

THIS DECLARATION OF TRUST is made as a deed on

BETWEEN

[**PARTICIPANT**], a company incorporated in [England and Wales] (registered number [])
having its registered office at (the *Participant*); and

BANK OF ENGLAND ASSET PURCHASE FACILITY FUND LIMITED of 8
Lothbury, London, EC2R 7HH (*BEAPFF*)

acting through its agent

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND of Threadneedle
Street, London EC2R 8AH (in such capacity, the *Agent*)

WHEREAS

(A) *BEAPFF* (through the *Agent*) has admitted the *Participant* as a participant in one or more of its Applicable Facilities and the *Agent* has agreed to accept Eligible Loans from the *Participant* as collateral for Loan Transactions.

(B) The *Participant* wishes to constitute this Trust in respect of the Loans (other than Scottish Loans) for the purposes of such Loan Transactions.

(C) The Bank enters into this Deed on its own behalf, and as *Agent*.

NOW THIS DEED WITNESSES

1. INTERPRETATION

1.1 In this Deed:

- (a) terms defined in the Applicable Terms and Conditions (including the Annex (as defined below)) shall have the same meaning;
- (b) Schedule 1 (Definitions) of the Annex entitled “Annex for Loan Transactions: Declaration of Trust” (the *Annex*) shall have effect;
- (c) unless otherwise stated, references to Clauses and Schedules are to clauses and schedules of this Deed; and
- (d) references to an enactment or statutory provision or any other legislative provision is a reference to it as it may have been, or may from time to time be, amended, modified, replaced, extended, consolidated or re-enacted.

2. DOCUMENTATION

This Declaration of Trust and each Trust Asset Designation and Trust Asset Re-acquisition Notice form part of the Documentation relevant to each Applicable Facility.

3. CREATION OF TRUST

3.1 In consideration of *BEAPFF* (through the *Agent*) agreeing that the *Participant* may deliver collateral for Loan Transactions in the form of Loans, the *Participant* declares that it

holds and shall hold the Trust Assets on and from the Transfer Date on trust absolutely for BEAPFF upon, with and subject to the trusts, powers and provisions of this Deed.

3.2 The Initial Settlement Amount, receipt of which the Participant in its capacity as Trustee hereby acknowledges, shall be held by the Trustee on the Asset Trust on and with effect from the Transfer Date.

4. ENTITLEMENTS AND DISTRIBUTIONS

It is expressly agreed and declared that:

- (a) the absolute entitlement of BEAPFF to the Trust Assets is vested and indefeasible, such that BEAPFF is entitled to amounts as they are received and as they arise in accordance with sub-clause (b) below;
- (b) in accordance with sub-clause (a) above, the Trustee shall have no power, discretion or duty to accumulate amounts representing income of the Asset Trust or otherwise treat such income as an accretion to capital, but shall distribute such amounts in accordance with the relevant Applicable Terms and Conditions (including the Annex); and
- (c) the Trustee shall distribute amounts representing capital to BEAPFF as beneficiary in accordance with the relevant Applicable Terms and Conditions (including the Annex), and pending such distribution such amounts shall be held on trust for the benefit of BEAPFF as beneficiary absolutely.

5. TRUST ASSET DESIGNATION

5.1 Subject to the relevant Applicable Terms and Conditions (including the Annex), the Participant may designate Eligible Loans as Trust Assets by executing and delivering a Trust Asset Designation.

5.2 Subject to the Terms and Conditions (including the Annex), and in its absolute discretion, BEAPFF may, by the Agent completing the date of delivery and signing the endorsement of delivery on the Trust Asset Designation in accordance with paragraph 3.4 of the Annex, purchase from the Participant the Participant's beneficial interest in the Loan Portfolios detailed in the schedule to the relevant Trust Asset Designation on terms that each Loan Portfolio will immediately upon purchase comprise Trust Assets.

6. RE-ACQUISITION OF TRUST ASSETS

6.1 Subject to paragraph 6.2, on delivery by BEAPFF to the Participant of a Trust Asset Re-acquisition Notice, BEAPFF's beneficial interest in each of the Trust Assets specified in that Trust Asset Re-acquisition Notice (such Trust Assets being the *Re-acquired Assets*) shall be repurchased by the Participant and the beneficial interest in the Re-acquired Assets shall thereby be transferred to the Participant and the Re-acquired Assets shall cease to be Trust Assets.

6.2 BEAPFF may, instead of selling to the Participant the beneficial interest in its Trust Assets and delivering a Trust Asset Re-acquisition Notice under paragraph 6.1, pay to the Participant an amount in cash equal to the Value of the beneficial interest in such Trust Assets determined by the Agent in a commercially reasonable manner. Such payment shall discharge in full BEAPFF's obligations under paragraph 6.1 in respect of the Trust Assets. If the Agent elects to make such payment it shall notify the Participant accordingly.

7. PROVISIONS CONCERNING THE TRUSTEE

No Discretion

7.1 Save as set out in the Documentation, or as the Agent may otherwise direct, the Participant, in its capacity as Trustee, shall have no right or power to deal with the Trust Assets in any manner whatsoever.

No power of investment

7.2 Save as expressly provided for in this Declaration of Trust or as authorised by the Agent, the Trustee shall not have any further or other powers of investment with respect to the Trust Assets and none of the Trustee Act 2000, the Trustee Act (Northern Ireland) 2001 (if applicable) or any other provision relating to trustee powers of investment implied by statute or general law shall apply to the Asset Trust.

Insurance

7.3 Without prejudice to the Loan Warranties relating to the Insurance Contracts, the Trustee shall not be under any obligation to insure any of the Trust Assets.

Trustee Act

7.4 To the fullest extent permitted by law, none of Parts I, II, III, IV, or V of the Trustee Act 2000 or the Trustee Act (Northern Ireland) 2001 (if applicable) nor the requirement to discharge the duty of care set out in section 1(1) of the Trustee Act 2000 or the Trustee Act (Northern Ireland) 2001 (if applicable) in exercising any of its powers shall apply to the trusts constituted by this Declaration of Trust or the role of the Participant in respect of the Asset Trust. The disapplication of those Parts or sections of the Trustee Act 2000 the Trustee Act (Northern Ireland) 2001 (if applicable) shall constitute an exclusion of the relevant Parts or sections of the Trustee Act 2000 the Trustee Act (Northern Ireland) 2001 (if applicable) for the purposes of that Act but shall not affect the Trustee's fiduciary duties or its duties under common law or in equity.

Litigation

7.5 The Trustee shall prosecute or defend any legal or other proceedings anywhere in the world only if it is satisfied (after obtaining such legal or other advice which it considers appropriate in the circumstances) that it is in the interests of BEAPFF as beneficiary to do so and it has obtained the approval of the Agent to proceed.

No Liability

7.6 Neither BEAPFF, the Bank nor the Agent shall be liable to the Trustee in respect of any loss or damage which arises out of the exercise or attempted or purported exercise or failure to exercise any of its respective powers.

8. COVENANTS OF THE TRUSTEE

8.1 The Trustee covenants with and undertakes to BEAPFF and the Agent that it shall:

(a) following an Event of Default in relation to the Participant:

- (i) take such action as is required to preserve, exercise and enforce any of the Participant's rights under or pursuant to the Trust Assets;
 - (ii) take such action in relation to the Trust Assets and the performance of its duties under this Declaration of Trust as the Agent may consider necessary for the preservation, protection or enforcement of the rights of BEAPFF hereunder;
 - (iii) take such action as is required to redirect any payments made by a Borrower in respect of any Eligible Loan forming part of the Trust Assets to an account of BEAPFF (as notified by the Agent to the Trustee) or as the Agent may direct (including notifying Borrowers to make payments to such account);
 - (iv) take all such action as is necessary to preserve, exercise and enforce any of its and BEAPFF's rights and perform and observe its obligations under and pursuant to this Declaration of Trust and the other Loan Transaction Documents pursuant to which it or BEAPFF derives a benefit;
 - (v) if so instructed by the Agent, transfer the legal interest in all or any Transferable Trust Assets absolutely to BEAPFF or as the Agent may direct; and
 - (vi) if so instructed by the Agent, seek consents under, modifications to or waivers of the terms of any Trust Asset.
- (b) perform its obligations in respect of the Asset Trust under and pursuant to this Declaration of Trust and the other Documentation; and
- (c) take all such reasonable action as is necessary to preserve, exercise and enforce any of its and BEAPFF's rights pursuant to this Declaration of Trust and the other Documentation and any documentation in connection with each Loan and its Related Security pursuant to which it or BEAPFF derives a benefit.

8.2 The Trustee covenants with and undertakes to BEAPFF and the Agent that it shall not:

- (a) cause, allow or permit payments to be made in respect of the Trust Assets other than in accordance with the Documentation and any documentation in connection with each Loan and its Related Security;
- (b) other than in the ordinary course of its business acting as a reasonable prudent lender, take any action likely to impair the interests of BEAPFF in any of the Trust Assets now existing or hereafter created;
- (c) other than in the ordinary course of its business acting as a reasonable prudent lender, take any action likely to impair the value of any Trust Assets;
- (d) transfer or dispose of the Trust Assets or deal with any of them in such a way as to confer rights in any of them on any third parties or create any Security Interest over any of the Trust Assets.

9. REMUNERATION, COSTS AND EXPENSES

9.1 Unless otherwise agreed with the Agent, the Participant shall not be entitled to:

- (a) any remuneration for the services it provides in acting as Trustee of the Asset Trust; or
- (b) reimbursement in respect of any expenses incurred in connection with this Declaration of Trust or the Asset Trust.

9.2 The Participant agrees to pay and bear its own costs and expenses incurred in connection with the preparation and execution of the Documentation and entering into of each Loan Transaction.

9.3 The Participant agrees to pay or reimburse to the Agent and BEAPFF all of their costs and expenses (including legal expenses) together with any value added tax thereon, incurred in connection with the enforcement of any of its rights under the Documentation or any Loan Transaction.

9.4 The Participant agrees on demand to pay the Agent's and BEAPFF's charges and to reimburse the Agent and BEAPFF on demand for all fees, costs, charges and other expenses (including, without limitation, any third party custody or settlement or clearing system or depository charges for any Collateral, costs incurred in connection with checking that collateral is Eligible Collateral and valuing collateral, internal costs and expenses (including staff salary costs), legal expenses, transfer taxes, value added tax, registration charges and other similar taxes and charges) incurred by the Agent or BEAPFF in connection with any Applicable Facility and any Loan Transaction hereunder, and as may be more particularly set out in the Applicable Operating Procedures.

9.5 A Participant that is a Fee Paying Institution agrees to pay any fees that the Agent may impose in accordance with the Applicable Operating Procedures.

10. APPOINTMENT, REPLACEMENT AND RETIREMENT OF TRUSTEE

Appointment

10.1 The powers to appoint a new trustee under this Deed and to remove any trustee or trustees appointed under this Deed shall be vested in the Agent.

Replacement

10.2 Any person appointed in accordance with Clause 10.1 shall have the trusts, powers, authorities, duties, discretions and obligations which are expressly conferred or imposed on it by the instrument of appointment.

Retirement

10.3 The Participant may not retire or purport to retire as Trustee without the prior approval of the Agent.

11. NOTICES

11.1 Subject to Clause 11.4, any notice required to be given under this Deed shall be deemed to be given if:

- (a) in the case of a notice to the Agent, sent in accordance with the Applicable Operating Procedures, or left at Bank of England, Threadneedle Street, London EC2R 8AH, or sent by email to APFNotice@bankofengland.co.uk, or to

such other address as the Agent may notify to the Participant in writing from time to time, in each case marked for the attention of the Head of Sterling Markets Division; and

- (b) in the case of notice to the Participant left at the address or sent to the email address notified by the Participant to the Agent in writing from time to time.

11.2 Any such notice shall be deemed to be duly served:

- (a) if left at the address of the Party to be served, at the time when it is so left (or, if it is left on a day that is not a Business Day, at 8.15 a.m. on the next following Business Day);
- (b) if sent by post, on the second Business Day following the day of posting; and
- (c) if sent by email, when the message is received.

11.3 In proving the giving of a notice under Clause 11.2 it shall be sufficient to prove that the notice was delivered at the address for service or that the envelope containing such notice was properly addressed and posted (as the case may be).

11.4 The Applicable Operating Procedures may provide for any notice to be given orally, including by telephone; any such notice shall be deemed to be served when it is actually given.

12. TERMINATION

12.1 Unless terminated earlier by written direction of the Agent to the Trustee, the Asset Trust will terminate on the date falling 80 years after the date of this Deed (the *Long Stop Date*).

12.2 On termination of the Asset Trust on the Long Stop Date, legal title in all of the Trust Assets shall be transferred to BEAPFF and vested in BEAPFF absolutely and following such transfer and vesting the Trust Assets shall be free from all trusts under or pursuant to this Declaration of Trust.

13. FURTHER ASSURANCES

The Participant agrees that it will co-operate fully to do all such further acts and things and execute any further documents as the Agent considers may be necessary or desirable to give full effect to the arrangements contemplated by this Declaration of Trust.

14. GOVERNING LAW AND JURISDICTION

14.1 This Deed and any non-contractual obligations arising out of or in relation to this Deed shall, unless stated otherwise, be governed by and interpreted in accordance with English law.

14.2 The English courts shall (subject to Clauses 14.3 and 14.4 below) have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by this Deed; and (ii) any non-contractual obligations arising out of or in connection with this Deed. For such purposes the

Bank, the Agent, BEAPFF and the Participant irrevocably submit to the jurisdiction of the English courts and waive any objection to the exercise of such jurisdiction.

14.3 Notwithstanding the exclusive agreement in Clause 14.2 above the Bank, the Agent and BEAPFF may commence proceedings in any other court which has jurisdiction by virtue of Council Regulation EC No. 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition of judgments in civil and commercial matters (recast), the Convention on Jurisdiction and the Enforcement of Judgments signed on 27 October 1968 or the Convention on Jurisdiction and Enforcement of Judgments signed on 16 October 1988.

14.4 To the extent permitted by law, the Bank, the Agent and BEAPFF may take proceedings in the courts of any other country which may have jurisdiction, to whose jurisdiction the Participant irrevocably submits.

14.5 The Participant irrevocably waives any objections to the jurisdiction of any court referred to in this Clause 14.

14.6 The Participant irrevocably agrees that a judgment or order of any court referred to in this Clause 14 in connection with the Documentation or any Transaction is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

15. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

IN WITNESS whereof the Participant has caused this Declaration of Trust to be executed and delivered as a Deed on the date which first appears above.

EXECUTED and DELIVERED)
as a **DEED** by [**PARTICIPANT**]) Director
acting by two directors/a)
director and the secretary:)
Director/Secretary

For and on behalf of)
the **GOVERNOR AND COMPANY**)
of the **BANK OF ENGLAND** as agent for)
BANK OF ENGLAND)
ASSET PURCHASE FACILITY)
FUND LIMITED)

SCHEDULE 1

Definitions

Applicable Facility means any facility or scheme which BEAPFF has made available to the Participant pursuant to which the Agent has agreed that the Participant may provide Loan Collateral for the purposes of that facility or scheme;

Applicable Operating Procedures means, with respect to any Applicable Facility, the procedures published by the Bank relating to that Applicable Facility;

Applicable Terms and Conditions means any terms and conditions of any Applicable Facility;

Asset Trust means the trusts constituted over the Trust Assets in accordance with this Declaration of Trust;

Initial Settlement Amount means the sum of £100;

Re-acquired Assets has the meaning given in Clause 6;

Security Interest means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect;

Transferable Trust Assets means, in relation to any proposed Transfer of the legal interest in any Trust Asset absolutely to a person (the **Recipient**), any Trust Asset:

- (a) the terms of which do not prohibit the proposed Transfer to the Recipient; or
- (b) no law or regulation applicable to which prohibits the proposed Transfer to the Recipient; or
- (c) which would not give the Borrower a right of termination or rescission exercisable solely as a result of the proposed Transfer;

Transfer Date means:

- (a) in respect of the Initial Settlement Amount, the date on which the Participant delivers this Declaration of Trust to the Agent; and
- (b) in respect of any Loan, the date on which the Agent completes the date of delivery and signs the endorsement of delivery on the relevant Trust Asset Designation in accordance with paragraph 3.4 of the Annex for Loan Transactions: Declaration of Trust;

Trust Asset means, save to the extent that such assets are subject to a Trust Asset Re-acquisition Notice:

- (a) the Initial Settlement Amount;
- (b) with respect to each Loan designated as a Trust Asset by the Participant under a Trust Asset Designation:

- (i) (subject to the subsisting rights of redemption of Borrowers) all right, title, interest and benefit of the Participant (both present and future) in, to and under the relevant Loans and their Related Security (excluding the Scottish Mortgages and their Related Security) including for the avoidance of doubt as at the Transfer Date:
 - (A) all sums of principal, interest and any other sum payable under such Loans on or after or in respect of any period on or after the Transfer Date, all sums of principal, interest and other sums payable (but not paid before the Transfer Date) in respect of any period before the Transfer Date and the right to demand, sue for, recover, receive and give receipts for all such sums;
 - (B) the benefit of all security (excluding the Scottish Mortgages and their Related Security) for such principal moneys and interest and other sums payable, the benefit of all consents to mortgage signed by occupiers of the relevant Mortgaged Properties (excluding the Scottish Mortgages and their Related Security), the benefit of all rights under Family Law Act 1996 documentation and the benefit of and the right to sue on all covenants and undertakings in favour of the Participant in each such Loan and any Loan Guarantee in respect of such Loan (excluding any Loan Guarantee in respect of Scottish Loans) and the right to exercise all powers of the Participant in relation to each such Loan;
 - (C) all the estate and interest in the relevant Mortgaged Properties (excluding any Scottish Property) in favour of the Participant subject to redemption or cesser;
 - (D) to the extent that they are assignable all causes and rights of action in favour of the Participant against any person in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with any such Loans or received by the Participant in connection with the origination of any such Loan; and
 - (E) all proceeds from the enforcement of such Loans and their Related Security; and
- (ii) all right, title, interest and benefit in favour of the Participant (both present and future) in the Insurance Contracts (including the right to receive the proceeds of any claims, including any Criminal Damage Claims) in so far as they relate to such Loans; and

(c) the assets from time to time representing (a) and (b) above;

Trust Asset Designation means a notice substantially in the form set out in Schedule 2 (Trust Asset Designation);

Trust Asset Re-acquisition Notice means a notice substantially in the form set out in Schedule 3 (Trust Asset Re-acquisition Notice);

Trustee means the Participant in its capacity as trustee of the Asset Trust and any other person appointed by the Agent as trustee in accordance with Clause 10.1.

SCHEDULE 2

Form of Trust Asset Designation

From: [Participant]

To: Bank of England Asset Purchase Facility Fund Limited
8 Lothbury
London EC2R 7HH

[Date]

Declaration of Trust dated [] between [] (the *Participant*) and Bank of England Asset Purchase Facility Fund Limited (*BEAPFF*)

1. We refer to the Declaration of Trust.
2. This is a Trust Asset Designation.
3. Terms defined (including by reference) in the Declaration of Trust shall have the same meanings in this Trust Asset Designation.
4. On delivery of this Trust Asset Designation, the Loan Portfolios, which have been agreed with the Agent and which are detailed in the Schedule and with respect to each Loan included in those Loan Portfolios:
 - (a) (subject to the subsisting rights of redemption of Borrowers) all right, title, interest and benefit of the Participant (both present and future) in, to and under the relevant Loans and their Related Security (excluding the Scottish Mortgages and their Related Security) including for the avoidance of doubt as at the Transfer Date:
 - (i) all sums of principal, interest and any other sum payable under such Loans on or after or in respect of any period on or after the Transfer Date, all sums of principal, interest and other sums payable (but not paid before the Transfer Date) in respect of any period before the Transaction Date and the right to demand, sue for, recover, receive and give receipts for all such sums;
 - (ii) the benefit of all security (excluding the Scottish Mortgages and their Related Security) for such principal moneys and interest and other sums payable, the benefit of all consents to mortgage signed by occupiers of the relevant Mortgaged Properties (excluding the Scottish Mortgages and their Related Security), the benefit of all rights under Family Law Act 1996 documentation and the benefit of and the right to sue on all covenants and undertakings in favour of the Participant in each such Loan and any Loan Guarantee in respect of such Loan (excluding any Loan Guarantee in respect of Scottish Loans) and the right to exercise all powers of the Participant in relation to each such Loan;
 - (iii) all the estate and interest in the relevant Mortgaged Properties (excluding any Scottish Property) in favour of the Participant subject to redemption or cesser;
 - (iv) to the extent that they are assignable all causes and rights of action in favour of the Participant against any person in connection with any report, valuation,

opinion, certificate, consent or other statement of fact or opinion given in connection with any such Loans or received by the Participant in connection with the origination of any such Loan; and

- (v) all proceeds from the enforcement of such Loans and their Related Security; and
- (b) all right, title, interest and benefit in favour of the Participant (both present and future) in the Insurance Contracts (including the right to receive the proceeds of any claims, including any Criminal Damage Claims) in so far as they relate to such Loans

are and shall be Trust Assets and we hereby confirm and declare that our interests in such are and shall be held in trust by us for BEAPFF in terms of and for the purposes of the Declaration of Trust.

5. This Trust Asset Designation and all non-contractual obligations arising out of or in connection with this Trust Asset Designation shall be governed by and construed in accordance with English law.

6. This Trust Asset Designation may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Trust Asset Designation by e-mail attachment or telecopy shall be an effective mode of delivery.

EXECUTED and DELIVERED)
 as a **DEED** by []¹) Director
 acting by two directors/a)
 director and the secretary:)
 on)
 Director/Secretary

[Only on copy]

Acknowledged as delivered on [Date]

.....

For and on behalf of The Governor and Company of the Bank of England as agent for Bank of England Asset Purchase Facility Fund Limited

¹ Insert name of Participant

SCHEDULE

The details of the Loans are as follows:

[Details of Loans]

SCHEDULE 3

Form of Trust Asset Re-acquisition Notice

From: Bank of England Asset Purchase Facility Fund Limited
8 Lothbury
London EC2R 7HH

To: [Participant]

[Date]

Declaration of Trust dated [] between [] (the *Participant*) and Bank of England Asset Purchase Facility Fund Limited (*BEAPFF*)

We refer to the Declaration of Trust.

1. This is a Trust Asset Re-Acquisition Notice.
2. Terms defined (including by reference) in the Declaration of Trust shall have the same meanings in this Trust Asset Re-Acquisition Notice.
3. Upon receipt of this Trust Asset Re-Acquisition Notice by the Participant, there shall exist between the Participant and BEAPFF an agreement for the transfer by BEAPFF to the Participant of its beneficial interest in the Re-Acquired Assets more particularly described in the Schedule. Completion of the transfer shall take place at the time at which this notice is delivered to the Participant, at which point:
 - (a) the beneficial interest in the Re-Acquired Assets formerly held by BEAPFF shall vest absolutely in the Participant; and
 - (b) the Re-acquired Assets shall be held by the Participant free from all trusts under or pursuant to the Declaration of Trust.
4. This Trust Asset Re-acquisition Notice and all non-contractual obligations arising out of or in connection with this Trust Asset Re-acquisition Notice shall be governed by and construed in accordance with English law.

For and on behalf of)
 the **GOVERNOR AND COMPANY**)
of the BANK OF ENGLAND)
 as agent for)
BANK OF ENGLAND)
ASSET PURCHASE FACILITY)
FUND LIMITED) Authorised signatory

SCHEDULE

The details of the Re-acquired Assets are as follows:

[Details of Loans]

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BANK OF ENGLAND ASSET PURCHASE FACILITY FUND LIMITED

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DECLARATION OF TRUST

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