

M

CHFP025

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395**Particulars of a mortgage or charge**

A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

Name of company

* Paragon Mortgages (No.9) PLC (the "Issuer" or the "Company")

Date of creation of the charge

19 July 2005

Description of the instrument (if any) creating or evidencing the charge (note 2)

A deed of sub-charge and assignment dated 19 July 2005 (the "Deed of Charge") between the Issuer; the Trustee (as defined below);
[continued on Continuation Sheet No.1 page 1]

Amount secured by the mortgage or charge

The "Secured Amounts" being the monies and liabilities which the Issuer covenants and undertakes in the Deed of Charge to pay or discharge including, without limitation, all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer:

- (a) to or to the order of the Trustee and/or any Receiver under this Deed, the Trust Deed and the Conditions at the times and in the manner provided herein or therein;
- (b) under or in respect of the Notes;
- (c) to the Trustee on any account whatsoever, whether as principal or surety and whether or not jointly with another;

[continued on Continuation Sheet No.1 page 2]

Names and addresses of the mortgagees or persons entitled to the charge

Citicorp Trustee Company Limited (the "Trustee") (for itself and as trustee for the other Secured Parties) Citigroup Centre, 14th Floor, Canada Square, Canary Wharf, London

Postcode E14 5LB

Presentor's name address and
reference (if any):

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

437813

Time critical reference

For official Use (02/00)
Mortgage Section

Post room

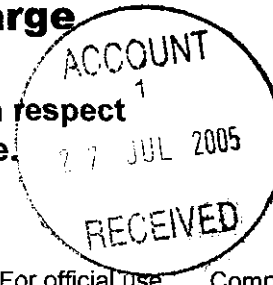


LD2
COMPANIES HOUSE

0401
27/07/05

AC/00400107/13.

395



Short particulars of all the property mortgaged or charged

- (1) A sub-charge, conveyance, transfer and assignment by way of first fixed security of:
- (a) all right, title, interest and benefit of the Issuer existing now or in the future in and under the English Mortgages and Northern Irish Mortgages to which the Issuer is at present beneficially entitled or to which it becomes beneficially entitled in the future including for the avoidance of doubt:
- (i) all sums of principal, interest or any other sum payable under and the right to demand, sue for, recover, receive and give receipts for all principal monies payable or to become payable under the English Mortgages and Northern Irish Mortgages or the unpaid part thereof and the interest due or to become due thereon and the other sums due under the English Mortgages and Northern Irish Mortgages, but excluding any Retained Pre Closing Accruals and Arrears in respect of any Mortgage (provided that the principal moneys payable under any such Mortgage shall not be deemed to be due for the purpose of this paragraph merely because the legal date for the redemption of the relevant Mortgage has passed);

[continued on Continuation Sheet No 1 page 4]

Please do not
write in
this margin

**Please complete
legibly, preferably
in black type, or
bold block
lettering**

Particulars as to commission allowance or discount (note 3)

Signed Clifford Chance

Date 27 July 2005

On behalf of [company] ~~[mortgagee/chargee]~~ †

A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge.
(See Note 5)

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

† delete as
appropriate

CHFP025

Particulars of a mortgage or charge (continued)

Please do not
write in this
binding margin

Continuation sheet No 1
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

4513176

Name of Company

Paragon Mortgages (No.9) PLC (the "Issuer" or the "Company")

~~Limited~~

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Paragon Mortgages Limited ("PML"); Mortgage Trust Limited ("MTL" and together with PML, the "Originators"); Mortgage Trust Services plc ("MTS" and severally with PFPLC, the "Administrators" which expression includes any substitute administrator, the "Subordinated Lender" and together with PML, the "Sellers"); Paragon Finance PLC ("PFPLC" and severally with MTS, the "Administrators", which expression includes any substitute administrator and the "Issue Services Provider"); Paragon Loan Finance (No.2) PLC ("PLF2"); GHL Mortgage Services Limited (the "Substitute Administrator"); ABN AMRO Bank N.V., London Branch (the "Currency Swap Provider" which expression includes each replacement currency swap provider under any of the Currency Swap Agreements and together with JP Morgan Chase Bank, National Association, the "Basis Hedge Providers" which expression includes each replacement basis hedge provider under the Basis Hedge Agreement); and Barclays Bank plc (the "Flexible Drawing Facility Provider" which expression includes each replacement flexible drawing facility provider under the Flexible Drawing Facility Agreement).

**Please complete
legibly, preferably
in black type, or
bold block lettering**

- (d) to the Administrator (in its capacity as such) under the Administration Agreement or any other similar agreement or the Substitute Administrator Agreement or the Deed of Charge or any agreement with the Administrator referred to in Clause 6.1.2(q) of the Deed of Charge on any account whatsoever, whether as principal or surety and whether or not jointly with another;
- (e) to PFPLC (other than any such monies or liabilities from time to time due, owing or payable to it in its capacity as Administrator or in its capacity as a Noteholder), under any agreement with PFPLC referred to in Clause 6.1.2(q) or the Deed of Charge on any account whatsoever, whether as principal or surety and whether or not jointly with another;
- (f) to each Seller (other than any such monies or liabilities from time to time due, owing or payable to it in its capacity as a Noteholder) under the Mortgage Sale Agreement, the Administration Agreement or the Deed of Charge;
- (g) to the Basis Hedge Providers (in their capacity as Basis Hedge Providers only) under the Basis Hedge Agreement or the Deed of Charge;
- (h) to the Substitute Administrator (in its capacity as administrator of last resort only and not, for the avoidance of doubt, in its capacity as Administrator) under the Substitute Administrator Agreement or the Deed of Charge;
- (i) to each Subordinated Lender and any Additional Subordinated Lender under the Subordinated Loan Agreement or the Deed of Charge;
- (j) to the Issuer Services Provider and PLF2 under the Fee Letter or the Deed of Charge;
- (k) to the Currency Swap Provider under any Currency Swap Agreement or the Deed of Charge;
- (l) to the Flexible Drawing Facility Provider under the Flexible Drawing Facility Agreement or the Deed of Charge.

[Definitions in the Schedule to this form]

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

*Please complete
legibly, preferably
in black type, or
bold block lettering*

**Please complete
legibly, preferably
in black type, or
bold block lettering**

- (ii) the benefit of all security interests for such principal monies and interest and other sums, the benefit of all consents to mortgage signed by occupiers of the Properties relating to the English Mortgages and Northern Irish Mortgages and the benefit of and the right to sue on all obligations and covenants with, or vested in, the mortgagee in respect of each English Mortgage and Northern Irish Mortgage and the right to exercise all powers of the mortgagee in relation to each such English Mortgage and Northern Irish Mortgage;
- (iii) all the estate and interest in the Properties relative to the English Mortgages and Northern Irish Mortgages vested in the mortgagee subject to redemption or cesser;
- (iv) all causes and rights of action against any person in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with any English Mortgage and Northern Irish Mortgage or affecting the decision to make any relevant advance;
- (v) the benefit of any guarantee or surety vested in the mortgagee relating to any of the English Mortgages and Northern Irish Mortgages, and any other collateral security relating to such Mortgages; and
- (vi) the benefit of any rights to receive compensation in respect of criminal damage pursuant to the Criminal Damage (Compensation) (Northern Ireland) Order 1977 in respect of Properties relating to Northern Irish Mortgages;
- (b) all right, title, interest and benefit of the Issuer (whether present or future) in relation to the Insurance Contracts including the rights to receive the proceeds of any claim insofar only as they relate to the Mortgages (including for the avoidance of doubt the Scottish Mortgages and Northern Irish Mortgages) but not insofar as they relate to any amount or sum the benefit of which is excluded from the charges herein provided pursuant to Clause 3.1(a)(i) of the Deed of Charge; and
- (c) all right, title, interest and benefit of the Issuer (whether present or future) in any other charges and insurances (in each case including as aforesaid) of which the Issuer may have the benefit at the date hereof or may acquire in the future.
- (2) the Issuer's whole right, title and interest in and to the whole of the Scottish Trust Property and in and to each of the Scottish Declarations of Trust, surrogating and substituting the Trustee in its full right and place therein and thereto.
- (3) A conveyance, transfer and assignment by way of first fixed security of all the Issuer's right, title, interest and benefit present and future in:-
 - (i) the Mortgage Sale Agreement;
 - (ii) the Administration Agreement;
 - (iii) the Subordinated Loan Agreement;
 - (iv) the VAT Declaration of Trust;
 - (v) the Fee Letter;
 - (vi) the Collection Account Declarations of Trust;
 - (vii) the Cross-collateral Mortgage Rights Deed; and
 - (viii) the Flexible Drawing Facility Agreement,
 including all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof.

[continued on Continuation Sheet No.2 page 4]

CHFP025

Particulars of a mortgage or charge (continued)

Please do not
write in this
binding margin

Continuation sheet No 2
to Form No 395 and 410 (Scot)

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Company Number

4513176

Name of Company

Paragon Mortgages (No.9) PLC (the "Issuer" or the "Company")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not
write in this
binding margin

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

*Please complete
legibly, preferably
in black type, or
bold block lettering*

- (4) A conveyance, transfer and assignment by way of first fixed security of all of the Issuer's right, title, interest and benefit present and future in any Cap Agreement, any Cap Guarantee, each Hedge Agreement and each Hedge Collateral Ancillary Document (subject in each case to any right of set-off or netting contained therein) including all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof.
- (5) An assignment by way of first fixed security of all of the Issuer's right, title, interest and benefit present and future in and to all sums of money which may now be or hereafter are from time to time standing to the credit of each Issuer Cash Account and any other bank or other account in which the Issuer may at any time acquire any right, title, interest or benefit together with all interest accruing from time to time thereon and the debt represented by each such account.
- (6) A charge by way of first fixed mortgage of all of the Issuer's right, title, interest and benefit present and future in the Authorised Investments and each of them made by the Issuer in accordance with clause 4.9.1 of the Administration Agreement, all Hedge Collateral Securities, each Hedge Collateral Securities Account, all Hedge Collateral Authorised Investments and all other investments in which the Issuer may at any time acquire any right, title, interest or benefit, in each case together with all monies, income and proceeds to become payable thereunder or thereon and the benefits of all covenants relating thereto and all powers and remedies for enforcing the same.
- (7) A conveyance, transfer and assignment by way of first fixed security of all of the Issuer's rights, title, interest and benefit present and future in, under and pursuant to the Substitute Administrator Agreement including all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof.
- (8) A conveyance, transfer and assignment by way of first fixed security of all the Issuer's rights, title, interest and benefit present and future in, under and pursuant to the Subscription Agreement including all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof.
- (9) A charge by way of first floating charge of the whole of its undertaking and all of its property and assets whatsoever and wheresoever situate, present and future, other than any property or assets from time to time or for the time being charged by way of fixed charge, or otherwise assigned as security as described in paragraphs (1) to (8) inclusive above (but excepting from the foregoing exclusion all property, assets rights and interests situated in, or governed by the laws of, Scotland, all of which are charged by such floating charge).

Intimation of assignation in security of Scottish Declaration of Trust
The Issuer has intimated to each Originator as respective trustee under the Scottish Declarations of Trust the assignation in security referred to in paragraph (2) above and each Originator by its execution of the Deed of Charge by the Issuer has consented to such assignation and acknowledged such intimation thereof and confirmed that as at the date of the Deed of Charge it had received no intimation of any other dealing with the Scottish Trust Property or any part thereof.

[continued on Continuation Sheet No.3 page 4]

CHFP025

**Particulars of a mortgage or charge
(continued)**

Please do not
write in this
binding margin

Continuation sheet No 3
to Form No 395 and 410 (Scot)

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Company Number

4513176

Name of Company

Paragon Mortgages (No.9) PLC (the "Issuer" or the "Company")

~~Limited~~*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not
write in this
binding margin

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Negative covenants

Under Clause 11.2 of the Deed of Charge the Issuer has covenanted with and undertaken to the Trustee that so long as any of the Notes remains outstanding (as defined in the Trust Deed) it shall not, save to the extent permitted by the Relevant Documents or with the prior written consent of the Trustee:

- (a) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness excluding, for the avoidance of doubt, indebtedness under the Deed of Charge, the Trust Deed, the Notes, the Fee Letter, the Services Letter, the Flexible Drawing Facility Agreement, any Hedge Agreement, the Substitute Administrator Agreement or the VAT Declaration of Trust, and excluding any borrowing in accordance with the provisions of the Subordinated Loan Agreement;
- (b) create or permit to exist upon or affect any of the Charged Property any Security Interest whatsoever other than the Security Interests created by or pursuant to the Deed of Charge, provided always that, for the avoidance of doubt, the Issuer may consent to Borrowers creating subsequent mortgages, Standard Securities or charges over any of the Properties where the amounts secured by such mortgages, Standard Securities or charges rank after the amounts secured or to be secured by the Mortgages (including Mandatory Further Advances, Discretionary Further Advances and interest thereon) and the subsequent mortgagee, heritable creditor or chargee expressly postpones its rights to those of the Issuer and the Trustee.

Further Assurances

Under Clause 18.1 of the Deed of Charge the Issuer has further covenanted with and undertaken to the Trustee from time to time upon demand to execute, at its own cost, any document or do any act or thing which the Trustee or the Receiver may properly specify with a view to perfecting or improving any charge or security created or intended to be created by or pursuant to the Deed of Charge or facilitating the exercise, or the proposed exercise, of any of their powers (including, without limitation, the provision of all information as the Trustee may require in relation to the completion of the Land Registry or Registers of Scotland or the Land Registry of Northern Ireland or Registry of Deeds, Belfast application forms in respect of the Mortgages).

Under Clause 3.2 of the Deed of Charge the Issuer has undertaken to the Trustee and bound and obliged itself:

- (a) in the event of any Scottish Transfers being executed and delivered in accordance with the provisions of the Mortgage Sale Agreement and the Administration Agreement, or legal title to any Scottish Mortgage being otherwise transferred to the Issuer, forthwith to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts:
 - (i) a Standard Security substantially in the form set out in Schedule 2 in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages to which the Issuer is thereby entitled, title to which is registered or is in the course of registration in the Land Register of Scotland; and
 - (ii) a Standard Security substantially in the form set out in Schedule 3 in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages to which the Issuer is thereby entitled, title to which is recorded or is in the course of being recorded in the General Register of Sasines, but excluding any Retained Pre-Closing Accruals and Arrears in respect of any Scottish Mortgages;
- (b) if and when called upon to do so by the Trustee (but subject to the provisions of the Administration Agreement) to execute and deliver to the Trustee in security for the discharge and payment of the Secured Amounts such security, charge or other document as may be required so as to create security over the Issuer's whole right, title and interest in and to all or any collateral security in respect of the Scottish Mortgages;

[continued on Continuation Sheet No 4 page 4]

Please complete
legibly, preferably
in black type, or
bold block lettering

CHFP025

Particulars of a mortgage or charge (continued)

Please do not
write in this
binding margin

Continuation sheet No 4
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

4513176

Name of Company

Paragon Mortgages (No.9) PLC (the "**Issuer**" or the "**Company**")

~~Limited~~*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not
write in this
binding margin

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

*Please complete
legibly, preferably
in black type, or
bold block lettering*

- (c) at the time of delivery of any Scottish Sub-Securities in accordance with the preceding provisions of this Clause 3.2 simultaneously to deliver to the Trustee the Scottish Transfers granted in favour of the Issuer in terms of the Mortgage Sale Agreement pertaining to the Scottish Mortgages specified in such Scottish Sub-Securities;
- (d) if and when called upon to do so by the Trustee (but subject to the provisions of the Administration Agreement) to take all such steps as are necessary to perfect legal title to the Scottish Mortgages, including without limitation, registration or recording of the Issuer as heritable creditor under such Scottish Mortgages in the Registers of Scotland; and
- (e) to execute and deliver such other documents, and in such form, and to take such other steps as the Trustee shall reasonably consider necessary to enable the Trustee to perfect a first ranking heritable security over the Scottish Mortgages and all sums secured thereby.

Please complete
legibly, preferably
in black type, or
bold block lettering

Power of Attorney

Pursuant to Clause 18.2 of the Deed of Charge the Issuer has irrevocably and by way of security appointed the Trustee and every Receiver severally to be its attorney (with full power to appoint substitutes and to delegate, including power to authorise the person so appointed to make further appointments) on behalf of the Issuer and in its name or otherwise, to execute any document or do any act or thing which the Trustee or such Receiver (or such substitute or delegate) may, in its or his absolute discretion, consider appropriate in connection with the exercise of any of the powers of the Trustee or the Receiver or which the Issuer is obliged to execute or do, whether under this Deed or otherwise.

Receiver

Under Clause 14.1 of the Deed of Charge, at any time after the security created under the Deed of Charge becomes enforceable or after any application is made for the appointment of an administrator in relation to the Issuer, or notice of intention to appoint an administrator of the Issuer is given or filed with the court the Trustee may appoint such person or persons (including an officer or officers of the Trustee) as it thinks fit to be receiver or receivers, managers, receivers or managers (to act jointly or severally) or administrator or administrative receiver of the Charged Property.

[Definitions in the Schedule to this form]

SCHEDULE

Definitions

In this Form 395:

"Accrued Arrears" means, in respect of any Mortgage, the amount of all sums which have accrued as due and payable by the Borrower in respect of such Mortgage in respect of the period ending before the relevant date of purchase by the Issuer and which remain due and payable at the relevant date of purchase by the Issuer (provided that the principal moneys payable under any such Mortgage shall not be deemed to be due for the purpose of this paragraph merely because the legal date for redemption of the relevant Mortgage has passed as at the relevant date of purchase by the Issuer);

"Additional Subordinated Lender" means a person (other than Mortgage Trust Services PLC or Paragon Loan Finance (No.2) PLC) from whom the Issuer may borrow pursuant to the Subordinated Loan Agreement, as contemplated by the proviso to Clause 11.2 to the Deed of Charge and which has undertaken in a manner and form satisfactory to the Trustee to be bound by the Deed of Charge as if it had originally been a party thereto;

"Administration Agreement" means the Administration Agreement dated the Closing Date between the Administrators, PML, MTL, the Issuer and the Trustee and any other agreement for the time being in force to which the Trustee is a party appointing another Administrator, all as from time to time supplemented or modified in accordance with the provisions contained in the Deed of Charge and in the Administration Agreement;

"Agency Agreement" means the Agency Agreement dated the Closing Date appointing the initial registrar, principal paying agent, US paying agent, and reference agent in respect of the Notes, and any other agreement for the time being in force appointing further or other registrars, paying agents or another reference agent in respect of the Notes, or in connection with their duties, the terms of which in each case have been previously approved in writing by the Trustee, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements;

"Arrears Mortgages" means Mortgages in respect of which there are outstanding arrears in excess of one current monthly payment;

"Authorised Investment" means investments made from time to time by the Administrator using the Issuer's funds in accordance with the Administration Agreement;

"Basis Hedge Agreement" means the interest rate exchange agreement entered into by the Issuer and the Basis Hedge Providers dated the Closing Date and any confirmations entered into pursuant thereto;

"Borrower" means the borrower in respect of the relevant Mortgage;

"Cap" means a hedging arrangement entered into by the Issuer and a Cap Provider pursuant to a Cap Agreement;

"Cap Agreement" means any agreement in such form as is approved by the Trustee to be entered into on or before the Closing Date or (in relation to a Mortgage which is converted or a Non-Verified Mortgage which is purchased by the Issuer in accordance with the Mortgage Sale Agreement) at any time thereafter, or any agreement entered into in substitution or replacement of any such agreement, between the Issuer and a Cap Provider pursuant to which such Cap Provider has agreed or will agree, among other things, to provide to the Issuer a Cap or series of Caps, and any other agreements for similar purposes entered into from time to time with the approval of the Trustee;

"Cap Guarantee" means any unconditional and irrevocable guarantee in a form agreed by the Trustee to be given by a Cap Guarantor guaranteeing the timely payment of the obligations of any Cap Provider under any Cap Agreements or any other provider in relation to any other hedging arrangements;

"Cap Guarantor" means such bank or financial institution as may from time to time hereafter provide a Cap Guarantee, provided that the rating of the long term unsecured and unsubordinated indebtedness of such Cap Guarantor is at least equal to that then applicable to the Class A Notes or, if lower, is such that the then ratings of the Class A Notes and the Class B Notes are not adversely affected as a result;

"Cap Provider" means any bank or financial institution acting as a Cap Provider under any Cap Agreement which will, on the date on which it makes a Cap available to the Issuer, have a rating for its long term or short term debt obligations sufficient to maintain the then ratings of the Notes unless the Cap is guaranteed under a Cap Guarantee or other arrangements are entered into at the time which are sufficient to maintain such ratings;

"Charged Property" means the assets, rights and undertaking of the Issuer for the time being held as security (whether fixed or floating) for the Secured Amounts under the Deed of Charge and references to the **"Charged Property"** include references to any part of it;

"Class A Notes" means, as the context may require, the GBP346,000,000 Class Aa Notes due 2041 (the **"Class Aa Notes"**), EUR355,000,000 Class Ab Notes due 2041 (the **"Class Ab Notes"**) and USD60,000,000 Class Ac Notes due 2041 (the **"Class Ac Notes"**) of the Issuer constituted under the Trust Deed;

"Class B Notes" means, as the context may require, the GBP7,000,000 Class Ba Notes due 2041 (the **"Class Ba Notes"**) and EUR29,500,000 Class Bb Notes due 2041 (the **"Class Bb Notes"**) of the Issuer constituted under the Trust Deed;

"Class C Notes" means, as the context may require, the GBP3,000,000 Class Ca Notes due 2041 (the **"Class Ca Notes"**) and EUR66,000,000 Class Cb Notes due 2041 (the **"Class Cb Notes"**) of the Issuer constituted under the Trust Deed;

"Collection Accounts" means the account of PML numbered 56164378 (Code 55-50-15) with NatWest at its branch at 4 High Street, Solihull, West Midlands B91 3WL and the accounts of

MTS numbered 00452165, 80682772 and 90702560 (Code 20-19-90) with Barclays at its branch at London Corporate Banking, 1 Churchill Place, London E14 5HP and/or such other account (or accounts) of PML and/or MTS which has (or have) been approved in writing by the Trustee;

"Collection Account Declarations of Trust" means each of the declarations of trust over the Collection Accounts in favour of the Issuer made by PML and MTS as respective holders of the Collection Accounts as the same may be supplemented and amended from time to time (including by any supplemental deed of declaration of trust dated on or about the date of this Agreement) and as may be further supplemented and amended from time to time;

"Conditions" means the terms and conditions applicable to the Notes, in the form set out in the Trust Deed, as the same may from time to time be modified in accordance with the provisions of the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly;

"Cross-collateral Mortgage Rights Deed" means the deed made on the Closing Date between the Issuer, the Trustee, MTL and MTS among others;

"Currency Swap Agreements" means the ISDA master agreements entered into between the Issuer, the Currency Swap Provider and the Trustee on or about the Closing Date in relation to the Class Ab Notes, Class Ac Notes, Class Bb Notes and Class Cb Notes, respectively together with, in each case, the schedule, each confirmation and each credit support annex or other credit support documents relating thereto and includes any additional and/or replacement agreements or documents entered into by the relevant parties from time to time in connection with those Notes;

"Definitive Notes" means the Notes in definitive registered form (if any);

"Discretionary Further Advance" means a further advance (other than a Mandatory Further Advance) made to a Borrower in respect of a Mortgage in the manner provided in Clause 8.2 of the Administration Agreement;

"English Mortgages" means the Mortgages secured or intended to be secured over residential Property in England or Wales;

"Fee Letter" means the agreement dated the Closing Date between the Issuer, the Issue Services Provider, PLF2 and the Trustee relating to the reimbursement of certain expenses of the issues of the Notes incurred by PLF2 on behalf of the Issuer and the payment by the Issuer of an arrangement fee to the Issue Services Provider;

"First Loss Fund" means the amount standing to the credit of a ledger called the First Loss Ledger (maintained by the Administrator in the Issuer's books in accordance with the Administration Agreement) from time to time;

"Flexible Mortgage" means a Mortgage under which the Borrower is entitled to make principal overpayments and obtain Flexible Drawing Advances;

"Flexible Drawing Advance" means a Flexible Drawing Cash Advance or a Flexible Drawing Capitalised Advance;

"Flexible Drawing Cash Advance" means an amount withdrawn from a Flexible Mortgage account by a Borrower under a Flexible Mortgage in exercise of a right to redraw such amount in accordance with the relevant Mortgage Conditions relating to the relevant Flexible Mortgage;

"Flexible Drawing Capitalised Advance" means an amount of interest scheduled to be paid which has been capitalised to a Flexible Mortgage account following a request by a Borrower under a Flexible Mortgage;

"Hedge Agreements" means each Currency Swap Agreement, each Basis Hedge Agreement, each Permitted Basis Hedge Agreement each other hedging agreement entered into by the Issuer from time to time;

"Hedge Collateral" means any asset (including, without limitation, cash and/or securities) paid or transferred to the Issuer by a Hedge Provider in accordance with the terms of the relevant Hedge Agreement as collateral to secure the performance of that Hedge Provider's obligations under the relevant Hedge Agreement together with any income or distributions received in respect of such asset and any equivalent of or replacement of such asset into which such asset is transformed;

"Hedge Collateral Accounts" means the Hedge Collateral Cash Account and the Hedge Collateral Securities Account;

"Hedge Collateral Ancillary Document" means any document (including, without limitation, any custodial agreement or bank account agreement but excluding the Hedge Agreements, the Administration Agreement and the Deed of Charge) as may be entered into by the Issuer from time to time in connection with Hedge Collateral;

"Hedge Collateral Authorised Investments" means investments in which Hedge Collateral may be held or invested pursuant to the relevant Hedge Agreement;

"Hedge Collateral Cash" means Hedge Collateral in cash form standing from time to time to the credit of the Hedge Collateral Cash Account;

"Hedge Collateral Cash Account" means an account opened in the name of the Issuer for the purpose of holding Hedge Collateral Cash and maintained in accordance with the terms of the Administration Agreement;

"Hedge Collateral Securities" means Hedge Collateral in the form of securities;

"Hedge Collateral Securities Account" means a securities account opened in the name of the Issuer for the purpose of holding Hedge Collateral Securities and maintained in accordance with the terms of the Administration Agreement;

"Hedge Providers" means the Currency Swap Provider, each Basis Hedge Provider, each Permitted Basis Hedge Provider and each other provider of interest rate and/or currency

hedging to the Issuer under any other hedging agreement entered into by the Issuer from time to time;

"Insurance Contracts" means the insurance contracts described in Schedule 1 of the Deed of Charge or any other policies providing equivalent cover;

"Issuer Account" means each Issuer Cash Account and each Hedge Collateral Securities Account;

"Issuer Cash Account" means the Transaction Account and each Hedge Collateral Cash Account;

"Mandatory Further Advance" means any part of an initial mortgage advance retained pending completion of construction or refurbishment required to be made to a Borrower in respect of a Mortgage in accordance with the relevant Mortgage Conditions and any Flexible Drawing Cash Advance, both in the manner provided in Clause 8.3 of the Administration Agreement;

"Mortgage Conditions" means in relation to each Mortgage the terms and conditions on which the initial advance was (and any further advance expressed or intended to be secured by such Mortgage was or is to be) made to the Borrower;

"Mortgage Sale Agreement" means the agreement dated the Closing Date between PML, Paragon Second Funding Limited, MTL, MTS, PFPLC, the Issuer and the Trustee, whereby the Issuer acquired or is to acquire the Mortgages, as from time to time supplemented or modified;

"Mortgages" or **"mortgage"** means the Mortgages sold by PML and MTS to the Issuer on the Closing Date and any other Mortgages which are from time to time beneficially owned by the Issuer (whether or not purchased pursuant to the Mortgage Sale Agreement);

"Northern Irish Mortgages" means the Mortgages secured or intended to be secured over residential Property in Northern Ireland;

"Notes" means the Class A Notes, the Class B Notes and the Class C Notes or any of them, as the case may be;

"Permitted Basis Hedge Agreement" means an ISDA master agreement thereto entered into between the Issuer, a Permitted Basis Hedge Provider and the Trustee, together with the schedule, each confirmation and each credit support annex or other credit support documents relating thereto, pursuant to which the Issuer enters into hedging arrangements pursuant to Clause 4.9.1 of the Administration Agreement but only to the extent permitted by Clause 12(X) of the Trust Deed, and shall include any additional and/or replacement basis hedging agreements or documents entered into by the relevant parties from time to time in connection with those Notes;

"Permitted Basis Hedge Provider" means a bank or financial institution which has entered into hedging arrangements with the Issuer and which on the date of entering into such arrangements:

- (A) has a rating for its long-term or short-term debt obligations sufficient to maintain the then ratings of the Class A Notes, the Class B Notes and the Class C Notes (unless such arrangements are guaranteed by a guarantor of appropriate credit rating or other arrangements are entered into at the time which are sufficient to maintain the then ratings of the Class A Notes, the Class B Notes and the Class C Notes); and
- (B) has entered into a deed supplemental to the Deed of Charge in form and substance satisfactory to the Trustee agreeing to be bound by the terms of the Deed of Charge on the same terms as the Basis Hedge Provider;

"Property" or **"Properties"** means, in relation to each Mortgage, the residential property upon which the relevant loan is secured;

"Purchased Pre-Closing Accruals and Arrears" means any arrears of interest, other amounts which have become due but remain unpaid and interest accrued (but unpaid) in respect of any Mortgage which is an Arrears Mortgage;

"receiver" includes a manager, and also a receiver and manager and an administrative receiver;

"Receiver" means a receiver, manager, receiver or manager or administrative receiver appointed under the Deed of Charge or pursuant to statutory powers, and includes more than one such receiver and any substituted receiver;

"Relevant Documents" means the Mortgage Sale Agreement, the Notes, the Subscription Agreement and the other agreements relating to the issue of the Notes (or any of them), the Agency Agreement, the Trust Deed, the Administration Agreement, the Substitute Administrator Agreement, the Fee Letter, the Subordinated Loan Agreement, the Mortgages, the Deed of Charge, the Collection Account Declarations of Trust, each Currency Swap Agreement, the Basis Hedge Agreement, any Caps, any Permitted Basis Hedge Agreement, any other hedging arrangements entered into by the Issuer from time to time, the VAT Declaration of Trust, the Services Letter, the Cross-collateral Mortgage Rights Deed, the Insurance Contracts, the other insurances in which the Issuer at any time has an interest, the Scottish Declarations of Trust, the Scottish Sub-Securities and all other agreements and documents comprised in the security for the Notes;

"Retained Pre-Closing Accruals and Arrears" means, in respect of any Mortgage other than an Arrears Mortgage, the Accrued Arrears in respect of such Mortgage and the amount of any interest (including capitalised interest (if any)) or other sum due to be paid or accrued in respect of any period up to the relevant date of purchase by the Issuer under or in respect of such Mortgage;

"Scottish Declarations of Trust" means the declarations of trust in respect of the Scottish Mortgages made on the Closing Date by PML in favour of the Issuer and by MTL in favour of the Issuer respectively in relation to the Scottish Mortgages pursuant to Clause 3.3(C) of the Mortgage Sale Agreement;

"Scottish Mortgage" or **"Scottish Mortgages"** means a Mortgage or Mortgages secured or intended to be secured over residential Property in Scotland;

"Scottish Sub-Securities" means any Standard Securities executed and delivered pursuant to Clause 3.2 of the Deed of Charge;

"Scottish Transfer" means a SLR Transfer and/or a Sasine Register Transfer;

"Scottish Trust Property" mean the Scottish Mortgages, brief particulars of which are detailed in the Schedule annexed and executed as relative to the Scottish Declaration of Trust, and all principal, interest and expenses, including all further advances present and future, comprised therein and secured thereby, together with:

- (i) the whole matters pertaining thereto specified and referred to in Clause 3.2(A) of the Mortgage Sale Agreement; and
- (ii) the collateral security present and future for such Scottish Mortgages; and
- (iii) all monies, rights, interest, benefits and others pertaining thereto or deriving therefrom; and
- (iv) all powers and remedies for enforcing the same; and
- (v) all proceeds of sale deriving therefrom in the event of the enforcement of any of the Scottish Mortgages;

"Secured Parties" means the Trustee, the holders of the Notes, any Receiver, the Administrator, the Subordinated Lender, each Additional Subordinated Lender, the Issue Services Provider, the Substitute Administrator, each Hedge Provider, each Seller, each Originator, PFPLC and PLF2;

"Security Interest" means any mortgage, sub-mortgage, Standard Security, charge, sub-charge, pledge, lien, or other security interest, howsoever created or arising other than any of the foregoing which arise by operation of law;

"Services Letter" means the services letter dated the Closing Date and made between the Issuer and PFPLC (in its capacity as Administrator);

"Standard Security" means a standard security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970;

"Subordinated Loan Agreement" means the agreement dated the Closing Date between the Subordinated Lender, the Issuer and the Trustee relating to the provision of a loan facility by the Subordinated Lender to the Issuer;

"Subscription Agreement" means the agreement between the Issuer, PFPLC, PML, MTS, MTL and the financial institutions defined therein as the Managers in relation to the subscription and issue of the Notes;

"Substitute Administrator Agreement" means the Substitute Administrator Agreement dated the Closing Date between, among others, the Administrator, the Issuer, the Trustee and the Substitute Administrator, as from time to time varied, supplemented or modified in accordance with its terms and the Deed of Charge;

"Transaction Account" means the account of the Issuer with the account number 58558152 (Sort Code 55-50-15) with National Westminster Bank Plc at its branch at 4 High Street, Solihull or such other account as the Trustee may approve as a replacement for or addition to the same at National Westminster Bank Plc in the name of the Issuer;

"Trust Deed" means the Trust Deed made on the Closing Date between the Issuer and the Trustee constituting the Notes, together with the schedules thereto, and any document supplemental thereto and the schedules (if any) thereto, all as may from time to time be varied in accordance with the provisions contained therein;

"VAT Account" means the account numbered 56177496 of PFPLC maintained with the National Westminster Bank Plc which is subject to the VAT Declaration of Trust; and

"VAT Declaration of Trust" means the declaration of trust dated 19 March, 1993 executed by PFPLC, as has been amended and restated from time to time (including by a supplemental deed of declaration of trust dated on the Closing Date) and as the same may be further amended and restated from time to time, under which PFPLC has declared that the monies standing to the credit of the VAT Account are to be held on trust for the benefit of, among others, the Issuer in the circumstances more particularly described therein.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 04513176

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF SUB-CHARGE AND ASSIGNMENT DATED THE 19th JULY 2005 AND CREATED BY PARAGON MORTGAGES (NO.9) PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO CITICORP TRUSTEE COMPANY LIMITED FOR ITSELF AND AS TRUSTEE FOR THE OTHER SECURED PARTIES AND/OR ANY RECEIVER ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 27th JULY 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 1st AUGUST 2005.

C-Cor



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES