers and employees against all losses, damages, costs, expenses, actions, proceedings, liabilities, claims and demands incurred by the Issuer and/or the Trustee and/or such directors, officers and employees by reason of its respective breach or non-performance of its obligations under this Mortgage Management Agreement.

12. Non-exclusive Services

Nothing in this Mortgage Management Agreement shall prevent the Mortgage Manager from rendering services similar to those provided for in this Mortgage Management Agreement to other persons, firms or companies and carrying on business similar to or in competition with the business of the Issuer.

13. Termination

13.1 If any of the following events shall occur:

- 13.1.1 default is made by the Mortgage Manager in the performance or observance of any of its covenants and obligations under this Mortgage Management Agreement, the Mortgage Administration Agreement or any of the Mortgage Sale Agreements which, in the opinion of the Trustee, is materially prejudicial to the interests of the Noteholders and which, in the case of a default that is remediable, continues unremedied for a period of 15 days after written notice by the Trustee requiring the same to be remedied;
- 13.1.2 an order is made or an effective resolution passed for winding up the Mortgage Manager;
- 13.1.3 the Mortgage Manager ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent;
- 13.1.4 (other than in the case of a reorganisation the terms of which have been approved by the Trustee and where the Mortgage Manager demonstrates to the satisfaction of the Trustee that it is solvent) an order is made against the Mortgage Manager under any applicable liquidation, examinership, insolvency, composition, reorganisation or other similar laws, or an examiner or receiver or other similar official is appointed in relation to the Mortgage Manager or in relation to the whole or any substantial part of the undertaking or assets of the Mortgage Manager or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of the Mortgage Manager, and in any of the foregoing cases it shall not be discharged within 15 days; or if the Mortgage Manager shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, examinership, insolvency, composition, reorganisation or other

similar laws or shall make a conveyance or assignment for the benefit of its creditors generally; or if a petition is presented to wind up the Mortgage Manager (other than any petition which is frivolous or vexatious and is not withdrawn within five Business Days); or

- 13.1.5 an Enforcement Notice is given and the Trustee is of the opinion that the continuation of the appointment of the Mortgage Manager is materially prejudicial to the interests of the Noteholders,

then the Issuer (with the consent of the Trustee) or the Trustee may by notice in writing to the Mortgage Manager terminate the appointment of the Mortgage Manager under this Mortgage Management Agreement but without prejudice to any then existing rights and liabilities of the parties hereto.

- 13.2** Any termination of appointment under this Mortgage Management Agreement under Clause 13.1 shall be without liability or penalty on the part of the Issuer and/or the Trustee for so doing.

- 13.3** On and after service of notice of termination pursuant to Clause 13.1 all authority and power of the Mortgage Manager under this Mortgage Management Agreement shall be terminated and of no further effect and the Mortgage Manager shall not hold itself out in any way as the agent of the Issuer or the Trustee.

- 13.4** Forthwith after service of notice of termination in relation to the Mortgage Manager pursuant to Clause 13.1 the Mortgage Manager shall deliver to (and in the meantime hold on trust for and to the order of) the Trustee or as it shall direct all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belonging to the Issuer and the Loans and their Collateral Security and any other security therefor, any moneys then held by the Mortgage Manager on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee, in each case free and clear of any lien or right of set-off exercisable by the Mortgage Manager and shall take such further action as the Trustee or the Issuer may reasonably direct including, without limitation, delivering to the Trustee or as it shall direct any computer records relating to the Loans and their Collateral Security and any moneys or other assets of the Issuer and (to the extent permissible by any relevant licences or software agreements) licensing to any replacement mortgage manager (at the cost of such replacement mortgage manager) any computer programmes relative thereto and shall take such further action as the Trustee may reasonably direct.

- 13.5** In addition to the termination rights under Clause 13.1, the appointment of the Mortgage Manager under this Mortgage Management Agreement may also be terminated upon the expiry of not less than six months' notice of termination given by the Mortgage Manager to the Issuer and the Trustee provided that:

13.5.1 the Trustee and the Issuer consent in writing to such termination;

13.5.2 a substitute mortgage manager shall be appointed, such appointment to be effective not later than the date of such termination;

- 13.53 such substitute mortgage manager has experience of administering mortgages of residential property in Ireland and has the prior approval of the Trustee and the Issuer;
- 13.54 such substitute mortgage manager enters into an agreement substantially in the same terms as the relevant provisions of this Mortgage Management Agreement (including the power of attorney contained in Appendix 2) and the Mortgage Administration Agreement and the Mortgage Manager shall not be released from its obligations under the relevant provisions of this Mortgage Management Agreement and the Mortgage Administration Agreement until such substitute Mortgage Manager has entered such new agreement; and
- 13.55 the then current ratings of either the Notes assigned by the relevant Rating Agencies are not adversely affected as a result thereof unless otherwise agreed by an Extraordinary Resolution of the Noteholders.
- 13.6** The Mortgage Manager shall (as soon as practicable after such event has come to the attention of the Mortgage Manager) deliver to the Issuer and the Trustee a notice of any of the events specified in Clause 13.1 (a “**mortgage manager event of default**”) or any event, condition or act which with the giving of notice or lapse of time or certification referred to in Clause 13.1 would constitute a mortgage manager event of default.
- 13.7** On termination of the appointment of the Mortgage Manager under the provisions of this Clause, the Mortgage Manager shall be entitled to receive all fees and other moneys accrued up to the date of termination but shall not be entitled to any other moneys by way of compensation. Such moneys so receivable by the Mortgage Manager shall be paid by the Issuer on the dates on which they would otherwise have fallen due hereunder but payment of such moneys will be subordinated to the obligation of the Issuer to pay the fees of any substitute mortgage manager which fall due on the same day. The Issuer shall be entitled to set off against any sums payable to the Mortgage Manager hereunder, all sums due from the Mortgage Manager to the Issuer and/or the Trustee under this Mortgage Management Agreement.
- 13.8** Any provision of this Mortgage Management Agreement which is stated to continue after termination of the appointment of the Mortgage Manager hereunder shall remain in full force and effect notwithstanding termination.

14. Change of Trustee

In the event that there is any change in the identity of the Trustee in accordance with the Trust Deed, the Origination Agent, the Mortgage Manager and the Issuer shall each execute such documents and take such actions as the incoming trustee may reasonably require for the purpose of vesting in the incoming trustee the rights of the Trustee under this Mortgage Management Agreement and under the Deed of Charge and shall give notice thereof to each of the Rating Agencies.

15. Confidentiality

- 15.1** Save so far as may be necessary for the purposes of the performance of its obligations and the exercise of its rights under this Mortgage Management Agreement and the

documents referred to herein, none of the parties hereto shall at any time disclose to any person, firm or company whatsoever (except with the authority of the other parties hereto or unless required to disclose the same pursuant to any law or order of any court or pursuant to any direction, request or regulation of any central bank or any governmental or other authority) any information relating to the business, finances or other matters of a confidential nature of any other party of which it may in the course of its duties hereunder or otherwise have become possessed and all the parties hereto shall use all reasonable endeavours to prevent any such disclosure as aforesaid provided that none of the parties hereto shall be in breach of their obligations in this Clause 15 in respect of any information given to a prospective new Mortgage Manager or Trustee in connection with the replacement of the current Mortgage Manager or Trustee or in respect of any information reasonably required by any of the Rating Agencies and given to such Rating Agency, or in respect of information given to the professional or financial advisers of any party hereto and provided further that the Mortgage Manager shall not be in breach of this Clause by disclosure to related companies of the Mortgage Manager.

15.2 Unless the Issuer has become entitled to take steps to perfect the transfer of the Loans and their related Collateral Security pursuant to clause 6 of the DACS1/Issuer Mortgage Sale Agreement or to terminate the Mortgage Manager's appointment pursuant to Clause 13, the Issuer shall not contact or correspond with a Borrower in connection with his Loan or any related Collateral Security without first having obtained the prior written consent of the Mortgage Manager.

15.3 Subject to Clause 15.1 the Issuer shall not use the names of Borrowers or any information concerning such Borrowers obtained in connection with the Loans and their related Collateral Security for any purpose not connected with this Mortgage Management Agreement.

16. Merger

Any term of this Mortgage Management Agreement to which effect is not given on Completion shall remain in full force and effect notwithstanding Completion.

Appendix 1

Form of Power of Attorney

THIS POWER OF ATTORNEY is made on 18 April 2006 by:

- (1) **LANSDOWNE MORTGAGE SECURITIES No. 1 p.l.c.** (registered number 416277) whose registered office is at Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Ireland (the “**Issuer**”);

In favour of:

- (2) **START MORTGAGES LIMITED**, (registered number 391445) whose registered office is at 4 Percy Place, Dublin 4, Ireland (the “**Mortgage Manager**”).

WHEREAS:

- (A) The Mortgage Manager is appointed to provide certain discretionary administration and management services to the Issuer pursuant to the Mortgage Management Agreement.
- (B) At the request of the Mortgage Manager, the Issuer has agreed to enter into these presents for the purposes hereinafter appearing.
- (C) The expressions defined in the Master Definitions Schedule as set out in Schedule 1 to the Master Securitisation Agreement dated on or about the date hereof made between, inter alios, the Issuer and the Mortgage Manager shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein (including these recitals).

NOW THIS DEED WITNESSES that for good and valuable consideration and as security for the interests of the Mortgage Manager under the Mortgage Management Agreement, the Issuer hereby appoints the Mortgage Manager as its attorney and as its agent on its behalf, and in its own or the attorney’s name, for the following purposes:

- (a) to execute on behalf of the Issuer all transfers or assignments made pursuant to the DACS 1/Issuer Mortgage Sale Agreement and Clause 6 of the Mortgage Management Agreement; and
- (b) to execute on behalf of the Issuer all documents and do all such acts and things which in the reasonable opinion of the Mortgage Manager are necessary or desirable for the efficient provision of the Services under the Mortgage Management Agreement and for the performance of the Mortgage Manager’s other obligations thereunder and under the Mortgage Administration Agreement,

provided that, for the avoidance of doubt, this Power of Attorney shall not authorise the Mortgage Manager to sell any Loans or their related Collateral Security except as specifically authorised above.

The appointment contained in this Power of Attorney shall be irrevocable unless and until the Mortgage Management Agreement is terminated pursuant to Clause 13 thereof when both the appointment contained in Clause 7.1 and this power shall be automatically revoked.

THIS POWER OF ATTORNEY is governed by, and shall be construed in accordance with, Irish law.

IN WITNESS WHEREOF Lansdowne Mortgage Securities No. 1 p.l.c. has caused this Power of Attorney to be executed and delivered as a Deed on the day and year first above written.

PRESENT when the **COMMON SEAL** of)
LANSDOWNE MORTGAGE)
SECURITIES No. 1 p.l.c.)
was affixed hereto)

Director

Director/Secretary

Appendix 2

Form of Power of Attorney

THIS POWER OF ATTORNEY is made on 18 April 2006 by:

- (1) **START MORTGAGES LIMITED**, (registered number 391445) whose registered office is at 4 Percy Place, Dublin 4, Ireland (the “**Mortgage Manager**”)

In favour of:

- (2) **CAPITA TRUST COMPANY LIMITED** (registered number 0239726) whose principal office is at 7th Floor, Phoenix House, 18 King William Street, London EC4N 7HE, United Kingdom (the “**Trustee**”)

WHEREAS:

- (A) The Mortgage Manager is appointed to provide certain discretionary administration and management services pursuant to the Mortgage Management Agreement.
- (B) At the request of the Trustee, the Mortgage Manager has agreed to enter into these presents for the purposes hereinafter appearing.
- (C) The expressions defined in the Master Definitions Schedule, as set out in Schedule 1 to the Master Securitisation Agreement dated on or about the date hereof and made between, inter alios, the Issuer, the Trustee and the Mortgage Manager shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein (including these recitals)

Now this Deed witnesses that for good and valuable consideration and as security for the interests of the Trustee under the Deed of Charge, the Mortgage Manager hereby appoints the Trustee to be its true and lawful attorney and to be its agent on its behalf, and in its own or the attorney’s name, to exercise the rights, powers and discretions of the Mortgage Manager under the Mortgage Management Agreement and the Mortgage Administration Agreement including the executing, signing and doing of any deeds, document, acts or things.

The appointment contained in the Power of Attorney shall be irrevocable unless and until the Mortgage Management Agreement is terminated pursuant to Clause 14 thereof when both the appointment contained in Clause 8.2 thereof and this power shall be automatically revoked.

THIS POWER OF ATTORNEY is governed by, and shall be construed in accordance with Irish law.

IN WITNESS WHEREOF Start Mortgages Limited has caused this Power of Attorney to be executed and delivered as a Deed on the day and year first above written.

PRESENT when the **COMMON SEAL** of)
START MORTGAGES LIMITED)
was affixed herewith)

Director

Director/Secretary