



Registration of a Charge

Company name: **ARES MANAGEMENT UK LIMITED**

Company number: **08708339**



X747906Z

Received for Electronic Filing: **19/04/2018**

Details of Charge

Date of creation: **17/04/2018**

Charge code: **0870 8339 0018**

Persons entitled: **BARCLAYS BANK PLC AS SECURITY TRUSTEE**

Brief description: **NONE.**

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: **ASHURST LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8708339

Charge code: 0870 8339 0018

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th April 2018 and created by ARES MANAGEMENT UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th April 2018 .

Given at Companies House, Cardiff on 23rd April 2018

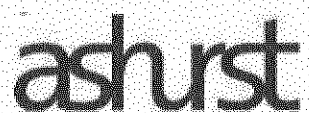
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



Pledge Agreement Over Commitments

Between

ARES EUROPEAN REAL ESTATE FEEDER FUND V SCSP

and

ARES EUROPEAN REAL ESTATE ADVISORS (LUX) V S.À R.L.

and

ARES MANAGEMENT UK LIMITED

as Pledgors

and

BARCLAYS BANK PLC

as Security Agent

17 April 2018

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THIS PLEDGE AGREEMENT (hereafter the "**Pledge Agreement**") has been entered into on 17 April 2018,

BETWEEN

- (1) **ARES EUROPEAN REAL ESTATE FEEDER FUND V SCSP**, a Luxembourg special limited partnership (*société en commandite spéciale*) established under the laws of the Grand Duchy of Luxembourg with its registered office as at the date of this Pledge Agreement at 2, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under number B 221.916, acting through and duly represented by **Ares European Real Estate Advisors (Lux) V S.à r.l.**, a Luxembourg private limited liability company (*société à responsabilité limitée*), incorporated and established under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg, registered with the Trade and Companies Register (*Registre de Commerce et des Sociétés*) under number B 217.027, as its Luxembourg general partner (the "**Luxembourg GP**") (the "**Partnership**" or "**Pledgor 1**");
 - (2) **THE LUXEMBOURG GP** acting in its own capacity, as pledgor 2 (the "**Pledgor 2**");
 - (3) **ARES MANAGEMENT UK LIMITED**, a company incorporated under the laws of England & Wales whose registered office is at 5th Floor, 6, St Andrew Street, London, EC4A 3AE, United Kingdom and whose registered number is 08708339 (the "**Manager**" or the "**Pledgor 3**" and together with the Pledgor 1 and the Pledgor 2, the "**Pledgors**");
- and
- (4) **BARCLAYS BANK PLC**, with address at 1 Churchill Place, Canary Wharf, London, E14 5HP, United Kingdom, as security trustee for itself and the other Secured Parties (the "**Security Agent**").

The parties as referred to under items (1) to (5) above being together referred to as the "**Parties**".

WHEREAS:

- (A) Pursuant to an English law governed multicurrency revolving facility agreement dated on or about the date of this Pledge Agreement between, amongst others, Ares European Real Estate Fund V SCSp as original borrower, the Partnership as original guarantor, the Manager, the General Partner in its respective capacity, the Security Agent and the Original Lenders (as defined therein) have agreed to make available to Ares European Real Estate Fund V SCSp a multicurrency revolving facility in an aggregate total amount of EUR 300,000,000 (the "**Facility Agreement**").
- (B) As a condition precedent to initial utilisation under the Facility Agreement, the Pledgors have agreed for the purpose of creating a security interest for the payment and discharge of all Secured Obligations (as defined below) to enter into this Pledge Agreement.
- (C) Each of the Pledgors declares that entering into this Pledge Agreement is in its best corporate interest and for the benefit of its business.

NOW, THEREFORE, the Parties have agreed as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Terms defined in the Facility Agreement shall bear the same meaning herein, unless the context otherwise requires or expressly provided to the contrary in this Pledge Agreement and shall be interpreted and construed in accordance therewith.

1.2 In this Pledge Agreement:

"Account Bank" means Société Générale Bank & Trust, having its registered office at 11 avenue Emile Reuter, L-2420 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 6061.

"Business Day" has the meaning ascribed to such term in the Facility Agreement.

"Capital Commitment" has the meaning ascribed to such term in the Limited Partnership Agreement.

"Collateral Account" means the following bank account:

Name of Bank:	Société Générale Bank & Trust
Account Holder	ARES EUROPEAN REAL ESTATE FEEDER FUND V SCSP – Collection Account
SWIFT Code:	
IBAN:	
Currency	EUR

opened and maintained in the name of the Partnership with the Account Bank (including any sub account, renewal, redesignation or replacement thereof).

"Council Regulation" means the Council Regulation no. (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast), as amended from time to time.

"Declared Default" means an Event of Default in respect of which the Security Agent has issued an acceleration notice pursuant to clause 26.17 (*Acceleration*) of the Facility Agreement.

"Drawdown Notice" means a drawdown notice substantially in the form attached hereto as schedule 2 (*Drawdown Notice*), as applicable.

"Event of Default" has the meaning ascribed to such term in the Facility Agreement.

"Finance Document" has the meaning ascribed to such term in the Facility Agreement.

"Financial Collateral Law" means the Luxembourg law of 5 August 2005 on financial collateral arrangements, as amended from time to time.

"Limited Partner" has the meaning ascribed to such term in the Limited Partnership Agreement.

"Limited Partner Notification" means the notice provisions set out in Schedule 1 (*Notification to Limited Partners*).

"Limited Partnership Agreement" means the amended and restated limited partnership agreement dated 9 March 2018 establishing the Partnership (as amended and/or restated from time to time as permitted by the Facility Agreement).

"Loan Commitments Call Rights" means (i) the right to request, receive and enforce payments of all or any portion of Capital Commitments and to deliver and issue drawdown notices to Limited Partners pursuant to the terms of the Limited Partnership Agreement, (ii) the rights to take any action in respect of defaulting investors pursuant to the terms of

the Limited Partnership Agreement, including without limitation exercising any rights and remedies provided for by the Limited Partnership Agreement and (iii) any ancillary rights necessary to exercise the rights set forth in (i) and (ii) above and any proceeds of such rights.

"Obligors" has the meaning ascribed to such term in the Facility Agreement.

"Partnership Documents" has the meaning ascribed to such term in the Facility Agreement.

"Pledge" means the first ranking security interest as granted and created over the Pledged Claims pursuant to this Pledge Agreement.

"Pledged Claims" means all claims and rights of the Pledgors under the Partnership Documents for payment by the Limited Partners of their Capital Commitments in accordance with the terms of the Partnership Documents owed by the Limited Partners to the Pledgors, whether actual, future or contingent, as well as any ancillary or accessory rights or any rights attached thereto (*droits liés à la créance*) (including, without limitation, the Loan Commitments Call Rights), claims or actions thereunder or relating thereto.

"Reorganisation and Winding-up" means amalgamation, merger, de-merger, consolidation or any other type of corporate reconstruction, suspension of payments (*sursis de paiement*), controlled management (*gestion contrôlée*), composition with creditors (*concordat préventif de la faillite*), bankruptcy (*faillite*), liquidation, dissolution or any similar Luxembourg or foreign proceedings affecting the rights of creditors generally.

"Repeating Representations" has the meaning ascribed to such term in the Facility Agreement.

"Rights of Recourse" means all and any rights, actions and claims the Pledgors may have against any other person having granted security or given a guarantee for the Secured Obligations, arising under or pursuant to the enforcement of the present Pledge including, in particular, the Pledgors' rights of recourse under the terms of article 2028 et seq. of the Luxembourg civil code (including, for the avoidance of doubt, any right of recourse prior to enforcement), or any right of recourse by way of subrogation or any other similar right, action or claim under any applicable law.

"Secured Obligations" has the meaning ascribed to such term in the Facility Agreement.

"Secured Parties" has the meaning ascribed to such term in the Facility Agreement.

"Security" has the meaning ascribed to such term in the Facility Agreement.

1.3 In this Pledge Agreement, unless a contrary intention appears, a reference to:

- (a) the **"Pledgors"** or the **"Security Agent"** or the **"Secured Parties"** or the **"Manager"** or the **"Partnership"** or the **"General Partner"** or any other party, shall be construed so as to include their successors in title, assignees and transferees;
- (b) (i) a **"Clause"** is, unless otherwise stated, a reference to a Clause hereof and (ii) any Finance Document or other agreement or instrument (including, without limitation, this Pledge Agreement and the Finance Documents) is a reference to such agreement or instrument as amended, replaced, varied, modified, novated or supplemented (however fundamentally) from time to time (excluding any amendment, novation or replacement made contrary to any provision of any Finance Document);

(c) the principles of construction contained in Clause 1.2 (*Construction*) of the Facility Agreement apply equally to the construction of this Pledge Agreement, except that references to the Facility Agreement will be construed as references to this Pledge Agreement; and

(d) words importing the singular shall include the plural and vice versa.

1.4 Clause headings are for ease of reference only.

2. PLEDGE OVER PLEDGED CLAIMS

2.1 In accordance with the provisions of the Financial Collateral Law, each of the Pledgors hereby pledges the Pledged Claims in favour of the Security Agent, acting for itself and representing and acting on behalf of the Secured Parties, who accepts, as first ranking pledge (*gage de premier rang*) and continuing security for the due and full payment and discharge of all of the Secured Obligations when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise.

2.2 Each of the Pledgors undertakes to notify, in accordance with Clause 25.33 (*Notices of Security*) of the Facility Agreement, each of the Limited Partners of the Pledge by sending a Limited Partner Notification to each Limited Partner (which, for the avoidance of doubt, includes persons which become Limited Partners of the Partnership in the future) and to provide the Security Agent with evidence in this respect within the timeframe provided for in Clause 25.33 (*Notices of Security*) of the Facility Agreement (or forthwith, after having become a Limited Partner after the date of this Pledge Agreement, as the case may be).

2.3 Without prejudice to the above provisions, each of the Pledgors hereby irrevocably authorises and empowers the Security Agent to take, or cause to be taken, any formal steps to be taken by the managers (*gérants*) or other officers of the General Partner and the Manager for the purpose of perfecting the present Pledge and to give effect to the terms of each Limited Partnership Notification under the laws of the jurisdictions in which the Limited Partners may now or in the future be located or established in each case if the relevant Pledgor fails to take any such necessary steps within five (5) Business Days from the Security Agent requesting it in writing to take such steps and, for the avoidance of doubt, undertakes to promptly take any such steps itself at its own costs if so directed by the Security Agent.

2.4 Each of the Pledgors undertakes that during the subsistence of this Pledge Agreement it will not create or permit to subsist any security over the Pledged Claims other than under this Pledge Agreement or as permitted under the Finance Documents.

3. LOAN COMMITMENTS CALL RIGHTS

3.1 Each of the Pledgors acknowledges that the Loan Commitments Call Rights are accessory rights to the Pledged Claims (*droits liés à la créance*).

3.2 Without prejudice to the rights conferred to the Security Agent pursuant to this Pledge Agreement and the right to exercise the rights of the Pledgors in relation to the Pledged Claims (including the right to request payment of the Capital Commitments by way of a Drawdown Notice) pursuant to article 5 (4) of the Financial Collateral Law, each of the Pledgors hereby grants an irrevocable power of attorney to the Security Agent to exercise (i) its Loan Commitments Call Rights for the full amount of the Capital Commitments or (ii) any remedies against the Limited Partners provided for in the Limited Partnership Agreement, in each case only following the occurrence of a Declared Default.

4. RIGHTS TO THE PLEDGED CLAIMS

4.1 Without prejudice to any rights of the Security Agent pursuant to Clause 8 (*Enforcement of Pledge*) and Clause 9 (*Partial Enforcement*) of this Pledge Agreement, until the

occurrence of a Declared Default, the Pledgors shall be entitled to (i) exercise all rights pertaining to the Pledged Claims and to receive payment of the Pledged Claims without prejudice to the continuing existence of the Pledge and (ii) to exercise the Loan Commitments Call Rights. Each of the Pledgors will procure that any payment of the Capital Commitments is or will be made into the Collateral Account.

4.2 Upon the occurrence of a Declared Default:

- (a) the Pledgors shall no longer be entitled to exercise any rights pertaining to the Pledged Claims and in particular shall no longer be entitled to exercise the Loan Commitments Call Rights, unless otherwise agreed by the Security Agent in writing; and
- (b) the Security Agent shall be entitled to exercise any and all rights pertaining to the Pledged Claims and in particular to exercise the Loan Commitments Call Rights, and to request, by issuing a Drawdown Notice, the payment of the Capital Commitments, without any restrictions in accordance with the Limited Partnership Agreement. Any payments by a Limited Partner following receipt of the Drawdown Notice must be directed to the Collateral Account or to such other account as specified by the Security Agent or by any person nominated for the purpose by the Security Agent in the Drawdown Notice.

5. REPRESENTATIONS AND WARRANTIES

5.1 Each of the Pledgors hereby represents and warrants to the Security Agent that, during the subsistence of this Pledge Agreement and on each date the Repeating Representations are deemed to be made:

- (a) it has full power and authority and right to hold and pledge the Pledged Claims and to conduct its business as it is currently conducted;
- (b) the Manager and the General Partner are the sole entities authorised to use the Loan Commitments Call Rights and have not delegated such authority to anyone;
- (c) the creation of the Pledge falls within the corporate object of the Pledgors, complies with the provisions of the Limited Partnership Agreement and is in the corporate interest of the Pledgors;
- (d) its obligations under this Pledge Agreement constitute legal, valid, binding and enforceable obligations and the Pledge creates, subject to the Legal Reservations, an effective and valid first ranking security (gage de premier rang) over the Pledged Claims enforceable in accordance with its terms and is not liable to be avoided or otherwise set aside on the liquidation or insolvency of the Pledgors;
- (e) it is the sole owner of the Pledged Claims over which it purposed to grant the Pledge, free from any encumbrance, claims, third party rights, or competing interests (other than the Pledge);
- (f) other than as set out in any Side Letter (as defined in the Limited Partnership Agreement), no counterclaims as to which a right to set-off or right of retention could be exercised exist with respect to the Pledged Claims; and
- (g) there are no agreements or arrangements (including any restrictions on transfer, pledge or rights of pre-emption) affecting the Pledged Claims in any way that may adversely affect the rights of the Security Agent hereunder.

6. UNDERTAKINGS

6.1 None of the Pledgors shall, during the subsistence of this Pledge Agreement, except as permitted under the Finance Documents:

- (a) whether voluntary or involuntary sell, transfer, assign, lend or otherwise dispose of all or any of the Pledged Claims or of its rights, title and interest in the Pledged Claims (and, in particular, waive its rights under the Pledged Claims) (or agree or attempt to do so);
- (b) create, agree to create, grant or permit to exist (a) any encumbrance, security interest, attachment or other right (other than the Pledge) over or (b) any restriction on the ability to transfer or realise all or any part of the Pledged Claims (other than, for the avoidance of doubt, the Pledge) or have an effect on the Pledged Claims that will, or could reasonably be expected to, adversely affect the rights of the Security Agent hereunder; or
- (c) enter into any operation, acquisition, reorganisation, disposal or transaction with respect to the Pledged Claims which would adversely affect the Security Agent's right hereunder or under the Finance Documents.

6.2 Each of the Pledgors shall, during the subsistence of this Pledge Agreement:

- (a) Whilst a Declared Default is continuing, use its reasonable endeavours to cause the Limited Partners to assist the Security Agent and generally make its best efforts in order to permit the exercise by the Security Agent of its rights and powers under this Pledge Agreement upon enforcement of the Pledge;
- (b) remain the sole and absolute owner of the Pledged Claims over which it purported to grant the Pledge;
- (c) act in good faith and not take any action which would prejudice, directly or indirectly, the validity, the effectiveness of the enforceability of the Pledge or the rights of the Security Agent under or in connection with the Pledge;
- (d) act in good faith and in particular shall not knowingly take any steps nor do anything which could adversely affect the existence, ranking or substance of the Pledge created hereunder; and
- (e) inform the Security Agent as soon as practicable upon becoming aware of the same in case the Pledge is prejudiced or jeopardised by actions of third parties (including, but without being limited to, by claims, demands and attachments). Such information shall be accompanied, in case of any attachment, by a copy of the order for attachment, as well as all documents required for the filing of an objection against the attachment, in each case upon a reasonable request from the Security Agent, and, in case of any other actions by third parties, by copies evidencing which actions have or are threatened to be taken, respectively, as well as all documents required for the filing of an objection against such actions, in each case upon a reasonable request from the Security Agent. The Pledgors shall further be obliged to inform as soon as practicable the attaching creditors or other third parties asserting rights with respect to the Pledged Claims in writing of the existence of the Pledge.

7. POWER OF ATTORNEY

7.1 Each of the Pledgors hereby irrevocably appoints the Security Agent and any person nominated for the purpose by the Security Agent; at any time after (i) the expiry of five (5) Business Days following written notice to a Pledgor by the Security Agent of failure by that Pledgor to do that which it is required to do by the terms of this Pledge Agreement or

(ii) the occurrence of a Declared Default, to be its attorney and to execute, deliver and perfect in its name and on its behalf all documents and do all things that the Security Agent may consider to be requisite for the purpose of (a) carrying out any obligation imposed on the Pledgors under this Pledge Agreement or (b) exercising any of the rights conferred on the Security Agent or the Secured Parties by this Pledge Agreement or by law including, without limitation, in case of the occurrence of a Declared Default, the right to issue or request payment of the Capital Commitments by way of a Drawdown Notice pursuant to article 5 (4) of the Financial Collateral Law and to exercise its Loan Commitments Call Rights for the full amount of the Capital Commitments, each time in accordance with and subject to the Limited Partnership Agreement, it being understood that the enforcement of the Pledge must be carried out as described in Clause 8 (*Enforcement of Pledge*) or Clause 10 (*Partial Enforcement*) hereunder.

- 7.2 For the purpose of enforcing this Pledge, upon the occurrence of a Declared Default, the Security Agent shall be irrevocably authorised to proceed with any administrative arrangements necessary for the enforcement of the Pledge.
- 7.3 Each of the Pledgors acknowledges that this power of attorney is granted in the common interest of the parties hereto in order to allow for a proper administration and realisation of the Pledged Claims and that it thus constitutes a *mandat d'intérêt commun*.
- 7.4 The Pledgors shall ratify and confirm all things lawfully done and all documents lawfully executed by the Security Agent in the exercise of this power of attorney.
- 7.5 For the avoidance of doubt, the Parties hereby agree that the powers of attorney granted under this Clause 7 and Clause 16 (*Successors, Novation and Assignment*) of this Pledge Agreement shall survive in case of any Reorganisation and Winding-up in relation to the Pledgors, as permitted under article 2003 of the Luxembourg civil code.

8. ENFORCEMENT OF PLEDGE

- 8.1 Upon the occurrence of a Declared Default, the Security Agent shall be entitled, without any prior notice, to enforce the Pledge and to realise the Pledged Claims in the most favourable manner permitted by Luxembourg law. In particular, but without limitation, the Security Agent has, upon the occurrence of a Declared Default, the right to (i) directly exercise the Loan Commitments Call Rights and (ii) request, without any restrictions, by issuing a Drawdown Notice, the payment of the Pledged Claims from the Limited Partners. Any payments under the Drawdown Notice must be directed to one of the Collateral Account or any other account specified by the Security Agent or by any person nominated for the purpose by the Security Agent in the Drawdown Notice.
- 8.2 Upon the occurrence of a Declared Default, the Security Agent shall further, in particular, but without limitation, be entitled to:
- (a) appropriate itself or have appropriated by a third party the Pledged Claims at a value equal to the lower of the nominal value of the relevant Pledged Claims or fair value of the relevant Pledged Claims, as determined by the Security Agent in its sole discretion. The Security Agent may, in its sole discretion, (i) appoint a third party to make (or to assist the Security Agent in making) such valuation and/or (ii) determine the date on which the appropriation becomes effective, including a date before the valuation has been completed. The Security Agent may, in its sole discretion, elect to appoint or nominate another person to which the ownership of the Pledged Claims shall be transferred in lieu of the Security Agent, it being understood that such appointment or nomination shall not affect the Security Agent's rights and obligations against the Pledgors;
 - (b) sell all or part of the Pledged Claims in a private sale at normal commercial terms (*conditions commerciales normales*) for cash or non-cash consideration;

- (c) sell the Pledged Claims in a sale organised by a stock exchange (to be chosen by the Security Agent) or by public auction held at the place and at the time and if required by applicable law by the public officer, designated and organised by the Security Agent and which, for the avoidance of doubt, does not need to be made by or within a stock exchange;
 - (d) request a judicial decision that the Pledged Claims shall be attributed to the Security Agent in discharge of the Secured Obligations following a valuation of the Pledged Claims made by a court appointed expert; or
 - (e) if applicable, proceed to a set-off between the Secured Obligations and the Pledged Claims in accordance with the Financial Collateral Law.
- 8.3 For the purpose of enforcing this Pledge, the Security Agent shall send a Drawdown Notice to the relevant Limited Partner, substantially in the form attached to this Pledge Agreement as schedule 2 (*Drawdown Notice*).
- 8.4 The Security Agent has 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. Generally, the Security Agent is entitled to take, or request the Pledgors and/or the Limited Partners to take, any steps and actions (whether preventive or not) that could be required for the purpose of the enforcement of the Pledge (or part thereof).
- 8.5 In case the enforcement rights set out above are exercisable and exercised, each of the Pledgors commits to issue units, interests or any other compensation as provided for in the Limited Partnership Agreement (if any) in respective amounts to the Limited Partners in consideration and upon confirmation by the Security Agent of the receipt of the related subscription amounts. Any proceeds of enforcement shall be applied to the repayment of the Secured Obligations in accordance with the order and the priority set forth at clause 31.28 (*Order of Application*) of the Facility Agreement.

9. **PARTIAL ENFORCEMENT**

Upon the occurrence of a Declared Default, the Security Agent shall have the right to request enforcement of the Pledge and realisation of all or part of the Pledged Claims in its absolute discretion. No action, choice or absence of action in this respect, or partial enforcement, shall in any manner affect the Security created hereunder over the Pledged Claims as it then shall be (and in particular those Pledged Claims which have not been subject to enforcement). The Security thereover shall continue to remain in full and valid existence until discharge or termination hereof, as the case may be.

10. **EFFECTIVENESS OF SECURITY**

- 10.1 The Pledge shall be a continuing Security and shall not be considered as satisfied or discharged or prejudiced or waived or released by any intermediate payment, satisfaction or settlement of any part of the Secured Obligations and shall remain in full force and effect until it has been discharged by the express written release thereof granted by the Security Agent.
- 10.2 The Pledge shall be cumulative, in addition to, and independent of every other security which the Security Agent may at any time hold a Security for the Secured Obligations 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 Security Agent or any other Secured Party may now or at any time in the future have in respect of the Secured Obligations.
- 10.3 This Pledge shall not be prejudiced by any time or indulgence granted to any person, or any abstention or delay by the Security Agent or any other Secured Party in perfecting or enforcing any Security or rights or remedies that the Security Agent or any other Secured

Party may now or at any time in the future have from or against the Pledgors or any other person.

- 10.4 No failure on the part of the Security Agent to exercise, or delay on its part in exercising, any of its rights under this Pledge Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any further or other exercise of that or any other rights.
- 10.5 Neither the obligations of the Pledgors contained in this Pledge Agreement nor the rights, powers and remedies conferred upon the Security Agent by this Pledge 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 Obligations;
 - (b) any failure to take, or fully to take, any Security contemplated by the Finance Documents or otherwise agreed to be taken in respect of the Secured Obligations;
 - (c) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any Security taken in respect of the Secured Obligations; or
 - (d) any other act, event or omission which, but for this Clause 10.5, might operate to discharge, impair or otherwise affect any of the obligations of the Pledgors contained in this Pledge Agreement, the rights, powers and remedies conferred upon the Security Agent by this Pledge Agreement, the Pledge or by law.
- 10.6 For the avoidance of doubt, each of the Pledgors hereby waives any rights arising for it now or in the future (if any) under Article 2036 et seq. of the Luxembourg civil code.
- 10.7 In addition, each of the Pledgors hereby waives any right it may have of first requiring the Security Agent to proceed against, enforce any other rights or security, or claim payment from, or to divide any action between and against, any other persons or enforce any guarantee or security before enforcing the Pledge.
- 10.8 During the subsistence of the Pledge Agreement, the Pledgors shall not, by virtue of any payment made, security realised or security interest enforced or moneys received hereunder:
- (a) be subrogated to any rights, security, security interests or moneys held, received or receivable, by the Security Agent or be entitled to any right of contribution or indemnity; or
 - (b) claim, rank, prove or vote as a creditor of an Obligor or its estate in competition with the Security Agent.

11. LIABILITY TO PERFORM

- 11.1 Notwithstanding anything to the contrary herein contained, the Pledgors shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Pledged Claims.
- 11.2 The Security Agent shall not be required in any manner to perform or fulfil any obligations of the Pledgors in respect of the Pledged Claims, or to make any payment, or to make any inquiry as to the nature of 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 Security Agent shall not be liable for any failure to collect or realise the Secured Obligations or any collateral security or guarantee therefore, or any part thereof, or for

any delay in so doing nor shall the Security Agent be under any obligation to take any action whatsoever with regard thereto.

12. INDEMNITY

Any indemnity which may be payable to the Security Agent or any other Secured Party in connection with the entry into, performance and enforcement of this Pledge Agreement shall be dealt with in accordance with and to the extent provided under the relevant provisions of the Facility Agreement.

13. RIGHTS OF RECOURSE

13.1 The Pledgor hereby irrevocably waives any Right of Recourse. For the avoidance of doubt this waiver is final and will subsist after all Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

13.2 Without prejudice to Clause 13.1 above, this Clause shall remain in full force and effect notwithstanding any discharge, release or termination of this Pledge.

14. COSTS AND EXPENSES

Each of the Pledgors shall pay to the Security Agent the amount of all costs, losses and expenses incurred in relation to this Pledge Agreement in accordance with and to the extent provided under the provisions of Clause 21 (*Costs and Expenses*) of the Facility Agreement.

15. NOTICES

Any notice, request or other communication under this Pledge Agreement shall be given in accordance with and to the extent provided under the provisions of Clause 36 (*Notices*) of the Facility Agreement.

16. SUCCESSORS, NOVATION AND ASSIGNMENT

16.1 The Pledgors may not, without the prior written consent of the Security Agent, assign or transfer all or any part of its rights or obligations hereunder. Without prejudice thereto this Pledge Agreement shall remain in effect despite any succession in title, amalgamation, liquidation, or merger (however effected) relating to the Pledgors, and references to the Pledgors shall be deemed to include any assignee or successor in title thereof and any person who, under any applicable law, has assumed the rights and obligations of the Pledgors hereunder or to which under such laws the same have been transferred or novated or assigned in any manner.

16.2 The Security Agent may assign or transfer all or any of its rights or obligations hereunder in accordance with the terms and conditions of the Finance Documents. This Pledge Agreement remains in effect despite any amalgamation or merger (however effected) relating to the Security Agent or any other Secured Party, and shall automatically benefit the Security Agent, the Secured Parties and its/their assignees, transferees or successors without any formality, and any references to the Security Agent (or any Secured Party) shall be deemed to include any assignee, transferee or successor in title thereof and any person who, under any applicable law, has assumed the rights and obligations thereof hereunder or to which under such laws the same have been transferred or novated or assigned in any manner.

16.3 To the extent a further notification or registration or any other step is required by law to give effect to the above, such further notification or registration shall be made and each of the Pledgors hereby gives power of attorney to the Security Agent to make any notification and/or to proceed to any required registration, or to take any other steps, and undertakes to do so itself, at its own costs, if so requested by the Security Agent.

- 16.4 For the purpose of Articles 1278 et seq. of the Luxembourg Civil Code and any other relevant legal provisions, to the extent required under applicable law and without prejudice to any other terms hereof or of the Finance Documents, the Security Agent hereby expressly reserves and each of the Pledgors agrees to the preservation of the Pledge and the security interest created thereunder in case of assignment, novation, amendment or any other transfer of the Secured Obligations or any other rights arising under this Pledge Agreement or the Finance Documents.

17. AMENDMENTS

Changes to this Pledge Agreement and any waiver of rights under this Pledge Agreement shall require an instrument in writing signed by all Parties hereto.

18. COUNTERPARTS

This Pledge Agreement may be executed in any number of counterparts and by way of facsimile exchange or electronically transmitted PDF of executed signature pages, all of which together shall constitute one and the same Pledge Agreement.

19. SEVERABILITY

If any provision of this Pledge Agreement is declared by any judicial or other competent authority to be void or otherwise unenforceable, that provision shall be severed from this Pledge Agreement and the remaining provisions of this Pledge Agreement shall remain in full force and effect. The Pledge Agreement shall, however, thereafter be amended by the Parties in such reasonable manner so as to achieve, without illegality, the intention of the Parties with respect to that severed provision.

20. GOVERNING LAW - JURISDICTION

- 20.1 This Pledge Agreement, and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, the laws of Luxembourg.
- 20.2 Any dispute arising in connection with this Pledge Agreement shall be submitted to the jurisdiction of the Luxembourg courts.
- 20.3 Nothing in this Clause 20 limits the right of the Security Agent to bring proceedings against the Pledgors in any other court of competent jurisdiction or concurrently in more than one jurisdiction to the extent permitted by the applicable law.

IN WITNESS THEREOF the Parties hereto have executed this Pledge Agreement in as many counterparts as there are parties hereto on the date first written above.

THE PLEDGORS

**THE PLEDGOR 1 - THE)
PARTNERSHIP acting through and)
represented by its Luxembourg GP)
)**

Signed by

for and on behalf of **ARES EUROPEAN
REAL ESTATE FEEDER FUND V SCSP**
acting by Ares European Real Estate
Advisors (Lux) V S.à r.l., its general
partner:

Name:

Anne DELORD

Title: authorised signatory

**THE PLEDGOR 2 - THE)
LUXEMBOURG GP, acting in its own)
behalf)
)**

Signed by

for and on behalf of **ARES EUROPEAN
REAL ESTATE ADVISORS (LUX) V
S.À. R.L.**

Name:

Anne DELORD

Title: authorised signatory

**THE PLEDGOR 3 - THE MANAGER)
)
Signed by the Manager)
for and on behalf of **Ares Management)
UK Limited** duly represented by:**

Name:

Title: authorised signatory

Name:

Title: authorised signatory

IN WITNESS THEREOF the Parties hereto have executed this Pledge Agreement in as many counterparts as there are parties hereto on the date first written above.

THE PLEDGORS

THE PLEDGOR 1 - THE)
PARTNERSHIP acting through and)
represented by its Luxembourg GP)
)

Signed by

for and on behalf of ARES EUROPEAN
REAL ESTATE FEEDER FUND V SCSP
acting by Ares European Real Estate
Advisors (Lux) V S.à r.l., its general
partner:

Name:

Title: authorised signatory

THE PLEDGOR 2 - THE)
LUXEMBOURG GP, acting in its own)
behalf)
)

Signed by

for and on behalf of ARES EUROPEAN
REAL ESTATE ADVISORS (LUX) V
S.À. R.L.

Name:

Title: authorised signatory

THE PLEDGOR 3 - THE MANAGER)
)
Signed by the Manager)
for and on behalf of Ares Management)
UK Limited duly represented by:

Name: Keith Kooper

Title: authorised signatory

THE SECURITY AGENT

Signed by)
)
for and on behalf of **Barclays Bank Plc:**)
)

Name: _____

Title: authorised */* signatory

Name:

Title: authorised signatory

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

SCHEDULE 1

LIMITED PARTNER NOTIFICATION

(on letterhead of each of the Pledgors)

Date: _____ 2018

To: **[Name and address of Limited Partner]**

Dear Sirs

2. We, the undersigned, hereby give you notice (the "**Notice**") that by a pledge agreement dated on or about the date hereof (the "**Pledge Agreement**") between (i) Ares European Real Estate Feeder Fund V SCSp as partnership represented by its General Partner (the "**Partnership**" or the "**Pledgor 1**"), (ii) Ares European Real Estate Advisors (Lux) V S.à r.l., acting on its own behalf (the "**Luxembourg GP**" or the "**Pledgor 2**") and (iii) Ares Management UK Limited (the "**Manager**" and together with the Partnership and the General Partner, the "**Pledgors**") and (iv) Barclays Bank Plc (the "**Security Agent**"), each of the Pledgors has granted to the Security Agent security interests in all its right, title and interest and powers, present and future, to or in or pursuant to the Pledged Claims.
3. For the purpose of the Luxembourg law of 5 August 2005 on financial collateral arrangements, as amended, we hereby give you notice of a pledge granted by the Pledgors over all Pledged Claims owed by the Limited Partners in favour of the Security Agent.
4. In relation to the granting of such security:
 - (a) at all times on and from the date of this Notice, you shall make all payments in respect of demands made by way of Drawdown Notice to the following account (the "**Account**"):

Name of Bank:

Société Générale Bank & Trust

Account Holder

**ARES EUROPEAN REAL ESTATE FEEDER
FUND V SCSP – Collection Account**

SWIFT Code:

IBAN:

Currency

EUR

or to any substitute account of the Partnership the details of which may be notified to you in writing from time to time by the Security Agent;

- (b) we hereby certify that the above details in relation to the Account are true, complete and correct as at the date of this Notice;
- (c) at any time after the Security Agent shall have notified you that Declared Default under the Pledge Agreement has occurred, all remedies under or in relation to the Partnership Documents or available at law in respect thereof which relate to the Pledged Claims are exercisable by the Security Agent; and
- (d) please comply with the terms of any written notice, statement or instructions which you receive at any time from the Security Agent (which the Security Agent is entitled under the terms of the Pledge Agreement to serve upon you at any time after you shall have been notified that a Declared Default under the Pledge

Agreement has occurred) and which in any way relate to or purport to relate to the Pledge Agreement or the Partnership Documents.

5. In this Notice, the following expressions shall have the following meanings:

"Commitments Call Rights" means (i) the right to request, receive and enforce payments of all or any portion of Capital Commitments and to deliver and issue drawdown notices to Limited Partners pursuant to the terms of the Limited Partnership Agreement and (ii) any ancillary rights necessary to exercise the rights set forth in (i) above and any proceeds of such rights.

"Declared Default" means an Event of Default in respect of which the Security Agent has issued an acceleration notice pursuant to clause 26.17 (*Acceleration*) of the Facility Agreement.

"Drawdown Notice" means a drawdown notice issued by any of the Pledgors or the Security Agent, advising the relevant Limited Partner in the Partnership of the portion of their Capital Commitments (as defined in the Limited Partnership Agreement) required to be contributed to the Partnership.

"Event of Default" has the meaning ascribed to such term in the Facility Agreement.

"Facility Agreement" means an English law governed multicurrency revolving bridge facility agreement dated on or about the date hereof between, amongst others, Ares European Real Estate Fund V SCSp as original borrower, the Partnership as original guarantor, the General Partner in its respective capacity, the Manager and the Security Agent, pursuant to which the Original Lenders (as defined therein) have agreed to make available to Ares European Real Estate Fund V SCSp loan facilities in an aggregate total amount of EUR 300,000,000.-.

"Limited Partner" has the meaning ascribed to such term in the Limited Partnership Agreement.

"Limited Partnership Agreement" means the amended and restated limited partnership agreement dated 9 March 2018 establishing the Partnership (as amended and/or restated from time to time).

"Partnership Documents" has the meaning ascribed to such term in the Facility Agreement.

"Pledged Claims" means all claims and rights of the Pledgors under the Partnership Documents for payment by the Limited Partners of their Capital Commitments (as defined in the Limited Partnership Agreement) in accordance with the terms of the Partnership Documents owed by the Limited Partners to the Pledgors, whether actual, future or contingent, as well as any ancillary or accessory rights or any rights attached thereto (*droits liés à la créance*) (including, without limitation, the Commitments Call Right), claims or actions thereunder or relating thereto.

6. The terms of and the instructions and authorisations contained in this Notice shall remain in full force and effect until the Security Agent gives you notice to the contrary.
7. This Notice shall be governed by, construed and enforced in accordance with the laws of the Grand Duchy of Luxembourg. Any dispute relating thereto shall be submitted to the exclusive jurisdiction of the district court of the city of Luxembourg.

Yours faithfully,

The Pledgors

THE PLEDGOR 1 – THE)
PARTNERSHIP acting through and)
represented by its Luxembourg GP)
)

for and on behalf of **ARES EUROPEAN
REAL ESTATE FEEDER FUND V SCSP**
acting by Ares European Real Estate
Advisors (Lux) V S.à r.l., its general
partner:

Name:

Title: authorised signatory

THE PLEDGOR 2 – THE)
LUXEMBOURG GP, acting in its own)
behalf)
)

for and on behalf of **ARES EUROPEAN
REAL ESTATE ADVISORS (LUX) V
S.À. R.L.**

Name: Keith Kooper

Title: authorised signatory

THE PLEDGOR 3 – THE MANAGER)
)
Signed by the Manager)
for and on behalf of **Ares Management**)

UK Limited duly represented by:

Name: Keith Kooper

Title: authorised signatory

**SCHEDULE 2
DRAWDOWN NOTICE**

[On the letterhead of the Security Agent]

Date: _____ 2018

Dear Sirs,

We refer to

- (a) a pledge agreement over commitments dated _____ 2018 between (i) Ares European Real Estate Feeder Fund V SCSp as partnership represented by its General Partner (the "**Partnership**" or the "**Pledgor 1**"), (ii) Ares European Real Estate Advisors (Lux) V S.à r.l., acting on its own behalf (the "**Luxembourg GP**" or the "**Pledgor 2**") and (iii) Ares Management UK Limited (the "**Manager**" or the "**Pledgor 3**", and together with the Partnership and the General Partner, the "**Pledgors**") and (iv) and Barclays Bank Plc as security agent (the "**Security Agent**") pursuant to which the Pledgor has pledged the Pledged Claims to the Security Agent (the "**Pledge Agreement**").
- (b) the Notification to Limited Partners given to you by the Pledgor; and
- (c) the amended and restated limited partnership agreement constituting the Partnership dated [●] 2018, as amended and restated from time to time (the "**Limited Partnership Agreement**").

Capitalised terms used herein shall have the meaning given to them in the Pledge Agreement and the Limited Partnership Agreement, unless expressly set out otherwise herein.

We hereby give you notice that a Declared Default under the Facility Agreement has occurred.

In accordance with the terms of the above documents, we hereby issue a Drawdown Notice (as defined in the Limited Partnership Agreement) and proceed to a call for the payment of Capital Commitments (as defined in the Limited Partnership Agreement) in the amount of _____ (the "**Called Amount**"). In accordance with the terms of these documents, such amount is payable to the account specified below, and we request you to wire the Called Amount, no later than ten Business Days following the receipt of this Drawdown Notice, to the following account:

Name of Bank:	Société Générale Bank & Trust
Account Holder	ARES EUROPEAN REAL ESTATE FEEDER FUND V SCSP – Collection Account
SWIFT Code:	
IBAN:	
Currency	EUR

Yours truly,

The Security Agent

Barclays Bank Plc

Name:

Title: