Pledge Agreement

****

This document is a Pledge Agreement (the “Agreement”) and is effective [DATE],

**BETWEEN: [FIRST PARTY NAME]** (the "First Party"), an individual with his main address located at:

 [YOUR COMPLETE ADDRESS]

**AND: [SECOND PARTY NAME]** (the "Undersigned"), an individual with his main address located at:

 [COMPLETE ADDRESS]

For good and valuable consideration, the receipt and legal sufficiency of which are hereby expressly acknowledged, the parties hereto agree as follows:

WHEREAS the First Party advanced the sum of [AMOUNT] for the purposes of a project located in the City of [NAME OF THE CITY], Province of [COUNTRY], known and designated as being lot numbers [NUMBER], [NUMBER], [NUMBER] and [NUMBER] on the official plan and book of reference of the [SPECIFY] [COUNTRY], with the buildings thereon erected bearing civic number [NUMBER] to [NUMBER], [NUMBER] to [NUMBER] and [NUMBER] and [NUMBER] [FULL ADDRESS], [COUNTRY];

WHEREAS the [SPECIFY] Project is owned in co-ownership by [COMPANY NAME], the Undersigned, [INDIVIDUAL NAME], [INDIVIDUAL NAME], [INDIVIDUAL NAME], [INDIVIDUAL NAME], [INDIVIDUAL NAME], [COMPANY NAME], and [COMPANY NAME] as co-owners and [COMPANY NAME] as agent, pursuant to a Memorandum of Agreement made and entered into by and between them at [COUNTRY], [COUNTRY] on [DATE];

WHEREAS the Undersigned owns a [PERCENTAGE %] percent undivided interest in the [SPECIFY] Project, and [PERCENTAGE %] percent of the said advance or the sum of [AMOUNT] (the “Advance”) was accordingly made for and on behalf of the Undersigned;

WHEREAS the Undersigned and The First Party entered into a partnership agreement dated as of [DATE] confirming that a certain immovable property situated at the northeast corner of [NAME OF THE STREET] and [NAME OF THE STREET], in the City of [NAME OF THE CITY], Province of [COUNTRY], composed of lots [NUMBER]-Pt. [NUMBER], [NUMBER]-Pt. [NUMBER], [NUMBER]-Pt. [NUMBER] and [NUMBER]-Pt. [NUMBER], with the buildings thereon erected bearing civic numbers [NUMBER] to [NUMBER] of said [NAME OF THE STREET] in [COUNTRY] (the “Partnership Property”), was owned by them in partnership and not in division, said partnership to be known as [AMOUNT] [NAME] Reg’d.” (the “Partnership”), and providing for, *inter alia*, the operations of the Partnership, naming the Undersigned as the managing partner of the Partnership, and providing for his powers as such, as well as for the dissolution of the Partnership and the sale of the Partnership Property (the “Partnership Agreement”);

WHEREAS [COMPANY NAME] transferred his interest in the Partnership to [COMPANY NAME] as of [EFFECTIVE DATE];

WHEREAS the Undersigned and [COMPANY NAME] filed a Partnership Declaration at the Office of the Prothonotary for the judicial district of [NAME OF THE CITY] on [EFFECTIVE DATE] under the number [NUMBER];

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the Undersigned pledges to First Party all right, title and interest (the “Partnership Interest”) of the Undersigned in and to the Partnership, to be held by First Party together with all renewals thereof, substitutions therefore, accretions thereto, and all income therefrom as general and continuing collateral security and as a pledge for the fulfilment of all obligations, present and future, direct and indirect, absolute and contingent, presently due and hereafter due to First Party by the Undersigned including, without limiting the generality of the foregoing: (i) the obligation to repay (in capital, interest and accessories and upon the terms and conditions provided for thereunder) the Advance as well as all present and future advances or loans made by First Party to the Undersigned,

and (ii) all other obligations or liabilities of the Undersigned to First Party, in both cases together with interest thereon at the prime rate of the [SPECIFY BANK] [COUNTRY] plus [PERCENTAGE %] percent per annum (hereinafter collectively referred to as the “Obligations”), whether the Obligations arise from agreements or dealings between First Party and the Undersigned or from agreements or dealings with any third person by which First Party may be or become in any manner whatsoever a creditor of the Undersigned or however otherwise arising and whether the Undersigned be bound alone or with another or others and whether as principal or surety.

In the event the Undersigned fails to fulfil any of the Obligations, including a default under the Loan or to repay any advances or loans made by First Party to the Undersigned, or the interest thereon, or any part of such advances, loans or interest, when due, or when an instrument evidencing such indebtedness matures or upon default to make any payment when requested (“Event of Default”), First Party may, without advertisement or notice to the Undersigned or others and without demand for payment or formality whatsoever, the Undersigned hereby renouncing to such advertisement, notices, demands for payment, formalities or other requirements of [YOUR COUNTRY LAW], sell the Partnership Interest, at public or private sale, or otherwise dispose of the Partnership Interest for such price and upon such terms and conditions as it deems best.

All income from the Partnership Interest and the proceeds of any sale or realisation thereof, after deduction of all expenses thereof, with interest on such expenses at the rate then borne by the advances or loans by First party to the Undersigned, may be held by First Party as security as aforesaid, and, when First Party deems it desirable so to do, from time to time, may be applied against any of the Obligations as First Party deems best.

First Party shall not be bound to realise on the Partnership Interest nor to permit the alienation of same and it shall not be responsible for any loss resulting from the sale of the Partnership Interest, the retention thereof or refusal to sell, dispose of or realise upon the same; nor shall First Party be required to collect or receive the interest or dividends thereon nor to demand payment thereof.

In the event that the Undersigned should receive any payment of any nature whatsoever on account of the Partnership Interest, all sums thus received shall be immediately paid to First Party and the default of the Undersigned to do so shall constitute an Event of Default under the provisions hereof.

First Party or any officer of First Party is hereby constituted the irrevocable attorney of the Undersigned, with power to delegate and sub-delegate, for the purpose of transferring the Partnership Interest and First Party may execute any transfer or any power of attorney and generally all documents required to complete the transfer and alienation of the Partnership Interest.

First Party and its nominees are hereby empowered to exercise all rights and powers (and to perform all acts of ownership) *in re*spect of the Partnership Interest to the same extent as the Undersigned might do and the Undersigned shall forthwith repay all consequent outlays and expenses with interest at the rate then borne by the advances or loans by First Party to the Undersigned, failing which such sums shall be added by First Party to the sums due and guaranteed by the Partnership Interest.

First Party shall not be obliged to exhaust its recourses against the Undersigned or any other party or parties or against any other security or securities it may hold before realising on or otherwise dealing with the Partnership Interest in such manner as First Party considers desirable and First party may grant time, renewals, extensions, indulgences, releases and discharges to, and take securities from and give the same and the Partnership Interest up to, may abstain from taking securities from or from perfecting securities already received, may accept compositions from, and may otherwise deal with the Undersigned and all other persons and securities (including the Partnership Interest) as First Party sees fit, without prejudice to the right of First party to hold, deal with and realise on the Partnership Interest in any manner which First Party considers desirable.

If the Partnership Interest is changed, re-classified, subdivided, consolidated or converted, the rights, title and interest and/or other securities and/or moneys resulting from such change, re-classification, subdivision, consolidation or conversion shall be and are hereby made subject to the charge created under and by virtue of this Agreement and the Undersigned shall execute all documents and otherwise do everything necessary or useful to give effect to this provision. The terms and conditions of this Agreement shall apply, *mutatis mutandis*, to all rights, title and interest of the Undersigned which may have been substituted or exchanged for the Partnership Interest and are thus pledged hereunder in favour of First Party.

At the request of First Party, the Undersigned shall execute, at the Undersigned’s expense, every transfer and every document required to be executed to give full force to the undertakings of the Undersigned contained in the present Agreement or which might be useful to confer upon First Party or any other person appointed by First Party the ownership of the Partnership Interest.

First Party binds itself to exercise in dealing with the Partnership Interest only the same degree of care as exercised by First Party in connection with any other rights, titles and interests held by it as owner.

All claims, present or future, of the Undersigned against any person liable upon or for the payment of the Partnership Interest, are hereby assigned to First Party.

Every notice given in writing to the Undersigned shall be properly given if sent by mail to the last address given in writing to First Party or in the case of a disruption of postal service if delivered by messenger to the same address.

If any payment should be made on account of the sums due to First Party, First Party shall not be required to surrender the Partnership Interest. Upon payment of the sums due by the Undersigned to First Party, in whole or in part, First Party shall be authorised to deliver to the person presenting payment the Partnership Interest as First Party may see fit to relinquish.

All costs and charges incurred by First Party, with interest at the rate then borne by the advances or loans by First Party to the Undersigned, for the realisation of the Partnership Interest (including all solicitor and court costs and also including expenses of taking possession of, protecting and realising upon any property comprised in the Partnership Interest) shall be added by First Party to the sums due and guaranteed by the Partnership Interest.

It is understood and agreed that the outlays expenses, costs and charges incurred by First Party hereunder and which, pursuant to the terms hereof, are the responsibility of the Undersigned, shall not exceed under any circumstance [PERCENTAGE %] percent of the sums, the repayment of which are guaranteed by this Agreements.

First Party shall have the right to vote at any special or general meeting at which a holder of the Partnership Interest has the right to vote and shall also be authorised to appoint any person to exercise said right to vote. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, the Undersigned’s nomination as managing partner of the Partnership pursuant to section 9 of the Partnership Agreement shall be deemed to be immediately revoked and First Party shall replace the Undersigned as the managing partner of the Partnership and shall exercise the powers thereof as set forth therein, with immediate effect from the occurrence of such Event of Default and without further notice or delay. Furthermore, section 9.1 of the Partnership Agreement shall be deemed to have been amended, with effect as of the occurrence of the Event of Default, such that First Part’s shall be the only signature required to bind the Partnership and that the Undersigned shall thenceforth have no signing authority for, on behalf of or in the name of the Partnership. The present provision shall be deemed to be an amendment to the Partnership Agreement in accordance with the requirements of section 18 thereof.

The records of First Party shall certify and constitute, if necessary, a full and final proof of the existence of an Event of Default, of the proceedings undertaken and of the action taken by First Party.

The present Agreement shall constitute a continuing agreement and shall have effect whenever and so often as any of the Obligations exist.

This Agreement and the security hereunder are in addition to, and not in substitution for, any other security held by First Party as security for fulfilment of the Obligations and shall not operate as a novation of any debt of the Undersigned towards First Party nor shall it be read as part of another contract or suspend the fulfilment of the Obligations, or affect the rights, remedies and powers of First Party *in re*spect thereof, including its rights to realise upon the guarantee.

The Undersigned hereby authorises parties to sign as the Undersigned’s agent, when required, certificates of ownership for the purposes of income tax.

The present Pledge Agreement is subject to the [YOUR COUNTRY LAW] of the Province of [COUNTRY] and the [YOUR COUNTRY LAW] of [COUNTRY] applicable therein.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# FIRST PARTY UNDERSIGNED

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title