PARAGON MORTGAGES (NO. 15) PLC
as the Issuer
and
CHARIOT FUNDING LLC
as a Conduit A1 Note Conditional Purchaser
and
FALCON ASSET SECURITIZATION COMPANY LLC
as a Conduit A1 Note Conditional Purchaser
and
JPMORGAN CHASE BANK, N.A.
as the Agent and the A1 Note Conditional Purchaser
and
J.P. MORGAN SECURITIES LTD.
as the Remarketing Agent
and
PARAGON FINANCE PLC
as an Administrator
and
MORTGAGE TRUST SERVICES PLC
as an Administrator
and
PARAGON MORTGAGES LIMITED
as a Title Holder
and
MORTGAGE TRUST LIMITED
as a Title Holder
and
CITICORP TRUSTEE COMPANY LIMITED
as the Trustee

A1 NOTE CONDITIONAL PURCHASE AGREEMENT

CONTENTS

Clause		Page
1.	Agreements By The A1 Note Conditional Purchaser And The Issuer	2
2.	Criteria For Replacement A1 Note Conditional Purchaser	8
3.	Fees	8
4.	Costs And Expenses	9
5.	Undertakings, Covenants, Representations And Warranties	9
6.	Indemnification	12
7.	Termination	14
8.	Undertakings	14
9.	Notice	15
10.	Non-Petition	18
11.	Limited Recourse	19
12.	Time Of Essence	19
13.	Counterparts	19
14.	Rights Of Third Parties	20
15.	Governing Law And Jurisdiction	20
SCHEDULE 1	RELEVANT DOCUMENTS	22
SCHEDULE 2	CONDITIONAL PURCHASE ACTIVATION NOTICE	23
SCHEDULE 3	FORM OF ACCESSION DEED	24
SCHEDULE 4	FORM OF RENEWAL REQUEST	25
SCHEDULE 5	FORM OF NOTICE RENEWAL	26

THIS AGREEMENT is made on 19 July 2007 between

(1) **PARAGON MORTGAGES (NO. 15) PLC** (the "**Issuer**");

(2) **CHARIOT FUNDING LLC** ("**Chariot**" or, in its capacity as a conduit Class A1 Note conditional purchaser, a "**Conduit A1 Note Conditional Purchaser**");

(3) **FALCON ASSET SECURITIZATION COMPANY LLC** (in its capacity as a conduit Class A1 Note conditional purchaser, a "**Conduit A1 Note Conditional Purchaser**" and, together with Chariot, the "**Conduit A1 Note Conditional Purchasers**");

(4) **JPMORGAN CHASE BANK, N.A.** ("**JPMCB**" or, in its capacity as the Class A1 Note conditional purchaser hereunder, the "**A1 Note Conditional Purchaser**" or, in its capacity as the agent of the Conduit A1 Note Conditional Purchasers, the "Agent");

(5) **J.P. MORGAN SECURITIES LTD.** (the "**Remarketing Agent**", which term also includes any successor remarketing agent appointed pursuant to the Remarketing Agreement);

(6) **PARAGON FINANCE PLC** ("**PFPLC**");

(7) **MORTGAGE TRUST SERVICES PLC** ("**MTS**", in its capacity as an Administrator under the Administration Agreement, together with PFPLC, the "**Administrators**", and each an "**Administrator**");

(8) **PARAGON MORTGAGES LIMITED** ("**PML**");

(9) **MORTGAGE TRUST LIMITED** ("**MTL**" and, together with MTS (in its capacity as Seller under the Mortgage Sale Agreement) and PML, the "**Title Holders**", and each a "**Title Holder**"); and

(10) **CITICORP TRUSTEE COMPANY LIMITED** (the "**Trustee**").

WHEREAS

(A) The Issuer proposes to issue mortgage backed floating rate notes comprising $1,000,000,000 A1 Mortgage Backed Floating Rate Notes due 2039 (the "**Class A1 Notes**"), which will be subject to, and constituted by, a trust deed dated on or about the Closing Date between, *inter alios*, the Issuer and the Trustee.

(B) By a subscription agreement dated on or about 16 July 2007 (the "**Subscription Agreement**"), the Issuer, PFPLC, the Managers and others have agreed between them in relation to the proposed issue (the "**Issue**") and subscription of $1,000,000,000 in aggregate principal amount of the Class A1 Notes upon the terms and subject to the conditions contained therein.

(C) In connection with the Issue, the Issuer will also execute and deliver, on or before the Closing Date, an ISDA Master Agreement (including the Schedules and annexes

thereto and confirmation thereunder) in respect of a currency swap transaction relating to the Class A1 Notes (the "**Currency Swap A1 Agreement**").

(D) Pursuant to an agreement (the "**Remarketing Agreement**") between, *inter alios*, the Issuer, the Remarketing Agent, the Tender Agent and the Trustee, the Issuer has appointed the Remarketing Agent to act as its agent to identify third party purchasers to acquire the Class A1 Notes from the then A1 Noteholders on the A1 Interest Payment Date falling in June 2008 and each subsequent A1 Interest Payment Date falling in each June thereafter (each such date an "**A1 Note Mandatory Transfer Date**") prior to the occurrence of a Remarketing Termination Event and to carry out certain other related functions as described therein. Citibank N.A., London Branch (the "**Tender Agent**", which term also includes any successor tender agent appointed pursuant to the Remarketing Agreement) has been appointed to facilitate the transfers of the Class A1 Notes on each A1 Note Mandatory Transfer Date by, *inter alia*, arranging and delivering payment to and by the A1 Noteholders. Under the terms of the A1 Note Mandatory Transfer Arrangements referred to in Condition 5(i), the Issuer is required to procure the mandatory transfer of the Class A1 Notes on each A1 Note Mandatory Transfer Date prior to:

(i) the Class A1 Notes being fully redeemed or a notice being given to the A1 Noteholders in accordance with Condition 5(d);

(ii) an Event of Default under the Notes occurring, prior to such A1 Note Mandatory Transfer Date, and continuing; or

(iii) an A1 Note Mandatory Transfer Termination Event (as defined in the Remarketing Agreement) occurring prior to the relevant A1 Note Mandatory Transfer Date.

The A1 Note Conditional Purchaser agrees that it shall, on the terms of this Agreement, purchase, or procure the purchase by one or both of the Conduit A1 Note Conditional Purchasers of, the Class A1 Notes on an A1 Note Mandatory Transfer Date in the event that the Class A1 Notes are not purchased in accordance with the Remarketing Agreement on the relevant A1 Note Mandatory Transfer Date, subject to the occurrence of specified events. Although the A1 Note Conditional Purchaser is entitled to procure the purchase of the Class A1 Notes by one or more of the Conduit A1 Note Conditional Purchasers, the A1 Note Conditional Purchaser shall remain, at all times, obligated to purchase the Class A1 Notes in the event that it cannot procure such purchase.

NOW IT IS AGREED as follows:

1. AGREEMENTS BY THE A1 NOTE CONDITIONAL PURCHASER AND THE ISSUER

1.1 Definitions

Save as otherwise defined herein (including in the recitals), any capitalised term used in this Agreement shall have the same meaning as is given to it in the Remarketing Agreement. The rules of interpretation in the Remarketing Agreement shall also apply.

The following defined terms shall have the meanings set out below (as the same may be amended and supplemented from time to time):

"**Applicable Ratings**" means A-1+ from S&P, P-1 from Moody's and F1+ from Fitch.

"**Commitment Limit**" means, on any A1 Note Mandatory Transfer Date, the aggregate Principal Amount Outstanding of the Class A1 Notes on such date.

"**Conditional Purchaser Commitment Period**" means the period from and including the date of this Agreement to and including 16 July 2008 (or, if that day is not a Business Day, the immediately preceding Business Day) and, thereafter if the Conditional Purchase Commitment is renewed pursuant to Clause 1.2(c), the period commencing on but not including the last day of the preceding Conditional Purchaser Commitment Period to and including the date falling 364 days after the last day of the preceding Conditional Purchaser Commitment Period (or, if that day is not a Business Day, the immediately preceding Business Day or, if that day falls on or before the A1 Note Mandatory Transfer Date in the relevant year, such A1 Note Mandatory Transfer Date).

"**Conditional Purchase Commitment**" has the meaning given to it in Clause 1.2(a).

"**Fitch**" means Fitch Ratings Limited.

"**Maximum Reset Margin**" means, with respect to each relevant Interest Period, 0.09 per cent. per annum up to the Interest Payment Date falling in June 2012 and 0.18 per cent. per annum thereafter.

"**Moody's**" means Moody's Investors Service Limited;

"**Non-Renewal Event**" has the meaning ascribed to it in Clause 1.2(h) of this Agreement.

"**Non-Renewal Maximum Reset Margin**" means, with respect to each relevant Interest Period, 0.08 per cent. per annum up to the Interest Payment Date falling in June 2012 and 0.17 per cent. per annum thereafter.

"**Notice of Renewal**" has the meaning given to it in Clause 1.2(c) of this Agreement.

"**Renewal Request**" has the meaning ascribed to it in Clause 1.2(b) of this Agreement.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

1.2 **Remarketing of Class A1 Notes and Purchase by A1 Note Conditional Purchaser or one or both Conduit A1 Note Conditional Purchasers**

(a) Notwithstanding any breach under 1.2(e), the A1 Note Conditional Purchaser agrees that it shall purchase, or procure the purchase by one or both of the Conduit A1 Note Conditional Purchasers of, the Class A1 Notes at the A1 Note Mandatory Transfer Price payable on any A1 Note Mandatory Transfer

Date falling in each Conditional Purchaser Commitment Period (subject always to Clause 1.2(k) below), on the terms of this Agreement and the documents referred to in Schedule 1 (*Relevant Documents*) and any other documents ancillary thereto ("**Relevant Documents**") as specified in the Conditional Purchase Activation Notice served on the A1 Note Conditional Purchaser, and in the form, as described in this Clause (the "**Conditional Purchase Commitment**"). For the avoidance of doubt, although the A1 Note Conditional Purchaser is entitled to procure the purchase of the Class A1 Notes by one or both of the Conduit A1 Note Conditional Purchasers, the A1 Note Conditional Purchaser shall remain, at all times, obligated to purchase the Class A1 Notes in the event that it cannot procure such purchase.

(b) Save as otherwise provided in this Agreement, the Issuer (or the Administrator on behalf of the Issuer) may deliver, not more than 90 days and not less than 60 days before the A1 Note Mandatory Transfer Date in the then current Conditional Purchaser Commitment Period, to the A1 Note Conditional Purchaser (copied to the Remarketing Agent) an irrevocable request in writing to renew the Conditional Purchaser Commitment Period, substantially in the form of Schedule 4 (*Form of Renewal Request*) hereto, (a "**Renewal Request**") for a further period from but excluding the last day of the current Conditional Purchaser Commitment Period to and including the day falling 364 days later (or, if that day is not a Business Day, the next succeeding Business Day or, if that day falls on or before the A1 Note Mandatory Transfer Date in the relevant year, such A1 Note Mandatory Transfer Date).

(c) If the A1 Note Conditional Purchaser wishes to accept a Renewal Request and renew the Conditional Purchaser Commitment Period then it shall deliver, by not less than 45 days before the A1 Note Mandatory Transfer Date in the then current Conditional Purchaser Commitment Period, to the Remarketing Agent and PFPLC (copied to the Issuer) an irrevocable notice, substantially in the form of Schedule 5 (*Form of Notice of Renewal*) hereto ("**Notice of Renewal**") that the A1 Note Conditional Purchaser has consented to the Renewal Request and specifying the last day of the renewed Conditional Purchaser Commitment Period agreed to thereby. Failure to deliver such a Notice of Renewal by the day referred to above shall be deemed a refusal to grant a renewal of the then current Conditional Purchaser Commitment Period.

(d) The A1 Note Conditional Purchaser is not obliged to agree to renew the Conditional Purchaser Commitment Period beyond (a) the last day of the first Conditional Purchaser Commitment Period and (b) the last day of each subsequent Conditional Purchaser Commitment Period, where renewed in accordance with Clause 1.2(c).

(e) If the A1 Note Conditional Purchaser does not renew the Conditional Purchaser Commitment Period pursuant to Clause 1.2(c), then the Issuer, or the Administrator on its behalf, shall endeavour to arrange for the appointment

of a replacement to the A1 Note Conditional Purchaser that meets the requirements set out in Clause 2.1, such appointment to take effect on the expiry of the then current Conditional Purchaser Commitment Period. In the event the Issuer, or the Administrator on its behalf, fails to arrange for the appointment of a replacement to the A1 Note Conditional Purchaser, the parties hereto shall have no further rights or recourse against the Administrator other than as provided in Clause 1.2. Further, the parties hereto shall have no rights or recourse (by way or set-off, counterclaim or otherwise) against the Issuer in respect of any breach of this Clause 1.2(e), until one year and one day has elapsed since the last day on which the Issuer has discharged all of its obligations in relation to the Notes

(f) The Issuer or the Administrator (on behalf of the Issuer) shall promptly inform the Trustee and the A1 Noteholders in accordance with Condition 12 if a replacement to the A1 Note Conditional Purchaser is appointed in accordance with Clause 1.2(e).

(g) If Clause 1.2(h)(i) below applies, the Remarketing Agent, or if any of the events described in Clause 1.2(h)(ii) below applies, either the Issuer or the Administrator (on the Issuer's behalf), will give notice to the A1 Note Conditional Purchaser in writing, substantially in the form of Schedule 2 (*Conditional Purchase Activation Notice*) hereto (a "**Conditional Purchase Activation Notice**"), no later than three Business Days prior to the relevant A1 Note Mandatory Transfer Date, such notice to be irrevocable.

(h) A Conditional Purchase Activation Notice shall be a notice from: (i) the Remarketing Agent certifying (x) that it is unable to procure the purchase of the Class A1 Notes in accordance with the Remarketing Agreement at a percentage margin which is less than or equal to the Maximum Reset Margin or (y) that its remarketing obligations in the Remarketing Agreement have been terminated pursuant to a Remarketing Termination Event (other than in respect of an Event of Default on the Notes); or (ii) from the Issuer or the Administrator on behalf of the Issuer if (x) the Issuer or the Administrator on its behalf has reasonable grounds to believe both that the Class A1 Notes cannot be placed entirely with third party purchasers on the A1 Note Mandatory Transfer Date as set out in (i) above and that the Remarketing Agent will fail to serve the notice required, (y) following the occurrence of (i) a Remarketing Termination Event (other than an Event of Default under the Notes) or (ii) a Remarketing Agent Termination Event where the Issuer or the Administrator on behalf of the Issuer (if so procured by the Issuer) or the A1 Note Conditional Purchaser fails to find an alternative entity to act as remarketing agent by the date which is 20 days prior to the A1 Note Mandatory Transfer Date in the then current Conditional Purchaser Commitment Period or (z) the A1 Note Conditional Purchaser does not renew the Conditional Purchaser Commitment Period in accordance with Clause 1.2(c) and the Issuer, or the Administrator on its behalf, is unable to arrange

for the appointment of a replacement to the A1 Note Conditional Purchaser in accordance with Clause 1.2(e) by the date which is 20 days prior to the relevant A1 Note Mandatory Transfer Date in the then current Conditional Purchaser Commitment Period (a "**Non-Renewal Event**").

(i) The Conditional Purchase Activation Notice shall specify the interest in the Class A1 Notes to be purchased by the A1 Note Conditional Purchaser or one or both of the Conduit A1 Note Conditional Purchasers (to the extent the A1 Note Conditional Purchaser is able to procure the purchase of the Class A1 Notes by one or both of the Conduit A1 Note Conditional Purchasers) on the relevant A1 Note Mandatory Transfer Date (the "**Conditionally Purchased Class A1 Notes**"), which shall be all the Class A1 Notes outstanding on the relevant A1 Note Mandatory Transfer Date.

(j) The Conditional Purchase Activation Notice shall also specify the amount representing the aggregate A1 Note Mandatory Transfer Price payable (if any) to repay to the relevant A1 Noteholders in order for the A1 Note Conditional Purchaser to satisfy its obligations under this Agreement and shall confirm to the A1 Note Conditional Purchaser that no Event of Default with respect to the Class Al Notes is then outstanding.

(k) The Conditional Purchase Commitment shall terminate forthwith: (i) upon redemption in full of the Class A1 Notes or a notice being given to the A1 Noteholders in accordance with Condition 5(d); (ii) if an Event of Default under the Class A1 Notes is in existence at the time a Conditional Purchase Activation Notice is to be given or thereafter but prior to the purchase on the relevant A1 Note Mandatory Transfer Date; or (iii) if an A1 Note Mandatory Transfer Termination Event has already occurred prior to the relevant A1 Note Mandatory Transfer Date.

(l) The A1 Note Conditional Purchaser may purchase or procure the purchase by one or more Conduit A1 Note Conditional Purchasers of the Class A1 Notes at the A1 Note Mandatory Transfer Price. For the avoidance of doubt, on any A1 Note Mandatory Transfer Date on which the A1 Note Conditional Purchaser is required to purchase or procure the purchase of the Class A1 Notes in accordance with this Agreement, the Currency Swap A1 Agreement will not terminate.

(m) The A1 Note Conditional Purchaser shall pay, or, in the event that the A1 Note Conditional Purchaser procures that one or both of the Conduit A1 Note Conditional Purchasers purchases the Class A1 Notes, the relevant Conduit A1 Note Conditional Purchasers shall pay the A1 Note Mandatory Transfer Price to the Tender Agent. The Tender Agent will pay the amount to the A1 Noteholders.

(n) Following the purchase of the Class A1 Notes by the A1 Note Conditional Purchaser or one or both of the Conduit A1 Note Conditional Purchasers,

other than by reason of a Non-Renewal Event, the interest rate on the Class A1 Notes will be reset to the applicable reference rate, which is LIBOR for one month USD deposits, plus the Maximum Reset Margin. Following the purchase of the Class A1 Notes by the A1 Note Conditional Purchaser or one or both of the Conduit A1 Note Conditional Purchasers, as a result of a Non-Renewal Event, the interest rate on the Class A1 Notes will be reset to the applicable reference rate, which is LIBOR for one month USD deposits, plus the Non-Renewal Maximum Reset Margin.

The A1 Note Conditional Purchaser (on behalf of itself) or, in the event that the A1 Note Conditional Purchaser procures the purchase of the Class A1 Notes by one or both of the Conduit A1 Note Conditional Purchasers, the Agent undertakes that, following the purchase of the Class A1 Notes on any A1 Note Mandatory Transfer Date by the A1 Note Conditional Purchaser or one or both of the Conduit A1 Note Conditional Purchasers, as applicable, it will make such arrangements and take such actions as are required in respect of the Class A1 Notes, including in relation to the clearing of the Class A1 Notes by DTC or any other Clearing System, as applicable, or otherwise in order that the provisions of this Clause 1.2(n) are followed.

1.3 **Accession**

(a) Subject to Clause 1.3(b), following the purchase of the Class A1 Notes by the A1 Note Conditional Purchaser or one or both of the Conduit A1 Note Conditional Purchasers in accordance with this Agreement, any subsequent transfer of the Class A1 Notes shall be conditional on an Accession Deed in the form contained in Schedule 3 of this Agreement being entered into by the transferee prior to such transfer.

(b) Any transfer of the Class A1 Notes from a Conduit A1 Note Conditional Purchaser to the A1 Note Conditional Purchaser shall not be conditional on an Accession Deed being entered into by the A1 Note Conditional Purchaser in accordance with Clause 1.3(a).

1.4 **Closing of Mandatory Transfer**

(a) In accordance with Clause 1.2(m), as soon as is practicable in the working day in New York and London on the relevant A1 Note Mandatory Transfer Date, the A1 Note Conditional Purchaser or one or both of the Conduit A1 Note Conditional Purchasers, as the case may be, will pay or cause to be paid to the holders of the Conditionally Purchased Class A1 Notes, as directed by the Remarketing Agent and/or the Tender Agent and/or the Issuer/Administrator (if notice is given pursuant to Clause 1.2(h)(ii)), the A1 Note Mandatory Transfer Price.

(b) In consideration of such payment on the relevant A1 Note Mandatory Transfer Date, the Issuer or Administrator will procure the transfer of interests in the Conditionally Purchased Class A1 Notes to the A1 Note Conditional

Purchaser or one or both of the Conduit A1 Note Conditional Purchasers, as the case may be.

2. CRITERIA FOR REPLACEMENT A1 NOTE CONDITIONAL PURCHASER

2.1 **Any replacement Class A1 Note conditional purchaser must:**

(a) be a leading bank operating in both the London and New York banking markets;

(b) be appropriately licensed and authorised to discharge the obligations of the A1 Note Conditional Purchaser hereunder;

(c) be an entity which has the Applicable Ratings;

(d) have received a written confirmation from each of Standard & Poor's, Fitch and Moody's copied to the Issuer and the Trustee that each such rating agency will not as a consequence of the appointment of the replacement Class A1 Note conditional purchaser downgrade or withdraw its then current ratings of the Class A Notes; and

(e) have entered into a replacement Class A1 Note conditional purchase agreement with the parties hereto (other than the A1 Note Conditional Purchaser and the Conduit A1 Note Conditional Purchasers) on substantially the same terms as this Agreement with an initial commitment period commencing no later than the date on which the A1 Note Conditional Purchaser's commitment under this Agreement terminates.

3. FEES

3.1 In consideration of the agreements of the A1 Note Conditional Purchaser under the terms of this Agreement, the Issuer agrees to pay or procure the payment to the A1 Note Conditional Purchaser of fees (the "**A1 Note Conditional Purchaser Fees**") in an aggregate amount in sterling equal to: (a) on the Closing Date, 0.025 per cent. of the GBP Equivalent Initial Principal Amount of the Class A1 Notes; and (b) on each subsequent A1 Note Mandatory Transfer Date, but subject to the proviso below, 0.025 per cent. of the GBP Equivalent of the Principal Amount Outstanding of the Class A1 Notes less the Available Redemption Funds as at the relevant payment date. The portion of the A1 Note Conditional Purchaser Fees referred to in (a) above shall be paid to the A1 Note Conditional Purchaser on the Closing Date and the portion of the A1 Note Conditional Purchaser Fees referred to in (b) above shall be paid to the A1 Note Conditional Purchaser on each Mandatory Transfer Date following the Closing Date, provided that the A1 Note Conditional Purchaser has not already purchased or procured the purchase, by one or both of the Conduit A1 Note Conditional Purchasers, of the Class A1 Notes in accordance with the terms of this Agreement and is not obligated to purchase the Class A1 Notes on that A1 Note Mandatory Transfer Date as a result of the occurrence of any of the events described in Clause 1.2(h). For the avoidance of doubt, the A1 Note Conditional Purchaser shall not be entitled to the portion of the A1 Note Conditional Purchaser Fees referred to in (b) above if the A1

Note Conditional Purchaser has already purchased or procured the purchase by one or both of the Conduit A1 Note Conditional Purchasers of the Class A1 Notes or any of the events described in Clause 1.2(h) have occurred.

3.2 The Issuer shall be responsible for any fees or costs associated with the appointment and retention of any replacement Class A1 Note conditional purchaser(s) in accordance with Clause 1.2(e) and, for the avoidance of doubt, each of the A1 Note Conditional Purchaser and the Conduit A1 Note Conditional Purchasers shall not have any liability for any fees or expenses incurred by the Issuer in respect of such appointment or retention.

4. COSTS AND EXPENSES

The Issuer will reimburse the A1 Note Conditional Purchaser its properly and reasonably incurred legal and other expenses in connection with its entry into this Agreement.

5. UNDERTAKINGS, COVENANTS, REPRESENTATIONS AND WARRANTIES

5.1 **Representations and Warranties of the Issuer and the A1 Note Conditional Purchaser**
The Issuer hereby represents and warrants to the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser and the A1 Note Conditional Purchaser hereby represents and warrants to the Issuer (in each case with respect to itself) that as at the date of this Agreement:

(a) it is a limited liability company or, in the case of the A1 Note Conditional Purchaser, a national association, duly organised and validly existing under the laws of the jurisdiction of its organisation and has full power, authority and legal right to execute, deliver and perform its obligations under this Agreement;

(b) it has not taken any action nor (to the best of its knowledge and belief) have any other steps been taken or legal proceedings been started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver or similar officer of it or of any or all of its assets or revenues;

(c) the execution, delivery and performance of this Agreement by it (i) has been duly authorised by all necessary action on the part of it, (ii) does not require it to obtain any consent or approval of, or effect any filing or registration with, any governmental or public regulatory body or authority (except such as have been obtained or effected) and (iii) does not violate any law or regulation, or order or decree of any court or governmental authority, to which it is subject; and

(d) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms, except as enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganisation, moratorium

or other similar laws relating to or affecting creditors' rights generally and (ii) general equitable principles.

5.2 **Representations and warranties of the Issuer**

The Issuer hereby represents and warrants to the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser that the representations and warranties of the Issuer contained in the Subscription Agreement are true and correct as at the Closing Date.

5.3 **Representations and warranties of the Administrators**

Each Administrator hereby represents and warrants to the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser that the representations and warranties made by it in the Subscription Agreement are true and correct as at the Closing Date.

5.4 **Representations and warranties of the Title Holders**

Each Title Holder hereby represents and warrants to the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser that the representations and warranties made by it in the Subscription Agreement are true and correct as at the Closing Date.

5.5 **Representations and Warranties of the A1 Note Conditional Purchaser**

The A1 Note Conditional Purchaser represents and warrants to the Issuer and the Trustee:

(a) that the A1 Note Conditional Purchaser, or, to the extent the A1 Note Conditional Purchaser procures that one or both of the Conduit A1 Note Conditional Purchasers purchase the Class A1 Notes, such Conduit A1 Note Conditional Purchaser(s), shall pay the A1 Note Mandatory Transfer Price (to the extent required pursuant to this Agreement) free and clear of any withholding tax, unless such tax is required under any applicable law to be deducted or withheld. If any such tax is required under any applicable law to be deducted or withheld, the A1 Note Conditional Purchaser or the relevant Conduit A1 Note Conditional Purchasers, as the case may be, will increase the A1 Note Mandatory Transfer Price to the extent necessary so that the recipients will receive the amount that would have been paid absent such deduction or withholding, provided, however, that in the event that a payment of principal by the Issuer in respect of any Note on the relevant A1 Note Mandatory Transfer Date is itself subject to withholding tax, the A1 Note Conditional Purchaser or the relevant Conduit A1 Note Conditional Purchasers, as the case may be, will not be required to increase their proportion of the A1 Note Mandatory Transfer Price in respect of any withholding tax to the extent it is also subject to withholding tax;

(b) the A1 Note Conditional Purchaser will maintain any consents and approvals of any court, government department or other regulatory body in any jurisdiction to which the A1 Note Conditional Purchaser is subject, required

for the performance by the A1 Note Conditional Purchaser of its rights and obligations under the Remarketing Agreement and the A1 Note Conditional Purchase Agreement;

(c) the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser shall not assign, transfer or dispose of any of its rights or obligations under this Agreement without the prior written consent of the Issuer or Administrator on behalf of the Issuer (such consent not to be unreasonably withheld or delayed), provided that the Issuer and the Administrator hereby consent to the assignment by any Conduit A1 Note Conditional Purchaser of any of its rights and obligations under this Agreement to the A1 Note Conditional Purchaser;

(d) the A1 Note Conditional Purchaser shall not enter into any arrangement, understanding or contract with any person (other than the Issuer) requiring it to consult with any person (other than the Issuer) or act on the instructions or recommendations of any person (other than the Issuer) in each case in connection with its rights or obligations under this Agreement. For the avoidance of doubt, nothing in this Clause 5.5(d) shall prevent the A1 Note Conditional Purchaser from seeking legal or any other professional advice in connection with its rights or obligations under this Agreement, the costs of which shall be borne by it; and

(e) it will notify in writing, as soon as is practicable, the Issuer, the Administrator and the Trustee (i) of any breach by the A1 Note Conditional Purchaser of any representation or warranty made in this Agreement, (ii) if any event occurs that would be likely to result in a breach of a representation or warranty made by the A1 Note Conditional Purchaser in this Agreement; or (iii) that the A1 Note Conditional Purchaser is unable to satisfy any of its obligations under this Agreement, and in each case such breach or potential breach would be likely to have a material adverse effect on the A1 Noteholders.

5.6 **Covenants of the Issuer**

The Issuer covenants and agrees with the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser that it will comply with the covenants made by it in the Subscription Agreement.

5.7 **Covenants of the Administrators**

Each Administrator covenants and agrees with the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser that it will comply with the covenants made by it in the Subscription Agreement.

5.8 **Covenants of the Title Holders**

Each Title Holder covenants and agrees with the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser that it will comply with the covenants made by it in the Subscription Agreement.

6. **INDEMNIFICATION**

6.1 The A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser enters into this Agreement on the basis of the representations, warranties and agreements on the part of the Issuer, PFPLC, MTS (in its capacity as Administrator) and the Title Holders (the "**Representing Companies**") in this Agreement with the intention that the same shall be true and accurate in all material respects on the Closing Date, in each case with reference to the facts and circumstances then subsisting, and each Representing Company undertakes with the A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser that it will hold the A1 Note Conditional Purchaser, each Conduit A1 Note Conditional Purchaser and each of their directors and officers fully and effectually indemnified from and against any and all losses, liabilities, costs, claims, charges, actions, proceedings, damages, expenses or demands which they (or any of them) may incur or which may be made against them (or any of them) as a result of or arising out of, or in relation to, any misrepresentation or alleged misrepresentation or any breach or alleged breach of any of the aforesaid representations, covenants or agreements by any Representing Company unless such losses, liabilities, costs, claims, charges, actions, proceedings, damages, expenses or demands arise out of or are the result of the negligence or wilful default of the A1 Note Conditional Purchaser or any Conduit A1 Note Conditional Purchaser whereupon the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as the case may be, shall not receive the benefit of this Clause 6.1 with respect to such losses, liabilities, costs, claims, charges, actions, proceedings, damages, expenses or demands.

6.2 The indemnities set out in Clause 6.1 above shall, respectively, extend to include all costs, charges and expenses which the A1 Note Conditional Purchaser and/or the relevant Conduit A1 Note Conditional Purchasers may pay or incur in investigating, disputing or defending any claim or action or other proceedings in respect of which any Representing Company has or may have a liability to indemnify under Clause 6.1 above. If any action, proceeding, claim or demand shall be brought or asserted against the A1 Note Conditional Purchaser or any Conduit A1 Note Conditional Purchaser in respect of which any Representing Company has or may have a liability to indemnify as provided in Clause 6.1 above, the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, shall promptly notify each Representing Company against whom such indemnity is to be sought in each case in writing, and the relevant Representing Company shall have the option to assume the defence thereof, including the employment of legal advisers selected by the relevant Representing Company and (in any case where such action, proceeding, claim or demand is made against the A1 Note Conditional Purchaser or any Conduit A1 Note Conditional Purchaser) approved by the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, (such approval not to be unreasonably withheld), subject to the payment by the relevant Representing Company of all fees and expenses relating thereto; **provided that** if the defendants in any such action, proceeding, claim or demand include the relevant Representing Company and the A1 Note Conditional Purchaser or any Conduit A1 Note Conditional Purchaser, and the A1 Note

Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, shall have reasonably concluded that there may be legal defences available to it which are different from or additional to those available to the relevant Representing Company and in the event that the relevant Representing Company does not wish to assume or is prevented from assuming such different or additional legal defences on behalf of the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, shall have the right at the expense of the relevant Representing Company to select separate legal advisers to assume such legal defences and otherwise to participate in the defence of such action, proceeding, claim or demand on its behalf.

6.3 Upon receipt of notice from a Representing Company of its election so to assume the defence of any such action, proceeding, claim or demand in respect of which it has or may have a liability to indemnify as provided in Clause 6.1 above, and approval (where required by Clause 6.2 above) by the A1 Note Conditional Purchaser or the relevant Conduit A1 Note Conditional Purchaser(s) of legal advisers, the relevant Representing Company will not be liable to the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, under this Clause 6.3 for any fees or expenses otherwise incurred by the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser in connection with any such defence thereof unless:

(a) the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, shall have employed legal advisers in connection with the assumption of legal defences in accordance with the proviso to Clause 6.2 above; or

(b) the relevant Representing Company shall not have employed legal advisers approved by or on behalf of the A1 Note Conditional Purchaser to represent the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser within a reasonable time after notice of commencement of the action or proceedings or the making of any claim or demand; or

(c) the relevant Representing Company has authorised the employment of separate legal advisers by the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable,

in which case it will reimburse the A1 Note Conditional Purchaser or such Conduit A1 Note Conditional Purchaser, as applicable, all such fees and expenses.

6.4 If any such action, proceeding, claim or demand in respect of which a Representing Company has or may have a liability to indemnify as provided in Clause 6.1 above shall be settled with the consent of the relevant Representing Company (such consent not to be unreasonably withheld) or if there be a final judgment for the claimant in relation thereto, the relevant Representing Company agrees to indemnify and hold harmless the A1 Note Conditional Purchaser or the relevant Conduit A1 Note

Conditional Purchaser(s) from and against any loss or liability by reason of such settlement or judgment (other than any fees or expenses incurred in circumstances where the relevant Representing Company is not to be liable therefor under Clause 6.3 above).

7. TERMINATION

7.1 Notwithstanding anything contained herein, this Agreement shall terminate upon the occurrence of the earlier of (a) the date that the A1 Note Conditional Purchaser otherwise ceases to be under an obligation to pay the A1 Note Mandatory Transfer Price by virtue of Clause 1.2(k); or (b) on the last day of the then current Conditional Purchaser Commitment Period if not renewed in accordance with Clause 1.2(c).

7.2 Upon a termination of this Agreement in accordance with Clause 7.1, this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement except that (i) the Issuer, the Administrators and the Title Holders shall remain liable under Clause 6 (*Indemnification*) to indemnify the A1 Note Conditional Purchaser and/or the Conduit A1 Note Conditional Purchasers in accordance with the terms thereof for any breach of any representation or warranty contained in Clause 5 (*Undertakings, Covenants, Representations and Warranties*), (ii) the Issuer shall remain liable under Clause 5 (*Undertakings, Covenants, Representations and Warranties*) for the payment of the costs and expenses already incurred or incurred in consequence of such termination and (iii) the A1 Note Conditional Purchaser, each Conduit A1 Note Conditional Purchaser and any subsequent transferees shall be required to comply with the provisions of Clause 1.2(n), Clause 1.3 (*Accession*) and Clause 3.1.

8. UNDERTAKINGS

The undertakings and indemnities in this Agreement shall continue in full force and effect despite completion of any investigation made by or on behalf of the A1 Note Conditional Purchaser.

9. **NOTICE**

Any communication under or in respect of this Agreement shall be given by letter, or by telex or facsimile transmission and shall be sent:

(a) if to the Issuer, to it at:

St Catherine's Court
Herbert Road
Solihull
West Midlands
B91 3QE

Tel no.:	0121 712 2323
Fax no.:	0121 712 2699
Attention:	Company Secretary

(b) if to the A1 Note Conditional Purchaser or the Agent, to it at:

JPMorgan Chase Bank, N.A., London Branch
London EC2Y 5AJ
UK

Tel.:	+44 20 7777 3368
Fax.:	+44 20 7777 4760
Attention:	Transaction Manager

(c) if to the Remarketing Agent, to it at:

J.P. Morgan Securities Ltd.
125 London Wall
London
EC2Y 5AJ

Fax.:	+44 (0) 20 7777 9153
Attention:	Head of New Issues

with a copy to:

Attention:	Head of Transaction Executions Group
Fax:	+44 (0) 20 7325 8240

(d) if to either Conduit A1 Note Conditional Purchaser, to it at:

c/o JPMorgan Chase Bank, N.A.
Chase Tower
10 South Dearborn
Suite IL 1 0079
Chicago, IL 60603
USA
Fax.: +1 312 732 1844

Attention: ABS Funding

with a copy to:

JPMorgan Chase Bank, N.A.,
London Branch
London EC2Y 5AJ
UK

Tel:	+44 (0) 20 7777 3368
Fax:	+44 (0) 20 7777 4760
Attention:	Transaction Manager

(e) if to the Trustee, to it at:

Citigroup Centre,
14th Floor
Canada Square
Canary Wharf
London
E14 5LB

Attention:	Agency & Trust
Facsimile No.	020 7500 5248

(f) if to PFPLC, to it at:

St Catherine's Court
Herbert Road
Solihull
West Midlands
B91 3QE

Tel no.:	0121 712 2323
Fax no.:	0121 712 2699
Attention:	Company Secretary

(g) if to MTS, to it at:

St Catherine's Court
Herbert Road
Solihull
West Midlands
B91 3QE

Tel no.:	0121 712 2323
Fax no.:	0121 712 2699
Attention:	Company Secretary

(h) if to PML, to it at:

St Catherine's Court
Herbert Road
Solihull
West Midlands
B91 3QE

Tel no.:	0121 712 2323
Fax no.:	0121 712 2699
Attention:	Company Secretary

(i) if to MTL, to it at:

St Catherine's Court
Herbert Road
Solihull
West Midlands
B91 3QE

Tel no.:	0121 712 2323
Fax no.:	0121 712 2699
Attention:	Company Secretary

Any such communication shall take effect, in the case of a letter, at the time of delivery, in the case of facsimile transmission, at the time of despatch or, in the case of telephone, when made.

Any communication by telephone shall be confirmed by letter but failure to send or receive the letter of confirmation shall not invalidate the original communication.

10. **NON-PETITION**

10.1 The A1 Note Conditional Purchaser and each Conduit A1 Note Conditional Purchaser undertakes to the Issuer that, until one year and one day has elapsed since the last day on which the Issuer has discharged all of its obligations in relation to the Notes, it will not petition or commence proceedings for the administration or winding-up of the Issuer (nor join any person in such proceedings or commencement of proceedings) nor commence any legal proceedings against the Issuer.

10.2 Each party to this Agreement undertakes to each Conduit A1 Note Conditional Purchaser that, until one year and one day has elapsed since the last day on which such Conduit A1 Note Conditional Purchaser has discharged all of its obligations in relation to its commercial paper and other senior indebtedness, such party will not petition or commence proceedings for the administration or winding-up of such Conduit A1 Note Conditional Purchaser (nor join any person in such proceedings or commencement of proceedings) nor commence any legal proceedings against such Conduit A1 Note Conditional Purchaser.

11. **LIMITED RECOURSE**

Notwithstanding anything to the contrary contained herein, the obligations of each Conduit A1 Note Conditional Purchaser under this Agreement are solely the limited liability company obligations of such Conduit A1 Note Conditional Purchaser and shall be payable at such time as funds are received by or are available to such Conduit A1 Note Conditional Purchaser in excess of funds necessary to pay in full all outstanding commercial paper issued by such Conduit A1 Note Conditional Purchaser and, to the extent funds are not available to pay such obligations, the claims relating thereto shall not constitute a claim against such Conduit A1 Note Conditional Purchaser but shall continue to accrue. Each party hereto agrees that the payment of any claim (as defined in Section 1010 of Title 11 of the Bankruptcy Code) of any such party against any Conduit A1 Note Conditional Purchaser shall be subordinated to the payment in full of all commercial paper issued by such Conduit A1 Note Conditional Purchaser.

No recourse under any obligation, covenant or agreement of each Conduit A1 Note Conditional Purchaser contained in this Agreement shall be had against any incorporator, stockholder, officer, director, employee, manager or agent of such Conduit A1 Note Conditional Purchaser or any of their affiliates (solely by virtue of such capacity) by the enforcement of any assessment or by any legal or equitable proceeding, by virtue or any statute or otherwise; it being expressly agreed and understood that this Agreement is solely a corporate obligation of such Conduit A1 Note Conditional Purchaser individually, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer, director, employee, manager or agent of such Conduit A1 Note Conditional Purchaser or any of their affiliates (solely by virtue of such capacity) under or by reason of any of the obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, officer, director, employee, manager or agent is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; provided that the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or omissions made by them. The provisions of this Section shall survive termination of this Agreement, in whole or in part.

12. **TIME OF ESSENCE**

Any date or period specified in this Agreement may be postponed or extended by mutual agreement among the parties, but as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

13. **COUNTERPARTS**

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

14. **RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

15. **GOVERNING LAW AND JURISDICTION**

15.1 **Governing Law**

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

15.2 **Jurisdiction:**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. The parties to this Agreement hereby irrevocably submit to the jurisdiction of such courts and waive any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the parties to this Agreement and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

15.3 **Service of Process - Conduit A1 Note Conditional Purchasers**

Each Conduit A1 Note Conditional Purchaser irrevocably appoints the Agent to receive, for it and on its behalf, service of process in any proceedings in England. Such service shall be deemed completed on delivery to the A1 Note Conditional Purchaser (whether or not it is forwarded to and received by the relevant Conduit A1 Note Conditional Purchaser). If for any reason the A1 Note Conditional Purchaser ceases to act as such or no longer has an address in England, each Conduit A1 Note Conditional Purchaser irrevocably agrees to appoint a substitute process agent acceptable to each of the Issuer, the Trustee and the Remarketing Agent and shall immediately notify each of the parties under this Agreement of such appointment. Nothing shall affect the right to service process in any other manner permitted by law.

IN WITNESS WHEREOF the parties have caused this Agreement to be duly executed as of the date first written above.

SIGNATURES

PARAGON MORTGAGES (NO. 15) PLC

By:

CHARIOT FUNDING LLC (as a Conduit A1 Note Conditional Purchaser)

By: JPMORGAN CHASE BANK, N.A., ITS ATTORNEY-IN-FACT
By:
NAME: JAMES SIMEONS TITLE: VICE PRESIDENT

FALCON ASSET SECURITIZATION COMPANY LLC (as a Conduit A1 Note Conditional Purchaser)

By: JPMORGAN CHASE BANK, N.A., ITS ATTORNEY-IN-FACT
By:
NAME: JAMES SIMEONS TITLE: VICE PRESIDENT

J.P. MORGAN SECURITIES LTD. (as Remarketing Agent)

By:
Cécile Houlot
Managing Director

JPMORGAN CHASE BANK, N.A. (as A1 Note Conditional Purchaser)

By:
NAME: JAMES SIMEONS
TITLE: VICE PRESIDENT

PARAGON FINANCE PLC

By:

MORTGAGE TRUST SERVICES PLC

By:

PARAGON MORTGAGES LIMITED

By:

MORTGAGE TRUST LIMITED

By:

CITICORP TRUSTEE COMPANY LIMITED

By:

CHARIOT FUNDING LLC (as a Conduit A1 Note Conditional Purchaser)

By:

FALCON ASSET SECURITIZATION COMPANY LLC (as a Conduit A1 Note Conditional Purchaser)

By:

J.P. MORGAN SECURITIES LTD. (as Remarketing Agent)

By:

JPMORGAN CHASE BANK, N.A. (as A1 Note Conditional Purchaser)

By:

PARAGON FINANCE PLC

By:

MORTGAGE TRUST SERVICES PLC

By:

PARAGON MORTGAGES LIMITED

By:

MORTGAGE TRUST LIMITED

By:

CITICORP TRUSTEE COMPANY LIMITED

By:

David Mares
Director

SCHEDULE 1

RELEVANT DOCUMENTS

1. the Paying Agency Agreement;
2. the Trust Deed;
3. the Deed of Charge;
4. the Mortgage Sale Agreement;
5. the Administration Agreement;
6. the Subordinated Loan Agreement;
7. the Subscription Agreement;
8. the Supplemental Deeds of Declaration of Trust and the Thirty Sixth Supplemental VAT Deed of Declaration of Trust;
9. the Basis Hedge Agreements;
10. the Currency Swap A1 Agreement;
11. the Post Enforcement Call Option;
12. this Agreement;
13. the Remarketing Agreement; and
14. the Flexible Drawing Facility Agreement (if any).

SCHEDULE 2

CONDITIONAL PURCHASE ACTIVATION NOTICE

[on the letterhead of the Issuer, PFPLC as Administrator or the Remarketing Agent, as the case may be]

To: JPMorgan
Chase Bank, N.A.
[•]
Tel no.: [•]
Fax no.: [•]
Attention: [•]

[Date]

Dear Sirs

All terms used herein shall have the meanings specified in or by reference to the A1 Note Conditional Purchase Agreement entered into on 19 July 2007 between, among others, the Issuer, each Administrator, Chariot Funding LLC, Falcon Asset Securitization Company LLC and JPMorgan Chase Bank, N.A. (the "**Agreement**").

In respect of the A1 Note Mandatory Transfer Date arising on [•] pursuant to Clauses 1.2(g) and 1.2(h) of the Agreement, we hereby:

(a) confirm that the Class A1 Notes have not been sold to third parties pursuant to the Remarketing Agreement/a Remarketing Termination Event has occurred;

(b) notify you that the amount payable by [•] by way of the A1 Note Mandatory Transfer Price is USD[•];

(c) confirm that no Event of Default with respect to the Class A1 Notes is currently outstanding;

(d) confirm that the Agreement has not terminated; and

(e) confirm that no optional redemption in full of the Class A1 Notes has been elected for such A1 Note Mandatory Transfer Date.

Yours faithfully,

For and on behalf of

[JPMorgan Chase Bank, N.A. (if Clause 1.2(h)(i) is applicable) or Issuer/Administrator (if Clause 1.2(h)(ii) is applicable)]

SCHEDULE 3

FORM OF ACCESSION DEED

To: Paragon Mortgages (No.15) PLC as Issuer

From: [•], the Transferee

Date:

THIS DEED dated [•], refers to the A1 Note Conditional Purchase Agreement (the "**A1 Note Conditional Purchase Agreement**") dated 19 July 2007 and made between, among others, the Issuer and the A1 Note Conditional Purchaser (as the same may from time to time be amended, restated, novated or supplemented).

Words and expressions defined or incorporated by reference in the A1 Note Conditional Purchase Agreement have the same meaning when used in this Deed.

The Transferee hereby agrees to comply with and be bound by Clauses 1.2(n) and 1.3 of the A1 Note Conditional Purchase Agreement as if it had been an original party to such agreement in place of [•] as A1 Note Conditional Purchaser.

The Transferee is a company duly incorporated under the laws of [name of relevant jurisdiction].

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

IN WITNESS WHEREOF this Deed has been executed by the Transferee as a deed on the day and year first above written.

Execution
Executed as a deed on behalf of

[•]

in the presence of:

Director

Director/Secretary

SCHEDULE 4

FORM OF RENEWAL REQUEST

[on letterhead of the Issuer]

[DATE]

To: JPMorgan Chase Bank, N.A. as A1 Note Conditional Purchaser
[•]
Tel.: [•]
Fax.: [•]
Attention: [•]

Copy to: J.P. Morgan Securities Ltd. as Remarketing Agent
[•]
Tel.: [•]
Fax.: [•]
Attention: [•]

Ladies and Gentlemen:

We refer to the A1 Note Conditional Purchase Agreement dated [19] July 2007 (as amended from time to time, the "**Agreement**") among Paragon Mortgages (No.15) PLC, as Issuer, yourselves (the "**A1 Note Conditional Purchaser**"), Chariot Funding LLC, Falcon Asset Securitization Company LLC and Paragon Finance PLC, in its individual capacity and as Administrator. Terms and expressions defined herein shall bear the meanings ascribed to such terms in the Agreement or, if not defined therein, in the Remarketing Agreement referred to in the Agreement.

Pursuant to Clause 1.2(b) of the Agreement, we, as the Issuer, hereby irrevocably request the A1 Note Conditional Purchaser to renew the Conditional Purchaser Commitment Period to commence on [•] and end on [•].

Yours faithfully,

PARAGON MORTGAGES (No.15) PLC, as Issuer

By_____

Name:

Title:

SCHEDULE 5

FORM OF NOTICE RENEWAL

[on letterhead of the A1 Note Conditional Purchaser]

To: Paragon Finance PLC, as Administrator
St Catherine's Court
Herbert Road
Solihull
West Midlands
B91 3QE
Tel no.: 0121 712 2323
Fax no.: 0121 712 2699
Attention: Company Secretary
Copy to: Paragon Mortgages (No. 15) PLC
St. Catherine's Court
Herbert Road
Solihull
West Midlands
B91 3QE
Tel: 0121 712 2323
Fax: 0121 712 2699
Attention: Company Secretary

Ladies and Gentlemen:

We refer to the A1 Note Conditional Purchase Agreement dated [19] July 2007 (as amended from time to time, the "**Agreement**") between, among others, Paragon Mortgages (No.15) PLC, as Issuer, ourselves (the "**A1 Note Conditional Purchaser**"), Chariot Funding LLC, Falcon Asset Securitization Company LLC and Paragon Finance PLC, in its individual capacity and as Administrator. Terms and expressions defined herein shall bear the meanings ascribed to such terms in the Agreement or, if not defined therein, in the Remarketing Agreement referred to in the Agreement.

Pursuant to Clause 1.2(c) of the Agreement, we, as the A1 Note Conditional Purchaser hereby consent to the Renewal Request dated [•]. The new Conditional Purchaser Commitment Period shall commence on [•] and end on [•].

Yours faithfully,

JP Morgan Chase Bank, N.A.,
as A1 Note Conditional Purchaser

By_____
Name:
Title: