



Registration of a Charge

Company name: **ELLESMERE MANCHESTER OPERATIONS LIMITED**

Company number: **10207965**



X6M893FF

Received for Electronic Filing: **28/12/2017**

Details of Charge

Date of creation: **15/12/2017**

Charge code: **1020 7965 0001**

Persons entitled: **BARCLAYS BANK PLC**

Brief description: **THE LEASEHOLD LAND KNOWN AS LAND ON THE SOUTH-EAST OF SIDE OF ELLESMERE STREET, CASTLEFIELD, MANCHESTER M15 4LZ REGISTERED AT THE LAND REGISTRY WITH TITLE ABSOLUTE UNDER TITLE NUMBER MAN275376; THE COMPANY'S INTEREST IN ANY FREEHOLD OR LEASEHOLD PROPERTY ACQUIRED AFTER THE DATE OF THE CHARGE, AND THE COMPANY'S INTELLECTUAL PROPERTY (AS DEFINED IN THE CHARGE) PRESENT AND FUTURE. FOR MORE DETAILS REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

Contains floating 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: **STEVE CLARK**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10207965

Charge code: 1020 7965 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th December 2017 and created by ELLESMERE MANCHESTER OPERATIONS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th December 2017 .

Given at Companies House, Cardiff on 2nd January 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

DATED 15 December 2017

THE PARTIES LISTED IN SCHEDULE 1 (CHARGORS)
as Chargors

BARCLAYS BANK PLC
as Security Agent

DEBENTURE

in relation to financing the development of Land on the south-east side of Ellesmere Street,
Manchester



Berwin Leighton Paisner LLP
Adelalde House London Bridge London EC4R 9HA
Tel: +44 (0)20 3400 1000 Fax: +44 (0)20 3400 1111

We certify that, save for material redacted pursuant to s.859G

Companies Act 2006,

this copy instrument is a correct copy of the original instrument.

Berwin Leighton Paisner LLP
76 King Street
Manchester
M2 4NH

Berwin Leighton Paisner LLP

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DATED 15 December 2017

PARTIES

- (1) **THE PARTIES** listed in Schedule 1 (*Chargors*) (the "**Chargors**")
- (2) **BARCLAYS BANK PLC** as security trustee for the Secured Parties (the "**Security Agent**")

BACKGROUND

- (A) The Secured Parties have agreed the advance or to continue to advance monies or otherwise arrange credit or afford other financial facilities to the Borrower and/or others on the security created by this Deed.
- (B) Each Chargor has agreed to charge its assets as security to the Security Agent as set out in this Deed to secure the payment and discharge of the Secured Liabilities.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Accounts**" means the accounts details of which are set out in Schedule 2, Part 2 (*The Accounts*).

"**Act**" means the Law of Property Act 1925.

"**Agreement for Lease**" means an agreement to grant an Occupational Lease for all or part of the Property.

"**Asset Manager**" shall have the meaning ascribed to it by the Facility Agreement.

"**Borrower**" means MREF III Manchester Property S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg with registered number B202.230 in the Luxembourg Trade and Companies Register, having its registered office at 6 rue Eugène Ruppert, L-2453 Luxembourg.

"**Charged Assets**" means each and all of the assets, property, undertaking and other interests from time to time mortgaged, assigned or charged or intended to be assigned or charged by this Deed and the subject matter of each of them.

"**Charged Property**" means any freehold or leasehold property from time to time charged pursuant to this Deed.

"**Development Documents**" means any development management agreements, building contracts, sub-contracts, appointments, collateral warranties and other contracts entered into or to be entered into by the Borrower and/or OpCo in respect of the Property.

"**Disposal Proceeds**" means the net disposal proceeds derived from the disposal of the Property or the shares in the Borrower and/or OpCo.

"**Duty of Care Agreement**" shall have the meaning ascribed to it by the Facility Agreement.

"Event of Default" shall have the meaning ascribed to it by the Facility Agreement.

"Facility Agreement" means a facility agreement dated on or about the date of this Deed and made between amongst others (1) the Security Agent and (2) the Chargors and any agreement entered into under or supplemental to it or amending, restating or novating it.

"Finance Document" shall have the meaning ascribed to it by the Facility Agreement.

"Finance Party" shall have the meaning ascribed to it by the Facility Agreement.

"Hedging Agreement" means any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by the Borrower for the purpose of hedging interest payable under the Facility Agreement.

"Insurances" means any policy of insurance in which a Chargor may at any time have an interest relating to any Charged Property.

"Intellectual Property" means any rights in respect of any patent, copyright, trade mark, trade name, service mark, invention, design, know-how, confidential information, domain names or any other kind of intellectual property where registered or unregistered and any registration or application relating to any of the foregoing.

"Investments" means the existing or future interest of the relevant person in:

- (a) One ordinary share in the issued share capital of OpCo;
- (b) any stocks, shares, bonds, units or any form of loan or other capital of or in any legal entity; and
- (c) any warrant or other right to acquire any such investment,

in each case, including any income, offer, right or benefit in respect of any such investment.

"Lease Document" means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Agent and a Chargor.

"Occupational Lease" means any lease or licence or other right of occupation or right to receive rent to which the Property may at any time be subject and includes any guarantee of a tenant's obligations under the same.

"OpCo" means Ellesmere Manchester Operations Limited with registered offices at 10 Grosvenor Street, London W1K 4QB, England.

"Operator" shall have the meaning ascribed to it by the Facility Agreement.

"Party" means a party to this Deed.

"Property" means the property details of which are set out in Schedule 2, Part 1 (*The Property*) including all:

- (a) land, cellars, vaults, underground tunnels, eaves, canopies, structures and the like used or enjoyed in connection with it now or in the future;
- (b) buildings, fixtures (including trade fixtures) and fixed plant and machinery and other structures now or in future on it; and
- (c) easements, access rights, rights of way, wayleaves and rights attaching to it.

"Receiver" means a receiver or receiver and manager or administrative receiver appointed by the Security Agent under this Deed (whether sole, joint and/or several and including any substitute).

"Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) all monies and proceeds paid or payable in respect of that asset,

both present and future (including all rights against any trustee, nominee, fiduciary or clearing system).

"Relevant Contracts" means each and all of the following both present and future:

- (a) the Development Documents;
- (b) each contract in respect of any disposal of any Charged Asset;
- (c) each Lease Document;
- (d) any agreement appointing an Operator;
- (e) any agreement appointing an Asset Manager;
- (f) any Subordinated Loan Agreement; and
- (g) all other agreements, in which a Chargor has an interest,

in each case, including any guarantees or sureties entered into in respect of them.

"Rental Income" means the aggregate of all amounts paid or payable to or for the account of any Chargor in connection with the letting, licence or grant of other rights of use or occupation of any part of the Property, including each of the following amounts:

- (a) rent, licence fees and equivalent amounts paid or payable;

- (b) any sum received or receivable from any deposit held as security for performance of a tenant's obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of any Chargor;
- (d) any other monies paid or payable in respect of occupation and/or usage of the Property and any fixture and fitting on the Property including any fixture or fitting on the Property for display or advertisement, on licence or otherwise;
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver or extension of any Lease Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
- (h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;
- (i) any Tenant Contributions; and
- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by any Chargor.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

"Secured Party" shall have the meaning ascribed to it by the Facility Agreement.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Subordinated Loan Agreement" means any loan agreement between OpCo and the Borrower.

"Tenant Contributions" means any amount paid or payable to a Chargor by any tenant under a Lease Document or any other occupier of the Property, by way of:

- (a) contribution to:
 - (i) ground rent;
 - (ii) insurance premia;
 - (iii) the cost of an insurance valuation;
 - (iv) a service or other charge in respect of any Chargor's costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to the Property; or

- (v) a reserve or sinking fund; or
- (b) amounts in respect of VAT.

“**Transaction Obligor**” shall have the meaning ascribed to it by the Facility Agreement.

“**VAT**” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a), or imposed elsewhere.

1.2 **Construction**

- 1.2.1 Unless the contrary intention is expressed, all defined terms in the Facility Agreement have the same meaning here.
- 1.2.2 The construction provisions set out at clause 1.2 (Interpretation) of the Facility Agreement shall apply equally to this Deed.
- 1.2.3 If any provision of this Deed shall conflict with any term of the Facility Agreement then the relevant term of the Facility Agreement shall prevail.
- 1.2.4 Clause 17 (Bank Accounts) and clause 35 (Set-off) of the Facility Agreement are incorporated in this Deed in each case as if set out in full and with necessary changes.

1.3 **Disposition of Property**

The terms of any other Finance Document and of any side letters between the Parties are incorporated into each Finance Document to the extent required for the purported disposition of the Property contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2 **COVENANT FOR PAYMENT**

2.1 **Covenant to pay**

Each Chargor covenants with the Security Agent that it will:

- (a) on demand, pay and discharge each and all of the Secured Liabilities when due; and
- (b) indemnify and keep each Secured Party indemnified from and against all actions, charges, claims, costs, damages, proceedings and other liabilities occasioned by any breach of any covenant or other obligation of any Chargor to that Secured Party.

2.2 **Survival of obligations**

The payment obligations of each Chargor under the Finance Documents shall survive the enforcement of any part of the Charged Assets.

3 SECURITY

3.1 General

All the Security created under this Deed is created in favour of the Security Agent as continuing security for the payment and discharge of the Secured Liabilities with full title guarantee.

3.2 Mortgage

The Borrower charges by way of legal mortgage:

- (a) the Property; and
- (b) any other freehold or leasehold property now vested in the Borrower.

3.3 Fixed charge

Each Chargor charges by way of fixed charge each of the following including all rights of enforcement of the same:

- (a) its interest in any freehold or leasehold property acquired after the date of this Deed;
- (b) its interest in the Relevant Contracts;
- (c) all fixtures, fittings, plant, machinery, manuals and other chattels, present and future, in respect of any Charged Property and all guarantees and warranties in respect of any of them;
- (d) all easements, licences and other rights, present and future, relating to any Charged Property in which it has an interest;
- (e) the Accounts and any other accounts of that Chargor present and future maintained with the Security Agent or any other Finance Party and the debts represented by them;
- (f) the Investments;
- (g) its Intellectual Property, present and future;
- (h) if applicable its uncalled capital;
- (i) its goodwill;
- (j) all Related Rights in respect of the above and in respect of the properties referred to in Clause 3.2 (*Mortgage*); and
- (k) the Subordinated Debt.

3.4 Assignment

Each Chargor assigns absolutely subject to the provisions of Clause 10 (*Discharge*) each of the following including all rights of enforcement of the same:

- (a) all Rental Income present and future;
- (b) the Disposal Proceeds;

- (c) all book debts and other debts, present and future, payable to that Chargor;
- (d) the Accounts and any other accounts of that Chargor present and future not charged by Clause 3.3 (*Fixed charge*) and the debts represented by them;
- (e) all monies payable to it under any Insurances;
- (f) the benefit of the copyright and similar rights vested in it, present and future, in connection with any Charged Property;
- (g) all causes of action and other rights and remedies in which it has an interest at any time;
- (h) all monies payable to it under any Hedging Agreement, present and future;
- (i) the benefit of any monies paid or payable to it from time to time by way of compensation, endowment, gift, grant or otherwise;
- (j) its interest from time to time in any VAT recoveries; and
- (k) all Related Rights in respect of the above.

3.5 **Floating charge**

Each Chargor charges by way of floating charge all its assets, property and undertaking both present and future.

3.6 **Application of charges**

The charges created under this Deed expressed to be:

- (a) fixed charges, shall only apply to the extent that they create fixed security; and
- (b) floating charges, shall not apply to any Charged Asset which is the subject of any fixed security under this Deed.

4 **CRYSTALLISATION OF FLOATING CHARGE**

4.1 **Crystallisation by notice**

The Security Agent may at any time by notice in writing to the Chargors convert the floating charge created by Clause 3.5 (*Floating charge*) with immediate effect into a fixed charge as regards any Charged Assets specified in the notice if:

- (a) an Event of Default is continuing; or
- (b) the Security Agent reasonably considers that any of the Charged Assets may be in jeopardy or in danger of being seized, attached, charged, taken possession of or sold under any form of legal process.

4.2 **Automatic crystallisation**

Notwithstanding Clause 4.1 (*Crystallisation by notice*) and without prejudice to any law which may have a similar effect, the floating charge created by Clause 3.5 (*Floating charge*) will convert automatically with immediate effect into fixed charges as regards all the assets subject to the floating charge if:

- (a) any Chargor creates or attempts to create any Security over any Charged Assets;
- (b) any steps are taken (including the giving of notice, the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or receiver in respect of any Chargor or over all or any part of its assets, or if such person is appointed;
- (c) any other floating charge over any of the Charged Assets crystallises; or
- (d) in any other circumstances prescribed by law.

5 PERFECTIION OF SECURITY

5.1 Insolvency Act

For the purposes of paragraph 43 of schedule A1 to the Insolvency Act 1986 nothing in this Deed shall provide for:

- (a) the obtaining of a moratorium in respect of any Chargor pursuant to section 1A of the Insolvency Act 1986; or
- (b) anything done with a view to obtaining such a moratorium,

to be an event causing the floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to being imposed on the disposal of property by that Chargor or a ground for the appointment of a Receiver.

5.2 Further assurance

Each Chargor shall execute and do at its own cost and in such form as is reasonably required by the Security Agent:

- (a) such further additional mortgages, charges, assignments, transfers and conveyances; and
- (b) such assurances, deeds, documents, acts and things,

as the Security Agent may reasonably require to perfect or protect the security created by this Deed and/or to facilitate or effect any dealing with the Charged Assets in connection with this Deed.

5.3 Notices

5.3.1 If the Security Agent from time to time so requests, each Chargor shall serve a notice substantially in the form set out in:

- (a) Schedule 4, Part 1 (*Notice of assignment or charge of Contract*) in respect of contracts charged or assigned pursuant to Clause 3 (*Security*);
- (b) Schedule 4, Part 2 (*Notice of assignment or charge of account*) in respect of Accounts charged or assigned pursuant to Clause 3 (*Security*); and
- (c) Schedule 4, Part 3 (*Notice of assignment of Rent*) in respect of Rental Income assigned pursuant to Clause 3 (*Security*).

5.3.2 Each Chargor shall use reasonable endeavours to procure that the party to whom a notice served pursuant to Clause 5.3.1 is addressed completes and returns to the

Security Agent an acknowledgement substantially in the form of Part B of the relevant notice.

- 5.3.3 To the extent that the Security Agent is the same entity as the Account Bank, it acknowledges that this Deed constitutes notice to it of the charge over the Accounts under Clause 3.3 (*Fixed charge*) which are held with it.
- 5.3.4 To the extent that a Chargor is a Subordinated Creditor, it acknowledges that this Deed constitutes notice to it of the charge over any Subordinated Loan Agreement to which it is a party.
- 5.3.5 The Security Agent agrees that a Chargor shall not be required to serve a notice under Clause 5.3.1(a) above in respect of an agreement appointing either an Asset Manager or Operator (as applicable) provided such notice of assignment or charge is contained in the relevant Duty of Care Agreement.

5.4 **Restriction**

- 5.4.1 The Borrower authorises the Security Agent to make an application on Form RX1 (or such other form as may be prescribed from time to time) to enter the following restriction against the relevant registered estate:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered Charge, not being a Charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the Charges Register (or its conveyancer)."

- 5.4.2 The Borrower authorises the Security Agent to apply to the Land Registry to enter the obligation to make further advances on the charges register of the relevant registered estates.

6 **RESTRICTIONS ON DEALINGS**

6.1 **Security**

Except as expressly allowed under the Facility Agreement or this Deed, each Chargor must not create or permit to subsist any Security on any of its Charged Assets.

6.2 **Disposals**

Except as expressly allowed under the Facility Agreement or this Deed, each Chargor must not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any of its Charged Assets.

7 **INVESTMENTS**

7.1 **Investment title documentation**

Upon execution of this Deed (or immediately upon the acquisition of the relevant Investment if that acquisition follows the date of this Deed) and notwithstanding any other term of the Finance Documents, each Chargor will deposit with the Security Agent in respect of each Investment:

- (a) all certificates, warrants or other documents of title;
- (b) duly executed undated blank stock transfer forms; and

- (c) forms of waiver of any pre-emption rights and any other documents, consents and monies necessary to enable such transfers to be registered by the Security Agent.

7.2 **Voting prior to an Event of Default**

Prior to an Event of Default which is continuing, a Chargor may continue to exercise all voting and other rights (including the right to collect dividends, interest, principal or other payments of money) relating to the Investments provided that such rights are not exercised in a way which (and that Chargor shall not permit anything which):

- (a) jeopardises the security constituted by the Finance Documents;
- (b) varies the rights attaching to the Investments; or
- (c) relates to a participation in a rights issue or to receiving dividends other than in cash or concerns a merger, consolidation, allotment of shares, change to constitutional documents, transfer of ownership (legal or beneficial), insolvency or matters which would otherwise be prohibited by the Finance Documents.

7.3 **Voting after an Event of Default**

7.3.1 Following an Event of Default which is continuing, the Security Agent may (without notice to or consent from a Chargor and in that Chargor's name or otherwise) exercise any rights (including the right to collect dividends, interest, principal or other payments of money but excluding the right to vote) in respect of the Investments and may do anything necessary to complete any transfer form in favour of itself or otherwise.

7.3.2 Following an Event of Default which is continuing and the service of notice upon the relevant Chargor, the Security Agent may (without consent from any Chargor and in the relevant Chargor's name or otherwise) exercise any right to vote in respect of the Investments.

7.4 **Obligations**

Each Chargor shall promptly pay all calls, costs and/or other payments in respect of the Investments and shall give to the Agent and the Security Agent, at the time of issue, copies of all information, offers, notices or other materials supplied to the members of the issuers of the Investments and shall advise the Agent and the Security Agent promptly of any material occurrence affecting the Investments or any other part of the security granted to the Security Agent and shall give to the Agent and the Security Agent such information as they may reasonably require relating to the Investments.

8 **RIGHTS OF ENFORCEMENT**

8.1 **Enforcement**

8.1.1 The Secured Liabilities shall be deemed to have become due for the purposes of section 101 of the Act immediately upon the date of this Deed.

8.1.2 The enforcement powers of the Security Agent in connection with this Deed shall be immediately exercisable:

- (a) upon an Event of Default which is continuing; or
- (b) at the Security Agent's discretion, at the request of the Chargors.

8.1.3 The restrictions imposed by section 103 of the Act shall not apply to the security created by this Deed.

8.1.4 In addition to all other protection afforded by statute, every purchaser (as defined by section 205 of the Act) or other party dealing with the Security Agent or any Receiver shall be entitled to assume without enquiry that an Event of Default has occurred and that the Secured Liabilities are outstanding and have become due.

8.2 **Security Agent's and Receiver's powers and rights**

8.2.1 At any time on or after the occurrence of an Event of Default which is continuing, the Security Agent shall have the power:

- (a) to appoint a Receiver of the whole or any part of the Charged Assets and (so far as the law allows) to remove and/or substitute any such appointee;
- (b) to appropriate any Charged Assets in accordance with Clause 8.3 (*Right of appropriation*); and
- (c) to appoint an administrator of any Chargor, and paragraph 14 of schedule B1 of the Insolvency Act 1986 shall apply to this Deed.

8.2.2 At any time on or after the occurrence of an Event of Default which is continuing, the Security Agent (without becoming a mortgagee in possession) and/or any Receiver (without personal liability) shall have the power to exercise:

- (a) all statutory and other powers and rights (including the powers conferred upon an administrative receiver by schedule 1 to the Insolvency Act 1986 whether or not the Security Agent and/or any Receiver is an administrative receiver); and
- (b) the powers and rights specified in Schedule 3 (*Security Agent's and Receiver's powers*),

and may exercise them in the name of the relevant Chargor and in such manner and on such terms as the person exercising them shall in its sole absolute discretion consider appropriate.

8.3 **Right of appropriation**

To the extent that any of the Charged Assets constitute "financial collateral" and this Deed and the obligations of any Chargor under it constitute a "financial collateral arrangement" (in each case as defined in, and for the purposes of, the Regulations), the Security Agent shall have the right to appropriate all or any part of it in or towards discharge of the Secured Liabilities and transfer title in and to it to the Security Agent. For this purpose, the Parties agree that the value of the financial collateral so appropriated shall be:

- (a) in the case of cash, the amount standing to the credit of each account, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (b) in the case of Investments, the market price determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation.

In each case, the Parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

8.4 **Receiver as agent**

So far as the law allows, a Receiver shall be the agent of a Chargor, who shall be solely liable for his acts, defaults and remuneration, but the Security Agent shall be entitled to agree the fees and expenses of and the mode of payment to the Receiver.

8.5 **Receiver's joint and several powers**

Where more than one Receiver is appointed under this Deed, they shall have power to act separately unless the Security Agent in the appointment specifies to the contrary.

8.6 **Further powers**

If a Chargor defaults in the observance and performance of any obligation to the Security Agent, the Security Agent or its agents (without any of them becoming a mortgagee in possession) may at any time (but shall not be obliged to) do such things as it considers necessary to remedy the default.

8.7 **Power of attorney**

8.7.1 Each Chargor by way of security irrevocably appoints the Security Agent and every Receiver jointly and severally to be its attorney (with full power of substitution) in its name and on its behalf to execute and deliver any documents and do or perfect anything which the Security Agent and/or the Receiver shall consider appropriate for perfecting, maintaining, preserving, enhancing or enforcing the security created by this Deed and/or the value of any of the Charged Assets and/or for the purpose of enforcing the performance of that Chargor's obligations in connection with this Deed provided that the power of attorney granted under this Clause 8.7 (*Power of attorney*) shall only be exercisable:

- (a) if an Event of Default is continuing; or
- (b) following a failure by a Chargor to comply with its obligations under this Agreement.

8.7.2 Each Chargor ratifies and confirms all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of its powers.

9 **APPLICATION OF RECEIPTS**

9.1 **Priority of payment**

Subject to sums secured by Security having priority to the Security created by this Deed, all monies received by the Security Agent and/or any Receiver pursuant to or in the enforcement of this Deed shall be held by the Security Agent and applied in accordance with the Facility Agreement.

9.2 **Crediting to suspense account**

The Security Agent or any Receiver may credit any monies received from the enforcement of this Deed to any suspense account in any manner and for such period as the Security Agent or that Receiver thinks fit.

10 **DISCHARGE**

10.1 If the Security Agent is satisfied that the Secured Liabilities have been unconditionally and irrevocably paid, repaid and discharged in full, the Security

Agent will, at the request and reasonable cost of the Chargors, discharge this Deed.

- 10.2 No discharge will be of any effect if any security or payment given or made in respect of the Secured Liabilities is rescinded, avoided, reduced or invalidated whether in respect of any insolvency or otherwise.

11 **GENERAL PROVISIONS**

11.1 **Trust provisions**

The covenants, undertakings and representations made by each Chargor under this Deed are made in favour of the Security Agent as security trustee for the Secured Parties.

11.2 **Immediate recourse**

It shall not be necessary for the Security Agent before taking any enforcement under this Deed to enforce or seek to enforce any guarantee or other security or other rights whether from or against a Chargor or any other person.

11.3 **Merger**

This Deed is in addition to, and will not merge in or in any way be prejudiced or affected by the Security Agent taking or holding or releasing, any other Security at any time, and likewise any such other Security is in addition to and will not merge in or in any way be prejudiced or affected by this Deed.

11.4 **Prior security**

The Security Agent may, at any time after this Deed has become enforceable, redeem or transfer to itself any prior Security against the Charged Assets and may settle and pass the accounts of the prior chargee (which shall be binding on each Chargor). All principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Chargors to the Security Agent on demand.

11.5 **No liability in relation to Charged Assets**

None of the provisions of this Deed shall be deemed to impose on the Secured Parties or imply on their part any obligation or other liability in relation to the Charged Assets.

11.6 **Tacking**

Each Finance Party must perform its obligations under the Facility Agreement (including any obligation to make further advances).

11.7 **New accounts**

On receiving notice that the whole or any part of the Charged Assets has been encumbered by any Security or disposed of:

- (a) a Finance Party may close the relevant Chargor's then subsisting account and open a new account with that Chargor, and (unless the relevant Finance Party gives that Chargor written notice otherwise) shall be deemed to have done so;
- (b) all payments made to a Finance Party after that date will be credited (or be treated as having been credited) to the new account; and

- (c) no money credited or treated as credited to the new account shall reduce the Secured Liabilities.

11.8 Consolidation

The restriction on the right of consolidating mortgage securities contained in section 93 of the Act shall not apply to the security created by this Deed.

11.9 Rights of third parties

11.9.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

11.9.2 The Parties and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the consent of a third party to whom an express right to enforce any of its terms has been provided.

11.10 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Agent.

11.11 Counterparts

This Deed may be executed in any number of counterparts. This shall have the same effect as if the signatures on the counterparts were on a single copy of this Deed.

12 LAW AND JURISDICTION

12.1 Governing law

This Deed and any non-contractual obligations arising out of or in relation to this Deed, shall be governed by English law.

12.2 Jurisdiction of English courts

12.2.1 The courts of England have exclusive jurisdiction to settle any dispute, including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with this Deed (a "**Dispute**").

12.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

12.2.3 This Clause 12.2 (*Jurisdiction of English courts*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

12.3 Service of process

Without limiting any other mode of service allowed under any relevant law, the Borrower irrevocably:

- (a) appoints Moorfield Group Limited as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
- (b) agrees that failure by a process agent to notify the Borrower of the process will not invalidate the proceedings concerned.

This Deed has been executed as a deed and delivered on the date stated at the beginning of this Deed.

**Schedule 1
Chargors**

| Chargors | Jurisdiction of incorporation | Registered office | Registered number |
|--|--------------------------------------|--|--------------------------|
| MREF III Manchester Property S.à r.l. a private limited liability company (société à responsabilité limitée) | Luxembourg | 6 rue Eugène Ruppert, L-2453 Luxembourg | B 202.230 |
| Ellesmere Manchester Operations Limited | England | 10 Grosvenor Street, London W1K 4QB, England | 10207965 |

Schedule 2
The Property and the Accounts

Part 1
The Property

Leasehold land known as Land on the south-east side of Ellesmere Street, Castlefield, Manchester M15 4LZ registered at the Land Registry with Title Absolute under title number MAN275376.

Part 2
The Accounts

| Chargor | Bank Account Name | Bank Account | Sort Code | Bank | Address |
|--|--------------------------|---------------------|------------------|----------------------|--------------------------------------|
| MREF III Manchester Property S.à r.l. | | | | Barclays Bank PLC | 1 Churchill Place, London E14 5HP |
| MREF III Manchester Property S.à r.l. | | | | Barclays Bank PLC | 1 Churchill Place, London E14 5HP |
| MREF III Manchester Property S.à r.l. | | | | Barclays Bank PLC | 1 Churchill Place, London E14 5HP |

Schedule 3
Security Agent's and Receiver's powers

1 Conduct of business

(a) Carry on business

To carry on, manage, develop, reconstruct, amalgamate, diversify and/or conduct the business of a Chargor in all respects and for such purpose to:

- (i) enter upon and take possession, get in, collect or otherwise assume control in respect of all or any of the Charged Assets; and/or
- (ii) acquire any property, chattels, plant, machinery and materials.

(b) Formation of companies

To promote the formation of companies with a view to the same purchasing, leasing, licensing or otherwise acquiring any of the Charged Assets and to arrange for such companies to trade or cease to trade in all cases.

(c) Compromise claims

To compromise any claim relating to the Charged Assets.

(d) Borrowing and advancing

To borrow, raise or advance money whether or not in priority to the Secured Liabilities and with or without security.

(e) VAT

To assume and exercise all or any of the power and rights conferred on a Chargor in respect of its VAT status, liabilities, advantages or arrangements.

(f) Employees

To:

- (i) enter into, adopt and/or terminate any contract of employment; and
- (ii) employ solicitors, architects, surveyors, quantity surveyors, estate agents, contractors, builders, workmen, stockbrokers and others.

2 Dealing with a Chargor's assets

(a) Possession

To enter upon and take possession of, get in, use and/or collect any Charged Asset.

(b) Payments

To pay any rent or other outgoings and payments charged on or otherwise relating to the Charged Assets or their ownership, occupation or use.

(c) Receipts

To give receipts and releases for any sums received.

(d) Carry on works

To undertake any works, demolition, building, reconstruction, improvement, repair or decoration in respect of any of the Charged Assets which consist of property, buildings, structures, plant, machinery or equipment as it thinks fit and whether or not in accordance with any obligations imposed by the Facility Agreement.

(e) Assumption of rights

To assume, exercise, cancel and/or vary all or any of the powers and rights conferred on a Chargor under any Charged Asset.

(f) Insurance

To effect insurances on such terms as it thinks fit.

(g) Planning permissions and consents

To obtain all necessary planning permissions, building regulation approvals and other permissions, consents or licences in relation to any development or use of the Charged Assets.

(h) Acquisition of property

To acquire any adjoining property and/or easements, interests or estates in property and to grant easements and rights.

(i) Negotiation

To negotiate and conclude reviews of rent and otherwise deal in relation to the Occupational Leases and the tenants' and guarantors' respective obligations under them.

3 Disposals

(a) Selling

To sell or otherwise realise and deal with, and transfer title to, the Charged Assets, in return for such consideration as it thinks fit and whether or not:

- (i) for immediate or deferred consideration;
- (ii) in return for a single payment or instalments; and
- (iii) for consideration wholly or partly in cash, property or securities in whatever form,

and in all cases the terms of which shall bind any subsequent mortgagee.

(b) Leasing

To grant, create or surrender any lease, tenancy, licence or other agreement relating to the disposal of or other dealing with the Charged Assets on such terms as it thinks fit and:

- (i) with or without any rent, review of rent, fine or premium; and
- (ii) whether absolutely or for a term,

and in all cases the terms of which shall bind any subsequent mortgagee.

4 **General**

(a) General powers

To do or abstain from doing all such things as it considers necessary or desirable for perfecting, maintaining, preserving or enhancing the value of any of the Charged Assets or for or in connection with the enforcement of the Security created by this Deed or the realisation of any of the Charged Assets, whether or not in accordance with the Facility Agreement, including:

- (i) executing, delivering and completing all or any deeds or other documents;
- (ii) using the name of a Chargor in connection with any of the purposes in this Schedule 3 (*Security Agent's and Receiver's powers*);
- (iii) commencing, carrying out and completing any acts, matters, proceedings in relation to any Charged Asset as if it were the sole and absolute beneficial owner of the Charged Assets; and
- (iv) obtaining, entering into and maintaining any bonds, covenants, commitments, engagements, guarantees and indemnities or other like arrangements.

(b) General

All its powers and discretions under this Deed shall be:

- (i) exercisable on such terms and conditions and otherwise as it may think fit; and
- (ii) as if it were the absolute and beneficial owner.

Schedule 4
Notices
Part 1
Notice of assignment or charge of Contract
Part A

From: [Details of Chargor] (the "Chargor")

To: [Details of party to Contract]

Date: [●]

Dear Sirs

[Description of Relevant Document] (the "Contract")

We refer to:

- (a) the Contract; and
- (b) a [debenture] (the "**Security Deed**") dated [●] made between (1) the Chargor and (2) Barclays Bank PLC (the "**Security Agent**").

We give you notice that pursuant to the Security Deed, we have [charged/assigned] all of our present and future right, title, interest and benefit in, under and to the Contract (including all [monies] [rent] payable to us under the Contract) to the Security Agent.

We irrevocably and unconditionally instruct and authorise you:

- (c) to continue to make all payments in connection with the Contract to us until you receive written notice from the Security Agent to the contrary confirming that an Event of Default (as defined in the Security Deed) has occurred which is continuing;
- (d) that all our rights in connection with the Contract are exercisable by (or with the consent of) the Security Agent. [Until you are notified otherwise by the Security Agent, the Security Agent directs that all such rights powers, discretions and remedies shall continue to be exercisable by us]; and
- (e) to disclose any information relating to the Contract which the Security Agent may from time to time reasonably request.

No amendment, waiver or release of any right or obligation in connection with the Contract and no termination or rescission of the Contract by us shall be effective without the prior written consent of the Security Agent (unless the Chargor confirms in writing that no consent is required to be given by the Security Agent) and in any event no such termination or rescission shall be effective unless you have given notice to the Security Agent.

Notwithstanding anything in this notice or otherwise we (and not the Security Agent nor its appointees) shall be liable under the Contract to perform all the obligations assumed by us under it.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Security Agent together give you notice in writing revoking them.

This letter shall be governed by and construed in accordance with the laws of England.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent.

Signed
For and on behalf of the Chargor

Part B - Receipt of notice of assignment or charge of Contract

From: [*Details of party to Contract*]

To: Barclays Bank PLC
[*Address*]

For the attention of [●]

Date: [●]

We acknowledge receipt of the notice in the above terms. We confirm our acceptance of the instructions and authorisations contained in the notice and further confirm that:

- (a) we have not received notice of any previous assignments or charges of or over the Contract; and
- (b) we agree and will comply with the matters set out in that notice.

Signed

For and on behalf of [●]

Part 2
Notice of assignment or charge of account
Part A

From: [Details of Chargor] [(the "Chargor")]

To: [Details of provider of the relevant Account]

Date: [●]

Dear Sirs

[Description of relevant Account] (the "Account")

We refer to the:

- (a) the Account (which expression shall include all monies standing to the credit of such account now or in the future); and
- (b) a [debenture] (the "**Security Deed**") dated [●] made between (1) the Chargor and (2) Barclays Bank PLC (the "**Security Agent**").

We give you notice that pursuant to the Security Deed, all of our present and future right, title, interest and benefit in, under and to the Account were [assigned/charged] to the Security Agent.

We irrevocably and unconditionally instruct and authorise you:

- (a) ¹not to release any monies from the Account without the prior written consent of the Security Agent;
- (b) ²that all our rights in connection with the Account are exercisable by (or with the consent of) the Security Agent; and
- (c) to disclose any information relating to the Account which the Security Agent may from time to time request.

By countersigning this letter you confirm that:

- (a) you do not have, and will not make or exercise, any claims or demands, any rights of counterclaim, rights of deduction, set-off or any other equities against us or the Security Agent in respect of the Account; and
- (b) no amendment, waiver or release of any right or obligation in connection with the Account and no termination or rescission of the Account by us shall be effective without the prior written consent of the Security Agent and in any event no such termination or rescission shall be effective unless you have given notice to the Security Agent.

¹ Insert "following notification by the Security Agent" in respect of floating charge accounts.

² Insert "following notification by the Security Agent" in respect of floating charge accounts.

Notwithstanding anything in this notice or otherwise we (and not the Security Agent nor its appointees) shall be liable to perform all the obligations assumed by us in respect of the Account.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Security Agent together give you notice in writing revoking them.

This letter shall be governed by and construed in accordance with the laws of England.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent.

Signed
For and on behalf of the Chargor

Part B - Receipt of notice of assignment or charge of account

From: [Details of provider of the relevant Account]

To: Barclays Bank PLC

[Address]

For the attention of [●]

Date: [●]

[Description of relevant Account]

We acknowledge receipt of the notice in the above terms. We confirm our acceptance of the instructions and authorisations contained in the notice and confirm that:

- (a) we have not received notice of any previous assignments or charges of or over the Account; and
- (b) we agree and will comply with the matters set out in that notice.

Signed

For and on behalf of [●]

Part 3
Notice of assignment of Rent

Part A

From: [Details of Chargor] (the "**Chargor**")

To: [Details of tenant]

Date: [●]

Dear Sirs

[Description of Relevant Occupational Lease] (the "Occupational Lease")

We refer to:

- (a) the Occupational Lease; and
- (b) [debenture] (the "**Security Deed**") dated [●] made between (1) the Chargor and (2) Barclays Bank PLC (the "**Security Agent**").

We give you notice that pursuant to the Security Deed, we have assigned all of our present and future right, title, interest and benefit in and to the Rent to the Security Agent.

In this notice:

"**Rent**" means all sums paid or payable arising from the Occupational Lease, including, without limitation:

- (a) rents and equivalent sums reserved or made payable;
- (b) proceeds of insurance in respect of loss of rent or interest on rent;
- (c) receipts from or the value of consideration given for the grant, surrender, amendment, supplement, waiver, extension or release of the Occupational Lease;
- (d) any service charge payments;
- (e) proceeds paid for a breach of covenant or dilapidations under the Occupational Lease and for expenses incurred in relation to any such breach;
- (f) any contribution to a sinking fund paid under the Occupational Lease;
- (g) any contribution to ground rent due under any lease out of which the Chargor derives its interest;
- (h) interest, damages or compensation in respect of any of the items in this definition; and
- (i) any amount which represents VAT chargeable in respect of any such sum.

We irrevocably instruct and authorise you notwithstanding any previous instructions which we may have given to you to the contrary to pay all Rent to our account at [] (Account No. []) under reference [] (the "**Rent Account**") or to such other account and/or bank as may from time to time be notified to you by the Security Agent

and otherwise to act in accordance with the instructions of the Security Agent in connection with the Rent.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Security Agent together give you notice in writing revoking them.

This letter shall be governed by and construed in accordance with the laws of England.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent.

Signed

For and on behalf of the Chargor

Part B – Receipt of notice of assignment of Rent

From: [Details of party to Occupational Lease]

To: Barclays Bank PLC
[Address]

For the attention of [●]

Date: [●]

We acknowledge receipt of the notice in the above terms. We confirm our acceptance of the instructions and authorisations contained in the notice and confirm that:

- (a) we have not received notice of any previous assignments or charges of or over the Rent; and
- (b) we agree and will comply with the matters set out in that notice.

Signed

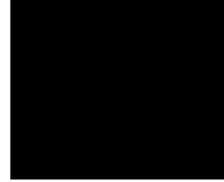
For and on behalf of [●]

EXECUTION PAGE

Chargors

Executed as a deed by)
ELLESMERE MANCHESTER)
OPERATIONS LIMITED acting by)
~~NICK ADWARDS~~ in the presence)
of:)

Director



Name of witness: *Holley Cator*

Signature of witness:



Address:



Occupation: *Executive Assistant*

Signed as a deed on behalf of **MREF III**)
MANCHESTER PROPERTY S.À R.L. a)
company incorporated in Luxembourg, by)
_____, being a)
person who, in accordance with the laws of)
that territory, is acting under the authority of)
the company)

Signature

Authorised Signatory

Title

EXECUTION PAGE

Chargors

Executed as a deed by)
ELLESMERE MANCHESTER)
OPERATIONS LIMITED acting by)
_____ in the presence)
of:

Director

Name of witness:

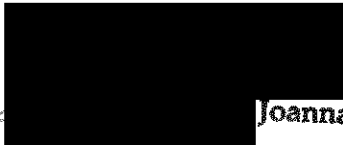
Signature of witness:

Address:

Occupation:

Signed as a deed on behalf of **MREF III**)
MANCHESTER PROPERTY S.À R.L. a)
company incorporated in Luxembourg, by)
_____, being a)
person who, in accordance with the laws of)
that territory, is acting under the authority of)
the company)

Signature



Joanna Drozd

Authorised Signatory

Title

Manager

Security Agent

Executed as a deed by **BARCLAYS BANK**)
PLC acting by TALA MAGNER in)
the presence of:)

Director



Name of witness: REENA BANGA

Signature of witness:



Address:

Occupation: SOLICITOR

BERWIN LEIGHTON PAISNER LLP
ADELAIDE HOUSE
LONDON BRIDGE
LONDON EC4R 9HA

Address for notices:
Barclays Bank PLC
UK Real Estate – Development Monitoring
Unit
1 Churchill Place
London
E14 5HP

Fax: +44 (0)20 7116 7690

Email:



Attention: Angela Pinnell