

Dated 11 August 2008

PARAGON MORTGAGES (NO. 7) PLC

(as Issuer in PM7 Administration Agreement and PM7 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 8) PLC

(as Issuer in PM13 Administration Agreement and PM8 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 9) PLC

(as Issuer in PM9 Administration Agreement and PM9 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 10) PLC

(as Issuer in PM10 Administration Agreement and PM10 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 11) PLC

(as Issuer in PM11 Administration Agreement and PM11 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 12) PLC

(as Issuer in PM12 Administration Agreement and PM12 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 13) PLC

(as Issuer in PM13 Administration Agreement and PM13 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 14) PLC

(as Issuer in PM14 Administration Agreement and PM14 Substitute Administrator Agreement)

PARAGON MORTGAGES (NO. 15) PLC

(as Issuer in PM15 Administration Agreement and PM15 Substitute Administrator Agreement)

FIRST FLEXIBLE NO. 6 PLC

(as Issuer in FF6 Servicing Agreement and FF6 Standby Servicing Agreement)

PARAGON PERSONAL AND AUTO FINANCE (NO. 3) PLC

(as Issuer in PPAF3 Administration Agreement and PPAF3 Substitute Administrator Agreement)

and

PARAGON FINANCE PLC

(as an Administrator in

PM7 Administration Agreement, PM7 Substitute Administrator Agreement, PM8 Administration Agreement, PM8 Substitute Administrator Agreement, PM9 Administration Agreement, PM9 Substitute Administrator Agreement, PM10 Administration Agreement, PM10 Substitute Administrator Agreement, PM11 Administration Agreement, PM11 Substitute Administrator Agreement, PM12 Administration Agreement, PM12 Substitute Administrator Agreement, PM13 Administration Agreement, PM13 Substitute Administrator Agreement, PM14 Administration Agreement, PM14 Substitute Administrator Agreement, PM15 Administration Agreement, PM15 Substitute Administrator Agreement, PPAF3 Administration Agreement and PPAF3 Substitute Administrator Agreement)

and

MORTGAGE TRUST SERVICES PLC

(as an Administrator in PM7 Administration Agreement and PM7 Substitute Administrator Agreement, PM8 Administration Agreement, PM8 Substitute Administrator Agreement, PM9 Substitute Administrator Agreement, PM10 Substitute Administrator Agreement, PM11 Substitute Administrator Agreement, PM12 Substitute Administrator Agreement, PM13 Substitute Administrator Agreement, PM14 Substitute Administrator Agreement and PM15 Substitute Administrator Agreement)

(as an Administrator and a Seller in PM9 Administration Agreement, PM10 Administration Agreement, PM11 Administration Agreement, PM12 Administration Agreement, PM13 Administration Agreement, PM14 Administration Agreement and PM15 Administration Agreement)

(as the Servicer in FF6 Servicing Agreement and FF6 Standby Servicing Agreement)

and

PARAGON MORTGAGES LIMITED

(as a Seller in PM7 Administration Agreement and PM8 Administration Agreement)
(as a Seller and an Originator in PM9 Administration Agreement, PM10 Administration Agreement, PM11 Administration Agreement, PM12 Administration Agreement, PM13 Administration Agreement, PM14 Administration Agreement, and PM15 Administration Agreement)

and

MORTGAGE TRUST LIMITED

(as MTL in PM7 Administration Agreement and PM8 Administration Agreement)

(as an Originator in PM9 Administration Agreement, PM10 Administration Agreement, PM11 Administration Agreement, PM12 Administration Agreement, PM13 Administration Agreement, PM14 Administration Agreement and PM15 Administration Agreement)

(as Mortgage Trust in FF6 Servicing Agreement)

and

HOMELoAN MANAGEMENT LIMITED

(as the Substitute Administrator in PM7 Substitute Administrator Agreement, PM8 Substitute Administrator Agreement, PM9 Substitute Administrator Agreement, PM10 Substitute Administrator Agreement, PM11 Substitute Administrator Agreement, PM12 Substitute Administrator Agreement, PM13 Substitute Administrator Agreement, PM14 Substitute Administrator Agreement, PM15 Substitute Administrator Agreement and PPAF3 Substitute Administrator Agreement)

(as Standby Servicer in FF6 Standby Servicing Agreement)

and

CITICORP TRUSTEE COMPANY LIMITED

(as Trustee in PM7 Administration Agreement, PM7 Substitute Administrator Agreement, PM8 Administration Agreement, PM8 Substitute Administrator Agreement, PM9 Administration Agreement, PM9 Substitute Administrator Agreement, PM10 Administration Agreement, PM10 Substitute Administrator Agreement, PM11 Administration Agreement, PM11 Substitute Administrator Agreement, PM12 Administration Agreement, PM12 Substitute Administrator Agreement, PM13 Administration Agreement, PM13 Substitute Administrator Agreement, PM14 Administration Agreement, PM14 Substitute Administrator Agreement, PM15 Administration Agreement and PM15 Substitute Administrator Agreement, FF6 Servicing Agreement, FF6 Standby Servicing Agreement, PPAF3 Administration Agreement and PPAF3 Substitute Administrator Agreement)

and

ARIANTY NO. 1 PLC

(as a Seller in PM7 Administration Agreement, and PM8 Administration Agreement)

(as Arianty in FF6 Servicing Agreement)

and

UNIVERSAL CREDIT LIMITED

(as a Seller in PPAF3 Administration Agreement)

and

COLONIAL FINANCE (UK) LIMITED

(as a Seller in PPAF3 Administration Agreement)

and

PARAGON LOAN FINANCE (NO. 1) PLC

(as Subordinated Loan Provider in PPAF3 Administration Agreement)

and

PARAGON CAR FINANCE LIMITED

(as a Seller in PPAF3 Administration Agreement)

and

PARAGON PERSONAL FINANCE LIMITED

(as a Seller in PPAF3 Administration Agreement)

**DEED OF AMENDMENT IN RESPECT OF THE
AMENDMENT DOCUMENTS**

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THIS AGREEMENT is made on 11 August 2008

BETWEEN

- (1) **PARAGON MORTGAGES (No. 7) PLC** (registered number 4513170) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (2) **PARAGON MORTGAGES (No. 8) PLC** (registered number 4513172) Whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (3) **PARAGON MORTGAGES (No. 9) PLC** (registered number 4513176) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (4) **PARAGON MORTGAGES (No. 10) PLC** (registered number 4514738) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (5) **PARAGON MORTGAGES (No. 11) PLC** (registered number 4513183) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (6) **PARAGON MORTGAGES (No. 12) PLC** (registered number 5386924) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (7) **PARAGON MORTGAGES (No. 13) PLC** (registered number 5393650) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (8) **PARAGON MORTGAGES (No. 14) PLC** (registered number 6043254) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (9) **PARAGON MORTGAGES (No. 15) PLC** (registered number 6212267) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (10) **FIRST FLEXIBLE No. 6 PLC** (registered number 4579581) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (11) **PARAGON PERSONAL AND AUTO FINANCE (No. 3) PLC** (registered number 4513186) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (together with Paragon Mortgages (No. 7) PLC, Paragon Mortgages (No. 8) PLC, Paragon Mortgages (No. 9) PLC, Paragon Mortgages (No.

- 10) PLC, Paragon Mortgages (No. 11) PLC, Paragon Mortgages (No. 12) PLC, Paragon Mortgages (No. 13) PLC, Paragon Mortgages (No. 14) PLC, Paragon Mortgages (No. 15) PLC, First Flexible No. 5 PLC and First Flexible No. 6, the "Issuers" and each an "Issuer");
- (12) **PARAGON FINANCE PLC** (registered number 1917566) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (the "Administrator" and together with Mortgage Trust Services PLC, the "Administrators");
- (13) **MORTGAGE TRUST SERVICES PLC** (registered number 3940202) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (the "Administrator" or the "Servicer" (as the case may be) and together with Paragon Finance PLC, the "Administrators");
- (14) **PARAGON MORTGAGES LIMITED** (registered number 2337854) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (15) **MORTGAGE TRUST LIMITED** (registered number 2048895) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (16) **HOMELoAN MANAGEMENT LIMITED** (registered number 2214839) whose registered office is at 1 Providence Place, Skipton, North Yorkshire BD23 2HL (the "Substitute Administrator");
- (17) **CITICORP TRUSTEE COMPANY LIMITED**, whose principal London office is at Citigroup Centre, 14th Floor, Canada Square, Canary Wharf, London E14 5LB (the "Trustee");
- (18) **ARIANTY NO. 1 PLC** (registered number 3946857) whose registered office is at Sir William Atkins House, 2 Ashley Avenue, Epsom, Surrey KT18 5AS;
- (19) **UNIVERSAL CREDIT LIMITED** (registered number 1981317) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (20) **COLONIAL FINANCE (UK) LIMITED** (registered number 2064697) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (21) **PARAGON LOAN FINANCE (NO. 1) PLC** (registered number 2173068) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (22) **PARAGON CAR FINANCE LIMITED** (registered number 3203928) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE; and

- (23) **PARAGON PERSONAL FINANCE LIMITED** (registered number 3303798) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE.

WHEREAS

- (A) The parties to this Deed of Amendment were parties to the Amendment Documents (as defined herein) in various capacities.
- (B) The parties now wish to amend certain provisions of the Amendment Documents to remove the discretion of the Trustee to appoint a substitute administrator, and to impose further duties on the Administrator or Servicer (as the case may be).
- (C) Pursuant to Clauses 19.2 (*Waiver; Authorisation; Determination; Modification*) of the Trust Deeds referred to in PM7 Administration Agreement, PM8 Administration Agreement, PM9 Administration Agreement, PM10 Administration Agreement, PM11 Administration Agreement, PM12 Administration Agreement, PM13 Administration Agreement, PM14 Administration Agreement, PM15 Administration Agreement, PPAF3 Administration Agreement and Clause 20.2 (*Modification*) of the Trust Deed referred to in FF6 Servicing Agreement, the Trustee may, without the consent of the Noteholders, at any time and from time to time, concur with the Issuer in making any modification to the Amendment Documents, which in the opinion of the Trustee it may be proper to make, provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the relevant Noteholders.

NOW THIS DEED OF AMENDMENT WITNESSES AND IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS

- 1.1 Save where the contrary is indicated or the context otherwise requires, words and phrases as defined in or incorporated by reference into the Agreements, respectively, shall have the same meaning herein.

- 1.2 "**Amendment Documents**" means the Administration Agreements and the Substitute Administrator Agreements;

"**Administration Agreements**" means the PM7 Administration Agreement, PM8 Administration Agreement, PM9 Administration Agreement, PM10 Administration Agreement, PM11 Administration Agreement, PM12 Administration Agreement, PM13 Administration Agreement, PM14 Administration Agreement, PM15 Administration Agreement, FF6 Servicing Agreement and PPAF3 Administration Agreement;

"**FF6 Servicing Agreement**" means the agreement dated 29 January 2004 entered into between: (i) Mortgage Trust Limited as Mortgage Trust, (ii) Mortgage Trust Services

PLC as the Servicer, (iii) First Flexible No. 6 PLC as the Issuer, (iv) Citicorp Trustee Company Limited as the Trustee and (v) Arianty No. 1 PLC as Arianty;

"FF6 Standby Servicer Agreement" means the agreement dated 29 January 2004 entered into between: (i) Mortgage Trust Services PLC as the Servicer, (ii) Citicorp Trustee Company Limited as the Trustee, (iii) Homeloan Management Limited as the Standby Servicer and (iv) First Flexible No. 6 PLC as the Issuer;

"PM7 Administration Agreement" which means the agreement dated 26 May 2004 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Paragon Mortgages (No. 7) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller, (v) Arianty No. 1 PLC as a Seller, (vi) Mortgage Trust Limited as MTL and (vii) Citicorp Trustee Company Limited as the Trustee;

"PM7 Substitute Administrator Agreement" means the agreement dated 26 May 2004 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 7) PLC as the Issuer;

"PM8 Administration Agreement" means the agreement dated 27 October 2004 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Paragon Mortgages (No. 8) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller, (v) Arianty No. 1 PLC as a Seller, (vi) Mortgage Trust Limited as MTL and (vii) Citicorp Trustee Company Limited as the Trustee;

"PM8 Substitute Administrator Agreement" means the agreement dated 27 October 2004 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 8) PLC as the Issuer;

"PM9 Administration Agreement" means the agreement dated 19 July 2005 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator and a Seller, (iii) Paragon Mortgages (No. 9) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller and an Originator, (v) Mortgage Trust Limited as an Originator and (vi) Citicorp Trustee Company Limited as the Trustee;

"PM9 Substitute Administrator Agreement" means the agreement dated 19 July 2005 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 9) PLC as the Issuer;

"PM10 Administration Agreement" means the agreement dated 17 November 2005 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator and a Seller, (iii) Paragon Mortgages (No. 10) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller and an Originator, (v) Mortgage Trust Limited as an Originator and (vi) Citicorp Trustee Company Limited as the Trustee;

"PM10 Substitute Administrator Agreement" means the agreement dated 17 November 2005 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 10) PLC as the Issuer;

"PM11 Administration Agreement" means the agreement dated 23 March 2006 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator and a Seller, (iii) Paragon Mortgages (No. 11) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller and an Originator, (v) Mortgage Trust Limited as an Originator and (vi) Citicorp Trustee Company Limited as the Trustee;

"PM11 Substitute Administrator Agreement" means the agreement dated 23 March 2006 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 11) PLC as the Issuer;

"PM12 Administration Agreement" means the agreement dated 20 July 2006 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator and a Seller, (iii) Paragon Mortgages (No. 12) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller and an Originator, (v) Mortgage Trust Limited as an Originator and (vi) Citicorp Trustee Company Limited as the Trustee;

"PM12 Substitute Administrator Agreement" means the agreement dated 20 July 2006 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 12) PLC as the Issuer;

"PM13 Administration Agreement" means the agreement dated 26 October 2006 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator and a Seller, (iii) Paragon Mortgages (No. 13) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller and an Originator, (v) Mortgage Trust Limited as an Originator and (vi) Citicorp Trustee Company Limited as the Trustee;

"PM13 Substitute Administrator Agreement" means the agreement dated 26 October 2006 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 13) PLC as the Issuer:

"PM14 Administration Agreement" means the agreement dated 22 March 2007 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator and a Seller, (iii) Paragon Mortgages (No. 14) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller and an Originator, (v) Mortgage Trust Limited as an Originator and (vi) Citicorp Trustee Company Limited as the Trustee;

"PM14 Substitute Administrator Agreement" means the agreement dated 22 March 2007 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 14) PLC as the Issuer;

"PM15 Administration Agreement" means the agreement dated 19 July 2007 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator and a Seller, (iii) Paragon Mortgages (No. 15) PLC as the Issuer, (iv) Paragon Mortgages Limited as a Seller and an Originator, (v) Mortgage Trust Limited as an Originator and (vi) Citicorp Trustee Company Limited as the Trustee;

"PM15 Substitute Administrator Agreement" means the agreement dated 19 July 2007 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Mortgage Trust Services PLC as an Administrator, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Homeloan Management Limited as the Substitute Administrator and (v) Paragon Mortgages (No. 15) PLC as the Issuer;

"PPAF3 Administration Agreement" means the agreement dated 19 May 2005 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Paragon Personal and Auto Finance (No. 3) PLC as the Issuer, (iii) Citicorp Trustee Company Limited as the Trustee, (iv) Universal Credit Limited as a Seller, (v) Colonial Finance (UK) Limited as a Seller, (vi) Paragon Loan Finance (No. 1) PLC as Subordinated Loan Provider, (vii) Paragon Car Finance Limited as a Seller and (viii) Paragon Personal Finance Limited as a Seller;

"PPAF3 Substitute Administrator Agreement" means the agreement dated 19 May 2005 entered into between (i) Paragon Finance PLC as an Administrator, (ii) Citicorp Trustee Company Limited as the Trustee, (iii) Homeloan Management Limited as the Substitute Administrator and (iv) Paragon Personal and Auto Finance (No. 3) PLC as the Issuer; and

"**Substitute Administrator Agreements**" means the PM7 Substitute Administrator Agreement, PM8 Substitute Administrator Agreement, PM9 Substitute Administrator Agreement, PM10 Substitute Administrator Agreement, PM11 Substitute Administrator Agreement, PM12 Substitute Administrator Agreement, PM13 Substitute Administrator Agreement, PM14 Substitute Administrator Agreement, PM15 Substitute Administrator Agreement, FF6 Servicing Agreement and PPAF3 Substitute Administrator Agreement.

2. **PM7 ADMINISTRATION AGREEMENT - AMENDMENT**

2.1 The parties hereto agree that the following amendments shall be made to the PM7 Administration Agreement:

2.1.1 There shall be inserted after Clause 22.4 the following:

"22.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

2.1.2 Clause 22 (*Termination*) shall be replaced by the following:

"22. **TERMINATION**

22.1 If any of the following events (each, together with the event specified in clauses 22.2 and 22.3, a "**Termination Event**") shall occur:

22.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

22.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the

relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

- 22.1.3 an order is made or an effective resolution passed for winding up of any Administrator;
- 22.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 22.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (B) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 22.

22.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.

22.3 Subject to Clause 22.1 above, if any of the events in Clauses 22.1.1 to 22.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 22.5 of this Agreement.

22.4 On and after termination of the appointment of any Administrator pursuant to clause 22.1, 22.2 or 22.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

22.5 Upon termination of the appointment of any Administrator pursuant to clause 22.1, 22.2 or 22.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 22.1, 22.2 or 22.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

22.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.

22.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8

of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.

- 22.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 22.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
 - (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
 - (d) the then current ratings of the Class A Notes and the Class B Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders or the Class B Noteholders respectively.
- 22.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.
- 22.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of

such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.

- 22.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.
- 22.12 On termination of the appointment of any Administrator under the provisions of this clause 22, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.
- 22.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.
- 22.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

2.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

3. **PM7 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

- 3.1 The parties hereto agree that Clause 1 of the PM7 Substitute Administrator Agreement shall be replaced by the following wording:

"1. Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis*

mutandis, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 13.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.10 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.10 per cent per annum" in respect of the Administrative Senior Fee and the words "0.20 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.20 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 13.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 11 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

4. **PM8 ADMINISTRATION AGREEMENT - AMENDMENT**

4.1 The parties hereto agree that the following amendments shall be made to the PM8 Administration Agreement:

4.1.1 There shall be inserted after Clause 20.4 the following:

"20.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

4.1.2 Clause 22 (*Termination*) shall be replaced by the following:

"22. **TERMINATION**

22.1 If any of the following events (each, together with the event specified in clauses 22.2 and 22.3, a "**Termination Event**") shall occur:

22.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

- 22.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;
- 22.1.3 an order is made or an effective resolution passed for winding up of any Administrator;
- 22.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 22.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any

Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (B) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 22.

- 22.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.

22.3 Subject to Clause 22.1 above, if any of the events in Clauses 22.1.1 to 22.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 22.5 of this Agreement.

22.4 On and after termination of the appointment of any Administrator pursuant to clause 22.1, 22.2 or 22.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

22.5 Upon termination of the appointment of any Administrator pursuant to clause 22.1, 22.2 or 22.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 22.1, 22.2 or 22.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

- 22.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.
- 22.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.
- 22.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 22.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
 - (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
 - (d) the then current ratings of the Class A Notes and the Class B Notes by the Rating Agencies are not affected as a result

thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders or the Class B Noteholders respectively.

- 22.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.
- 22.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.
- 22.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.
- 22.12 On termination of the appointment of any Administrator under the provisions of this clause 22, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.
- 22.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.
- 22.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

4.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

5. **PM8 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

5.1 The parties hereto agree that Clause 1 of the PM8 Substitute Administrator Agreement shall be replaced by the following wording:

"1. Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 13.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.10 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.10 per cent per annum" in respect of the Administrative Senior Fee and the words "0.20 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.20 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 13.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 13 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

6. **PM9 ADMINISTRATION AGREEMENT - AMENDMENT**

6.1 The parties hereto agree that the following amendments shall be made to the PM9 Administration Agreement:

6.1.1 There shall be inserted after Clause 17.3 the following:

"17.4 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the

calculation data within 3 Business Days from the Principal Determination Date."

6.1.2 Clause 19 (*Termination*) shall be replaced by the following:

"19. **TERMINATION**

19.1 If any of the following events (each, together with the event specified in clauses 19.2 and 19.3, a "**Termination Event**") shall occur:

19.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

19.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and the Class C Noteholders or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

19.1.3 an order is made or an effective resolution passed for winding up of any Administrator;

- 19.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 19.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting

Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (B) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 19.

19.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.

19.3 Subject to Clause 19.1 above, if any of the events in Clauses 19.1.1 to 19.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 19.5 of this Agreement.

19.4 On and after termination of the appointment of any Administrator pursuant to clause 19.1, 19.2 or 19.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

19.5 Upon termination of the appointment of any Administrator pursuant to clause 19.1, 19.2 or 19.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 19.1, 19.2 or 19.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

- 19.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.
- 19.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.
- 19.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 19.12 shall apply) shall be appointed, such appointment to be effective not

later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;

- (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
- (d) the then current ratings of the Class A Notes, the Class B Notes and the Class C Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders respectively.

- 19.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.
- 19.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.
- 19.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.
- 19.12 On termination of the appointment of any Administrator under the provisions of this clause 19, the relevant Administrator 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 or further

compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.

19.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.

19.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

6.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

7. **PM9 SUBSTITUTE ADMINISTRATOR AGREEMENT AMENDMENT**

7.1 The parties hereto agree that Clause 2 of the PM9 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 10.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum" in respect of the Administrative Senior Fee and the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators'

appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 10.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 10 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

8. **PM10 ADMINISTRATION AGREEMENT - AMENDMENT**

8.1 The parties hereto agree that the following amendments shall be made to the PM10 Administration Agreement:

8.1.1 There shall be inserted after Clause 18.4 the following:

"18.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

8.1.2 Clause 20 (*Termination*) shall be replaced by the following:

"20. **TERMINATION**

20.1 If any of the following events (each, together with the event specified in clauses 20.2 and 20.3, a "**Termination Event**") shall occur:

20.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

20.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and the Class C Noteholders or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier

of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

- 20.1.3 an order is made or an effective resolution passed for winding up of any Administrator;
- 20.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 20.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation,

administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (B) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 20.

- 20.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.
- 20.3 Subject to Clause 20.1 above, if any of the events in Clauses 20.1.1 to 20.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:
- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
 - (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 20.5 of this Agreement.

20.4 On and after termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

20.5 Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

20.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.

20.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such

agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.

- 20.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 20.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
 - (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
 - (d) the then current ratings of the Class A Notes, the Class B Notes and the Class C Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders respectively.
- 20.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.

- 20.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.
- 20.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.
- 20.12 On termination of the appointment of any Administrator under the provisions of this clause 20, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.
- 20.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.
- 20.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

8.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

9. **PM10 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

- 9.1 The parties hereto agree that Clause 2 of the PM10 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 11.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum" in respect of the Administrative Senior Fee and the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 11.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 11 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

10. **PM11 ADMINISTRATION AGREEMENT - AMENDMENT**

10.1 The parties hereto agree that the following amendments shall be made to the PM11 Administration Agreement:

10.1.1 There shall be inserted after Clause 18.4 the following:

"18.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

10.1.2 Clause 20 (*Termination*) shall be replaced by the following:

"20. **TERMINATION**

20.1 If any of the following events (each, together with the event specified in clauses 20.2 and 20.3, a "**Termination Event**") shall occur:

20.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by

that Administrator of written notice from the Trustee requiring the same to be remedied;

- 20.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and the Class C Noteholders or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;
- 20.1.3 an order is made or an effective resolution passed for winding up of any Administrator;
- 20.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 20.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where

any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (B) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 20.

- 20.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so

authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.

20.3 Subject to Clause 20.1 above, if any of the events in Clauses 20.1.1 to 20.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 20.5 of this Agreement.

20.4 On and after termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

20.5 Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator

pursuant to clause 20.1, 20.2 or 20.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

- 20.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.
- 20.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.
- 20.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 20.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
 - (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and

Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and

- (d) the then current ratings of the Class A Notes, the Class B Notes and the Class C Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders respectively.

20.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.

20.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.

20.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.

20.12 On termination of the appointment of any Administrator under the provisions of this clause 20, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.

20.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.

20.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

10.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

11. **PM11 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

11.1 The parties hereto agree that Clause 2 of the PM11 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 11.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum" in respect of the Administrative Senior Fee and the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 11.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 11 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

12. **PM12 ADMINISTRATION AGREEMENT - AMENDMENT**

12.1 The parties hereto agree that the following amendments shall be made to the PM12 Administration Agreement:

12.1.1 There shall be inserted after Clause 18.4 the following:

"18.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

12.1.2 Clause 20 (*Termination*) shall be replaced by the following:

"20. **TERMINATION**

20.1 If any of the following events (each, together with the event specified in clauses 20.2 and 20.3, a "**Termination Event**") shall occur:

20.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

20.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and the Class C Noteholders or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

- 20.1.3 an order is made or an effective resolution passed for winding up of any Administrator;
- 20.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 20.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all

purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (B) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 20.

20.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.

20.3 Subject to Clause 20.1 above, if any of the events in Clauses 20.1.1 to 20.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 20.5 of this Agreement.

20.4 On and after termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

20.5 Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the

Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

- 20.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.
- 20.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.
- 20.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;

- (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 20.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
- (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
- (d) the then current ratings of the Class A Notes, the Class B Notes and the Class C Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders respectively.

20.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.

20.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.

20.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.

20.12 On termination of the appointment of any Administrator under the provisions of this clause 20, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.

20.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.

20.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

12.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

13. **PM12 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

13.1 The parties hereto agree that Clause 2 of the PM13 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 11.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum" in respect of the Administrative Senior

Fee and the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 11.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 11 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

14. **PM13 ADMINISTRATION AGREEMENT - AMENDMENT**

14.1 The parties hereto agree that the following amendments shall be made to the PM13 Administration Agreement:

14.1.1 There shall be inserted after Clause 18.4 the following:

"18.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

14.1.2 Clause 20 (*Termination*) shall be replaced by the following:

"20. **TERMINATION**

20.1 If any of the following events (each, together with the event specified in clauses 20.2 and 20.3, a "**Termination Event**") shall occur:

20.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

20.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and the Class C Noteholders or, if the Class A Notes and the Class B Notes have been

redeemed in full, the Class C Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

- 20.1.3 an order is made or an effective resolution passed for winding up of any Administrator;
- 20.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 20.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out

against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (B) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 20.

- 20.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.
- 20.3 Subject to Clause 20.1 above, if any of the events in Clauses 20.1.1 to 20.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 20.5 of this Agreement.

20.4 On and after termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

20.5 Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

20.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the

Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.

- 20.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.
- 20.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 20.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
 - (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
 - (d) the then current ratings of the Class A Notes, the Class B Notes and the Class C Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders respectively.

- 20.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.
- 20.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.
- 20.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.
- 20.12 On termination of the appointment of any Administrator under the provisions of this clause 20, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.
- 20.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.
- 20.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

14.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of

the Administration Agreement and the Substitute Administrator Agreement shall prevail.

15. **PM13 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

15.1 The parties hereto agree that Clause 2 of the PM13 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 11.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum" in respect of the Administrative Senior Fee and the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 11.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 11 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

16. **PM14 ADMINISTRATION AGREEMENT - AMENDMENT**

16.1 The parties hereto agree that the following amendments shall be made to the PM14 Administration Agreement:

16.1.1 There shall be inserted after Clause 18.4 the following:

"18.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

16.1.2 Clause 20 (*Termination*) shall be replaced by the following:

"20. **TERMINATION**

20.1 If any of the following events (each, together with the event specified in clauses 20.2 and 20.3, a "**Termination Event**") shall occur:

20.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

20.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and the Class C Noteholders or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

20.1.3 an order is made or an effective resolution passed for winding up of any Administrator;

20.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its

debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or

20.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (b) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming

Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 20.

20.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.

20.3 Subject to Clause 20.1 above, if any of the events in Clauses 20.1.1 to 20.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 20.5 of this Agreement.

20.4 On and after termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, all authority and power of that Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

20.5 Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the

Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

- 20.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.
- 20.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.
- 20.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 20.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement

substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;

- (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
- (d) the then current ratings of the Class A Notes, the Class B Notes and the Class C Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders respectively.

20.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.

20.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.

20.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.

20.12 On termination of the appointment of any Administrator under the provisions of this clause 20, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under

this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.

20.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.

20.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

16.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

17. **PM14 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

17.1 The parties hereto agree that Clause 2 of the PM13 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 11.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were substituted in that clause of the Administration Agreement the words "0.05 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.05 per cent per annum" in respect of the Administrative Senior Fee and the words "0.25 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.25 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 11.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 11 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as

Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

18. **PM15 ADMINISTRATION AGREEMENT - AMENDMENT**

18.1 The parties hereto agree that the following amendments shall be made to the PM15 Administration Agreement:

18.1.1 There shall be inserted after Clause 18.4 the following:

"18.5 Each Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Principal Determination Date."

18.1.2 Clause 20 (*Termination*) shall be replaced by the following:

"20. **TERMINATION**

20.1 If any of the following events (each, together with the event specified in clauses 20.2 and 20.3, a "**Termination Event**") shall occur:

20.1.1 default is made by an Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the relevant Administrator becoming aware of such default and receipt by that Administrator of written notice from the Trustee requiring the same to be remedied;

20.1.2 default is made by any Administrator in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders and the Class C Noteholders or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of any Administrator becoming aware of such default and receipt by any Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom any Administrator has sub-contracted or delegated part of its obligations hereunder such default

shall not constitute a Termination Event if within such 14 day period any Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

- 20.1.3 an order is made or an effective resolution passed for winding up of any Administrator;
- 20.1.4 any Administrator 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 its debts or any Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- 20.1.5 proceedings are initiated against any Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where any Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by any Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to any Administrator or in relation to the whole or any substantial part of the undertaking or assets of any Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of any Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of any Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if any Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to each Administrator terminate

the appointment of each Administrator with effect from a date (not earlier than the date of the notice) specified in the notice PROVIDED THAT if during the period on which PFPLC and MTS are the providers of the Services, the relevant event has occurred in relation to only one of the Administrators (the "**Defaulting Administrator**"), and the other Administrator gives notice under clause 9.4 of the Deed of Charge, the event shall be deemed to be remedied (and for all purposes under the Relevant Documents no Termination Event shall have occurred) and shall only entitle the appointment of the Defaulting Administrator to be terminated. For the avoidance of doubt, the cessation and release of the rights and obligations of the Defaulting Administrator and the corresponding assumption by the Assuming Administrator (as that term is defined in paragraph (b) of the definition of "Administrator" in this Agreement) of all such rights and obligations pursuant to and upon the giving of notice by the Assuming Administrator in accordance with clause 9.4 of the Deed of Charge shall not constitute termination of the appointment of the Defaulting Administrator for the purposes of this clause 20.

20.2 If at any time an Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of that Administrator will, unless that Administrator, the Trustee and the Issuer agree otherwise in writing, or the other Administrator gives notice under clause 9.4 of the Deed of Charge, terminate with immediate effect.

20.3 Subject to Clause 20.1 above, if any of the events in Clauses 20.1.1 to 20.1.5 has occurred (which remains unremedied and no notice has been given under Clause 9.4 of the Deed of Charge) and:

- (i) the Administrators have failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrators (or the Defaulting Administrator, as defined above) in accordance with Clause 20.5 of this Agreement.

20.4 On and after termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, all authority and power of that

Administrator under this Agreement shall be terminated and of no further effect and the relevant Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

- 20.5 Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the relevant Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Loan Files, the Mortgage Deeds, the Insurance Contracts, 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 Trustee and the Mortgages and any other security therefor, any moneys then held by that Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The relevant Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The relevant Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of any Administrator pursuant to clause 20.1, 20.2 or 20.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of both the Administrators on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

- 20.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrators on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.

- 20.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.8 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.

- 20.8 The appointment of each Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by each Administrator to the Issuer and the Trustee, provided that:
- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
 - (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 20.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and any Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
 - (c) such substitute administrator has experience of administering mortgages and charges of residential property in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
 - (d) the then current ratings of the Class A Notes, the Class B Notes and the Class C Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders respectively.
- 20.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 9) or any event which with the giving of notice or lapse of time or certification would constitute the same.
- 20.10 Termination of the appointment of any Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.

- 20.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages or, if later, upon discharge of all Secured Amounts other than the PFPLC Secured Amounts and the Seller Secured Amounts.
- 20.12 On termination of the appointment of any Administrator under the provisions of this clause 20, the relevant Administrator 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 or further compensation. Such moneys so receivable by that Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the relevant Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Services Letter and the Deed of Charge.
- 20.13 Prior to termination of this Agreement, the Administrator, each Originator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Borrowers to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.
- 20.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

18.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

19. **PM15 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

- 19.1 The parties hereto agree that Clause 2 of the PM15 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 11.1(B) of the Administration Agreement the words, "for so long as PFPLC and/or MTS are Administrators," and as if there were

substituted in that clause of the Administration Agreement the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum" in respect of the Administrative Senior Fee and the words "0.15 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.15 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 11.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 11 from the date on which HML assumes the duties and obligations of both of the Administrators as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

20. **FF6 SERVICING AGREEMENT - AMENDMENT**

20.1 The parties hereto agree that the following amendments shall be made to the FF6 Servicing Agreement:

20.1.1 There shall be inserted after Clause 24.1(i) the following:

"(j) it will forward to each of the Trustee and the Standby Servicer all the calculation data within 3 Business Days from the Determination Date."

20.1.2 Clause 27 (*Termination*) shall be replaced by the following:

27. TERMINATION

27.1 If any of the following events shall occur:

- (a) default is made by the Servicer in the payment on the due date of any payment to be made under this Agreement to the Trust Accounts or the Transaction Account and such default is not remedied for a period of two Business Days following the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice by the Trustee requiring the same to be remedied;
- (b) default is made by the Servicer in the performance or observance in any material respect of any of its other covenants and obligations under this Agreement (other than the covenant set out in clause 24.1(d) above in so far as it relates to authorisation under the FSMA and the RAO), which, if capable of remedy, continues unremedied for a period of 15 Business Days after written notice by the Issuer or the Trustee

requiring the same to be remedied and the Trustee determines that such default is materially prejudicial to its interests;

- (c) an order is made or an effective resolution passed for winding up the Servicer;
- (d) the Servicer ceases or threatens to cease to carry on its business or a substantial part of its business;
- (e) proceedings are initiated against the Servicer under any applicable liquidation, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where the Servicer is solvent) or other similar laws (including, but not limited to, presentation of an application for an administration order) and such proceedings are not being disputed in good faith, or an administration order is granted, or an administrative receiver or other receiver or other similar official is appointed in relation to the Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Servicer or a distress, execution, diligence or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Servicer or the encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Servicer and such order, appointment, possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 Business Days; or the Servicer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally; or
- (f) the Servicer is in breach of the covenant set out in clause 24.1(d) above in so far as it relates to authorisation under the FSMA and the RAO,

then the Issuer (with the consent of the Trustee) or the Trustee may, without prejudice to its or the Issuer's other rights by notice in writing to the Servicer terminate the Servicer's appointment under this Agreement forthwith. Any termination of appointment pursuant to this clause 27.1 shall be without liability or penalty on the part of the Issuer and/or the Trustee for so doing.

- 27.2 Subject to Clause 27.1 above, if any of the events in Clauses 27 (a) to (f) has occurred (which remains unremedied) and:

- (i) the Servicer has failed to provide the Standby Servicer and the Trustee with the calculation data within 3 Business Days from the Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Servicer in accordance with Clause 27.5 of this Agreement.

- 27.3 On and after termination of the Servicer's appointment under this Agreement pursuant to clause 27.1 or 27.2, all rights, authority and power of the Servicer under this Agreement shall be terminated and of no further effect and the Servicer shall not hold itself out in any way as the agent of the Issuer or the Trustee.
- 27.4 Following termination of the Servicer's appointment under this Agreement pursuant to clause 27.1 or 27.2, the Trustee shall notify the Standby Servicer in writing of the occurrence of such termination and upon receipt of such notice of termination the Standby Servicer shall assume the duties and obligations of the Servicer on the terms set out in the Standby Servicing Agreement.
- 27.5 If the Standby Servicer is unable, for any reason whatsoever, to assume the duties and obligations of the Servicer on the terms set out in the Standby Servicing Agreement, then the Trustee shall appoint another standby servicer capable of assuming such duties and obligations on terms substantially similar to those of this Agreement.
- 27.6 Upon termination of the Servicer's appointment under this Agreement pursuant to clause 27.1, 27.2 or 27.7, the Servicer shall provide reasonable co-operation in handing over responsibilities to a substitute Servicer or the Standby Servicer, as applicable, and forthwith deliver to the Trustee or as it shall direct the Title Deeds, the Insurance Contracts, all books of account, papers, records, registers, correspondence, documents and computer records in its possession or under its control relating to the affairs of or belonging to the Issuer and the Mortgages and any other security therefor, any moneys then held by the Servicer on behalf of the Issuer and/or the Trustee and shall take such further action as the Trustee may reasonably direct, including (but without limitation), if so requested and within the power of the Servicer, granting or assigning or sub-licensing such licences in respect of intellectual property of the Servicer as may be necessary to enable the Services to be performed by a substitute Servicer or the Standby Servicer, as applicable. For the avoidance of doubt, the Standby Servicer (or any substitute Standby Servicer) shall not be responsible for any loss or damage incurred or sustained as a result of

a failure by the Servicer to comply with the provisions of this clause 27.6.

27.7 The Servicer's appointment under this Agreement may be terminated upon the expiry of not less than 12 months' notice of termination given by the Servicer to the Issuer and the Trustee provided that:

- (a) each of the Issuer and the Trustee consents in writing to such termination; and
- (b) the Standby Servicer or a substitute Servicer shall be appointed, such appointment to be effective not later than the date of termination of the Servicer's appointment under this Agreement and the Servicer shall not be released from its obligations under this Agreement until the Standby Servicer or a substitute Servicer has been appointed.

27.8 The Servicer shall deliver to the Issuer, the Trustee and the Standby Servicer as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any event in Clauses 27.1 or 27.2 occurring or any Event of Default (as defined in Condition 9 of the Terms and Conditions of the Class A Notes or Condition 9 of the Terms and Conditions of the Class M Notes, as applicable) or any event which with the giving of notice or lapse of time or certification would constitute the same.

27.9 A substitute Servicer may only be appointed pursuant to clause 27.5 if:

- (a) such substitute Servicer has experience of servicing mortgages of residential property in England, Wales, Scotland and Northern Ireland and is approved by the Trustee;
- (b) such substitute Servicer enters into an agreement on the terms of this Agreement (*mutatis mutandis*) including the obligations to take the action required by clause 4 (or on such other terms as to costs, expenses, remuneration or otherwise (and consequential modifications) as the Trustee, acting on behalf of the Issuer and itself, may agree with such substitute servicer) and the Servicer shall not be released from its obligations hereunder until such substitute Servicer has entered into the new agreement; and
- (c) the Rating Agencies have been notified of the contemplated appointment and confirm that such appointment will not adversely affect the then current rating of the Notes.

27.10 Following termination of the Servicer's appointment under clause 27.1, 27.2 or 27.7, the Issuer, the Trustee (or its agents) and any substitute Servicer (each a "**Replacement Party**") will be entitled to be granted for a period of up to six months:

- (a) a non-exclusive licence (in so far as the Servicer is legally empowered to grant or assign that licence) to use the Servicer's software programmes and intellectual property used by the Servicer in providing the Services to the Replacement Party without charge and the Replacement Party warrant that they will not use nor knowingly permit the use of that software or intellectual property for any purposes other than for administration of the Mortgage Loans, the Mortgages and other relevant assigned rights;
- (b) the right to employ such staff of the Servicer as the Replacement Party reasonably considers necessary to perform the Services in accordance with this Agreement, provided that the Replacement Party acknowledges that such staff may also be required to perform services in respect of other mortgages and mortgage owners; and
- (c) the Servicer will use its best endeavours following the termination of its appointment under clause 27.1, 27.2 or 27.7 to allow the Replacement Party access to its premises and equipment during normal business hours to the extent which is reasonably requested by the Replacement Party for the Replacement Party to ensure the continued administration of the Mortgages provided that the Replacement Party acknowledges that access will only be provided where such access does not, in the reasonable opinion of the Servicer, materially interfere with the Servicer's performance of services in respect of other mortgages or mortgage owners.

27.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Mortgages.

27.12 On termination of the appointment of the Servicer under the provisions of this clause (other than pursuant to clause 27.1 or 27.2), the Servicer shall be entitled to receive, on the date such amounts would have fallen to be paid but for such termination, all fees and other moneys accrued up to the date of termination but shall not be entitled to any other or further compensation. Such moneys so receivable by the Servicer 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 Servicer which fall due on the same day. The Issuer shall

be entitled to set off against any sums payable to the Servicer hereunder all sums due from the Servicer to the Issuer and/or the Trustee under this Agreement."

20.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Servicing Agreement and the Standby Servicing Agreement (as amended from time to time) and the description of the provisions of those agreements in any Transaction Document, the provisions of the Servicing Agreement and the Standby Servicing Agreement shall prevail.

21. **FF6 STANDBY SERVICING AGREEMENT - AMENDMENT**

Clause 2 shall be amended so that the words "and that the Issuer is unable to appoint a substitute Servicer pursuant to clause 27.3 of the Servicing Agreement" are removed and the sentence will now end after the words "... that the Servicer's appointment under the Servicing Agreement has been terminated in accordance with clauses 27.1 or 27.5 of the Servicing Agreement."

22. **PPAF3 ADMINISTRATION AGREEMENT - AMENDMENT**

22.1 The parties hereto agree that the following amendments shall be made to the PPAF3 Administration Agreement:

22.1.1 There shall be inserted after Clause 21.1(j) the following:

"(k) The Administrator hereby covenants with and undertakes to each of the Trustee and the Substitute Administrator to forward to them all the calculation data within 3 Business Days from the Determination Date."

22.1.2 Clause 23 (*Termination*) shall be replaced by the following:

"23. **TERMINATION**

23.1 If any of the following events (each, together with the event specified in clauses 23.2 and 23.3, a "**Termination Event**") shall occur:

- (a) default is made by the Administrator in the payment on the due date of any payment due and payable by it under this Agreement and such default continues unremedied for a period of two Business Days after the earlier of the Administrator becoming aware of such default and receipt by the Administrator of written notice from the Trustee requiring the same to be remedied;
- (b) default is made by the Administrator in the performance or observance of any of its other covenants and obligations under

this Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Class A Noteholders or, if the Class A Notes have been redeemed in full, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders or, if the Class A Notes and the Class B Notes have been redeemed in full, the Class C Noteholders and the Class D Noteholders, or if the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, the Class D Noteholders and (except where in the reasonable opinion of the Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 14 days after the earlier of the Administrator becoming aware of such default and receipt by the Administrator of written notice from the Trustee requiring the same to be remedied, provided however that where the relevant default occurs as a result of a default by any person to whom the Administrator has sub-contracted or delegated part of its obligations hereunder such default shall not constitute a Termination Event if within such 14 day period the Administrator terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may reasonably specify to remedy such default or to indemnify the Issuer against the consequences of such default;

- (c) an order is made or an effective resolution passed for winding up of the Administrator;
- (d) the Administrator 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 its debts or the Administrator is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (e) proceedings are initiated against the Administrator under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been approved by the Trustee and where the Administrator is solvent) or other similar laws, save where such proceedings are being contested in good faith by the

Administrator, or an administrative or other receiver, administrator or other similar official is appointed in relation to the Administrator or in relation to the whole or any substantial part of the undertaking or assets of the Administrator or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of the Administrator, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Administrator and in any of the foregoing cases it shall not be discharged within 15 days; or if the Administrator shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,

then the Trustee may at once or at any time thereafter while such default continues by notice in writing to the Administrator terminate the appointment of the Administrator with effect from a date (not earlier than the date of the notice) specified in the notice.

23.2 If at any time the Administrator does not have any FSMA authorisation which it is required to have in order to enable it to perform the Services without it or the Issuer carrying on a regulated activity in the United Kingdom in breach of section 19 of the Financial Services and Markets Act 2000 in circumstances where the Issuer is not itself so authorised and is not exempt from being so authorised, the appointment of the Administrator will, unless the Administrator, the Trustee and the Issuer agree otherwise in writing, terminate with immediate effect.

23.3 Subject to Clause 23.1 above, if any of the events in Clauses 23 (a) to (e) has occurred (which remains unremedied) and:

- (i) the Administrator has failed to provide the Substitute Administrator and the Trustee with the calculation data within 3 Business Days from the Principal Determination Date, or
- (ii) the Issuer has not paid the principal or interest on the Notes when it is due and payable,

then the Trustee shall at once terminate the appointment of the Administrator in accordance with Clause 23.5 of this Agreement.

23.4 On and after termination of the appointment of the Administrator pursuant to clause 23.1, 23.2 or 23.3, all authority and power of the

Administrator under this Agreement shall be terminated and of no further effect and the Administrator shall not thereafter hold itself out in any way as the agent of the Issuer or the Trustee.

- 23.5 Upon termination of the appointment of the Administrator pursuant to clause 23.1, 23.2 or 23.3, the Administrator shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Trustee) to the Trustee or as it shall direct the relevant Contract Records, 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 Trustee and the Portfolio Assets and any other security therefor, any moneys then held by the Administrator on behalf of the Issuer and/or the Trustee and any other assets of the Issuer or the Trustee and shall take such further action as the Trustee may reasonably direct.

The Administrator will, in addition, provide all relevant information contained on computer records in the form of computer disks, together with details of the layout of the files encoded on such computer disks. The Administrator shall co operate and consult with and assist the Trustee or its nominees for the purposes of explaining the file layouts and the format of the computer disks generally. Upon termination of the appointment of the Administrator pursuant to clause 23.1, 23.2 or 23.3, the Trustee shall notify the Substitute Administrator in writing of the occurrence of such termination and the Substitute Administrator shall assume the duties and obligations of the Administrator on the terms set out in the Substitute Administrator Agreement upon receipt of such notice of termination.

- 23.6 If the Substitute Administrator is unable, for any reason whatsoever, to assume the duties and obligations of the Administrator on the terms set out in the Substitute Administrator Agreement, then the Trustee shall appoint another substitute administrator capable of assuming such duties and obligations on terms substantially similar to those of this Administration Agreement, subject to Clause 9.1 of the Deed of Charge.
- 23.7 Upon execution of such new substitute administration agreement, the Issuer shall promptly execute a charge of its interest in such agreement in favour of the Trustee in accordance with the terms of the Deed of Charge (and in particular, but without limitation, clause 3.9 of the Deed of Charge), *mutatis mutandis*, to the satisfaction of the Trustee.
- 23.8 The appointment of the Administrator may be terminated upon the expiry of not less than 12 months' notice of termination given by the Administrator to the Issuer and the Trustee, provided that:

- (a) the Trustee and the Substitute Administrator consent in writing to such termination;
- (b) a substitute administrator (which can include the Substitute Administrator in which case the terms of clause 23.12 shall apply) shall be appointed, such appointment to be effective not later than the date of termination of the appointment of any Administrator (and the Administrator shall notify the Rating Agencies in writing of the identity of such substitute administrator), and such substitute administrator (if other than the Substitute Administrator) enters into an agreement substantially on the terms of this Agreement (in particular, but without limitation, taking account of the provisions of clause 5.5.1) but subject to clause 8.1 of the Deed of Charge and the Administrator shall not be released from its obligations under this Agreement until such substitute administrator (if other than the Substitute Administrator) has entered into such new agreement;
- (c) such substitute administrator has experience of administering unsecured consumer loans and secured consumer loans and car finance products in England and Wales, Northern Ireland and Scotland and (if other than the Substitute Administrator) is approved by the Trustee; and
- (d) the then current ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes by the Rating Agencies are not affected as a result thereof unless otherwise agreed by an extraordinary resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders or the Class D Noteholders respectively.

23.9 The Administrator shall deliver to the Issuer, the Trustee and the Substitute Administrator as soon as reasonably practicable but in any event within five days of becoming aware thereof a notice of any Termination Event or any Event of Default (as defined in Condition 10) or any event which with the giving of notice or lapse of time or certification would constitute the same.

23.10 Termination of the appointment of the Administrator, or termination of this Agreement, shall be without prejudice to liabilities of the Issuer or the Trustee due to the Administrator incurred before the date of such termination or vice versa. The Administrator shall have no right of set off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer.

- 23.11 This Agreement shall terminate at such time as neither the Issuer nor the Trustee has any further interest in any of the Portfolio Assets or, if later, upon discharge of all Secured Amounts other than the Seller Secured Amounts.
- 23.12 On termination of the appointment of the Administrator under the provisions of this clause 23, the Administrator 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 or further compensation. Such moneys so receivable by the Administrator shall be paid solely by the Issuer on the dates on which they would otherwise have fallen due hereunder. For the avoidance of doubt, such termination shall not affect the Administrator's rights to receive payment of all amounts due to it by the Issuer other than under this Agreement, including but without limitation, all amounts due under the Fee Letter, the Services Letter and the Deed of Charge.
- 23.13 Prior to termination of this Agreement, the Administrator, the Trustee and any substitute administrator shall if the Trustee requires co operate to obtain the agreement of the Obligors to a new bank mandate permitting the Issuer, the Trustee or such substitute administrator to operate the Direct Debiting Scheme.
- 23.14 Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination."

22.1.3 **Conflict**

The parties hereto agree that to the extent there is a conflict between the provisions of the Administration Agreement and the Substitute Administrator Agreement (as amended from time to time) and the description of the provisions of those agreements in any Relevant Document, the provisions of the Administration Agreement and the Substitute Administrator Agreement shall prevail.

23. **PPAF3 SUBSTITUTE ADMINISTRATOR AGREEMENT - AMENDMENT**

- 23.1 The parties hereto agree that Clause 2 of the PPAF3 Substitute Administrator Agreement shall be replaced by the following wording:

"2. **APPOINTMENT AND ADMINISTRATION FEE**

Subject as provided herein, HML hereby agrees to act as Substitute Administrator for the Issuer hereunder and assume the duties and obligations of both of the Administrators for the Issuer on the same terms, *mutatis mutandis*, as those set out in the Administration Agreement which shall accordingly be incorporated herein, but as if there were deleted from clause 13.1(b) of the Administration Agreement the words, "for so long as PFPLC is the Administrator," and as if there were substituted in that

clause of the Administration Agreement the words "0.85 per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.40 per cent per annum" in respect of the Administrative Senior Fee and the words "nil per cent per annum (exclusive of any amounts in respect of VAT)", in place of the words "not more than 0.45 per cent per annum (in each case inclusive of any amounts in respect of VAT)" in respect of the Administration Subordinated Fee, as soon as reasonably practicable after it is notified in writing by the Trustee that the Administrators' appointment under the Administration Agreement has been terminated. For the avoidance of any doubt, HML shall only be entitled to payment of the administration fee payable under clause 13.1 of the Administration Agreement to the extent that such administration fee accrues in accordance with the provisions of such clause 13 from the date on which HML assumes the duties and obligations of the Administrator as described in this Agreement and for so long as HML is acting as Administrator in accordance with the provisions of this Agreement and the Administration Agreement."

24. CONSTRUCTION AND INCORPORATION

24.1 As from the date hereof, the Amendment Documents shall be read and construed in all respects as incorporating the changes made by this Deed of Amendment but otherwise all terms and conditions of the Amendment Documents shall remain in full force and effect in all respects.

24.2 All references in the Amendment Documents to "this Agreement" shall be deemed to be references to the Amendment Documents as amended by this Deed, respectively.

25. NOTICE

The Trustees agree that notice of the modification shall not be required to be given to the Noteholders (as defined in the Trust Deed).

26. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which shall be deemed an original.

27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Deed has not right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.

28. GOVERNING LAW

This Deed shall be governed by and construed in accordance with English law.

IN WITNESS whereof this Deed has been executed as a deed on the date stated at the beginning.

The Issuer in the PM7 Administration Agreement and the PM7 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 7) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *100 Broad Street, London, EC2M 2DF*

The Issuer in the PM8 Administration Agreement and the PM8 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 8) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *100 Broad Street, London, EC2M 2DF*

The Issuer in the PM9 Administration Agreement and the PM9 Substitute Administrator Agreement

Executed by:


PARAGON MORTGAGES (NO. 9) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 
Name: John G Gemmell
Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *See Certificate of Incorporation and Memorandum of Association of Paragon Mortgages (No. 9) PLC*

The Issuer in the PM10 Administration Agreement and the PM10 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 10) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 
Name: John G Gemmell
Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *See Certificate of Incorporation and Memorandum of Association of Paragon Mortgages (No. 10) PLC*

The Issuer in the PM11 Administration Agreement and the PM11 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 11) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *12, Southview Road, London E15 2JG, United Kingdom*

The Issuer in the PM12 Administration Agreement and the PM12 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 12) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *12, Southview Road, London E15 2JG, United Kingdom*

The Issuer in the PM13 Administration Agreement and the PM13 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 13) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *St Catherine's Court, New Street, Birmingham, B2 4QA, West Midlands, B2 4QA*

The Issuer in the PM14 Administration Agreement and the PM14 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 14) PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *St Catherine's Court, New Street, Birmingham, B2 4QA, West Midlands, B2 4QA*

The Issuer in the PM15 Administration Agreement and the PM15 Substitute Administrator Agreement

Executed by:

PARAGON MORTGAGES (NO. 15) PLC

as its deed as follows:


Signed for and on its behalf by one of its duly
authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: 


The Issuer in the FF6 Servicing Agreement and the FF6 Standby Servicing Agreement

Executed by:

FIRST FLEXIBLE NO. 6 PLC

as its deed as follows:


Signed for and on its behalf by one of its duly
authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: 

The Issuer in the PPAF3 Administration Agreement and the PPAF3 Substitute Administrator Agreement

Executed by:

PARAGON PERSONAL AND AUTO
FINANCE (NO. 3) PLC

as its deed as follows:


Signed for and on its behalf by one of its duly
authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *7, Colindale Avenue, Colindale, London, NW9 1SE*

The Administrator in the PM7 Administration Agreement, the PM7 Substitute Administrator Agreement, the PM8 Administration Agreement, the PM8 Substitute Administrator Agreement, the PM9 Administration Agreement, the PM9 Substitute Administrator Agreement, the PM10 Administration Agreement, the PM10 Substitute Administrator Agreement, the PM11 Administration Agreement, the PM11 Substitute Administrator Agreement, the PM12 Administration Agreement, the PM12 Substitute Administrator Agreement, the PM13 Administration Agreement, the PM13 Substitute Administrator Agreement, the PM14 Administration Agreement, the PM14 Substitute Administrator Agreement, the PM15 Administration Agreement, the PM15 Substitute Administrator Agreement, the PPAF3 Administration Agreement and the PPAF3 Substitute Administrator Agreement

Executed by:

PARAGON FINANCE PLC

as its deed as follows:

Signed for and on its behalf by one of its duly
authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: *7, Colindale Avenue, Colindale, London, NW9 1SE*

The Administrator in the PM7 Administration Agreement, the PM7 Substitute Administrator Agreement, the PM8 Administration Agreement, the PM8 Substitute Administrator Agreement,

The Substitute Administrator in the PM7 Substitute Administrator Agreement, the PM8 Substitute Administrator Agreement, the PM9 Substitute Administrator Agreement, the PM10 Substitute Administrator Agreement, the PM11 Substitute Administrator Agreement, the PM12 Substitute Administrator Agreement, the PM13 Substitute Administrator Agreement, the PM14 Substitute Administrator Agreement, the PM15 Substitute Administrator Agreement and the PPAF3 Substitute Administrator Agreement and

The Standby Servicer in the FF6 Standby Servicing Agreement

Executed by:

HOMELoAN MANAGEMENT LIMITED

as its deed as follows:

Signed for and on its behalf by one of its directors and by another of its directors/its secretary

By:



Name: NEIL WARMAN

Title: FINANCE AND COMMERCIAL DIRECTOR

By:

Name:

Title:

The Substitute Administrator in the PM7 Substitute Administrator Agreement, the PM8 Substitute Administrator Agreement, the PM9 Substitute Administrator Agreement, the PM10 Substitute Administrator Agreement, the PM11 Substitute Administrator Agreement, the PM12 Substitute Administrator Agreement, the PM13 Substitute Administrator Agreement, the PM14 Substitute Administrator Agreement, the PM15 Substitute Administrator Agreement and the PPAF3 Substitute Administrator Agreement and

The Standby Servicer in the FF6 Standby Servicing Agreement

Executed by:

HOMELoAN MANAGEMENT LIMITED

as its deed as follows:

Signed for and on its behalf by one of its directors and by another of its directors/its secretary

By: 

Name: JOHN GOODFELLOW

Title: DIRECTOR

By:

Name:

Title:

Administration Agreement, the PM13 Substitute Administrator Agreement, the PM14 Administration Agreement, the PM14 Substitute Administrator Agreement, the PM15 Administration Agreement, the PM15 Substitute Administrator Agreement, the FF6 Servicing Agreement, the FF6 Standby Servicing Agreement, the PPAF3 Administration Agreement and the PPAF3 Substitute Administrator Agreement

Executed by:

CITICORP TRUSTEE COMPANY LIMITED

as its deed as follows:

Signed for and on its behalf by one of its directors and by another of its directors/its secretary

By:
Name:
Title:



By:
Name:
Title:



Viola Japaul
Director

Seller and Originator in the PM7 Administration Agreement, the PM8 Administration Agreement, the PM9 Administration Agreement, the PM10 Administration Agreement, the PM11 Administration Agreement, the PM12 Administration Agreement, the PM13 Administration Agreement, the PM14 Administration Agreement and the PM15 Administration Agreement

Executed by:


PARAGON MORTGAGES LIMITED

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 
Name: John G Gemmell
Title: Director

Witness

Signature: 
Name: Jimmy Giles
Occupation: Compliance Manager
Address: St Catherine's, High Street, Salisbury, Wiltshire, Wiltshire

Seller and Originator in the PM7 Administration Agreement, the PM8 Administration Agreement, the PM9 Administration Agreement, the PM10 Administration Agreement, the PM11 Administration Agreement, the PM12 Administration Agreement, the PM13 Administration Agreement, the PM14 Administration Agreement, the PM15 Administration Agreement and the FF6 Servicing Agreement

Executed by:


MORTGAGE TRUST LIMITED

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 
Name: John G Gemmell
Title: Director

Witness

Signature: 
Name: Jimmy Giles
Occupation: Compliance Manager
Address: St Catherine's, High Street, Salisbury, Wiltshire, Wiltshire

Seller and Originator in the PM7 Administration Agreement, the PM8 Administration Agreement and the FF6 Servicing Agreement

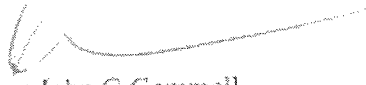
Executed by:

ARIANTY NO. 1 PLC

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys


By:


Name: John G Gemmell

Title: Director

Witness

Signature:


Name: Jimmy Giles

Occupation: Compliance Manager

Address: *10 Colindale Avenue, Colindale, London NW9 1NS*

Seller and Originator in the PPAF3 Administration Agreement

Executed by:

UNIVERSAL CREDIT LIMITED

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By:


Name: John G Gemmell

Title: Director

Witness

Signature:


Name: Jimmy Giles

Occupation: Compliance Manager

Address: *10 Colindale Avenue, Colindale, London NW9 1NS*

Seller and Originator in the PPAF3 Administration Agreement

Executed by:

COLONIAL FINANCE (UK) LIMITED

as its deed as follows:

Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: 36 Colton Lane, 1st Floor, 100 West Street, Finsbury, London EC2A 4EJ, UK

Seller and Originator in the PPAF3 Administration Agreement

Executed by:

PARAGON LOAN FINANCE (NO. 1) PLC

as its deed as follows:


Signed for and on its behalf by one of its duly authorised attorneys

By: 

Name: John G Gemmell

Title: Director

Witness

Signature: 

Name: Jimmy Giles

Occupation: Compliance Manager

Address: 36 Colton Lane, 1st Floor, 100 West Street, Finsbury, London EC2A 4EJ, UK

Seller and Originator in the PPAF3 Administration Agreement


Executed by:

PARAGON CAR FINANCE LIMITED

as its deed as follows:

Signed for and on its behalf by one of its duly
authorised attorneys


By:


Name: John G Gemmell

Title: Director

Witness

Signature:


Name: Jimmy Giles

Occupation: Compliance Manager

Address: 91 Catherine Lane, Market Road, Epsom, Surrey, Middlesex, Surrey, TW20 9JF

Seller and Originator in the PPAF3 Administration Agreement


Executed by:

**PARAGON PERSONAL FINANCE
LIMITED**

as its deed as follows:

Signed for and on its behalf by one of its duly
authorised attorneys


By:


Name: John G Gemmell

Title: Director

Witness

Signature:


Name: Jimmy Giles

Occupation: Compliance Manager

Address: 91 Catherine Lane, Market Road, Epsom, Surrey, Middlesex, Surrey, TW20 9JF