

Paragon Mortgages (No.13) PLC

NOTICE

FOR IMMEDIATE RELEASE

PARAGON MORTGAGES (NO.13) PLC

**51 Homer Road, Solihull, West Midlands, B91 3QJ
a company incorporated in England and Wales
(registered number 5393650)**

**\$1,500,000,000 Class A1 Notes Due 2039
£125,000,000 Class A2a Notes Due 2039
€315,000,000 Class A2b Notes Due 2039
\$350,000,000 Class A2c Notes Due 2039
£56,000,000 Class B1a Notes Due 2039
€84,000,000 Class B1b Notes Due 2039
£13,000,000 Class C1a Notes Due 2039
€81,000,000 Class C1b Notes Due 2039
(the "Notes")**

1. BACKGROUND

1.1 Reference is made in this notice (this "**Notice**") to:

- (a) the A1 Note Conditional Purchase Agreement entered into between, *inter alios*, The Royal Bank of Scotland N.V. (formerly ABN AMRO Bank N.V., London Branch) ("**RBS N.V.**"), Paragon Mortgages No.13 PLC (the "**Issuer**") and Citicorp Trustee Company Limited (the "**Trustee**") on 26 October 2006 and as amended on 15 September 2008 (the "**A1 Note Conditional Purchase Agreement**");
- (b) the deed of sub-charge and assignment entered into between, *inter alios*, the Issuer, the Trustee and the A1 Note Conditional Purchaser on 26 October 2006 and as supplemented on 30 January 2013 (the "**Deed of Charge**");
- (c) the Remarketing Agreement entered into between, *inter alia*, the A1 Note Conditional Purchaser, the Issuer and the Trustee on 26 October 2006 and as amended on 15 September 2008 (the "**Remarketing Agreement**");
- (d) the trust deed entered into between the Issuer and Trustee on 26 October 2006 as supplemented on 30 January 2013 and as amended on 15 September 2008 (the "**Trust Deed**"); and
- (e) the deed of novation and assignment relating to the A1 Note Conditional Purchase Agreement, the Deed of Charge and the Remarketing Agreement, entered into between, *inter alios*, the A1 Note Conditional Purchaser, the Issuer, the Trustee, Paragon Finance Plc ("**PFPLC**") and Mortgage Trust Services Plc ("**MTS**" and, together with PFPLC, the "**Administrators**" and each an "**Administrator**") on 3 July 2015 (the "**Deed of Novation and Assignment**").

- 1.2 Pursuant to Clause 4.5(b) (*Representations and Warranties of the A1 Note Conditional Purchaser*) of the of the A1 Note Conditional Purchase Agreement, the A1 Note Conditional Purchaser represented and warranted to the Issuer and the Trustee that it shall not assign, transfer or dispose of any of its rights or obligations under the A1 Note Conditional Purchase Agreement without the prior written consent of the Issuer (such consent not to be unreasonably withheld or delayed).
- 1.3 Pursuant to Clause 12(Q) (*Covenants by the Issuer*) of the Trust Deed, so long as any of the Notes remain outstanding, the Issuer shall not make any amendment or modification to the Trust Deed and the Relevant Documents or agree to waive or authorise any breach thereof without the prior written approval of the Trustee and the Rating Agencies.
- 1.4 Pursuant to Clause 18.1(g) (*Covenants of Administrators*) of the Administration Agreement, each Administrator covenanted with and undertook to each of the Issuer and the Trustee that it will not amend or terminate any of the Relevant Documents, without in any case the prior written consent of the Trustee and pursuant to Clause 24.3.1(a) (*Notices*) of the Administration Agreement, the Administrators shall, while any Note remains outstanding, give notice to the Rating Agencies of any amendment which the Trustee considers material to any of the Relevant Documents.
- 1.5 Pursuant to Clause 11.3(j) and Clause 11.3(k) (*Warranty and Covenants by the Issuer*) of the Deed of Charge, the Issuer covenanted with and undertook to the Trustee, respectively, (i) not to make any amendment or modification to the Relevant Documents without the prior written approval of the Trustee and (ii) not at any time to approve or agree or consent to any act or do anything whatsoever which in the opinion of the Trustee is material under the Relevant Documents without the prior written approval of the Trustee and to do, or refrain from doing, any material act or thing in relation thereto which in the opinion of the Trustee is material as the Trustee may require.
- 1.6 Pursuant to Condition 13 (*Meetings of Noteholders; Modifications; Consents; Waiver*) and Clause 19.2 (*Waiver; Authorisation; Determination; Modification*) of the Trust Deed, the Trustee may without the consent of the Noteholders at any time and from time to time concur with the Issuer in making any modification to the Trust Deed or the or any other Relevant Document which in the opinion of the Trustee it may be proper to make provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders.
- 1.7 Capitalised terms used in this Notice that are not defined have the meaning given to them in the A1 Conditional Note Purchase Agreement, the Deed of Charge, the Remarketing Agreement and the Deed of Novation and Assignment, as applicable.

2. REQUEST FOR CONSENT

- 2.1 Pursuant to a consent request letter dated 3 July 2015 between, *inter alios*, the Issuer, the Trustee and the A1 Note Conditional Purchaser (the "**Consent Request Letter**") in relation to (i) the novation of the role of A1 Note Conditional Purchaser from RBS N.V. to The Royal Bank of Scotland PLC ("**RBS PLC**") pursuant to the A1 Note Conditional Purchase Agreement and the Remarketing Agreement and (ii) the assignment and transfer of the rights, title, interest and benefit present and future in, under and pursuant to the Deed of Charge from RBS N.V. to RBS PLC ((i) and (ii) together the "**Proposed Action**"):
 - (a) the Issuer determined that the Proposed Action was necessary and requested the Trustee give prior written consent to, approve and concur with the Issuer in making (i) the Proposed Action as provided in the Deed of Novation and Assignment and (ii)

the novation, assignment, modifications and amendments set out in clauses 2 (*Novation*) to 5 (*Assignment and Acknowledgement*) of the Deed of Novation and Assignment; and

- (b) the Administrators requested that the Trustee provide the consent to the modifications and amendments as provided in the Deed of Novation and Assignment pursuant to Clause 18.1(g) (*Covenants of Administrators*) of the Administration Agreement.

3. TRUSTEE CONSENT

Pursuant to the Consent Request Letter, the Trustee gave prior written consent to, approved and concurred with the Issuer in respect of the requests set out paragraph 2 (*Request for consent, approval and concurrence*) of the Deed of Novation and Assignment as described in paragraph 2.1 (a) and (b) above.

4. ISSUER CONSENT

Pursuant to Clause 6(c) (*Consent, waiver, Agreement and approval*) of the Deed of Novation and Assignment, the Issuer consented to the assignment, transfer and disposal of the RBS N.V.'s rights and obligations under the A1 Note Conditional Purchase Agreement pursuant to clauses 2 (*Novation*) to 5 (*Assignment and Acknowledgement*) of the Deed of Novation and Assignment.

5. PROPOSED ACTION

The Deed of Novation and Assignment was entered into on 3 July 2015 and the Proposed Action has been taken.

Copies of the key documents associated with this Notice may be inspected in physical form at the registered office of the Issuer and during usual business hours on any day that is not a Saturday, Sunday or public holiday or upon request in electronic form from the Issuer for a period of 7 days from the date of this Notice.

Dated 6 July 2015

For further information, please contact:

Paragon Mortgages (No.13) Plc
51 Homer Road
Solihull
West Midlands
B91 3QJ

Email: Jimmy.Giles@Paragon-group.co.uk/Stephen.Bowcott@Paragon-group.co.uk
Telephone number: +44 121 712 2315/+44 207 786 8470
Facsimile number: +44 121 712 2622

Attention: The Directors