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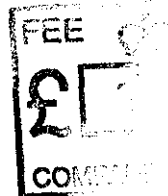
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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

094575/10.



395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

17

3137809

Name of company

* PREFERRED MORTGAGES LIMITED (the "Chargor")

Date of creation of the charge

20 September 2002

Description of the instrument (if any) creating or evidencing the charge (note 2)

AMENDMENT DEED to a deed of charge dated 11 December 2001 (the "Deed")

Amount secured by the mortgage or charge

All obligations (whether actual or contingent, present or future) of the
Chargor owed to the Bank under the Funding Documents, the PRS3 Deed of
Charge, the PRS3 Facility, the Amending Deeds and/or the PRS5 Documents
("Secured Obligations")

Names and addresses of the mortgagees or persons entitled to the charge

BARCLAYS BANK PLC OF 54 Lombard Street, London EC3V 9EX (the "Bank")

Presentor's name address and
reference (if any):

DLA
3 Noble Street
London EC2V 7EE

KLH/ajm/banking

hugginsk\forms395\PML-prs4

Time critical reference

For official use
Mortgage Section

Post room



A17
COMPANIES HOUSE

0510
08/10/02

Short particulars of all the property mortgaged or charged

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1. SECURITY

1.1 The Chargor, with full title guarantee and as a continuing security for the Secured Obligations for payment and discharge of the Secured Obligations granted an assignment to the Bank by way of first fixed security over all of the Chargor's rights, claims, title, benefit and interest present and future in, to and under the Charged Documents;

1.2 The Chargor with full title guarantee and as continuing security for the discharge of the Secured Obligations by the Deed creates in favour of the Bank a first fixed charge over all of its right, claim, title, benefit and interest present and future in, to and under the PRS4 Residual Account;

1.3 To the extent the assignment by way of first fixed security in Clause 1.1 herein is ineffective, the Chargor with full title guarantee and as continuing security for the discharge of the Secured Obligations creates in favour of the Bank a first fixed charge over all of its right, claim, title, benefit and interest present and future in, to and under the Charged Documents;

continued on continuation sheet 1, page 4

Particulars as to commission allowance or discount (note 3)

N/A

Signed

DLA

Date

4/10/02

On behalf of ~~company~~ [mortgagee/chargee] †

† delete as
appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

3137809

Name of Company

PREFERRED MORTGAGES LIMITED (the "Chargor")

~~limited~~

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

NOTE.

In this form:-

"Amending Deeds" means the PRS2 Amending Deed and the PRS3 Amending Deed;

"Charged Assets" means all the property, rights and assets charged by the Chargor under Clauses 1.1, 1.2 and 1.3 herein and all references to the Charged Assets include any part of them;

"Charged Documents" means the PRS4 Subordinated Loan Agreement, the PRS4 Mortgage Sale Agreement and the PRS4 Securitisation Deed of Charge;

"Encumbrance" means a mortgage, charge, pledge, lien or any other encumbrance or security interest of any kind (other than a lien arising in the ordinary course of business by operation of law), any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect payment of sums owed or payable to any person, or any other type of preferential arrangement (including title transfer and retention arrangements) having a similar affect;

"Funding Documents" means the PRS4 Facility, the Deed and the Amending Deeds;

"PRS2 Amending Deed" means the amending deed entered into between the Chargor and the Bank on 14 February 2001 amending the PRS2 Deed of Charge;

"PRS2 Deed of Charge" means the deed entitled 'residuals assignment' dated 14 June 2000 (as supplemented and amended from time to time) entered between the Chargor and the Bank;

"PRS3 Amending Deed" means the amending deed entered into between the Chargor and the Bank on 20 September 2002 amending the PRS3 Deed of Charge;

"PRS3 Deed of Charge" means the deed of charge entered into between the Bank and the Chargor dated 14 February 2001 as amended by a deed of amendment dated 11 December 2001 and as subsequently amended from time to time;

"PRS3 Documents" means the PRS3 Facility and the PRS3 Deed of Charge;

"PRS3 Facility" means the secured term loan agreement entered into between the Bank and the Chargor dated 14 February 2001;

"PRS4 Facility" means the secured term loan agreement entered into between the Bank and the Chargor dated 11 December 2001;

"PRS4 Mortgage Sale Agreement" means the mortgage sale agreement dated 11 December 2001 and made between, inter alios, Preferred Residential Securities 4 Plc (as "Issuer"), the Chargor and Chase Manhattan Trustees Limited (as "Trustee");

"PRS4 Residual Account" means the account held at Barclays Bank plc, Account Number 60319627 Sort Code 20-19-90;

"PRS4 Securitisation Deed of Charge" means the deed of charge and assignment dated 11 December 2001 and made between, inter alios, the Issuer, the Chargor and the Trustee;

"PRS4" Subordinated Loan Agreement" means the subordinated loan agreement dated 11 December 2001 and made between, inter alios, the Issuer, the Chargor and the Trustee;

continued on continuation sheet 2, page 2

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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1.4 The Chargor with full title guarantee charged to the Bank by way of floating charge the whole of its undertaking and all its property and assets whatsoever and wheresoever present and future other than the property and assets from time to time effectively charged to the Bank by way of fixed charge by the Deed;

1.5 The floating charge created by the Deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge:

1.5.1 if the Chargor is deemed unable to pay its debts for the purposes of Section 123 of the Insolvency Act 1986;

1.5.2 on the convening of any meeting of the members of the Chargor to consider a resolution concerning whether or not to wind the Chargor up;

1.5.3 on the presentation of a petition to wind the Chargor up; or

1.5.4 if an application to the court for an administration order in relation to the Chargor is made by the Chargor itself or by any other person under Part II of the Insolvency Act 1986 (whether or not a petition for that purpose has been issued).

1.6 The floating charge created by the Deed, and any fixed charge resulting from the conversion of the floating charge in accordance with Clause 1.3 herein, shall rank in priority subordinate to and after any security interest subsisting as at 11 December 2001 or at any time prior to the date upon which the floating charge becomes unenforceable over any or all of the assets thereby secured except a floating charge or, where applicable, fixed charge expressed to rank pari passu with the floating charge created by the Deed.

2. FURTHER ASSURANCE

The Chargor shall execute and do all such assurances, acts and things as the Bank may reasonably require for perfecting or protecting the security intended to be created by the Deed and from time to time and at any time after the security created by the Deed has become enforceable shall execute and do all such assurances, acts and things as the Bank may reasonably require for facilitating the realisation and discretion vested on the Bank or on any receiver of such assets. For the purposes of this Clause, a certificate signed by the Bank to the effect that any particular assurance or thing required by it is reasonably required shall be conclusive evidence of the fact.

3. COVENANTS

The Chargor shall ensure that it shall not create or permit to subsist any Encumbrance (other than any liens arising in the ordinary course of business or by operation of law or Encumbrances pursuant to the Deed or otherwise in favour of the Bank) over all or any of the Charged Assets charged pursuant to Clause 1 herein.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

3137809

Name of Company

PREFERRED MORTGAGES LIMITED (the "Chargor")

~~limited~~

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"PRS5 Deed of Charge" means the deed of charge entered into between the Bank and the Chargor dated on or about 20 September 2002 and as subsequently amended from time to time;

"PRS5 Documents" means the PRS5 Facility and the PRS5 Deed of Charge;

"PRS5 Facility" means the secured term loan agreement entered into between the Bank and the Chargor dated on or about 20 September 2002.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03137809

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN AMENDMENT DEED TO A DEED OF CHARGE DATED 11 DECEMBER 2001 DATED THE 20th SEPTEMBER 2002 AND CREATED BY PREFERRED MORTGAGES LIMITED FOR SECURING ALL OBLIGATIONS DUE OR TO BECOME DUE FROM THE COMPANY TO BARCLAYS BANK PLC ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 8th OCTOBER 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th OCTOBER 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —