

Particulars of a mortgage or charge

395

CHFP025

A fee of £10 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 Personal and Auto Finance (No 1) PLC (the "Company")

Date of creation of the charge

15 December 2004

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

Assignment in security, incorporating intimation thereof, between the Company, Paragon Personal Finance Limited and Paragon Car Finance Limited.

Amount secured by the mortgage or charge

The Secured Amounts (as such term is defined in the schedule hereto).

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

Citicorp Trustee Company Limited, Citigroup Centre, Fourteenth Floor, Canada Square, London E14 5LB (the "Trustee" which expression shall include such person or persons for the time being the trustee under the Deed of Charge) as trustee for the Secured Parties (as each term is defined in the schedule hereto)

Postcode

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

Tods Murray LLP
66 Queen Street
Edinburgh
EH2 4NE

GMB.P00536.0016

Time critical reference

For official Use
Mortgage Section



A49
COMPANIES HOUSE

0278
22/12/04

Short particulars of all the property mortgaged or charged

The Company's whole right, title and interest, present and future, in and to the Secured Loan Scottish Trust Property, the PPF Unsecured Loan Scottish Trust Property and the Car Finance Scottish Trust Property and to the whole benefit thereof and deriving thereunder (as each term is defined in the schedule hereto)

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)

Nil

Signed GRHAM BULLOCK for T&T Lundy Ltd Date 21 / 12 / 04

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

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

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 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

Schedule referred to in the foregoing Form 395

Paragon Personal and Auto Finance (No. 1) PLC

Company Number: 2173065

Name and address of persons entitled to the charge

Citicorp Trustee Company Limited whose principal place of business is at Citigroup Centre, Fourteenth Floor, Canada Square, London E14 5LB (the "Trustee" which expression shall include such person or persons for the time being the trustee or trustees under the Deed of Charge) as trustee for the Secured Parties.

Schedule of Definitions

In this Form 395:-

"Administrator" means Paragon Finance PLC in its capacity as administrator

"Administration Agreement" means the agreement so called executed on the Closing Date between PFPLC, the Company, CFUK, PCF, PPF, and the Trustee (as from time to time modified, supplemented or replaced in accordance with its terms) whereunder PFPLC undertakes, *inter alia*, to act as Administrator in relation to the Portfolio.

"Agency Agreement" means the agreement so called executed on the Closing Date between, *inter alios*, the Company, the Principal Paying Agent and the Reference Agent.

"Asset" means an Unsecured Loan, a Secured Loan (and, where the context permits, its Related Security) and a Car Finance Contract (and, where the context permits, the relative Motor Vehicle), or any one or more of the foregoing.

"Asset Sale Contract" means any Unsecured Loan Sale Contract, Secured Loan Sale Contract or Car Finance Sale Contract.

"Benefit" means, in relation to an Asset

- (a) all right, title, interest and benefit of the Relevant Seller in and to such Asset and in and to the relevant Financing Agreement, including without limitation:-
 - (i) all sums of principal (or sums equivalent to principal) and interest (or revenue charges equivalent to interest) and any other amounts paid or to be paid thereunder and the right to demand, sue for, recover, receive and give receipts for, all principal (or equivalent) monies payable thereunder or the unpaid part thereof and the interest (or revenue charges equivalent to interest) and all other sums due or to become due thereon, the benefit of all securities (if any) for such sums and the benefit of and the right to sue on all covenants, obligations and undertakings on the part of the relevant Obligor thereunder; and
 - (ii) the right to exercise all express and implied rights, powers and discretions of the Relevant Seller in, under and to the relevant Financing Agreement and each and every part thereof, including the right, subject to and in accordance with the terms respectively set out therein, to vary the amount, dates and number of the payments to be made in relation to such Asset (and in the case of Secured Loans, the right to exercise all rights, powers and discretions of the Relevant Seller in relation to their Related Security);

- (b) all causes and rights of action of the Relevant Seller against any person arising in connection with such Asset (including without limitation in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with such Asset) or affecting the decision of the Relevant Originator to offer or to enter into the relevant Financing Agreement;
- (c) all causes and rights of action of the Relevant Seller against any Supplier or other person in respect of CCA Claims arising in respect of the relevant Asset;
- (d) the benefit of all guarantees, indemnities, insurance and Security Interests given to or held by the Relevant Seller in connection with the discharge of the obligations of the relevant Obligor under the relevant Financing Agreement;
- (e) in relation to Car Finance Contracts only, all legal and beneficial ownership rights, title and interest in and to the relative Motor Vehicles of the Relevant Seller, including without limitation all manufacturers' or other warranties in relation to such Motor Vehicle; and
- (f) in the case of Secured Loans only, all the estate and interest of the Relevant Seller in the Property securing the Secured Loan.

"Borrower" in relation to a Secured Loan or an Unsecured Loan, as applicable, means (i) the individual or individuals to whom such Secured Loan or Unsecured Loan was advanced by the Relevant Originator and/or, as the case may be, (ii) the person or persons (if any) from time to time assuming an obligation to repay such Secured Loan or Unsecured Loan.

"Bridge Standard Terms and Conditions" means the standard terms and conditions agreed between CFUK, the Company, PFPLC and RBS on 16th October 2000 comprising the terms and conditions on which sales of Unsecured Loans by CFUK to the Company were made prior to the Closing Date.

"Cap" means a transaction entered into by the Company and a Cap Provider pursuant to a Cap Agreement whereby in the event that LIBOR (as determined in accordance with such agreement) exceeds the rate agreed with such Cap Provider (the "strike rate"), such Cap Provider will be required to make a payment to the Company equal to the difference between LIBOR (as so determined) and the strike rate calculated on the notional principal amount agreed for the relevant period. Provided that such strike rate is set at such a level that the then ratings of the Class A Notes, the Class B Notes and the Class C Notes will not be adversely affected thereby.

"Cap Agreement" means any agreement entered into on or before the Closing Date, or any agreement entered into in substitution or replacement of any such agreement, between the Company and a Cap Provider pursuant to which such Cap Provider has agreed or will agree, *inter alia*, to provide to the Company a Cap or series of Caps, and any other agreements for similar purposes entered into from time to time pursuant to Clause 4.10, Clause 6 and Clause 12 of the Administration Agreement.

"Cap Provider" means the Swap Counterparty or any Permitted Hedge Provider in its capacity as a Cap Provider under any Cap Agreement.

"Car Finance Agreement" means the totality of the contractually binding agreement, understanding or arrangement between the Relevant Seller and the relevant Hirer or Lessee relating to a Car Finance Contract whether wholly or partly oral or in writing.

"Car Finance Conditional Sale Contract" means a Car Finance Contract which is a sale agreement under which the purchase price is payable in instalments and the acquisition of title to the Motor Vehicle by the Hirer occurs at the end of the term on the making of a mandatory payment by the Hirer.

“Car Finance Contract” means a hire-purchase (including for the avoidance of doubt contract purchase) or lease or conditional sale arrangement entered into with one or more persons in respect of a new or used motor vehicles.

“Car Finance Contract Purchase Contract” means a Car Finance Contract which is a hire-purchase agreement in which the purchase option of the Hirer is exercisable at the end of the term of hire for a sum equal to the assumed residual value of the relative Motor Vehicle.

“Car Finance Hire Purchase Agreement” means a Car Finance Contract which is a hire-purchase agreement in which the purchase option of the Hirer is exercisable at the end of the term of hire for a nominal sum.

“Car Finance Lease Contract” means a Car Finance Contract which is a lease.

“Can Finance Offer to Sell” or **“Car Finance Offer”** means in relation to any Car Finance Contract, any written offer to sell the Benefit of such Car Finance Contract on the Standard Terms and Conditions, in or substantially in the form attached to the Standard Terms and Conditions as Appendix A.

“Car Finance Sale Contract” means any contract for the sale and purchase of Car Finance Contracts and the related Motor Vehicles concluded as a result of the acceptance by the Company of an Offer to Sell made by a Seller and incorporating the Standard Terms and Conditions.

“Car Finance Scottish Declaration of Trust” means a declaration of trust in respect of the Scottish Car Finance Contracts sold pursuant to the first Car Finance Sale Contract which includes Scottish Car Finance Contracts made by a Relevant Seller in favour of the Company on the date on which such Car Finance Sale Contract is entered into, pursuant to Clause 2(c) of the Standard Terms and Conditions and substantially in the form set out in Appendix B-1 thereto.

“Car Finance Scottish Trust Property” means the Benefit of the Scottish Car Finance Contracts (other than any Motor Vehicles relative thereto) which are the subjects of the Car Finance Sale Contract to which reference is made in the Relevant Car Finance Supplemental Scottish Declaration of Trust and the benefit of the Financing Agreements relating thereto and all amounts received under or in respect of such Scottish Car Finance Contracts and Financing Agreements, together with all monies, property, interests, rights, title, benefits and proceeds relating thereto (including those referred to in Clause 6 of the Standard Terms and Conditions) which the Relevant Seller is obliged to hold in trust for the Company pursuant to the relevant Car Finance Sale Contract, and together also with all of the foregoing which may from time to time after the execution of the Relevant Car Finance Supplemental Scottish Declaration of Trust form the subjects of a Car Finance Sale Contract or relate to such subjects and all of the foregoing which were the subjects of a previous Car Finance Sale Contract or relate to such latter subjects but relative to which a trust has not been duly and effectively constituted as envisaged in Clause 2(C) of the Standard Terms and Conditions pursuant thereto.

“Car Finance Supplemental Scottish Declaration of Trust” means each and any declaration of trust in respect of Scottish Car Finance Contracts executed by a Relevant Seller pursuant to Clause 2(C) of the Standard Terms and Conditions and substantially in the form set out in Appendix B-2 thereto.

“CCA” means the Consumer Credit Act 1974.

“CCA Claim” means any claim made or right of set-off, compensation or retention or to balance accounts exercised by a Borrower pursuant to or by virtue of sections 56 or 75 of the CCA.

“CFUK” means Colonial Finance (UK) Limited

“CFUK Unsecured Loan Scottish Trust Property” means the Benefit of the Scottish Unsecured Loans which are the subjects of the Unsecured Loan Sale Contract to which reference is made in any CFUK Unsecured Loan Supplemental Scottish Declaration of Trust and the benefit of the Financing Agreements relating thereto and all amounts received under or in respect of such Unsecured Loans and Financing Agreements, together with all monies, property, interests, rights, title, benefits and proceeds relating thereto (including those referred to in Clause 6 of the Standard Terms and Conditions) which the Relevant Seller is obliged to hold in trust for the Company pursuant to the relevant Unsecured Loan Sale Contract, and together also with all of the foregoing which may from time to time after the execution of the Relevant CFUK Unsecured Loan Supplemental Scottish Declaration of Trust forms the subject of an Unsecured Loan Sale Contract or relate to such subjects and all of the foregoing which were the subjects of a previous Unsecured Loan Sale Contract or relate to such latter subjects but relative to which a trust has not been duly and effectively constituted as envisaged in Clause 2(C) of the Standard Terms and Conditions pursuant thereto.

“Class A Conditions” means the Conditions applicable to the Class A Notes in the form set out in Schedule 2 to the Trust Deed (but, so long as the Class A Notes are represented by the Class A Global Notes, with the deletion therefrom of those provisions which are applicable only to the Definitive Class A Notes), as the same may from time to time be modified in accordance with the Trust Deed and any reference in any Relevant Document to a particular numbered Class A Condition shall be construed accordingly.

“Class A Global Notes” means the Class A Temporary Global Note and/or the Class A Permanent Global Note.

“Class A Noteholders” means the several persons who are for the time being holders of the Class A Notes (being, if and to the extent that the Class A Notes are represented by the Definitive Class A Notes, the bearers thereof and, if and to the extent that the Class A Notes are represented by the Class A Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class A Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the principal amount of Class A Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class A Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words “holder” and “holders” shall (where appropriate) be construed accordingly.

“Class A Notes” means, as the context may require, the £178,210,000 Class A Asset Backed Floating Rate Notes due 2021 constituted by the Trust Deed or the amount thereof from time to time outstanding or, as the context may require, a specific number thereof and includes the Class A Global Notes (or any part thereof) and the Definitive Class A Notes (or any of them).

“Class A Permanent Global Note” means the permanent bearer global note to be issued by the Company and to be given in exchange for the Class A Temporary Global Note representing the Class A Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed.

“Class A Subscription Agreement” means the agreement dated 26th June 2001 between the Company, PFPLC, PPF, PCF, CFUK and the financial institution or institutions defined therein as the Manager or Managers in relation to subscription and issue of the Class A Notes.

“Class A Temporary Global Note” means the temporary bearer global note to be issued by the Company pursuant to Clause 3.1 of the Trust Deed representing the Class A Notes, substantially in the form of Part A of the Schedule 1 to the Trust Deed.

“Class B Conditions” means the Conditions applicable to the Class B Notes in the form set out in Schedule 3 to the Trust Deed (but, so long as the Class B Notes are represented by the Class B Global Notes, with the deletion therefrom of those provisions which are applicable only to the Definitive Class B Notes), as the same may from time to time be modified in accordance with the Trust Deed and any reference in any Relevant Document to a particular numbered Class B Condition shall be construed accordingly.

“Class B Global Notes” means the Class B Temporary Global Note and/or the Class B Permanent Global Note.

“Class B Noteholders” means the several persons who are for the time being holders of the Class B Notes (being, if and to the extent that the Class B Notes are represented by the Definitive Class B Notes, the bearers thereof and, if and to the extent that the Class B Notes are represented by the Class B Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class B Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the principal amount of Class B Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class B Global Notes in accordance with the subject to their respective terms and the terms of the Trust Deed) and the words “holder” and “holders” shall (where appropriate) be construed accordingly.

“Class B Notes” means, as the context may require, the £51,450,000 Class B Asset Backed Floating Rate Notes due 2032 constituted by the Trust Deed or the amount thereof from time to time outstanding or, as the context may require, a specific number thereof and includes the Class B Global Notes (or any part thereof) and the Definitive Class B Notes (or any of them).

“Class B Permanent Global Note” means the permanent bearer global note to be issued by the Company and to be given in exchange for the Class B Temporary Global Note representing the Class B Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed.

“Class B Subscription Agreement” means the agreement dated 26th June 2001 between the Company, PFPLC, PPF, PCF, CFUK and RBS as Manager in relation to subscription and issue of the Class B Notes

“Class B Temporary Global Note” means the temporary bearer global note to be issued by the Company pursuant to Clause 3.1 of the Trust Deed representing the Class B Notes, substantially in the form if Part A of Schedule 1 to the Trust Deed.

“Class C Conditions” means the Conditions applicable to the Class C Notes in the form set out in Schedule 4 to the Trust Deed (but, so long as the Class C Notes are represented by the Class C Global Notes, with the deletion therefrom of those provisions which are applicable only to the Definitive Class C Notes), as the same may from time to time be modified in accordance with the Trust Deed and any reference in any Relevant Document to a particular numbered Class C Condition shall be construed accordingly.

“Class C Global Notes” means the Class C Temporary Global Note and/or the Class C Permanent Global Note.

“Class C Noteholders” means the several persons who are for the time being holders of the Class C Notes (being, if and to the extent that the Class C Notes are represented by the Definitive Class C Notes, the bearers thereof and, if and to the extent that the Class C Notes are represented by the Class C Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream,

Luxembourg (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class C Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the principal amount of Class C Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Class C Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words "holder" and "holders" shall (where appropriate) be construed accordingly.

"Class C Notes" means, as the context may require, the £21,340,000 Class C Asset Backed Floating Rate Notes due 2048 constituted by the Trust Deed, or the amount thereof from time to time outstanding or, as the context may require, a specific number thereof and includes the Class C Global Notes (or any part thereof) and the Definitive Class C Notes (or any of them).

"Class C Permanent Global Note" means the permanent bearer global note to be issued by the Company and to be given in exchange for the Class C Temporary Global Note representing the Class C Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed.

"Class C Subscription Agreement" means the agreement dated 26th June 2001 between the Company, PFPLC, PPF, PCF, CFUK and RBS as Manager in relation to subscription and issue of the Class C Notes.

"Class C Temporary Global Note" means the temporary bearer global note to be issued by the Company pursuant to Clause 3.1 of the Trust Deed representing the Class C Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed.

"Clearstream, Luxembourg" means Clearstream Banking, societe anonyme, Luxembourg

"Closing Date" means 28th June 2001.

"CMS9" means Collateralised Mortgage Securities (No. 9) Limited

"Collection Accounts" means PCF's collection account (number 56237081, sort code 55-50-15) with National Westminster Bank Plc; PPF's collection account (number 56246382, sort code 55-50-15) with National Westminster Bank Plc; PPF's collection account (number 60219207, sort code 20-19-90) with Barclays Bank Plc; CFUK's collection account (number 53503120, sort code 55-50-15) with National Westminster Bank Plc; CFUK's collection account (number 3088974, sort code 20-00-00) with Barclays Bank Plc; CFUK's collection account (number 60639818, sort code 20-00-00) with Barclays Bank Plc; PFPLC's collection account (number 01028324, sort code 55-50-15) with National Westminster Bank Plc; PFPLC's collection account (number 40637432, sort code 40-05-30) with HSBC Bank PLC and PFPLC's collection account (number 50636746, sort code 40-05-30) with HSBC Bank PLC and the collection accounts of these Sellers or any other Seller in relation to which such Seller has entered into a Collection Account Declaration of Trust.

"Collection Account Declarations of Trust" means (i) in relation to PCF, the deed of declaration of trust dated 16th June 1998 (ii) in relation to PPF, the deed of declaration of trust dated 5th May 1998 and the deed of declaration of trust, substantially in the form of the agreed draft, to be executed on or before the Closing Date, or as the context may require, the declaration of trust executed on or before the Closing Date by it over its Collection Accounts; (iii) in relation to CFUK, the two declarations of trust dated 16th October 2000 in respect of its Collection Accounts at Barclays Bank PLC and the declaration of trust, substantially in the form of the agreed draft, to be executed on or before the Closing Date, or as the context may require, the declaration of trust executed on or before the Closing Date by it over its Collection Account at National Westminster Bank Plc; (iv) in relation to PFPLC, deed of declaration of trust dated August 1992 over its Collection Accounts at National Westminster

Bank Plc and HSBC Bank Plc; and (v) in relation to these Sellers or any other Seller, deed of declaration of trust or supplemental deed of declaration of trust executed by such Seller in the same or substantially the same form, *mutatis mutandis*, as the Collection Account Declarations of Trust executed by each of PPF, PCF, PFPLC, and CFUK, in each case as supplemented and amended from time to time.

“Conditions” means, in respect of the Class A Notes, the Class A Conditions, in respect of the Class B Notes, the Class B Conditions and in respect of the Class C Notes, the Class C Conditions and any reference in any Relevant Document to a particular numbered Condition shall be construed accordingly.

“Current Balance” on any day means:

- (a) in relation to a Portfolio Unsecured Loan that is a Personal Loan (other than one sold by CFUK to the Company) or, as the case may be, a Portfolio Secured Loan, the aggregate outstanding amount of principal, interest and other amounts due and payable by the Borrower thereunder; and
- (b) in relation to a Portfolio Car Finance Contract, a Portfolio Unsecured Loan that is a Retail Credit Loan, or, as the case may be, a Portfolio Unsecured Loan that is a Personal Loan sold by CFUK to the Company, the aggregate amount of those parts of each monthly payment payable by the relevant Obligor that is attributable to principal in accordance with the Administration Agreement throughout the remaining term of such Portfolio Car Finance Contract, Retail Credit Loan or, as the case may be, Personal Loan (including amounts then due and payable but not paid) (and in the case of a Portfolio Car Finance Contract which comprises a Car Finance Conditional Sale Contract, a Car Finance Lease Contract or a Car Finance Contract Purchase Contract plus the assumed residual value of the relevant Portfolio Motor Vehicle) plus the aggregate outstanding amount of interest (or its equivalent) and other amounts due and payable by the Obligor on that date thereunder each as shown in the Debtor Ledger for the relevant Portfolio Asset,

less, in respect of each Portfolio Asset, an amount equal to the amount thereof (if any) that has been written off in accordance with the Administration Agreement.

“Debtor Ledger” means the ledger account established and maintained by or on behalf of the Administrator, pursuant to and in accordance with Clause 7.11 of the Administration Agreement, in respect of each Portfolio Asset.

“Deed of Charge” means the Deed of Charge and Assignment dated 28th June 2001 entered into between the Company, Citicorp Trustee Company Limited, Paragon Finance PLC, Paragon Car Finance Limited, Collateralised Mortgage Securities (No 9) Limited, The Royal Bank of Scotland PLC, Colonial Finance (UK) Limited and Citibank, N. A.

“Deed of Postponement” means any agreement, deed or letter of consent and postponement given in connection with a Secured Loan whereby any mortgagee or heritable creditor (other than the Relevant Seller) of, or any occupier or other person aged eighteen years or over who is not a party to the relevant Secured Loan interested in, the relevant Property, has agreed to postpone his interest (if any) in the relevant Property so that it ranks after that of the Relevant Seller.

“Definitive Class A Notes” means the bearer notes in definitive form to be issued in respect of the Class A Notes pursuant to, and in the circumstances specified in, Clause 3.2 of the Trust Deed and includes any replacements for Definitive Class A Notes issued pursuant to Class A Condition 11.

“Definitive Class B Notes” means the bearer notes in definitive form to be issued in respect of the Class B Notes pursuant to, and in the circumstances specified in, Clause 3.2 of the Trust Deed and includes any replacements for Definitive Class B Notes issued pursuant to Class B Condition 12.

“Definitive Class C Notes” means the bearer notes in definitive form to be issued in respect of the Class C Notes pursuant to, and in the circumstances specified in, Clause 3.2 of the Trust Deed and includes any replacements for Definitive Class C Notes issued pursuant to Class C Condition 12.

“English Mortgage” means a mortgage or a charge by way of legal mortgage executed by a Borrower over an English Property.

“English Property” means a Property located in England or Wales.

“Euroclear” means Euroclear Bank S.A./N.V. as operator of the Euroclear System.

“Existing Portfolio Unsecured Loans” means Portfolio Unsecured Loans beneficially owned by the Company on the Closing Date (save to the extent repaid prior to the Closing Date).

“Fee Letter” means the agreement so called executed on the Closing Date between the Company, PFPLC and CMS9 and the Trustee relating to the reimbursement of certain expenses incurred by CMS9 on behalf of the Company and the payment by the Company of an arrangement fee to PFPLC.

“Financing Agreement” means:

- (A) in relation to a Secured Loan, the relative Secured Loan Agreement;
- (B) in relation to an Unsecured Loan, the relative Unsecured Loan Agreement; and
- (C) in relation to a Car Finance Contract, the relative Car Finance Agreement.

“Floor” means a transaction entered into by the Company and a Floor Counterparty pursuant to a Floor Agreement whereby in the event that LIBOR (as determined in accordance with such agreement) is less than the rate agreed with such Floor Counterparty (the “strike rate”), the Company will be required to make a payment to such Floor Counterparty equal to the difference between LIBOR (as so determined) and the strike rate calculated on the notional principal amount agreed for the relevant period. Provided that such strike rate is set at such a level that the then ratings of the Class A Notes, the Class B Notes and the Class C Notes will not be adversely affected thereby.

“Floor Agreement” means any agreement entered into between the Company and a Floor Counterparty pursuant to which the Company has agreed or will agree, *inter alia*, to provide to the Floor Counterparty a Floor or series of Floors, and any other agreements for similar purposes entered into from time to time pursuant to Clause 4.10, Clause 6 and Clause 12 of the Administration Agreement.

“Floor Counterparty” means the Swap Counterparty or any Permitted Hedge Provider in its capacity as a Floor Counterparty under any Floor Agreement.

“Further Advance” means, as the context may require, an advance of further monies to the Borrower of a Secured Loan on security of the same Mortgage and other Related Security as secures such Secured Loan made at the discretion of the Relevant Seller or the Company.

“Hedge Guarantee” means any unconditional and irrevocable guarantee in a form agreed by the Trustee to be given by a Hedge Guarantor guaranteeing the timely payment of the obligations of any Permitted Hedge Provider under any Permitted Hedge Agreement.

"Hedge Guarantor" means such bank or financial institution as may from time to time hereafter provide a Hedge Guarantee, provided that such Hedge Guarantor has a rating for its long-term or short-term debt obligations sufficient to maintain the then ratings of the Notes.

"Hirer" in relation to a Car Finance Contract which is a hire-purchase agreement, contract purchase or conditional sale arrangement means (i) the person or persons with whom the relative Financing Agreement was originally entered into and/or, as the case may be, (ii) the person or persons (if any) from time to time assuming the obligations of the hirer thereunder.

"Issuer" means Paragon Personal and Auto Finance (No 1) PLC (2173065) whose registered office is at St Catherine's Court, Herbert Road, Solihull West Midlands B91 3QE

"Lessee" in relation to a Car Finance Contract which is a lease arrangement (not including any hire-purchase arrangement) means (i) the person or persons with whom the relative Financing Agreement was originally entered into and/or, as the case may be, (ii) the person or persons (if any) from time to time assuming the obligations of the lessee thereunder.

"MHA Documentation" means an affidavit, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection)(Scotland) Act 1981 given in connection with a Scottish Mortgage or its relevant Property.

"Managers" means the Managers in relation to the subscription and issue of the Notes as defined in the Subscription Agreements

"Mortgage" means any English Mortgage or any Scottish Mortgage.

"Motor Vehicle" means in relation to any Car Finance Contract, the motor vehicle the subject of that Car Finance Contract.

"Noteholders" means the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

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

"Obligor" means a Borrower, Hirer or Lessee, or any one of the foregoing.

"Offer to Sell" or "Offer" means an Unsecured Loan Offer to Sell, a Secured Loan Offer to Sell or a Car Finance Offer to Sell, or any one or more of the foregoing.

"Operating Bank" means National Westminster Bank Plc, 4 High Street, Solihull, West Midlands or such other Bank, satisfying the requirements of Clause 7.6 of the Administration Agreement, as the Company may choose with the prior written approval of the Trustee and with which the Transaction Account is for the time being maintained.

"Paragon Group" means PGC and its subsidiaries (as defined in Section 736 of the Companies Act 1985) from time to time.

"PCF" means Paragon Car Finance Limited

"Permitted Hedge Agreement" means an ISDA Master Agreement and Schedule thereto entered into between the Company and a Permitted Hedge Provider together with any confirmations thereto or any other agreement between the Company and a Permitted Hedge Provider pursuant to which the Company enters into hedging arrangements pursuant to Clause 4.10 or Clause 12 of the Administration Agreement.

“Permitted Hedge Provider” means any bank or financial institution, including any Cap Provider or Floor Counterparty, which has entered into hedging arrangements with the Company 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 Notes (unless such arrangements are guaranteed by a Hedge Guarantor or other arrangements are entered into at the time which are sufficient to maintain the then ratings of the 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 as a Permitted Hedge Provider.

“Personal Loan” means an Unsecured Loan that is not a Retail Credit Loan.

“PFPLC” means Paragon Finance PLC

“PGC” means The Paragon Group of Companies PLC (registered number 23360632) whose registered office is at St Catherine’s Court, Herbert Road, Solihull, West Midlands B91 3QE.

“POPLC” means Paragon Options PLC (registered number 2637497) whose registered office is at St Catherine’s Court, Herbert Road, Solihull, West Midlands B91 3QE.

“POPLC Deed” means the deed dated on or about the Closing Date between the Company, POPLC and PGC.

“Portfolio” as at any particular time, means the Benefit of all Assets which are or have been the subject of an Asset Sale Contract other than any such Asset:

- (i) as shall then have been Repurchased; or
- (ii) the Current Balance of which has been reduced to zero.

“Portfolio Asset” means at any time an Asset the Benefit of which is at that time comprised in the Portfolio and, where the context so requires, its related Financing Agreement.

“Portfolio Car Finance Contract” means at any time a Car Finance Contract the Benefit of which is at that time comprised in the Portfolio and, where the context so requires, its related Financing Agreement.

“Portfolio Mortgage” means a Mortgage securing a Portfolio Secured Loan.

“Portfolio Motor Vehicle” means at any time a Motor Vehicle the ownership rights of the Relevant Seller in which have been transferred to the Company pursuant to an Asset Sale Contract and in respect of which such ownership rights have not been transferred by the Company to any third party or back to the Relevant Seller.

“Portfolio Secured Loan” means at any time a Secured Loan the Benefit of which is at that time comprised in the Portfolio and, where the context so requires, its related Financing Agreement and/or Portfolio Mortgage.

“Portfolio Unsecured Loan” means at any time an Unsecured Loan the Benefit of which is at that time comprised in the Portfolio and, where the context so requires, its related Financing Agreement.

“Post Enforcement Call Option Deed” means a post enforcement call option deed dated on or about the Closing Date between POPLC and the Trustee.

“PPF” means Paragon Personal Finance Limited

“PPF Unsecured Loan Scottish Trust Property” means the Benefit of the Scottish Unsecured Loans which are the subjects of the Unsecured Loan Sale Contract to which reference is made in the Relevant PPF Unsecured Loan Supplemental Scottish Declaration of Trust and the benefit of the Financing Agreements relating thereto and all amounts received under or in respect of such Unsecured Loans and Financing Agreements, together with all monies, property, interests, rights, title, benefits and proceeds relating thereto (including those referred to in Clause 6 of the Standard Terms and Conditions) which the Relevant Seller is obliged to hold in trust for the Company pursuant to the relevant Unsecured Loan Sale Contract, and together also with all of the foregoing which may from time to time after the execution of the Relevant PPF Unsecured Loan Supplemental Scottish Declaration of Trust form the subject of an Unsecured Loan Sale Contract or relate to such subjects and all of the foregoing which were the subjects of a previous Unsecured Loan Sale Contract or relate to such latter subjects but relative to which a trust has not been duly and effectively constituted as envisaged in Clause 2(C) of the Standard Terms and Conditions pursuant thereto.

“Principal Paying Agent” means Citibank, N.A. in its capacity as principal paying agent

“PSFL” means Paragon Second Funding Limited

“PSFL Offer to Sell” has the meaning given to that term in Clause 3(A)(i) of the Secured Loan Sale Agreement

“RBS” means The Royal Bank of Scotland PLC

“Property” means a residential property in England, in Wales or Scotland upon which the repayment of a Secured Loan is secured.

“Receiver” means a receiver appointed under the Deed of Charge or pursuant to statutory powers, and includes more than one such receiver and any substituted receiver.

“Reference Agent” means Citibank, N.A. in its capacity as reference agent

“Related Security” means, in relation to a Secured Loan:-

- (i) the Mortgage;
- (ii) the Property (subject to the Borrower's right of redemption or cesser);
- (iii) the Deed of Postponement (if any);
- (iv) the MHA Documentation (if any);
- (v) any insurance policies (to the extent that they relate to the Secured Loan), including the right to receive the proceeds of any claim; and
- (v) any other document in existence from time to time which guarantees or secures or which is intended to guarantee or secure the repayment of the Secured Loan (including the benefit of any contract relating to the Secured Loan the terms of which set out the method by which the Secured Loan is to be repaid),

together with all right, title, benefit and interest ancillary or supplemental thereto and all rights, powers and remedies for enforcing the same.

“Relevant Car Finance Supplemental Scottish Declaration of Trust” means the Car Finance Supplemental Scottish Declaration of Trust entered into between PCF and the Issuer dated 15 December 2004.

“Relevant Documents” means the Class A Subscription Agreement, the Class B Subscription Agreement, the Class C Subscription Agreement, the Trust Deed, the Agency Agreement, the Notes, the Asset Sale Contracts, the Deed of Charge, the Scottish Declarations of Trust, the Supplemental Scottish Declarations of Trust, the Warranty Deed, the Repurchase Deed, the Standard Terms and Conditions, the Secured Loan Sale Agreement, the Fee Letter, the Services Letter, the Subordinated Loan Agreement, the VAT Declaration of Trust, the Administration Agreement, the Swap Agreement, the Post Enforcement Call Option Deed, the POPLC Deed, any insurances in which the Company has an interest, the Collection Account Declarations of Trust, and all other agreements and documents comprised in the security for the Notes.

“Relevant Originator” means:

- (A) in relation to any Secured Loan, the person which originally advanced that Secured Loan; and
- (B) in relation to any Unsecured Loan, the person which originally advanced that Unsecured Loan; and
- (C) in relation to any Car Finance Contract, the person which originally entered into that Car Finance Contract with the relevant Hirer or Lessee.

“Relevant PPF Unsecured Loan Supplemental Scottish Declaration of Trust” means the Unsecured Loan Supplemental Scottish Declaration of Trust entered into between PPF and the Issuer dated 15 December 2004.

“Relevant Secured Loan Supplemental Scottish Declaration of Trust” means the Secured Loan Supplemental Scottish Declaration of Trust entered into between PPF and the Issuer dated 15 December 2004.

“Relevant Seller” means, in relation to any Asset, the Seller which makes the Offer to Sell in relation to that Asset.

“Repurchase” shall mean the repurchase of an Asset pursuant to Clause 2 of the Repurchase Deed or pursuant to Clause 11 of the Secured Loan Sale Agreement and, in each case, effected by the execution of a Repurchase Memorandum and the payment of the relevant consideration therefor and “Repurchase”, when used as a verb, shall be construed accordingly.

“Repurchase Deed” means the agreement so called executed on the Closing Date between PFPLC, CFUK, PPF, PCF, the Company and the Trustee relating, *inter alia*, to the repurchase by PFPLC of Portfolio Unsecured Loans or Portfolio Car Finance Contracts following certain breaches of Warranties.

“Repurchase Memorandum” means:

- (A) in relation to the Repurchase of an Asset acquired by the Company pursuant to its acceptance of an Unsecured Loan Offer to Sell or Car Finance Offer to Sell, a memorandum of agreement substantially in the form set out in Appendix A to the Repurchase Deed; and
- (B) in relation to the Repurchase of an Asset acquired by the Company pursuant to its acceptance of a Secured Loan Offer to Seller, a memorandum of agreement substantially in the form set out in Schedule 4 to the Secured Loan Sale Agreement.

“Retail Credit Loan” means an Unsecured Loan granted to an individual pursuant to a “DCS” (debtor/creditor/supplier) agreement for the purposes of the CCA specifically to enable the acquisition of consumer products such as furniture and electrical goods.

“Scottish Asset” means a Scottish Unsecured Loan, a Scottish Secured Loan (and, where the context permits, its Related Security), a Scottish Car Finance Contract (and, where the context permits, the relative Motor Vehicle) and any one or more of the foregoing.

“Scottish Car Finance Contract” means a Portfolio Car Finance Contract governed by or otherwise subject to Scots law.

“Scottish Declarations of Trust” means the Car Finance Scottish Declarations of Trust, the Secured Loan Scottish Declarations of Trust and the Unsecured Loan Scottish Declarations of Trust and any one or more of them.

“Scottish Loans” means a loan governed by Scots law.

“Scottish Mortgage” means a Standard Security executed by a Borrower of a Scottish Property.

“Scottish Property” means a Property located in Scotland.

“Scottish Secured Loan” means a Portfolio Secured Loan which is secured by a Scottish Mortgage.

“Scottish Unsecured Loan” means a Portfolio Unsecured Loan governed by or otherwise subject to Scots law.

“Secured Amounts” means

- 1 All monies and liabilities whatsoever which from time to time become due, owing or payable by the company:-
 - 1.1 to or to the order of the Trustee and/or any Receiver under the Deed of Charge, the Trust Deed and the conditions at the times and in the manner provided herein or therein;
 - 1.2 under or in respect of the Notes; and
 - 1.3 to the Trustee on any account whatsoever, whether as principal or surety and whether or not jointly with another.
- 2 All monies and liabilities whatsoever which from time to time become due, owing or payable by the Company to the Administrator (in its capacity as such) under the Administration Agreement or any other similar agreement or the Deed of Charge or any agreement with the Administrator referred to in Clause 6.2.2(xiv) of the Deed of Charge on any account whatsoever, whether as principal or surety and whether or not jointly with another and any monies due, owing or payable by the Company to the Administrator or any other person in its capacity as the Administrator which have accrued in respect of the period prior to the termination of PFPLC's or such other person's appointment as Administrator under the Administration Agreement or any other similar agreement, notwithstanding such termination.
- 3 All monies and liabilities whatsoever which from time to time become due, owing or payable by the Company to PFPLC (other than any such monies or liabilities from time to time due, owing or payable to it in its capacity as Administrator) under the Fee Letter, the Services Letter or any other agreement with PFPLC referred to in Clause 6.2.2(xiv) of the Deed of

Charge or under the Deed of Charge on any account whatsoever, whether as principal or surety and whether or not jointly with another.

- 4 All monies and liabilities whatsoever which from time to time become due, owing and payable by the Company, to PPF, PCF, PFPLC (in its capacity as Seller), CFUK or such other Seller (as the case may be) under the Asset Sale Contract, the Administration Agreement or the Deed of Charge and, in the case of any Secured Loan Seller, the Secured Loan Sale Agreement
- 5 All monies and liabilities whatsoever which from time to time become due, owing and payable by the Company to CM29 under the Fee Letter, the Subordinated Loan Agreement or the Deed of Charge.
- 6 All monies and liabilities whatsoever which from time to time become due, owing and payable by the Company to each Swap Provider (in its capacity as Swap Provider only) or each Permitted Hedge Provider (as the case may be) under the Swap Agreement, any Cap Agreement and/or any Floor Agreement, any Permitted Hedge Agreement or the Deed of Charge
- 7 All monies and liabilities whatsoever which from time to time become due, owing and payable by the Company to the Reference Agent and the Principal Paying Agent respectively under the Agency Agreement or the Deed of Charge.

"Secured Loan" means one or more advance by way of loan to a Borrower subject to the Secured Loan Conditions (including, for the avoidance of doubt, any Further Advances and all other sums, the repayment of which is secured or intended to be secured by a Mortgage) in which the Seller has or has had a beneficial interest.

"Secured Loan Agreement" means the totality of the contractually binding agreement, understanding or arrangement between the relevant lender and the borrower relating to a Secured Loan whether wholly or partly oral or in writing and including, for the avoidance of doubt, the relative Mortgage.

"Secured Loan Conditions" means the terms and conditions contained in:

- (a) the documentation to which a Secured Loan and its Related Security and any part or parts thereof is or are subject; and
- (b) the terms of any offer or agreement to make a Secured Loan to a Borrower if, pursuant to such offer or agreement, a Secured Loan was effected.

"Secured Loan Offer to Sell" or "Secured Loan Offer" means in relation to a Secured Loan, any written offer to sell (other than a PSFL Offer to Sell) the Benefit of such Secured Loan and its Related Security to the Company pursuant to the terms and conditions of the Secured Loan Sale Agreement, in or substantially in the form attached to the Secured Loan Sale Agreement as Schedule 2.

"Secured Loan Sale Agreement" means the agreement so called executed on the Closing Date between PSFL, PPF, PFPLC, the Company and the Trustee and relating, *inter alia*, to the purchase by the Company of Secured Loans.

"Secured Loan Sale Contract" means each contract for the sale by a Seller and purchase by the Company of Secured Loans concluded as a result of the acceptance by the Company of an Offer to Sell made pursuant to the terms of the Secured Loan Sale Agreement.

“Secured Loan Scottish Declaration of Trust” means a declaration of trust in respect of the Scottish Secured Loans and their Related Security sold pursuant to the first Secured Loan Sale Contract which includes Scottish Secured Loans made by a Relevant Seller in favour of the Company on the date on which such Secured Loan Sale Contract is entered into, substantially in the form set out in Schedule 8 to the Secured Loan Sale Agreement.

“Secured Loan Scottish Trust Property” means the Benefit of the Scottish Secured Loans and the Scottish Mortgages and other Related Security relative thereto which are the subjects of the Secured Loan Sale Contract to which reference is made in the Relevant Secured Loan Supplemental Scottish Declaration of Trust and the benefit of the Secured Loan Agreements relating thereto and all amounts received under or in respect of such Scottish Loans, Related Security and Secured Loan Agreements, together with all monies, property, interests, rights, title, benefits and proceeds relating thereto (including those referred to in Clause 7 of the Secured Loan Sale Agreement) which the Relevant Seller is obliged to hold in trust for the Company pursuant to the relevant Secured Loan Sale Contract and together also with all of the foregoing which may from time to time after the execution of the Relevant Secured Loan Supplemental Scottish Declaration of Trust form the subjects of a Secured Loan Sale Contract or relate to such subjects of a previous Secured Loan Sale Contract or such latter subjects but relative to which a trust has not been duly and effectively constituted as envisaged in Clause 4(C) of the Secured Loan Sale Agreement.

“Secured Loan Supplemental Scottish Declaration of Trust” means a declaration of trust executed by a Relevant Seller pursuant to Clause 4(C) of the Secured Loan Sale Agreement and substantially in the form set out in Schedule 9 thereto.

“Secured Parties” means the Trustee, the Noteholders, any Receiver, the Administrator, any Subordinated Lender, each Swap Provider, each Permitted Hedge Provider, the Reference Agent, the Principal Paying Agent, PFPLC, PPF, PCF, CFUK, any other Seller and CMS9.

“Security Interest” means any mortgage, sub-mortgage, standard security, charge, assignment by way of security, assignation in security, sub-charge, pledge, lien, or other security interest, howsoever created or arising other than any of the foregoing which arise by operation of law.

“Sellers” means PFPLC, PPF, PCF, and CFUK and any other member of the Paragon Group in their respective capacities as sellers of Assets to the Company and which undertake to be bound by the terms and conditions of the Relevant Documents insofar as they apply to a Seller in a manner which is acceptable to the Trustee, and “Seller” shall be construed as any of them.

“Services Letters” means the agreement so called executed on the Closing Date and made between the Company and PFPLC.

“Standard Terms and Conditions” means the agreement so called executed on the Closing Date by or on behalf of PFPLC, the Trustee, PPF, PCF, CFUK and the Company comprising terms and conditions on which it is intended that Unsecured Loan Offers to Sell and Car Finance Offers to Sell shall be made.

“Subordinated Lender” means a person (other than CMS9) from whom the Company may borrow pursuant to the Subordinated Loan Agreement, which has undertaken in a manner and form reasonably satisfactory to the Trustee to be bound by the Deed of Charge as if it had originally been a party thereto.

“Subordinated Lender Secured Amounts” means any monies and liabilities which from time to time may be owing or payable from or by the Company to a Subordinated Lender under the Subordinated Loan Agreement and references to the “Subordinated Lender Secured Amounts” include references to any of them.

"Subordinated Loan Agreement" means the agreement so called executed on the Closing Date between CMS9, the Company and the Trustee relating to the provision of a loan facility by CMS9 to the Company.

"Subscription Agreements" means together the Class A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreement

"Supplemental Scottish Declaration of Trust" means each and any Unsecured Loan Supplemental Scottish Declaration of Trust, Car Finance Supplemental Scottish Declaration of Trust and Secured Loan Supplemental Scottish Declaration of Trust.

"Supplier" has the meaning given to it by Section 189 of the CCA

"Swap Agreement" means the ISDA Master Agreement and Schedule thereto, each dated on or about the Closing Date and made between the Company and RBS as Swap Provider and any confirmation(s) entered into pursuant thereto and any other hedging agreement entered into between them pursuant to Clause 12 of the Administration Agreement.

"Swap Provider" or "Swap Counterparty" means RBS and/or other Permitted Hedge Provider acting as the Swap Provider under the Swap Agreement or any Permitted Hedge Agreement which is not a party to the Deed of Charge, undertakes in a manner and form reasonably satisfactory to the Trustee to be bound by the Deed of Charge as if it were a party thereto in the capacity of a Secured Party.

"Trust Deed" means the deed executed on the Closing Date and made between the Company and the Trustee, constituting the Notes, and shall include any documents expressed to be supplemental thereto.

"Unsecured Loan" means an advance by way of loan to an individual or individuals in which a Seller has or had had a beneficial interest or, as the context requires, the Current Balance thereof for the time being.

"Unsecured Loan Agreement" means the totality of the contractually binding agreement, understanding or arrangement between the relevant lender and the borrow relating to an Unsecured Loan whether wholly or partly oral or in writing.

"Unsecured Loan Offer to Sell" or "Unsecured Loan Offer" means in relation to any Unsecured Loan, any written offer to sell the Benefit of such Unsecured Loan (A) in the case of an Unsecured Loan that is not an Existing Portfolio Unsecured Loan, on the Standard Terms and Conditions, in or substantially in the form attached to the Standard Terms and Conditions as Appendix (A) or (B) in the case of an Existing Portfolio Unsecured Loan, the Bridge Standard Terms and Conditions, in or substantially in the form attached to the Bridge Standard Terms and Conditions as Appendix A.

"Unsecured Loan Sale Contract" means any contract for the sale by the Seller and purchase by the Company of Unsecured Loans concluded as a result of the acceptance by the Company of an Offer to Sell made by the Relevant Seller and incorporating the Standard Terms and Conditions and the unsecured loan sale contracts concluded as a result of the acceptance by the Company of written offers from CFUK to sell the benefit of Unsecured Loans on the Bridge Standard Terms and Conditions on 16th October 2000, 30th November 2000, 11th January 2001 and 13th March 2001, respectively.

"Unsecured Loan Scottish Declarations of Trust" means the declarations of trust in respect of Scottish Unsecured Loans (i) made by CFUK in favour of the Company dated 16th October 2000 and (ii) made by a Relevant Seller in favour of the Company on the date on which the first Unsecured

Loan Sale Contract which includes Scottish Unsecured Loans is entered into by such Seller substantially in the form set out in Appendix B-1 to the Standard Terms and Conditions.

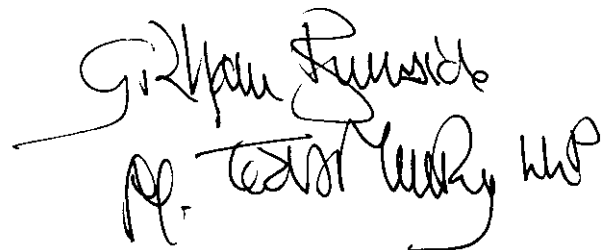
"Unsecured Loan Scottish Trust Property" means the PPF Unsecured Loan Scottish Trust Property and the CFUK Unsecured Loan Scottish Trust Property

"Unsecured Loan Supplemental Scottish Declaration of Trust" means each and any declaration of trust in respect of Scottish Unsecured Loans executed (i) by CFUK in favour of the Company on 30th November 2000, 11th February 2001 and 13th March 2001 or (ii) by a Relevant Seller pursuant to Clause 2(C) of the Standard Terms and Conditions, substantially in the form set out in Appendix B-2 thereto.

"VAT Declaration of Trust" means the declaration of trust dated 19th March 1993 executed by PFPLC, as has been and may be amended and restated from time to time including by a supplemental deed of declaration of trust on 6th October 1994, as amended by a second supplemental deed of declaration of trust dated 26th January 1995, a third supplemental deed of declaration of trust dated 18th December 1995, a fourth supplemental deed of declaration of trust dated 26th January 1996 (as restated on 29th November 1996), a fifth supplemental deed of declaration of trust dated 28th June 1996, a sixth supplemental deed of declaration of trust dated 28th October 1996, a seventh supplemental deed of declaration of trust dated 29th November 1997, an eighth supplemental deed of declaration of trust dated 3rd April 1997, a ninth supplemental deed of declaration of trust dated 30th June 1997, a tenth supplemental deed of declaration of trust dated 27th January 1998, an eleventh supplemental deed of declaration of trust dated 17th March 1998, a twelfth supplemental deed of declaration of trust dated 17th March 1998, a thirteenth supplemental deed of declaration of trust dated 16th June 1998, a fourteenth supplemental deed of declaration of trust dated 30th September 1998, a fifteenth supplemental deed of declaration of trust dated 12th October 1998, a sixteenth supplemental deed of declaration of trust dated 11th June 1999 and a seventeenth supplemental deed of declaration of trust dated 29th February 2000 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, *inter alios*, the Company in the circumstances more particularly described therein.

"Warranties" means the representations and warranties contained in the Schedule of the Warranty Deeds and in Schedule 1 to the Secured Loan Sale Agreement

"Warranty Deed" means the agreement so called executed on the Closing Date between PFPLC, the Company and the Trust relating to, *inter alia*, the giving by PFPLC of certain warranties and undertakings relating to Unsecured Loans and/or Car Finance Contracts the subject of an Offer to Sell incorporating the Standard Terms and Conditions.



Gillian Funnell
PP. Text Marking HOP

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02173065

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ASSIGNATION IN SECURITY DATED THE 15th DECEMBER 2004 AND CREATED BY PARAGON PERSONAL AND AUTO FINANCE (NO. 1) PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE TRUSTEE AND/OR ANY RECEIVER, THE ADMINISTRATOR, PFPLC, PPF, PCF, CFUK OR SUCH OTHER SELLER, CM29, EACH SWAP PROVIDER, THE REFERENCE AGENT AND THE PRINCIPAL PAYING AGENT 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 22nd DECEMBER 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 30th DECEMBER 2004.

P. d



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES