

DATED 30 January 2013

STRUCTURED FINANCE MANAGEMENT LIMITED
as Substitute Administrator Facilitator

CITICORP TRUSTEE COMPANY LIMITED
as Trustee

PARAGON MORTGAGES (NO.15) PLC
as Issuer

SUBSTITUTE ADMINISTRATOR FACILITATOR AGREEMENT

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THIS AGREEMENT is made on 30 January 2013 and made

BETWEEN:

- (1) **STRUCTURED FINANCE MANAGEMENT LIMITED** (registered number 3853947), whose registered office is at 35 Great St. Helen's, London EC3A 6AP, United Kingdom (the "**Substitute Administrator Facilitator**");
- (2) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom (the "**Trustee**", which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents); and
- (3) **PARAGON MORTGAGES (NO.15) PLC** (registered number 6212267), whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ, United Kingdom (the "**Issuer**").

INTRODUCTION:

- (A) The Issuer has issued the Notes pursuant to a securitisation transaction (the "**Transaction**") as described in the Prospectus.
- (B) Pursuant to the Trust Deed, the Trustee holds the entire beneficial interest in the security to be provided pursuant to the Transaction, which is held on trust for the beneficiaries named therein.
- (C) The Issuer has appointed MTS and PFPLC as Administrators and Homeloan Management Limited as the Substitute Administrator in order to administer the Mortgages and perform the Cash Bond Management Services.
- (D) The Substitute Administrator Facilitator has agreed with the other parties to this Agreement to provide the services described herein to the Issuer on the terms and conditions contained in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Unless otherwise defined in this Agreement or the context requires otherwise, words and expressions used in this Agreement have the meanings and constructions ascribed to them in the Administration Agreement and/or the Substitute Administrator Agreement.

1.2 In this Agreement:

"**Administration Agreement**" means an agreement dated on or about 19 July 2007 between, amongst others, PFPLC, MTS, the Issuer, PML, MTL and the Trustee, as amended and restated from time to time, including on or about the date hereof;

"Administrator Report Failure Event" means the PFPLC fails to deliver an Administrator Report to the Substitute Administrator within 3 Business Days of the Principal Determination Date;

"Deed of Charge" means a deed dated 19 July 2007 between, amongst others, the Issuer, the Trustee, PFPLC, PML, MTS, MTL, the Substitute Administrator, Barclays Bank PLC, ABN AMRO Bank N.V London branch (now The Royal Bank of Scotland plc), J.P. Morgan Securities Ltd, JPMorgan Chase Bank, N.A., Citibank, N.A., London Branch and Citibank, N.A., New York Branch, as varied or supplemented from time to time, including on the date of this Agreement;

"HML" means Homeloan Management Limited in its capacity as the original substitute administrator pursuant to the Substitute Administrator Agreement;

"Payment Priorities" has the meaning ascribed to it in the Deed of Charge;

"Substitute Administrator Agreement" means an agreement dated 19 July 2007 between, amongst others, the PFPLC, MTS, the Trustee, HML and the Issuer, as amended and restated from time to time, including on the date of this Agreement; and

"Substitute Administrator Facilitator Fee Letter" means a fee letter dated on or about the date of this Agreement between the Issuer and the Substitute Administrator Facilitator.

1.3 References in this Agreement to

- (a) **"Administrator"** shall refer to MTS and PFPLC, each in its capacity as Administrator (together the **"Administrators"**) pursuant to the Administration Agreement and shall also include references to any successor, transferee and assignee and any person who assumes the performance of all or part of the Services under the Administration Agreement following the termination of both Administrators' duties and obligation to perform such Services.
- (b) **"Substitute Administrator"** shall refer to HML in its capacity as Substitute Administrator pursuant to the Substitute Administrator Agreement and shall also include references to any successor, transferee and assignee and any person who assumes the performance of all or part of the duties and obligations of the Substitute Administrator under the Substitute Administrator Agreement following the termination of the Substitute Administrator's duties and obligation to perform such Services.

2. APPOINTMENT OF SUBSTITUTE ADMINISTRATOR FACILITATOR

The Issuer hereby appoints the Substitute Administrator Facilitator to carry out the services on the terms and conditions set out in this Agreement and the Substitute Administrator Facilitator accepts such appointment.

3. STANDARD OF CARE

During the term of this Agreement, the Substitute Administrator Facilitator shall, at all times perform its obligations with all due care, skill and diligence and in the utmost good faith **provided that** the Substitute Administrator Facilitator shall not be

required to do or cause to be done anything which it is prevented from doing by virtue of any applicable law or regulatory requirement.

4. THE SERVICES

4.1 The Substitute Administrator Facilitator shall use its best endeavours to:

- (a) upon being notified by the Issuer or the Administrators (or either of them) of the occurrence of an Administrator Report Failure Event, identify and, if necessary, appoint on behalf of the Issuer a successor Administrator that shall perform and assume the performance of the Cash Bond Management Services (including, for the avoidance of doubt, to the extent that the required calculation data is unavailable, the calculation of the relevant amounts to be paid by the Issuer in accordance with Schedule 1 (*The Services*) and Schedule 9 (*Determinations and Reconciliation*) of the Administration Agreement) within 7 Business Days of such Administrator Report Failure Event if the Substitute Administrator fails to assume the performance of the Cash Bond Management Services within 5 Business Days of such Administrator Report Failure Event in accordance with clause 2.2 of the Substitute Administrator Agreement;
- (b) after being notified in writing by the Administrators (or either of them), the Issuer or the Trustee that the Administrators, the Issuer or the Trustee have/has terminated, or intend/intends to terminate, the appointment of the then current Administrators or that such appointment has terminated by virtue of the other provisions of clause 20 (*Termination*) of the Administration Agreement, identify and appoint on behalf of the Issuer a successor Substitute Administrator which satisfies the conditions of Clause 4.2 which shall be appointed as successor Administrator (and in relation to appointment of a successor Administrator to assume performance of the Cash Bond Management Services only, such identification and appointment to be made within 7 Business Days) if the then current Substitute Administrator fails to assume the duties and obligations of the Administrators in accordance with clause 3.2 of the Substitute Administrator Agreement;
- (c) after being notified in writing by the Substitute Administrator pursuant to clause 20 (*Termination by Notice*) of the Substitute Administrator Agreement and in any event no later than 6 months from the date of such notice, identify and appoint a successor Substitute Administrator which satisfies the conditions of Clause 4.2; and
- (d) after being notified in writing by the Substitute Administrator, the Issuer or the Trustee that the Issuer, Substitute Administrator or the Trustee has terminated, or intends to terminate, the appointment of the Substitute Administrator (or any successor thereto) as Substitute Administrator or that such appointment has terminated by virtue of the provisions of clauses 18 (*Termination by HML*) and 19 (*Termination by Issuer*) of the Substitute Administrator Agreement, identify and appoint a successor Substitute Administrator (and in relation to appointment of a successor Substitute Administrator to assume performance of the Cash Bond Management Services only, such identification and

appointment to be made within 7 Business Days) which satisfies the conditions of Clause 4.2.

4.2 The successor Administrator and/or successor Substitute Administrator, as the case may be, must:

- (a) have experience of administering mortgage loans secured on residential properties in England and Wales;
- (b) enter into an agreement with, amongst others, the Issuer and the Trustee substantially on the terms of (in the case of a successor Administrator) the Administration Agreement or (in the case of a successor Substitute Administrator) the Substitute Administrator Agreement, and at fees which are consistent with those payable generally at the relevant time for acting as a substitute mortgage administrator; and
- (c) to the extent reasonably practicable, satisfy the then applicable criteria of the Rating Agencies.

5. REPRESENTATIONS AND WARRANTIES

5.1 The Issuer represents and warrants to the Substitute Administrator Facilitator as at the date of this Agreement that:

- (a) it was duly incorporated in England and Wales with limited liability under the Companies Act 1985, with its registered office at 51 Homer Road, Solihull, West Midlands B91 3QJ, United Kingdom and is currently governed under the Companies Act 2006 and it has full power and authority to conduct its business as described in the Prospectus;
- (b) no litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or, so far as the Issuer is aware are pending or threatened against the Issuer or any assets or revenues which may have a material adverse effect on the Issuer;
- (c) it has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Relevant Documents pursuant to any applicable law or regulatory direction.

5.2 The Substitute Administrator Facilitator represents and warrants to the Issuer and the Trustee as at the date of this Agreement that:

- (a) it was duly incorporated in England and Wales with limited liability under the Companies Act 1985, with its principal place of business at 35 Great St. Helen's, London EC3A 6AP existing under the laws of England and Wales and is currently governed under the Companies Act 2006; and
- (b) no litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or, so far as the Substitute Administrator Facilitator is aware, are pending or threatened against the Substitute Administrator Facilitator or any assets or revenues which may

have a material adverse effect on the Substitute Administrator Facilitator or this Agreement.

6. CONFIDENTIALITY

- 6.1 The Substitute Administrator Facilitator agrees that it shall not at any time disclose to any person, firm or company whatsoever, and shall treat as confidential, any information relating to the business, finances or other matters of any Paragon Group Company, which such person may have obtained as a result of its role under this Agreement, **provided however that** the provisions of this Clause 6.1 shall not apply:
- (a) to the disclosure of any information already known to the recipient otherwise than as a result of a breach of this Clause 6.1;
 - (b) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of such disclosure being made in breach of this Clause 6.1, or as a result of the unauthorised or improper conduct of the recipient;
 - (c) to the extent that disclosure is required pursuant to any law or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or taxation authority (including, without limitation, any official bank examiners or regulators or the Financial Services Authority in its capacity as the UK Listing Authority);
 - (d) to the disclosure of any information which is necessary for any class of Notes to constitute eligible collateral for the Bank of England discount window facility, the credit operations established by the European Central Bank or any other liquidity or similar facilities established by central bank operations;
 - (e) to the disclosure of any information to professional advisers to, or agents of, the Substitute Administrator Facilitator, the Trustee or any of the Rating Agencies who receive the same under a duty of confidentiality;
 - (f) to disclosure on behalf of the Issuer of any information required by the terms of any Relevant Documents to which the Issuer is now or becomes a party, to the persons to whom such disclosure is required by the terms of the Relevant Document,
- 6.2 The Substitute Administrator Facilitator hereby agrees to indemnify and hold harmless the Trustee and the Issuer on an after tax basis for all losses, damages, expenses, costs, claims and charges reasonably incurred arising from or caused by any disclosure of information by the Substitute Administrator Facilitator or any agent appointed by it, contrary to the provisions of this Clause 6 (*Confidentiality*).
- 6.3 Upon termination of this Agreement pursuant to Clause 10 (*Termination*), the Substitute Administrator Facilitator and any of its agents shall forthwith deliver (and in the meantime hold on trust for, and to the order of the Issuer) to the Issuer, or as the Issuer shall direct, the information described in this Clause 6 (*Confidentiality*) in their possession or under their control howsoever held.

7. **REMUNERATION AND EXPENSES**

- 7.1 Until termination of this Agreement pursuant to Clause 11 (*Termination*), the Substitute Administrator Facilitator shall be entitled to remuneration under this Agreement in accordance with the Substitute Administrator Facilitator Fee Letter to be paid by the Issuer in accordance with the Payments Priorities.
- 7.2 The remuneration payable pursuant to this Clause 7 (*Remuneration and Expenses*) shall be borne by the Issuer and payable in accordance with the terms of the Substitute Administrator Facilitator Fee Letter.
- 7.3 The Issuer shall reimburse the Substitute Administrator Facilitator on demand for all reasonable travelling and other out of pocket expenses properly incurred by it, its agents and employees in the performance of its duties and enforcement of its rights under this Agreement and all reasonable fees and disbursements (including, without limitation those of a legal nature) incurred by it in the negotiation, preparation, execution and administration of this Agreement.

8. **ENGAGEMENT OF THIRD PARTIES**

The Substitute Administrator Facilitator may appoint agents to perform any of the duties to be performed by the Substitute Administrator Facilitator, **provided that** the Substitute Administrator Facilitator remains liable for the performance of any duties by any agent as if such duty had been performed by the Substitute Administrator Facilitator itself and **provided that** such appointment will not result in the Issuer, the Seller or the Trustee becoming subject to tax in any jurisdiction other than in the United Kingdom or suffering any additional taxes which the Issuer would not have suffered absent such appointment.

9. **INDEMNITY**

The Issuer shall, on written demand of the Substitute Administrator Facilitator, indemnify and hold harmless the Substitute Administrator Facilitator and any officer provided by the Substitute Administrator Facilitator and any of the directors, officers, employees and agents of the Substitute Administrator Facilitator at the time of such demand, against any losses, liabilities, actions, proceedings, damages, expenses, costs claims or demands whatsoever (together with any VAT incurred) which it or any of them may incur or be subject to in direct consequence of this Agreement or as a direct result of the performance of the functions and obligations provided for under this Agreement except as a result of:

- (a) a breach by the Substitute Administrator Facilitator of this Agreement; or
- (b) the gross negligence, wilful default, dishonesty or fraud of the Substitute Administrator Facilitator or any of the directors, officers, employees or agents of the Substitute Administrator Facilitator, as the case may be.

This indemnity shall expressly inure to the benefit of any director, officer, employee or agent existing or future of the Substitute Administrator Facilitator. The termination of this Agreement shall not affect the rights and obligations of the parties arising under this Clause 9 (*Indemnity*) prior to such termination.

10. THE TRUSTEE

- (a) In the event that there is any change in the identity of the Trustee in accordance with the Trust Deed, the retiring Trustee, the Administrators, each Originator, the Substitute Administrator Facilitator and the Issuer shall execute such documents and take such actions as such new Trustee may reasonably require for the purpose of vesting in such Trustee the rights of the Trustee under this Agreement and the Deed of Charge and, if so determined by the new Trustee, releasing the retiring Trustee from further obligations thereunder and, while any Note remains outstanding, shall give notice thereof to the Rating Agencies.
- (b) Nothing herein contained shall impose any obligation or liability on the Trustee to assume or perform any of the obligations of the Issuer, or the Substitute Administrator Facilitator hereunder or render it liable for any breach thereof.

11. TERMINATION

- 11.1 Subject to Clause 11.2, the Substitute Administrator Facilitator or the Issuer, as the case may be, shall have the right to terminate this Agreement forthwith by giving notice to the other party if:
 - (a) such party commits a material breach of any of the terms and/or conditions of this Agreement and fails to remedy the same within thirty (30) days (or such other period as shall be agreed between the parties) of being so required to do so;
 - (b) such party becomes insolvent; or
 - (c) the Substitute Administrator Facilitator gives not less than 90 days' prior written notice to each of the parties to this Agreement. Such termination shall take effect on the date of expiry of the notice or such longer period as the parties may agree.
- 11.2 Upon termination of this Agreement pursuant to Clause 11.1, the Substitute Administrator Facilitator shall use all reasonable endeavours to ensure the effective transfer of its duties under this Agreement to a newly appointed Substitute Administrator Facilitator. Any termination of this Agreement pursuant to Clause 11.1 shall not take effect until a successor to the Substitute Administrator Facilitator has been appointed by the Issuer on substantially the same terms as those set out in this Agreement.

12. ENFORCEMENT

- 12.1 The Substitute Administrator Facilitator agrees with the Issuer and the Trustee to be bound by the terms of the Deed of Charge.
- 12.2 Save as permitted by the Deed of Charge, the Substitute Administrator Facilitator agrees that it shall not take any steps for the purpose of recovering any sum under or in connection with this Agreement and shall not in any event take any steps to procure the winding-up, administration (including, for the avoidance of doubt, the filing of

documents with the court or the service of a notice of intention to appoint an Administrator) or liquidation of the Issuer on any account whatsoever.

13. NON-ASSIGNMENT

The Substitute Administrator Facilitator may not assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the Issuer and the Trustee.

14. VARIATION OF AGREEMENT

No variation of this Agreement shall be effective unless it is in writing and signed by each of the parties to this Agreement.

15. NOTICES

Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if delivered by hand or sent by prepaid post or facsimile transmission and shall be deemed to be given upon receipt and shall be delivered or sent:

- (a) in the case of the Substitute Administrator Facilitator to 35 Great St. Helen's, London EC3A 6AP, United Kingdom (facsimile number: +44 (0) 207 398 6325) for the attention of the Directors;
- (b) in the case of the Issuer to 51 Homer Road, Solihull, West Midlands B91 3QJ, United Kingdom (facsimile number: +44 (0) 121 711 2072) for the attention of the Issuer Secretary; and
- (c) in the case of the Trustee to Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom (facsimile number: +44 (0) 207 500 2931) for the attention of Agency & Trust.

16. COUNTERPARTS

This Agreement may be signed in any number of counterparts, each of which may be signed by the parties hereto as separate counterparts and each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

17. GOVERNING LAW

This Agreement and all non contractual or other obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of England.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person who is not a party to this Agreement shall have any rights under the Contract (Rights of Third Parties) Act 1999 in relation to this Agreement.

19. **EXECUTION**

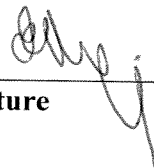
The parties have executed this Agreement on the date stated at the beginning of this Agreement.

SIGNATORIES

SUBSTITUTE ADMINISTRATOR FACILITATOR

SIGNED by a duly authorised representative)
for and on behalf of)
STRUCTURED FINANCE)
MANAGEMENT LIMITED)

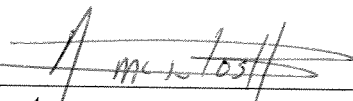
Signature



TRUSTEE

SIGNED by a duly authorised attorney)
for and on behalf of)
CITICORP TRUSTEE COMPANY LIMITED)

Signature



In the presence of:



Witness Name: Adam Wood
Occupation: Trainee Solicitor
Address: 10 Upper Bath Street, London, E14 5 TS,

Andrew McIntosh
Vice President
Citibank N.A.
25 Canada Square
Canary Wharf
London E14 5LB

ISSUER

SIGNED by a duly authorised representative)
for and on behalf of)
PARAGON MORTGAGES (NO.15) PLC)

Signature

SIGNATORIES

SUBSTITUTE ADMINISTRATOR FACILITATOR

SIGNED by a duly authorised representative)
for and on behalf of)
STRUCTURED FINANCE)
MANAGEMENT LIMITED) _____
Signature

TRUSTEE

SIGNED by a duly authorised attorney)
for and on behalf of)
CITICORP TRUSTEE COMPANY LIMITED) _____
Signature

In the presence of:

.....

Witness Name:
Occupation:
Address:

ISSUER

SIGNED by a duly authorised representative)
for and on behalf of)
PARAGON MORTGAGES (NO.15) PLC) _____
Signature