

Dated 2 DECEMBER 2008

**PARAGON MORTGAGES (NO.15) PLC**

(as Issuer)

and

**JPMORGAN CHASE BANK, N.A.**

(as the A1 Note Conditional Purchaser)

and

**JPMORGAN SECURITIES LTD.**

(as Remarketing Agent)

and

**CITIBANK N.A., LONDON BRANCH**

(as Tender Agent)

and

**CITICORP TRUSTEE COMPANY LIMITED**

(as Trustee)

and

**PARAGON FINANCE PLC**

(as Administrator)

and

**MORTGAGE TRUST SERVICES PLC**

(as Administrator)

and

**PARAGON MORTGAGES LIMITED**

(as Title Holder)

and

**MORTGAGE TRUST LIMITED**

(as Title Holder)

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**DEED OF AMENDMENT IN RESPECT OF  
THE REMARKETING AGREEMENT AND  
THE A1 NOTE CONDITIONAL PURCHASE AGREEMENT EACH  
DATED 19 JULY 2007  
AS AMENDED WITH EFFECT FROM 10 JUNE 2008  
AND THE TRUST DEED DATED 19 JULY 2007**

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THIS DEED is made on 2 December 2008

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**BETWEEN**

- (1) **PARAGON MORTGAGES (No.15) PLC** (registered number 6212267) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (the "**Issuer**");
- (2) **JPMORGAN CHASE BANK, N.A.** in its capacity as the Class A1 Note conditional purchaser (the "**Class A1 Note Conditional Purchaser**");
- (3) **JPMORGAN SECURITIES LTD.** in its capacity as remarketing agent pursuant to this Agreement (the "**Remarketing Agent**");
- (4) **CITIBANK, N.A., LONDON BRANCH**, acting through its office is at Citigroup Centre, 21st Floor, Canada Square, Canary Wharf, London, E14 5LB (the "**Tender Agent**");
- (5) **CITICORP TRUSTEE COMPANY LIMITED**, whose principal London office is at Citigroup Centre, 14th Floor, Canada Square, Canary Wharf, London E14 5LB (the "**Trustee**");
- (6) **PARAGON FINANCE PLC** (registered number 1917566) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (an "**Administrator**");
- (7) **MORTGAGE TRUST SERVICES PLC** (registered number 3940202) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (an "**Administrator**" and together with Paragon Finance PLC, the "**Administrators**");
- (8) **PARAGON MORTGAGES LIMITED** (registered number 2337854) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (a "**Title Holder**"); and
- (9) **MORTGAGE TRUST LIMITED** (registered number 2048895) whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (a "**Title Holder**" and together with Paragon Mortgages Limited, the "**Title Holders**").

**WHEREAS**

- (A) The Issuer, the Remarketing Agent and the A1 Note Conditional Purchaser, amongst others, entered into a remarketing agreement dated 19 July 2007, as amended and restated with effect from 10 June 2008 (the "**Remarketing Agreement**").
- (B) The Issuer, the Remarketing Agent and the A1 Note Conditional Purchaser, amongst others, entered into an A1 note conditional purchase agreement dated 19 July 2007, as

amended and restated with effect from 10 June 2008 (the "**A1 Note Conditional Purchase Agreement**").

- (C) The Issuer and the Trustee entered into a trust deed on 19 July 2007 (the "**Trust Deed**" and, together with the Remarketing Agreement and the A1 Note Conditional Purchase Agreement the "**Amendment Documents**").
- (D) The parties now wish to amend certain provisions of the Amendment Documents.
- (E) Pursuant to Clause 19.2 (*Waiver; Authorisation; Determination; Modification*) of the Trust Deed, 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 or is of a minor, formal or technical nature.

**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 Amendment Documents shall have the same meaning herein.

**2. AMENDMENTS**

**2.1 Amendments to the Remarketing Agreement**

The parties hereto agree that the following amendment shall be made to the Remarketing Agreement:

- 2.1.1 A new definition of "**Operational Risk Event of Default**" shall be inserted into Clause 1.1 as follows:

"**Operational Risk Event of Default**" means an Event of Default that (a) occurs as a result of a failure to pay any amount due and payable by the Issuer under any Swap Agreement due to an administrative or operational error that occurs while a Termination Event (as defined in the Administration Agreement) has occurred and is continuing with respect to the Administrators, and (b) in respect of which the requisite conditions specified for the issue of an Enforcement Notice by the Trustee on the Issuer in accordance with Condition 9 (other than the exercise of the Trustee's discretion to issue such Enforcement Notice) have not been satisfied.

- 2.1.2 A new definition of "**Administration Agreement**" shall be inserted into Clause 1.1 as follows:

"**Administration Agreement**" means the administration agreement between, among others, the Issuer, the Trustee and the Administrators dated 19 July 2007.

- 2.1.3 A new definition of "**Swap Agreements**" shall be inserted into Clause 1.1 as follows:

"**Swap Agreements**" has the meaning given to it in the Conditions.

- 2.1.4 Clause 5.1.1 shall be deleted in its entirety and replaced with the following:

"5.1.1 an Event of Default under the Notes (other than an Operational Risk Event of Default) has occurred and is continuing;" .

- 2.1.5 The first paragraph of Clause 5.3 shall be deleted in its entirety and replaced with the following:

"5.3 Upon the occurrence of a Remarketing Termination Event, the Remarketing Agent shall have no further obligations hereunder except (as long as no Event of Default under the Notes (other than an Operational Risk Event of Default) has occurred and is continuing and no replacement remarketing agent has assumed these functions) as follows:" .

- 2.1.6 Clause 6.1.2 shall be deleted in its entirety and replaced with the following:

"6.1.2 from the A1 Note Conditional Purchaser if a Remarketing Termination Event (other than an Event of Default under the Notes which is not an Operational Risk Event of Default) has occurred " .

## 2.2 **Amendments to the A1 Note Conditional Purchase Agreement**

The parties hereto agree that the following amendments shall be made to the A1 Note Conditional Purchase Agreement:

- 2.2.1 Recital (D)(ii) shall be deleted in its entirety and replaced with the following:

"(ii) an Event of Default under the Notes (other than an Operational Risk Event of Default) occurring prior to such A1 Note Mandatory Transfer Date; or" .

- 2.2.2 Clause 1.2(h) shall be deleted in its entirety and replaced with the following:

"(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 under the Notes that is

not an Operational Risk Event of Default); 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 eligible 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, or (y) following the occurrence of (i) a Remarketing Termination Event (other than an Event of Default under the Notes that is not an Operational Risk Event of Default) 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 relevant 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**").".

2.2.3 Clause 1.2(j) shall be deleted in its entirety and replaced with the following:

"(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 Notes (that is not an Operational Risk Event of Default) is then outstanding. "

2.2.4 Clause 1.2(k)(ii) shall be deleted in its entirety and replaced with the following:

"(k)(ii) if an Event of Default under the Notes (other than an Operational Risk Event of Default) 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;".

2.2.5 Paragraph (c) of the form of Conditional Note Purchase Activation Notice in Schedule 2 shall be deleted in its entirety and replaced with the following:

"(c) confirm that no Event of Default (other than an Operational Risk Event of Default) with respect to the A1 Notes is currently outstanding;".

### 2.3 **Amendment to the Trust Deed**

The parties hereto agree that the following amendment shall be made to the Terms and Conditions of the Notes in Schedule 4 to the Trust Deed:

2.3.1 Condition 5(i)(ii)(b) shall be deleted in its entirety and replaced with the following:

"(b) an Event of Default under the Notes (other than an Operational Risk Event of Default) has occurred prior to such A1 Note Mandatory Transfer Date and is continuing, or".

2.3.2 The following new definitions shall be inserted into Condition 5(i):

**"Operational Risk Event of Default"** means an Event of Default that (a) occurs as a result of a failure to pay any amount due and payable by the Issuer under any Swap Agreement due to an administrative or operational error that occurs while a Termination Event (as defined in the Administration Agreement) has occurred and is continuing with respect to the Administrators, and (b) in respect of which the requisite conditions specified for the issue of an Enforcement Notice by the Trustee on the Issuer in accordance with Condition 9 (other than the exercise of the Trustee's discretion to issue such Enforcement Notice) have not been satisfied;

**"Swap Agreements"** means the Currency Swap Agreements, the Basis Hedge Agreements, any Caps and any Permitted Basis Hedge Agreements;

### 3. **CONSTRUCTION AND INCORPORATION**

3.1 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.

3.2 All references in the Amendment Documents to "this Agreement", "this Deed" or "this Trust Deed" shall be deemed to be references to the relevant Amendment Document as amended by this Deed.

3.3 Nothing in this Deed shall operate as a waiver of any right or remedy of any party under any provisions of the Amendment Documents as amended hereby nor to excuse any delay or omission in the performance of the Amendment Documents nor to impair any right or remedy arising thereunder or in respect thereof.

### 4. **NOTICE**

The Trustee agrees that notice of the modifications shall not be required to be given to the Noteholders (as defined in the Trust Deed).

5. **COUNTERPARTS**

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

6. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.

7. **GOVERNING LAW**

This Deed and all non-contractual obligations arising out of or in connection with it are governed by English law.

8. **JURISDICTION**

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) or the consequences of its nullity.



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

*The Issuer*

**PARAGON MORTGAGES (NO.15) PLC**

**Executed by:**

**as its deed as follows:**

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

By:

Name: Richard Shelton

Title: Director



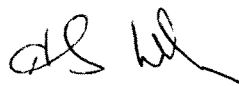
**Witness**

Signature:

Name:

Occupation:

Address:



Andrew Kitching

Compliance Manager

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

*The A1 Note Conditional Purchaser*

**JPMORGAN CHASE BANK, N.A.**

By:

Name:

Title:

**Witness**

Signature:

Name:

Occupation:

Address:

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

*The Issuer*

**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:  
Title:

**Witness**

Signature:

Name:

Occupation:

Address:

*The A1 Note Conditional Purchaser*

**JPMORGAN CHASE BANK, N.A.**

By:

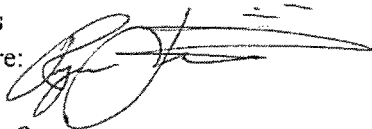


Name: BRADFORD CRAIGHEAD

Title: MANAGING DIRECTOR

**Witness**

Signature:



Name:

RYAN LINSTROM

Occupation: BANKER, JPMSL

Address: 100 Wood Street London, EC2V 7AN

*The Remarketing Agent*

**JPMORGAN SECURITIES LTD.**

By:   
Name: BRADFORD CRAIGHEAD  
Title: MANAGING DIRECTOR

**Witness**  
Signature: 

Name: RYAN LINDSTROM  
Occupation: BANKER, JPM SL

Address: 100 Wood Street London, EC2V 7AN

*The Tender Agent*

**CITIBANK N.A., LONDON BRANCH**

By:

By:

*The Trustee*

**Executed by:**

**CITICORP TRUSTEE COMPANY  
LIMITED**

**as its deed as follows:**

By: .....  
Name:  
Title:

Witness  
Name:  
Occupation:  
Address:

*The Administrators*

*The Remarketing Agent*

**JPMORGAN SECURITIES LTD.**

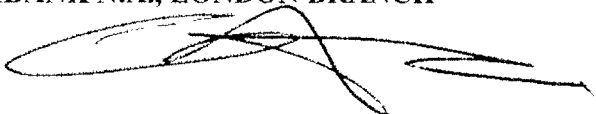
By:  
Name:  
Title:

**Witness**  
Signature:

Name:  
Occupation:  
Address:

*The Tender Agent*

**CITIBANK N.A., LONDON BRANCH**

By: 

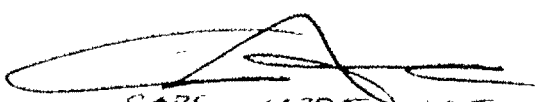





By:   
Simon Lazarus  
Vice President

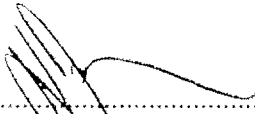



*The Trustee*

**Executed by:**

**CITICORP TRUSTEE COMPANY  
LIMITED**

**as its deed as follows:**

  
CARL HARDIE VICE PRESIDENT  
Witness  
Name:   
Occupation:   
Address:   
  
  
E14 5LD


By:   
Name:   
Title:   
  
Viola Depaul  
Director

*The Administrators*

**Paragon Finance PLC**

**Executed by:  
as its deed as follows:**

Signed for and on its behalf by one of its  
directors

By:   
Name: Richard Shelton  
Title: Director

**Witness**

Signature:

Name:

Occupation:

Address:

  
Andrew Kitching

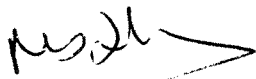
Compliance Manager

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

**Mortgage Trust Services plc**

**Executed by:  
as its deed as follows:**

Signed for and on its behalf by one of its  
directors

By:   
Name: Richard Shelton  
Title: Director


**Witness**

Signature:

Name:

Occupation:

Address:

  
Andrew Kitching

Compliance Manager

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

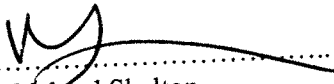
*The Title Holders*

**Executed by:**

**Paragon Mortgages Limited**

**as its deed as follows:**

Signed for and on its behalf by one of its directors

By:   
Name: Richard Shelton  
Title: Director

**Witness**

Signature: 

Name: Andrew Kitching

Occupation: Compliance Manager

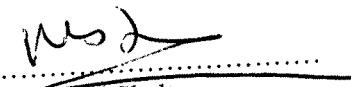
Address: St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE

**Executed by:**

**as its deed as follows:**

Signed for and on its behalf by one of its directors

**Mortgage Trust Limited**

By:   
Name: Richard Shelton  
Title: Director

**Witness**

Signature: 

Name: Andrew Kitching

Occupation: Compliance Manager

Address: St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE