



Registration of a Charge

Company name: **MREF IV GP LIMITED**

Company number: **10640034**



X78ESZIJ

Received for Electronic Filing: **19/06/2018**

Details of Charge

Date of creation: **05/06/2018**

Charge code: **1064 0034 0005**

Persons entitled: **HSBC BANK PLC**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PINSENT MASONS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10640034

Charge code: 1064 0034 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th June 2018 and created by MREF IV GP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th June 2018 .

Given at Companies House, Cardiff on 21st June 2018

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

**LUXEMBOURG
RECEIVABLES PLEDGE AGREEMENT**

BETWEEN

MREF IV A Limited Partnership

MREF IV B Limited Partnership

MREF IV PC Limited Partnership

AS PLEDGORS

And

HSBC BANK PLC

AS PLEDGEE

And

MREF IV SALFORD PROPERTY S.À R.L.

AS COMPANY

relating to intercompany receivables

Dated 5 June 2018

THIS RECEIVABLES PLEDGE AGREEMENT (hereafter the "**Agreement**") is made on 5 June 2018.

BETWEEN:

- (1) **MREF IV A Limited Partnership**, an investment fund, incorporated and existing under the laws of the United Kingdom, having its registered office at 10 Grosvenor Street, London W1K 4QB, registered with the Companies House under number LP017901 ("**MREF IV "A"**") acting by its general partner, **MREF IV GP Limited**, a company incorporated and existing under the laws of the United Kingdom, having its registered office at 10 Grosvenor Street, London W1K 4QB, registered with the Companies House under number 10640034 ("**MREF IV**") (hereinafter the "**Pledgor 1**");
- (2) **MREF IV B Limited Partnership**, an investment fund, incorporated and existing under the laws of the United Kingdom, having its registered office at 10 Grosvenor Street, London W1K 4QB, registered with the Companies House under number LP017902 ("**MREF IV "B"**") acting by its general partner, MREF IV (hereinafter the "**Pledgor 2**");
- (3) **MREF IV PC Limited Partnership**, an investment fund, incorporated and existing under the laws of the United Kingdom, having its registered office at 10 Grosvenor Street, London W1K 4QB, registered with the Companies House under number LP018073 ("**MREF IV "PC"**") acting by its general partner, MREF IV (hereinafter the "**Pledgor 3**" and together with Pledgor 1 and Pledgor 2, the "**Pledgors**");

AND:

- (4) **HSBC BANK PLC** as lender under the Facility Agreement (as defined below) (hereinafter referred to as the "**Pledgee**");

AND:

- (5) **MREF IV Salford Property S.à r.l.**, a *société à responsabilité limitée* duly incorporated and validly existing under the laws of the Grand-Duchy of Luxembourg with registered office at 6 rue Eugène Rupert, L-2453 Luxembourg and registered with the Luxembourg *Registre de Commerce et des Sociétés* (Trade and Companies Register) under number B203.472 (hereinafter the "**Company**"),

and each of the above are hereinafter jointly referred to as the "**Parties**" or each separately as a "**Party**".

RECITALS:

WHEREAS:

- A. The Company is one of the Obligors (as defined in the Facility Agreement itself as defined below) under a facility agreement dated 5 June 2018 between, *inter alia*, the Company as borrower and the Pledgee in its capacity as lender (the "**Facility Agreement**").
- B. The Pledgors have agreed to grant a pledge over the Receivables (as defined below) in favour of the Pledgee to secure the Secured Liabilities (as defined below) in accordance with the terms of this Agreement.

NOW, THEREFORE, the Parties have agreed as follows:

(1) Definitions and interpretation

- 1.1 Except as otherwise defined herein and except where the context shall otherwise require, all capitalised words and expressions defined or, as the case may be, construed in the Facility Agreement shall have the same meaning or, as the case may be, constructions when used herein. In this Agreement:

Business Day shall have the meaning as set out in the Facility Agreement.

Debenture means the English law governed debenture dated 5 June 2018 and entered into between the Company as borrower and the Pledgee as lender.

Enforcement Event means the earlier of:

- (i) the date the Pledgee demands repayment of;
 - a) any of the Secured Liabilities arising under the terms of the Finance Documents in accordance with Clause 25.17 of the Facilities Agreement; or
 - b) any of the Secured Liabilities arising under any other documents in accordance with their terms.
- (ii) the date the Company and/or the Pledgors breach a provision of this Agreement or any document evidencing the facilities to which the Secured Liabilities relate, and where such a breach relates to a Finance Document, that breach is not remedied within the applicable grace periods provided for under the Facilities Agreement;
- (iii) the occurrence of any event causing, or purporting to cause, the floating charge created by the Debenture to become fixed in relation to any Secured Asset (as defined in the

Debenture).

Event of Default	shall have the meaning as set out in the Facility Agreement pursuant to clause 25 of the Facility Agreement.
Finance Documents	shall have the meaning as set out in the Facility Agreement.
Loan Agreement	means any intercompany loan or any other debt instrument, whether or not evidenced by an agreement, owing to any of the Pledgors by the Company, including, without limitation, the loans set out in Schedule 1 of this Agreement.
Obligor	shall have the meaning as set out in the Facility Agreement.
Pledge	means the security interest as granted and created over the Pledged Assets under this Agreement.
Pledged Assets	means the Receivables and all income therefrom and proceeds thereof as well as any replacement asset.
Receivables	means all receivables arising under any Loan Agreement between each of the Pledgors as lender and the Company as borrower regardless of the nature or description thereof (including interest, default interest, commissions, expenses, costs, indemnities and any other amounts due thereunder), whether actual, future or contingent, whether owed jointly or severally, and whether subordinated or not, owed by the Company to each of the Pledgors, from time to time, and, to the extent permitted by law, any accessory rights, claims or actions, including any security interest or rights, under whatever law, attaching to such receivables or granted to the Pledgors as security for such claims.
Rights of Recourse	means all and any rights, actions and claims the Pledgors may have against any Obligor or any other company, person or entity having granted security or given a guarantee for the Secured Liabilities or arising under or pursuant to the enforcement of the present Pledge including, in particular, any rights of recourse the Pledgors may have under the terms of articles 1251 and 2028 ss. of the Luxembourg Civil Code (including, for the avoidance of doubt, any right of recourse prior to enforcement), any right of set-off, any recourse by way of provisional measures such as a " <i>saisie-arrêt conservatoire</i> ", any right to the benefit of both " <i>division</i> " and " <i>discussion</i> " (if any) as set forth in the Luxembourg Civil Code, or any right of recourse by way of subrogation and any other similar right, action or claim under any applicable law coming into effect prior or after an enforcement of this Pledge.

Secured Liabilities

means all monies from time to time due or owing and all other actual or contingent liabilities from time to time incurred by any Obligor to the Pledgee (including any under any Hedging Agreement).

- 1.2 Unless a contrary indication appears, any reference in this Agreement to "Pledgors", "Pledgee", "Borrower", "Obligor" or "Lender" shall be construed so as to include their successors in title, permitted assignees and permitted transferees.
- 1.3 In this Agreement, any reference to (a) a "Clause" is, unless otherwise stated, a reference to a Clause hereof and (b) to any agreement (including this Agreement and in particular a "Finance Document" (without limitation)) is a reference to such agreement as amended, varied, modified or supplemented (however fundamentally, including in case of an increase of the Secured Liabilities) from time to time. Clause headings are for ease of reference only.
- 1.4 This Agreement may be executed in any number of counterparts and by way of electronic mail or facsimile exchange of executed signature pages, all of which together shall constitute one and the same Agreement.

(2) Pledge

- 2.1 As continuing security for the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of the Secured Liabilities, the Pledgors hereby pledge in accordance with the Luxembourg law of 5th August 2005 on financial collateral arrangements, as amended from time to time, all the Pledged Assets (and in particular without limitation the Receivables) in favour of the Pledgee and hereby grant to the Pledgee a first priority security interest ("*gage de premier rang*") over each of such Pledged Assets (the "**Pledge**"). The Pledgee accepts and acknowledges the foregoing Pledge.
- 2.2 Without prejudice to the above provisions, the Pledgors hereby irrevocably authorise and empower the Pledgee to cause any formal steps to be taken or to take for the purpose of perfecting the present Pledge and, for the avoidance of doubt, undertake to take any such steps itself if so requested by the Pledgee
- 2.3 The Company hereby acknowledges the Pledge.

(3) Perfection of pledge

- 3.1 In accordance with article 5 of the Collateral Law, the Pledge is perfected through the execution of this Agreement by the Pledgors and the Pledgee.
- 3.2 By countersigning this Agreement, the Company acknowledges and accepts the Pledge constituted by this Agreement and the terms of this Agreement.

(4) Powers and interests

- 4.1 Until the occurrence of an Event of Default which is continuing all the powers in respect of the Pledged Assets shall, as from the date of this Agreement be exercised on all matters by the Pledgors provided however that the Pledgors shall only exercise such right in a manner which does not adversely affect the Pledge, the rights of the Pledgee hereunder and/or the Pledged Assets and that no consent, waiver or ratification shall be given or action taken, which would, in the reasonable opinion of the Pledgors or the Pledgee, impair the value of the Pledged Assets or be inconsistent with or violate any provision of this Agreement, of any other Finance Document or of any agreements or documents relating to the Secured Liabilities.
- 4.2 Upon the occurrence of an Event of Default which is continuing all powers attaching to the Pledged Assets shall be vested in the Pledgee. After an Event of Default which is continuing, such powers may, at the discretion of the Pledgee, be exercised by the Pledgee in such manner as it sees fit. For the avoidance of doubt the Pledgee shall have the right, following the occurrence of an Event of Default which is continuing, to act as the Pledgors' irrevocable proxy and, for as long as there are any Secured Liabilities outstanding, to exercise the rights in any manner the Pledgee reasonably deems fit for the purpose of protecting or enforcing the rights of the Pledgee hereunder. The Pledgors shall do whatever is necessary in order to ensure that the exercise of the rights in these circumstances is facilitated and becomes possible for the Pledgee, including but not limited to the issuance of a written proxy in any form required by applicable law.
- 4.3 Until the occurrence of an Event of Default which is continuing, the Pledgors shall be entitled to receive all amounts paid or payable by the Company on all or any of the Pledged Assets, unless the payment of such amounts is or becomes prohibited by any Finance Document.
- 4.4 Upon the occurrence of an Event of Default which is continuing, all amounts paid or payable by the Company in connection with the Pledged Assets shall automatically be transferred to the Pledgee who shall be entitled to receive and apply such Pledged Assets in accordance with the provisions of the Facility Agreement.

(5) Enforcement of Pledge

- 5.1 Upon the occurrence of an Enforcement Event, the Pledgee shall be entitled, without any prior notice, to enforce the Pledge (in full or in part), at the sole cost of the Pledgors, in the most favourable manner provided for by Luxembourg law at that time and in particular (without limitation) any of the following:
- 5.1.1. to appropriate itself or appoint a third party to appropriate all or part of the Pledged Assets at a price equal to the market value of the relevant Pledged Assets determined by an independent auditor (*réviseur d'entreprises agréé*) designated by the Pledgee as if sold between a willing buyer and a willing seller as a going concern using a standard market multi criteria approach combining market multiples, book

value, discounted cash flow or comparable public transaction of which price is known (taking into account circumstances at the time of the valuation and making all necessary adjustments to the assumption being used) and acting in a reasonable manner and in good faith, at the time of appropriation and determine the date on which appropriation becomes effective, including a date before the valuation has been completed;

- 5.1.2. to require the Company to make payment of the Pledged Assets directly to it;
 - 5.1.3. to sell all or part of the Pledged Assets in a private transaction at arms' length terms (*conditions commerciales normales*);
 - 5.1.4. to cause the sale of all or part of the Pledged Assets, at a stock exchange selected by the Pledgee or by public auction held at the place and at the time and if required by applicable law by the public officer, designated by the Pledgee;
 - 5.1.5. to request from the competent court, that title to all or part of the Pledged Assets be assigned or transferred to it, at a price determined by a court appointed expert;
 - 5.1.6. in respect of any other rights in connection with the Pledged Assets, if a sum is owed by the Pledgee itself, to set off the amount due by the Pledgors and the amount due by the Pledgee and, if the sum is owed by the Company or a third party, to require the Company or third party to make payment of the amount due by it directly to the Pledgee.
- 5.2 The Pledgee will have total and unlimited discretion as to the manner or manners of enforcement and will not be required to have regard for the interests of the Pledgors or the Company.
- 5.3 Any proceeds of enforcement received by the Pledgee shall be applied in accordance with the Facility Agreement.

(6) Partial Enforcement

Upon the occurrence of an Enforcement Event, the Pledgee shall have the right to request enforcement of all or part of the Pledged Assets in its absolute discretion. No action, choice or absence of action in this respect, or partial enforcement, shall in any manner affect the security interest created hereunder over the Pledged Assets as it then shall be (and in particular those Pledged Assets which have not been subject to enforcement). The security interest thereover shall continue to remain in full and valid existence until discharge or termination hereof, as the case may be

(7) Power of Attorney

Each of the Pledgors irrevocably appoints the Pledgee to be its attorney, with effect as of the occurrence of an Event of Default which is continuing, and in its name and on its behalf to execute,

deliver and perfect all documents and do all things that the Pledgee may consider to be requisite for (a) carrying out any obligation imposed on each of the Pledgors under this Agreement or (b) exercising any of the rights conferred on the Pledgee by this Agreement or by law. Each of the Pledgors shall ratify and confirm all things done and all documents executed by the Pledgee (or any other person appointed by the Pledgee) in the exercise of that power of attorney.

(8) Representations and Warranties

Each of the Pledgors represents and warrants to the Pledgee as set out hereafter:

- 8.1 the Company is a private limited liability company (*société à responsabilité limitée*), duly incorporated and validly existing for an unlimited duration under the laws of Luxembourg.
- 8.2 The Loan Agreements are the only intragroup arrangement in existence between the Pledgors and the Company.
- 8.3 The Loan Agreements have been and/or will be duly entered into and constitute legally valid, binding and enforceable obligations of the relevant Pledgors and the Company.
- 8.4 it is an investment fund, duly established and validly existing for an unlimited duration under the laws of the United Kingdom.
- 8.5 it has the power, authority and legal right to own and operate its property, to hold and own all of its assets and to conduct the business in which it is currently engaged.
- 8.6 it has full power, legal right and lawful authority to enter into and perform this Agreement and to pledge, assign and transfer the Pledged Assets in the manner and form hereof.
- 8.7 the entry into and performance of this Agreement have been duly authorised and approved by it and this authorisation and approval have not been withdrawn, revoked or rescinded.
- 8.8 the Company has its registered office and centre of main interest (as defined in articles 3(1) of the Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) ("**Regulation 2015/848**") in Luxembourg.
- 8.9 it is and will remain the sole owner of its Pledged Assets;
- 8.10 the entry into and performance by it of its obligations under this Agreement are not contrary to:
 - (i) any court order applicable to the Pledgors or the Company;
 - (ii) any agreement to which the Pledgors or the Company are a party; and
 - (iii) the articles of association of the Pledgors or the Company;
- 8.11 the Receivables are capable of being pledged under their governing law;

- 8.12 no counterclaims as to which a right of set-off or right of retention could be exercised exist with respect to the Pledged Assets;
- 8.13 this Agreement constitutes its legal, valid and binding obligations and operates a valid pledge of the Pledged Assets in accordance with its terms and the Pledge created pursuant to this Agreement, constitutes a legal, valid, binding and enforceable first priority and first ranking security interest over the Pledged Assets (*gage de premier rang sur créances*) in favour of the Pledgee in respect of all Secured Liabilities and in each case prior and superior to the rights of other persons, except for any mandatory privileges preferred by applicable law.
- 8.14 It has not sold, transferred, lent, assigned, parted with any interests in, disposed of, granted any option in respect of or otherwise dealt with any rights, title and interest in and to the Pledged Assets, or agreed to do any of the foregoing (otherwise than pursuant to this Agreement) and no security (other than the present Pledge) exists on, over or with respect to the Pledged Assets.
- 8.15 No receiver has been appointed in respect of the Pledgors or the Company or all or any of their assets and none of their respective assets is the subject of an arrest and no event analogous to any of the foregoing has occurred outside Luxembourg.
- 8.16 Neither the Pledgors nor the Company have taken any corporate action, nor to the best of its knowledge have any other steps been taken or legal proceedings been started or threatened against any of them, for bankruptcy, insolvency, liquidation, reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), composition with creditors (*concordat préventif de la faillite*), reorganisation or similar Luxembourg or foreign law proceedings affecting the rights of creditors generally or for the appointment of an insolvency receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of such company or of any or all of its assets or revenues.
- 8.17 No unsatisfied judgment is outstanding against the Pledgors or the Company.
- 8.18 No guarantee, loan capital, borrowed money or interest is overdue for payment by the Pledgors or the Company, and no other obligation or indebtedness is outstanding which is overdue for performance or payment where such fact could have an adverse effect on the Pledgors or the Company, their business or the Pledged Assets.
- 8.19 For the avoidance of doubt, the Pledgors hereby waive any rights arising for them (if any) under Article 2037 of the Luxembourg Civil Code.

The representations and warranties set out in this clause 8 are made on the date hereof and, as the case may be, on the day of entry into a new Loan Agreement with reference to the facts and circumstances then existing and deemed to be repeated until the Secured Liabilities shall have been satisfied in full.

(9) No Disposition, etc.

The Pledgors agree that, without the prior written consent of the Pledgee, they will not sell, assign, transfer, exchange, permit to exist or otherwise dispose of, or grant any option with respect to any

rights, title and interest in and to the Pledged Assets (or any part thereof), nor will they create, incur, grant or permit to exist any restriction on the ability to transfer or realise any security interest or encumbrance (other than with the prior and express approval of the Pledgee) by contract or otherwise with respect to any of the Pledged Assets, or any interest therein, or any proceeds thereof, except for the security provided for by this Agreement.

(10) Covenants

The Pledgors hereby covenant that, for as long as this Agreement will be in force:

- 10.1. it shall act in good faith to maintain the rights of the Pledgee hereunder, and in particular shall not take any steps nor do anything which would adversely affect the existence of the Pledge created hereunder or cause an adverse effect in any way; shall cooperate and procure that the Company cooperate with the Pledgee and sign or cause to be signed all such further documents and take all such further action as the Pledgee may from time to time reasonably request to perfect and protect this Pledge and to carry out the provisions and purposes of this Agreement;
- 10.2. it shall do or cause to be done all such acts and things as may be necessary to make any enforcement of the Pledged Assets by the Pledgee pursuant to this Agreement valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities having jurisdiction over any such realisation, all at the Pledgors' expense and it will use its best endeavours to assist in the defence of the Pledgee's right, title and security in and to the Pledged Assets against the claims and demands of all persons whomsoever and take any measures, accomplish any formalities and, generally, do all that is necessary at its own cost to permit the exercise, at any time, by the Pledgee, of any rights, actions and privileges of the Pledgee pursuant to applicable law and this Agreement;
- 10.3. it will not consent to and will not amend the terms of any Receivables in any manner which is prejudicial to the Pledgee;
- 10.4. it shall promptly after becoming aware thereof inform the Pledgee in writing of any distress, attachment (including executory attachment (*saisie exécutoire*), third party attachment (*saisie arrêt*) or protective attachment (*saisie conservatoire*)), enforcement or other legal process commenced by a third party in respect of all or part of the Pledged Assets and the Pledgors shall, at their own expenses, promptly (i) notify the Pledgee and send it a copy of the relevant attachment or enforcement documentation, (ii) notify the relevant third party in writing of the existence of the Pledgee's interest in the relevant Pledged Assets, (iii) make all reasonable efforts to challenge the attachment or enforcement and obtain the release or discharge of this attachment or enforcement at the earliest possible and (iv) keep the Pledgee regularly informed;
- 10.5. it shall promptly inform the Pledgee of any intention of the Pledgors and the Company to enter into any new Loan Agreement;

- 10.6. it shall furnish to the Pledgee (promptly upon receipt) a copy of any notice, document or other communication which is given or received by it in respect of the Receivables which would reasonably be expected to affect this Pledge, the value of the Receivables or the ability of the Pledgee to enforce this Agreement in any respect; and
- 10.7. it will not accelerate or declare any of the Pledged Assets prematurely due and payable or exercise any remedy for the recovery of the Pledged Assets or initiate or support or take any steps with a view to any insolvency, voluntary or judicial liquidation, reorganisation, administration or dissolution proceedings, composition with creditors, moratorium or reprieve from payment, controlled management, fraudulent conveyance (*actio pauliana*), general settlement with creditors or any other similar proceedings affecting the rights of creditors generally under Luxembourg law, and any equivalent or analogous liquidation or reorganisation proceedings in respect of the Company or any Pledged Assets.
- 10.8. it will promptly inform the Pledgee of the occurrence of any event which may render any of the representations and warranties set out in this Agreement or the Facility Agreement materially inaccurate; and
- 10.9. the Pledgors hereby formally undertake not to exercise any Rights of Recourse or any other rights against any Obligor in any manner (including for the avoidance of doubt, by way of provisional measures such as provisional attachment ("*saisie arrêt conservatoire*") or by way of set off) or to take any action or do anything in relation to such Rights of Recourse or other similar rights, or as long as any amounts remain outstanding under the Secured Liabilities.

(11) Further Assurances

The Pledgors agree that at any time and from time to time upon the written request of the Pledgee, they will execute and deliver such further documents and do such further acts and things as the Pledgee may reasonably request in order to give effect to the purpose of this Agreement. Any reasonable cost or expense incurred by the Pledgee in connection with any such further document shall be for the account of the Pledgors and shall be paid promptly upon written demand by the Pledgors to the Pledgee.

(12) Effectiveness of the Pledge

- 12.1. The Pledge shall be a first ranking continuing security and shall not be considered as satisfied or discharged or prejudiced by any intermediate payment or by the settlement of any part of the Secured Liabilities and shall remain in full force and effect until it has been released in accordance with the terms of this Agreement.
- 12.2. The Pledgors shall not be entitled to require the release of the Pledge until all the Secured Liabilities shall have been satisfied in full, unless otherwise agreed by the parties.

- 12.3. This Pledge shall be discharged by, and only by, the express release thereof granted by the Pledgee. Such release shall be granted without undue delay upon the valid and final discharge of all Secured Liabilities and the termination of the commitments under the Finance Documents, subject to delivery of any documents or certificates which the Pledgee may reasonably request (including in particular, any certificates in relation to the absence of avoidness or avoidability of payments under any applicable laws).
- 12.4. The Pledge shall be cumulative, in addition to and independent of every other security which the Pledgee may at any time hold as security for the Secured Liabilities or any rights, powers and remedies provided by law and shall not operate so as in any way to prejudice or affect or be prejudiced or affected by any security interest or other right or remedy which the Pledgee may now or at any time in the future have in respect of the Secured Liabilities.
- 12.5. This Pledge shall not be prejudiced by any time or indulgence granted to any person, or any abstention or delay by the Pledgee in perfecting or enforcing any security interest or rights or remedies that the Pledgee may now or at any time in the future have from or against the Pledgors or any other person.
- 12.6. Neither the obligations of the Pledgors contained in this Agreement nor the rights, powers and remedies conferred upon the Pledgee by this Agreement or by law, nor the Pledge created hereby shall be discharged, impaired or otherwise affected by:
- (a) any amendment to, or any variation, waiver or release of, any Secured Liabilities;
 - (b) any failure to take, or to fully take, any security contemplated by the Finance Documents or otherwise agreed to be taken in respect of the Secured Liabilities;
 - (c) any failure to realise or to fully realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of the Secured Liabilities; or
 - (d) any other act, event or omission which, but for this Clause, might operate to discharge, impair or otherwise affect any of the obligations of the Pledgors contained in this Agreement, the rights, powers and remedies conferred upon the Pledgee by this Agreement, the Pledge or by law.
- 12.7. The Pledgors waive their right to the benefit of both "*division*" and "*discussion*" (if any).

(13) Liability to perform

- 13.1. It is expressly agreed that, notwithstanding anything to the contrary herein contained, the Pledgors shall remain liable to observe and perform all of the conditions and obligations assumed by them in respect of the Pledged Assets.

- 13.2. The Pledgee shall not be required in any manner to perform or fulfil any obligations of the Pledgors in respect of the Pledged Assets, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may have been or to which it may be entitled thereunder at any time. More specifically, the Pledgee shall not be liable (save in case of gross negligence (*faute grave*) or wilful misconduct (*faute dolosive*) of the Pledgee) for any failure to collect or realise the Secured Liabilities or any collateral security or guarantee therefore, or any part thereof, or for any delay in so doing nor shall the Pledgee be under any obligation to take any action whatsoever with regard thereto.

(14) Liability, Indemnity

- 14.1. The Pledgee shall not be liable for the loss or misdelivery of, or damage to, the Pledged Assets, howsoever arising, save to the extent that such loss, misdelivery or damage is evidenced by the Pledgors to have been caused by the gross negligence (*faute grave*) or wilful misconduct (*faute dolosive*) of the Pledgee or a servant or agent thereof, any joint liability being excluded, and provided that any liability of the Pledgee shall not extend to consequential loss and shall not in any event exceed the value of the Pledged Assets, or the part of the Pledged Assets lost, misdelivered, or damaged.
- 14.2. Neither the Pledgee nor its agents shall be liable by reason of (a) taking any action permitted by this Agreement or (b) any neglect or default in connection with the Pledged Assets or (c) the realisation of all or any part of the Pledged Assets, except in the case of gross negligence (*faute grave*) or wilful default (*faute dolosive*), any joint liability being excluded.
- 14.3. For the avoidance of doubt, the Pledgee shall not be liable for any loss or damage suffered by the Pledgors or the Company in connection with this Agreement, save in respect of such loss or damage which is suffered as a result of wilful misconduct (*faute dolosive*) or gross negligence (*faute grave*).

(15) No Waiver, Cumulative Remedies, Amendments

- 15.1. The Pledgee shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder and no waiver shall be valid unless in writing, signed by or on behalf of the Pledgee, and then only to the extent therein set forth. A waiver by or on behalf of the Pledgee of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Pledgee would otherwise have on any future occasion. No failure to exercise, nor any delay in exercising on the part of the Pledgee, any right, power or privileges hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or

further exercise thereof or the exercise of any other right, power or privilege. The right and remedies herein provided are cumulative and may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

- 15.2. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by or on behalf of the Pledgee and the Pledgors or otherwise in accordance with the terms of the Finance Documents. This Agreement and all obligations of the Pledgors hereunder shall be binding upon the successors and assigns of the Pledgor, and shall, together with the rights and remedies of the Pledgee hereunder, inure to the benefit of the Pledgee and the successors and assigns thereof.

(16) Assignment, Successors of Pledgee

- 15.1 None of the Pledgors may, without the prior written consent of the Pledgee, assign or transfer all or any part of its rights or obligations hereunder.
- 15.2 The Pledgee may assign or transfer all or any of its respective rights or obligations hereunder. Any successor to or assignee of the Pledgee shall be entitled to the full benefits hereof. This Agreement shall remain in effect despite any amalgamation or merger (however effected) relating to the Pledgee, and without prejudice to the provisions of the Finance Documents, references to the Pledgee shall be deemed to include any assignee or successor in title of the Pledgee and any person who, under any applicable law, has assumed the rights and obligations of the Pledgee hereunder or under the Finance Documents or to which under such laws the same have been transferred or novated or assigned in any manner. To the extent a further notification or any other step is required by law to give effect to the above, such further notification shall be made and the Pledgors hereby give power of attorney to the Pledgee to make any notifications and/or to require any required n or to take any other steps, and undertakes to do so itself if so requested by the Pledgee.
- 15.3 For the purpose of article 1278 of the Luxembourg Civil Code, to the extent required under applicable law and without prejudice to the provisions in the Finance Documents, the Pledgee hereby expressly reserves the preservation of this Pledge and the security interest created thereunder in case of assignment, novation, amendment or any other transfer of the Secured Liabilities or any other rights arising for it under the Finance Documents.

(17) Expenses

The Pledgors shall procure payment by the Borrower, within three (3) Business Days of written demand, of the amount of all reasonable costs and expenses (including, but not limited to legal fees) incurred by the Pledgee in relation to the enforcement or preservation of any rights under or in connection with this Agreement and/or any amendment, waiver, consent, release or discharge under or in connection with this Agreement.

(18) Notices

Any notice, request or other communication required or permitted to be given under this Agreement shall be given in accordance with the Facility Agreement to the addresses set out below (unless one party has by 15 Business Days' notice to the other party specified another address):

To the Pledgors:

Attention: Nick Edwards

Address: 10 Grosvenor Street, Mayfair, London W1K 4QB

Fax: +44 (0)207 499 2114

To the Pledgee:

HSBC Bank PLC

Attention: Darren Wilson

Address: Corporate Banking Real Estate – Housing
4th Floor, 120 Edmund Street, Birmingham, B3 2QZ
United Kingdom

To the Company:

MREF IV Salford Property S.à r.l.

Attention: Board of Managers

Address: 6, rue Eugène Ruppert,
L-2453 Luxembourg

(19) Severability

- 19.1 Changes to this Agreement and any waiver of rights under this Agreement shall require written form.
- 19.2 If any provision of this Agreement is or becomes prohibited or unenforceable in any jurisdiction this shall not affect the validity or enforceability of any other provision hereof or affect the validity or enforceability of such other provision in any other competent jurisdiction.

(20) Governing Law – Jurisdiction Clause

- 20.1 This Agreement shall be governed by, and construed in accordance with the laws of Luxembourg.
- 20.2 Any dispute arising in connection with this Agreement shall be submitted to the jurisdiction of the Luxembourg-City courts notwithstanding the right of the Pledgee to take proceedings in any other jurisdiction.

IN WITNESS THEREOF the parties hereto have executed this Agreement in one or multiple original counterparts, all of which together evidence the same Agreement, on the day and year first written above.

The Pledgor 1:



For and on behalf of MREF IV GP Limited for and on behalf of MREF IV A Limited Partnership

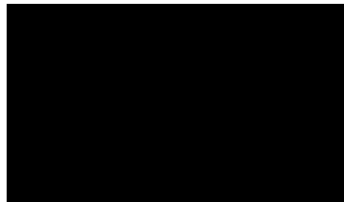
Name:

N. DOWNES

Title:

DIRECTOR

The Pledgor 2:



For and on behalf of MREF IV GP Limited for and on behalf of MREF IV B Limited Partnership

Name:

N. DOWNES

Title:

DIRECTOR

The Pledgor 3:



For and on behalf of MREF IV GP Limited for and on behalf of MREF IV PC Limited Partnership

Name: N. EDWARDS

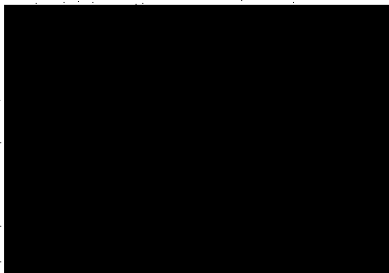
Title: DIRECTOR

The Company:

For and on behalf of MREF IV Salford Property S.à r.l.

Name:

Title:

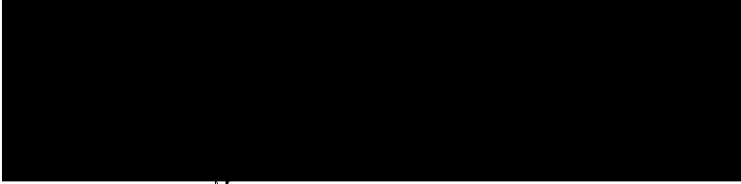


Tamara Mark



Joanna Drozd

The Pledgee:



For and on behalf of **HSBC BANK PLC**

Name:

Title: