
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2018
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number: 000-53964

Hines Global REIT, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

26-3999995

(I.R.S. Employer Identification No.)

2800 Post Oak Boulevard

Suite 5000

Houston, Texas

(Address of principal executive offices)

77056-6118

(Zip code)

(888) 220-6121

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Smaller reporting company ☐ Emerging growth company ☐ If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13 (a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 6, 2018, approximately 269.3 million shares of the registrant's common stock were outstanding.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

| | | |
|---------|---|----|
| Item 1. | Condensed Consolidated Financial Statements (Unaudited): | |
| | Condensed Consolidated Balance Sheets | 1 |
| | Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) | 2 |
| | Condensed Consolidated Statements of Equity | 3 |
| | Condensed Consolidated Statements of Cash Flows | 4 |
| | Notes to the Condensed Consolidated Financial Statements | 5 |
| Item 2. | Management’s Discussion and Analysis of Financial Condition and Results of Operations | 19 |
| Item 3. | Quantitative and Qualitative Disclosures About Market Risk | 37 |
| Item 4. | Controls and Procedures | 38 |

PART II – OTHER INFORMATION

| | | |
|----------|---|----|
| Item 1. | Legal Proceedings | 39 |
| Item 1A. | Risk Factors | 39 |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 41 |
| Item 3. | Defaults Upon Senior Securities | 41 |
| Item 4. | Mine Safety Disclosures | 41 |
| Item 5. | Other Information | 41 |
| Item 6. | Exhibits | 42 |

PART I - FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements**

HINES GLOBAL REIT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

| | September 30, 2018 | December 31, 2017 |
|--|--|---------------------|
| | (In thousands, except per share amounts) | |
| ASSETS | | |
| Investment property, net | \$ 2,348,389 | \$ 2,689,276 |
| Cash and cash equivalents | 142,323 | 401,326 |
| Restricted cash | 20,206 | 16,884 |
| Derivative instruments | — | |
| Tenant and other receivables, net | 67,776 | 73,341 |
| Intangible lease assets, net | 284,820 | 406,257 |
| Deferred leasing costs, net | 143,785 | 107,789 |
| Deferred financing costs, net | 569 | 1,225 |
| Other assets | 29,494 | 30,098 |
| Total assets | \$ 3,037,362 | \$ 3,726,197 |
| LIABILITIES AND EQUITY | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 118,340 | \$ 105,151 |
| Due to affiliates | 7,698 | 10,252 |
| Intangible lease liabilities, net | 58,477 | 69,566 |
| Other liabilities | 21,512 | 27,586 |
| Distributions payable | 26,283 | 303,131 |
| Notes payable, net | 1,447,722 | 1,834,953 |
| Total liabilities | 1,680,032 | 2,350,639 |
| Commitments and contingencies (Note 10) | — | — |
| Equity: | | |
| Stockholders' equity: | | |
| Preferred shares, \$.001 par value; 500,000 preferred shares authorized, none issued or outstanding as of September 30, 2018 and December 31, 2017 | — | — |
| Common stock, \$.001 par value; 1,500,000 shares authorized, 270,889 and 274,255 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively | 271 | 274 |
| Additional paid-in capital | 2,437,937 | 2,471,004 |
| Accumulated distributions in excess of earnings | (925,523) | (968,158) |
| Accumulated other comprehensive income (loss) | (155,963) | (128,869) |
| Total stockholders' equity | 1,356,722 | 1,374,251 |
| Noncontrolling interests | 608 | 1,307 |
| Total equity | 1,357,330 | 1,375,558 |
| Total liabilities and equity | \$ 3,037,362 | \$ 3,726,197 |

See notes to the condensed consolidated financial statements.

HINES GLOBAL REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three and Nine Months Ended September 30, 2018 and 2017
(UNAUDITED)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|------------------|--|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (In thousands, except per share amounts) | | | |
| Revenues: | | | | |
| Rental revenue | \$ 73,131 | \$ 93,959 | \$ 233,742 | \$ 287,650 |
| Other revenue | 4,458 | 6,401 | 13,490 | 18,888 |
| Total revenues | 77,589 | 100,360 | 247,232 | 306,538 |
| Expenses: | | | | |
| Property operating expenses | 17,624 | 22,038 | 57,770 | 63,741 |
| Real property taxes | 10,475 | 12,351 | 31,779 | 37,208 |
| Property management fees | 1,964 | 2,033 | 5,535 | 6,331 |
| Depreciation and amortization | 24,632 | 32,936 | 88,056 | 105,180 |
| Acquisition related expenses | — | — | — | 113 |
| Asset management and acquisition fees | 8,886 | 9,690 | 26,527 | 28,570 |
| General and administrative expenses | 2,212 | 2,002 | 8,187 | 7,277 |
| Impairment losses | 4,274 | — | 9,378 | — |
| Total expenses | 70,067 | 81,050 | 227,232 | 248,420 |
| Income (loss) before other income (expenses) and benefit (provision) for income taxes | 7,522 | 19,310 | 20,000 | 58,118 |
| Other income (expenses): | | | | |
| Gain (loss) on derivative instruments | (857) | 174 | (39) | (628) |
| Gain on sale of real estate investments | 157,473 | 74,560 | 216,147 | 215,165 |
| Foreign currency gains (losses) | 3,818 | (1,941) | (4,543) | 5,386 |
| Interest expense | (15,704) | (14,435) | (45,921) | (44,024) |
| Other income (expenses) | 184 | 226 | 570 | 466 |
| Income (loss) before benefit (provision) for income taxes | 152,436 | 77,894 | 186,214 | 234,483 |
| Benefit (provision) for income taxes | (95) | (950) | 1,383 | 8,548 |
| Provision for income taxes related to sale of real estate | (3,229) | (12,911) | (3,229) | (12,911) |
| Net income (loss) | 149,112 | 64,033 | 184,368 | 230,120 |
| Net (income) loss attributable to noncontrolling interests | (10,996) | 300 | (10,220) | (53,187) |
| Net income (loss) attributable to common stockholders | \$ 138,116 | \$ 64,333 | \$ 174,148 | \$ 176,933 |
| Basic and diluted income (loss) per common share | \$ 0.51 | \$ 0.23 | \$ 0.64 | \$ 0.64 |
| Distributions declared per common share | \$ 0.16 | \$ 0.16 | \$ 0.49 | \$ 0.49 |
| Weighted average number of common shares outstanding | 271,733 | 276,228 | 272,563 | 276,950 |
| Net comprehensive income (loss): | | | | |
| Net income (loss) | \$ 149,112 | \$ 64,033 | \$ 184,368 | \$ 230,120 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustment | (2,967) | 14,488 | (27,101) | 63,176 |
| Net comprehensive income (loss) | 146,145 | 78,521 | 157,267 | 293,296 |
| Net comprehensive (income) loss attributable to noncontrolling interests | (9,435) | 294 | (10,213) | (56,569) |
| Net comprehensive income (loss) attributable to common stockholders | \$ 136,710 | \$ 78,815 | \$ 147,054 | \$ 236,727 |

See notes to the condensed consolidated financial statements.

HINES GLOBAL REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Nine Months Ended September 30, 2018 and 2017
(UNAUDITED)
(In thousands)

| | Common Shares | Amount | Additional Paid-in Capital | Accumulated Distributions in Excess of Earnings | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity | Noncontrolling Interests |
|--|--------------------------|---------------|---------------------------------------|--|--|---|-------------------------------------|
| Balance as of January 1, 2018 | 274,255 | \$ 274 | \$ 2,471,004 | \$ (968,158) | \$ (128,869) | \$ 1,374,251 | \$ 1,307 |
| Cumulative effect of accounting changes | — | — | — | 1,365 | — | 1,365 | 898 |
| Issuance of common shares | 6,553 | 7 | 59,008 | — | — | 59,015 | — |
| Contribution from noncontrolling interest | — | — | — | — | — | — | 70 |
| Distributions declared | — | — | — | (132,878) | — | (132,878) | (11,880) |
| Redemption of common shares | (9,919) | (10) | (92,023) | — | — | (92,033) | — |
| Issuer costs | — | — | (52) | — | — | (52) | — |
| Net income (loss) | — | — | — | 174,148 | — | 174,148 | 10,220 |
| Foreign currency translation adjustment | — | — | — | — | (32,879) | (32,879) | (7) |
| Foreign currency translation adjustment reclassified into earnings | — | — | — | — | 5,785 | 5,785 | — |
| Balance as of September 30, 2018 | 270,889 | \$ 271 | \$ 2,437,937 | \$ (925,523) | \$ (155,963) | \$ 1,356,722 | \$ 608 |
| | Common Shares | Amount | Additional Paid-in Capital | Accumulated Distributions in Excess of Earnings | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity | Noncontrolling Interests |
| Balance as of January 1, 2017 | 277,331 | \$ 277 | \$ 2,507,186 | \$ (821,500) | \$ (199,929) | \$ 1,486,034 | \$ 22,201 |
| Issuance of common shares | 6,887 | 7 | 69,274 | — | — | 69,281 | — |
| Contribution from noncontrolling interest | — | — | — | — | — | — | 33 |
| Distributions declared | — | — | — | (134,640) | — | (134,640) | (25,643) |
| Redemption of CPECs | — | — | — | — | — | — | (52,552) |
| Redemption of common shares | (8,329) | (8) | (93,455) | — | — | (93,463) | — |
| Issuer costs | — | — | (32) | — | — | (32) | — |
| Net income (loss) | — | — | — | 176,933 | — | 176,933 | 53,187 |
| Foreign currency translation adjustment | — | — | — | — | 50,982 | 50,982 | (232) |
| Foreign currency translation adjustment reclassified into earnings | — | — | — | — | 8,812 | 8,812 | 3,614 |
| Balance as of September 30, 2017 | 275,889 | \$ 276 | \$ 2,482,973 | \$ (779,207) | \$ (140,135) | \$ 1,563,907 | \$ 608 |

See notes to the condensed consolidated financial statements.

HINES GLOBAL REIT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2018 and 2017
(UNAUDITED)

| | 2018 | 2017 |
|---|--------------------------|--------------------------|
| | (In thousands) | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 184,368 | \$ 230,120 |
| Adjustments to reconcile net income (loss) to net cash from operating activities: | | |
| Depreciation and amortization | 100,971 | 121,068 |
| Allowance for deferred tax assets | — | (11,172) |
| Foreign currency (gains) losses | 4,543 | (5,386) |
| (Gain) on the sale of real estate investments | (216,147) | (215,165) |
| Impairment losses | 9,378 | — |
| (Gain) loss on derivative instruments | 39 | 628 |
| Changes in assets and liabilities: | | |
| Change in other assets | (1,884) | 4,418 |
| Change in tenant and other receivables | 3,382 | 3,265 |
| Change in deferred leasing costs | (58,670) | (33,933) |
| Change in accounts payable and accrued expenses | 6,064 | 10,184 |
| Change in other liabilities | (1,878) | (7,233) |
| Change in due to affiliates | (2,742) | (9,953) |
| Net cash from operating activities | <u>27,424</u> | <u>86,841</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from the sale of real estate investments | 374,152 | 565,703 |
| Capital expenditures at operating properties and developments | (48,769) | (33,984) |
| Investments in real estate loans receivable | — | (1,743) |
| Proceeds from collection of real estate loans receivable | — | 7,181 |
| Net cash from investing activities | <u>325,383</u> | <u>537,157</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Contribution from noncontrolling interest | 70 | — |
| Redemption of common shares | (89,499) | (82,654) |
| Payments of issuer costs | (76) | (37) |
| Distributions paid to stockholders and noncontrolling interests | (362,593) | (97,520) |
| Redemption of CPEC | — | (52,552) |
| Proceeds from notes payable | 337,000 | 123,059 |
| Payments on notes payable | (491,825) | (494,797) |
| Change in security deposit liability | 751 | (9) |
| Deferred financing costs paid | (286) | (265) |
| Payments related to interest rate contracts | (33) | (8) |
| Net cash used in financing activities | <u>(606,491)</u> | <u>(604,783)</u> |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | <u>(1,997)</u> | <u>9,649</u> |
| Net change in cash, cash equivalents, and restricted cash | <u>(255,681)</u> | <u>28,864</u> |
| Cash, cash equivalents, and restricted cash, beginning of period | <u>418,210</u> | <u>156,724</u> |
| Cash, cash equivalents, and restricted cash, end of period | <u><u>\$ 162,529</u></u> | <u><u>\$ 185,588</u></u> |

See notes to the condensed consolidated financial statements.

HINES GLOBAL REIT, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended September 30, 2018 and 2017

1. ORGANIZATION

The accompanying interim unaudited condensed consolidated financial information has been prepared according to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted according to such rules and regulations. For further information, refer to the financial statements and footnotes for the year ended December 31, 2017 included in Hines Global REIT, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2017. In the opinion of management, all adjustments and eliminations, consisting only of normal recurring adjustments, necessary to present fairly and in conformity with GAAP the financial position of Hines Global REIT, Inc. as of September 30, 2018, the results of operations for the three and nine months ended September 30, 2018 and 2017 and cash flows for the nine months ended September 30, 2018 and 2017 have been included. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

Hines Global REIT, Inc. (the "Company"), was formed as a Maryland corporation on December 10, 2008 under the General Corporation Law of the state of Maryland for the purpose of engaging in the business of investing in and owning commercial real estate properties and other real estate investments. The Company conducts most of its operations through Hines Global REIT Properties, LP (the "Operating Partnership") and subsidiaries of the Operating Partnership. The Company operates in a manner to qualify as a real estate investment trust ("REIT") for federal income tax purposes. The business of the Company is managed by Hines Global REIT Advisors LP (the "Advisor"), an affiliate of Hines Interests Limited Partnership ("Hines"), pursuant to the Advisory Agreement between the Company, the Advisor and the Operating Partnership (the "Advisory Agreement").

The Company raised the equity capital for its real estate investments through two public offerings from August 5, 2009 through April 11, 2014. In addition, the Company offered up to \$500.0 million of shares of its common stock under its distribution reinvestment plan, pursuant to an offering which commenced on April 24, 2014 (the "DRP Offering"). Collectively, through its public offerings, the Company has raised gross offering proceeds of approximately \$3.1 billion, including the DRP Offering, all of which have been invested in the Company's real estate portfolio. On July 17, 2018, in connection with the stockholder approval of the plan of liquidation and dissolution (the "Plan of Liquidation"), as discussed below, the Company's board of directors determined to suspend indefinitely the Company's distribution reinvestment plan effective as of August 31, 2018. As a result of the suspension of the Company's distribution reinvestment plan, all distributions paid after August 31, 2018 will be paid to the Company's stockholders in cash.

By the end of 2015, the Company completed its investment of the proceeds raised through its public offerings. Since its inception, the Company has owned interests in 45 properties, 18 of which were sold as of September 30, 2018. As a result, the Company owned 27 properties, which consisted of the following:

- Domestic office investments (9 investments)
- Domestic other investments (4 investments)
- International office investments (8 investments)
- International other investments (6 investments)

The Company has concentrated its efforts on actively managing its assets and exploring a variety of strategic opportunities focused on enhancing the composition of its portfolio and its total return potential for its stockholders. On April 23, 2018, in connection with its review of potential strategic alternatives available to the Company, the Company's board of directors determined that it is in the best interest of the Company and its stockholders to sell all or substantially all of the Company's properties and assets and for the Company to liquidate and dissolve pursuant to the Plan of Liquidation. The principal purpose of the Plan of Liquidation is to provide liquidity to the Company's stockholders by selling the Company's assets, paying its debts and distributing the net proceeds from liquidation to the Company's stockholders. As required by Maryland law and the Company's charter, the Plan of Liquidation was approved by the affirmative vote of the holders of at least a majority of the shares of the Company's common stock outstanding and entitled to vote thereon at the Company's annual meeting of stockholders held on July 17, 2018. In accordance with Maryland law, the Plan of Liquidation provides the Company's board of directors with the authority to modify or amend the Plan of Liquidation without further action by the Company's stockholders to the extent permitted by then-current law and to terminate the Plan of Liquidation for any reason, provided that the board of directors may not terminate the Plan of Liquidation after Articles of Dissolution have been filed with and accepted for record by the State Department of Assessments and Taxation of Maryland. If the sale of all or substantially all of the Company's assets is completed as expected, the Company expects to make one or more liquidating distributions to its stockholders during the period of the liquidation process and to make the final liquidating distribution to its stockholders on or before

a date that is within 24 months after stockholder approval of the Plan of Liquidation. There can be no assurances regarding the amounts of any liquidating distributions or the timing thereof.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Described below are certain of the Company's significant accounting policies. The disclosures regarding several of the policies have been condensed or omitted in accordance with interim reporting regulations specified by Form 10-Q. Please see the Company's Annual Report on Form 10-K for the year ended December 31, 2017 for a complete listing of all of its significant accounting policies.

Tenant and Other Receivables

Tenant and other receivables are shown at cost in the condensed consolidated balance sheets, net of allowance for doubtful accounts of \$5.1 million and \$3.8 million at September 30, 2018 and December 31, 2017, respectively.

Other Assets

Other assets included the following (in thousands):

| | September 30, 2018 | December 31, 2017 |
|---------------------|--------------------|-------------------|
| Prepaid expenses | \$ 3,036 | \$ 3,021 |
| Deferred tax assets | 26,118 | 26,670 |
| Other | 340 | 407 |
| Other assets | <u>\$ 29,494</u> | <u>\$ 30,098</u> |

Revenue Recognition

Rental payments are generally paid by the tenants prior to the beginning of each month or quarter to which they relate. As of September 30, 2018 and December 31, 2017, respectively, the Company recorded liabilities of \$15.0 million and \$16.7 million related to prepaid rental payments, which were included in other liabilities in the accompanying condensed consolidated balance sheets. The Company recognizes rental revenue on a straight-line basis over the life of the lease, including rent holidays, if any. Straight-line rent receivable was \$54.2 million and \$53.9 million as of September 30, 2018 and December 31, 2017, respectively. Straight-line rent receivable consists of the difference between the tenants' rents calculated on a straight-line basis from the date of acquisition or lease commencement over the remaining terms of the related leases and the tenants' actual rents due under the lease agreements and is included in tenant and other receivables in the accompanying consolidated balance sheets. Revenues associated with operating expense recoveries are recognized in the period in which the expenses are incurred based upon the tenant lease provisions. Revenues relating to lease termination fees are recognized on a straight-line basis amortized from the time that a tenant's right to occupy the leased space is modified through the end of the revised lease term.

Other revenues consist primarily of parking revenue and tenant reimbursements related to utilities, insurance, and other operating expenses. Parking revenue represents amounts generated from contractual and transient parking and is recognized in accordance with contractual terms or as services are rendered. Other revenues relating to tenant reimbursements are recognized in the period in which the expense is incurred.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09 to provide guidance on recognizing revenue from contracts with customers. This ASU's core objective is for an entity to recognize revenue based on the consideration it expects to receive in exchange for goods or services. The amendments also replace prior guidance regarding the recognition of revenue from sales of real estate, except for revenue from sales that are part of a sale-leaseback transaction. Subsequent to ASU 2014-09, the FASB has issued multiple ASUs clarifying multiple aspects of the new revenue recognition standard, which include the deferral of the effective date by one year, and additional guidance for partial sales of non-financial assets.

Expanded quantitative and qualitative disclosures regarding revenue recognition are required for contracts that are subject to this pronouncement. Rental income from leasing arrangements is specifically excluded from ASU 2014-09, and will be evaluated by the Company in its adoption of the lease accounting standard, ASU 2016-02 (described below under "New Accounting Pronouncements"). The Company has adopted ASC 606 using the modified retrospective approach effective January 1, 2018. The Company has identified its revenue streams and finalized its evaluation of the impact on its consolidated financial statements and internal accounting processes and determined that accounting for contracts for the sale of real estate will be the primary customer

contracts under the scope of ASC 606. The agreement for the sale of The Brindleyplace Project in February 2017 contained certain rent adjustments that the Company has determined do not constitute a separate performance obligation from the performance obligation of title transfer of The Brindleyplace Project. As such, the Company performed an analysis of the estimated consideration related to the rent adjustments and recognized the cumulative effect by increasing beginning retained earnings by approximately \$2.3 million upon adoption in January 2018. In addition, the Company has evaluated controls around the implementation of this ASU and has concluded there was no significant impact on our control structure.

In January 2017, the FASB issued ASU 2017-01 to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The Company expects that most of its real estate transactions completed after the Company's adoption of this guidance will be accounted for using the asset acquisition guidance and, accordingly, acquisition fees and expenses related to those acquisitions will be capitalized. The Company adopted ASU 2017-01 on January 1, 2018.

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02 which will require companies that lease assets to recognize on the balance sheet the right-of-use assets and related lease liabilities. The new standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The accounting under ASU 2016-02 by companies that own the assets leased by the lessee (the lessor) will remain largely unchanged from current GAAP. The guidance is effective for public entities for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early adoption is permitted.

In July 2018, the FASB issued ASU 2018-11, which allows lessors to account for lease and non-lease components by class of underlying assets, as a single lease component if certain criteria are met. Also, the new standard indicates that companies are permitted to recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption in lieu of the modified retrospective approach and provides other optional practical expedients.

The Company is in the process of evaluating the impact that the adoption of ASU 2016-02 will have on the Company's consolidated financial statements relating to its lessor leases and other lessee leases, if any. Within our lessor leases, we are entitled to receive tenant reimbursements for operating expenses such as real estate taxes, insurance and common area maintenance, of which it expects to account for these lease and non-lease components as a single lease component since the timing and pattern of transfer is the same in accordance with ASU 2018-11. The Company has currently identified certain areas the Company believes may be impacted by the adoption of ASU 2016-02, which include:

- The Company has a ground lease agreement in which the Company is the lessee for land at New City that the Company currently accounts for as an operating lease. The rental expense associated with this lease was \$0.2 million and \$0.2 million for the nine months ended September 30, 2018 and 2017, respectively. Upon adoption of ASU 2016-02, the Company will record any rights and obligations under this lease as an asset and liability at fair value in the Company's consolidated balance sheets.
- Determination of costs to be capitalized associated with leases. ASU 2016-02 will limit the capitalization associated with certain costs to costs that are a direct result of obtaining a lease.

3. INVESTMENT PROPERTY

Investment property consisted of the following amounts as of September 30, 2018 and December 31, 2017 (in thousands):

| | September 30, 2018 | December 31, 2017 |
|---------------------------------|---------------------------|--------------------------|
| Buildings and improvements | \$ 1,968,996 | \$ 2,255,267 |
| Less: accumulated depreciation | (234,940) | (237,767) |
| Buildings and improvements, net | 1,734,056 | 2,017,500 |
| Land | 614,333 | 671,776 |
| Investment property, net | <u>\$ 2,348,389</u> | <u>\$ 2,689,276</u> |

Recent Dispositions of Real Estate Investments

In April 2018, the Company completed the sale of One Westferry Circus for a contract sales price of £108.6 million (approximately \$153.5 million based on an exchange rate of \$1.41 per GBP). The Company recognized a gain on sale of this asset of \$60.7 million net of disposition fees, which was recorded in gain (loss) on sale of real estate investments on the condensed consolidated statements of operations and comprehensive income (loss).

In August 2018, the Company completed the sale of Fiege Mega Centre, Simon Hegele Logistics, and the Harder Logistics Portfolio (collectively, the “German Logistics Properties”) for a contract sales price of €310.0 million (approximately \$359.6 million based on an exchange rate of \$1.16 per EUR on the date of the transaction). The Company recognized a gain on sale of these assets of \$125.4 million net of disposition fees, which was recorded in gain (loss) on sale of real estate investments on the condensed consolidated statements of operations and comprehensive income (loss).

In September 2018, the Company completed the sale of WaterWall Place for a contract sales price of \$89.5 million. The Company recognized a gain on sale of this asset of \$32.2 million net of disposition fees, which was recorded in gain (loss) on sale of real estate investments on the condensed consolidated statements of operations and comprehensive income (loss).

See Note 11 — Subsequent Events for information on the Company’s dispositions of real estate investments made subsequent to September 30, 2018.

In July 2018, the Company entered into a contract to sell the Poland Logistics Portfolio for a contract sales price of €140.0 million (approximately \$163.8 million based on an exchange rate of \$1.17 per EUR). Although the Company expects the closing of this sale to occur in November 2018, there can be no assurances as to if or when this sale is completed.

The Company sold its interests in six properties during the year ended December 31, 2017. The aggregate sale price of these properties was approximately \$1.0 billion, and the Company recorded aggregate gains of \$364.3 million on the sales of these properties.

As of September 30, 2018, the cost basis and accumulated amortization related to lease intangibles were as follows (in thousands):

| | Lease Intangibles | | |
|--------------------------------|--------------------------|-----------------------------------|--|
| | In-Place Leases | Out-of-Market Lease Assets | Out-of-Market Lease Liabilities |
| Cost | \$ 532,212 | \$ 59,280 | \$ (104,989) |
| Less: accumulated amortization | (265,276) | (41,396) | 46,512 |
| Net | <u>\$ 266,936</u> | <u>\$ 17,884</u> | <u>\$ (58,477)</u> |

As of December 31, 2017, the cost basis and accumulated amortization related to lease intangibles were as follows (in thousands):

| | Lease Intangibles | | |
|--------------------------------|--------------------------|-----------------------------------|--|
| | In-Place Leases | Out-of-Market Lease Assets | Out-of-Market Lease Liabilities |
| Cost | \$ 662,854 | \$ 69,510 | \$ (108,043) |
| Less: accumulated amortization | (283,774) | (42,333) | 38,477 |
| Net | <u>\$ 379,080</u> | <u>\$ 27,177</u> | <u>\$ (69,566)</u> |

Amortization expense of in-place leases was \$10.6 million and \$16.2 million for the three months ended September 30, 2018 and 2017, respectively. Net amortization of out-of-market leases resulted in increases to rental revenue of \$0.3 million and \$0.3 million for the three months ended September 30, 2018 and 2017, respectively.

Amortization expense of in-place leases was \$43.1 million and \$54.5 million for the nine months ended September 30, 2018 and 2017, respectively. Net amortization of out-of-market leases resulted in increases to rental revenue of \$6.1 million and \$0.8 million for the nine months ended September 30, 2018 and 2017, respectively.

Anticipated amortization of in-place leases and out-of-market leases, net, for the period from October 1, 2018 through December 31, 2018 and for each of the years ending December 31, 2019 through December 31, 2022 are as follows (in thousands):

| | In-Place Leases | Out-of-Market Leases, Net |
|---|----------------------------|--------------------------------------|
| October 1, 2018 through December 31, 2018 | \$ 8,897 | \$ (239) |
| 2019 | 31,856 | (2,141) |
| 2020 | 27,798 | (2,471) |
| 2021 | 21,059 | (1,876) |
| 2022 | 16,217 | (2,344) |

Leases

The Company has entered into non-cancelable lease agreements with tenants for space. As of September 30, 2018, the approximate fixed future minimum rentals for the period from October 1, 2018 through December 31, 2018, for each of the years ending December 31, 2019 through December 31, 2022 and for the period thereafter are as follows (in thousands):

| | Fixed Future Minimum Rentals |
|---|---|
| October 1, 2018 through December 31, 2018 | \$ 58,010 |
| 2019 | 234,309 |
| 2020 | 219,473 |
| 2021 | 185,696 |
| 2022 | 158,128 |
| Thereafter | 678,650 |
| Total | <u>\$ 1,534,266</u> |

During the nine months ended September 30, 2018 and 2017, the Company did not earn more than 10% of its total rental revenue from any individual tenant.

4. DEBT FINANCING

As of September 30, 2018 and December 31, 2017, the Company had approximately \$1.4 billion and \$1.8 billion of principal outstanding, respectively, with a weighted average years to maturity of 0.8 years and 1.7 years, respectively, and a weighted average interest rate of 3.4% and 2.8%, respectively. The following table describes the Company's debt outstanding at September 30, 2018 and December 31, 2017 (in thousands, except percentages):

| Description | Origination or Assumption Date | Maturity Date | Interest Rate Description | Interest Rate as of September 30, 2018 | Principal Outstanding at September 30, 2018 | Principal Outstanding at December 31, 2017 |
|---|--------------------------------|---------------------------|--|--|---|--|
| Secured Mortgage Debt | | | | | | |
| 100 Brookes | 7/13/2012 | 1/31/2018 ⁽¹⁾ | Variable | N/A | \$ — | \$ 28,098 |
| Poland Logistics Portfolio | 8/2/2012 | 6/28/2019 | Variable, subject to interest rate cap | 2.00% | 68,485 | 71,183 |
| Minneapolis Retail Center | 8/2/2012 | 8/10/2019 | Fixed | 3.50% | 65,500 | 65,500 |
| 825 Ann | 11/16/2012 | 11/20/2018 ⁽²⁾ | Variable, subject to interest rate cap | 2.58% | 58,490 | 63,247 |
| 465 Victoria | 2/28/2013 | 12/3/2018 ⁽²⁾ | Variable, subject to interest rate cap | 3.21% | 38,405 | 41,528 |
| New City | 3/28/2013 | 3/18/2021 | Variable, subject to interest rate cap | 2.30% | 76,652 | 80,831 |
| One Westferry Circus | 5/9/2013 | 5/5/2020 ⁽³⁾ | Fixed | N/A | — | 64,757 |
| The Campus at Playa Vista | 5/14/2013 | 12/1/2018 ⁽²⁾ | Variable | 3.51% | 150,000 | 150,000 |
| Perspective Défense | 6/21/2013 | 7/25/2019 | Variable, subject to interest rate cap | 2.18% | 81,214 | 83,853 |
| Fiege Mega Centre | 10/18/2013 | 10/31/2018 ⁽⁴⁾ | Variable, subject to interest rate cap | N/A | — | 26,898 |
| 25 Cabot Square | 3/26/2014 | 3/26/2020 | Fixed | 3.50% | 161,184 | 166,951 |
| Simon Hegele Logistics | 4/28/2014 | 6/15/2019 ⁽⁴⁾ | Fixed | N/A | — | 41,904 |
| 818 Bourke | 10/31/2014 | 10/31/2019 ⁽²⁾ | Variable, subject to interest rate cap | 2.63% | 59,729 | 65,562 |
| The Summit | 3/4/2015 | 4/1/2022 ⁽⁵⁾ | Variable | N/A | — | 170,000 |
| Harder Logistics Portfolio | 4/1/2015 | 2/28/2021 ⁽⁴⁾ | Variable, subject to interest rate cap | N/A | — | 81,068 |
| Other Notes Payable | | | | | | |
| JPMorgan Chase Revolving Credit Facility - Revolving Loan | 4/13/2012 | 6/29/2019 | Variable | 3.67% ⁽⁶⁾ | 195,000 | 99,000 |
| JPMorgan Chase Revolving Credit Facility - Term Loan | 5/22/2013 | 6/29/2019 | Variable | 3.70% | 495,000 | 495,000 |
| WaterWall Place Loan | 6/29/2012 | 11/8/2018 ⁽⁷⁾ | Variable | N/A | — | 44,897 |
| Total Principal Outstanding | | | | | \$ 1,449,659 | \$ 1,840,277 |
| Unamortized Deferred Financing Fees | | | | | \$ (1,937) | \$ (5,324) |
| Notes Payable, net | | | | | \$ 1,447,722 | \$ 1,834,953 |

(1) In January 2018, the Company paid off the secured mortgage loan related to 100 Brookes in full.

(2) The Company paid off the secured mortgage loans in full with proceeds from the sales of the properties in November 2018.

(3) The secured mortgage loan was assumed by the buyer with the sale of the property in April 2018.

(4) The secured mortgage loans were assumed by the buyer with the sales of the properties in August 2018.

(5) In August 2018, the Company paid off the secured mortgage loan related to The Summit in full.

(6) Represents the weighted average interest rate as of September 30, 2018.

(7) The Company paid off the secured mortgage loan in full with proceeds from the sale of the property in September 2018.

The variable-rate debt has interest rates ranging from LIBOR, EURIBOR or the BBSY screen rate plus 0.65% to 2.50% per annum. As of September 30, 2018, \$282.1 million of the Company's variable-rate debt was capped at strike rates ranging from 2.0% to 3.25%. Additionally, as of December 31, 2017, \$401.9 million of our variable rate debt was capped at strike rates ranging from 1.5% to 3.25%.

JPMorgan Chase Revolving Credit Facility

For the period from January 2018 through September 2018, the Company borrowed approximately \$337.0 million and made payments of \$241.0 million under its revolving credit facility with JPMorgan Chase Bank, National Association (the "Revolving Credit Facility"). From October 1, 2018 through November 14, 2018, the Company made additional borrowings of \$6.0 million and additional payments of \$21.0 million under the Revolving Credit Facility. The additional borrowings and payments resulted in an outstanding principal balance of \$675.0 million on the Revolving Credit Facility as of November 14, 2018. The Revolving Credit Facility had a maximum borrowing capacity of \$920.0 million as of September 30, 2018.

Financial Covenants

The Company's mortgage agreements and other loan documents for the debt described in the table above contain customary events of default, with corresponding grace periods, including payment defaults, cross-defaults to other agreements and bankruptcy-related defaults, and customary covenants, including limitations on liens and indebtedness and maintenance of certain financial ratios. In addition, the Company has executed customary recourse carve-out guarantees of certain obligations under its mortgage agreements and the other loan documents. The Company is not aware of any instances of noncompliance with financial covenants on any of its loans as of September 30, 2018.

Principal Payments on Debt

The Company is required to make the following principal payments on its outstanding notes payable for the period from October 1, 2018 through December 31, 2018, for each of the years ending December 31, 2019 through December 31, 2022 and for the period thereafter (in thousands):

| | Payments due by Year | | | | | |
|--------------------|--|------------|------------|-----------|------|------------|
| | October 1, 2018 through December 31, 2018 | 2019 | 2020 | 2021 | 2022 | Thereafter |
| Principal payments | \$ 248,377 | \$ 966,364 | \$ 163,519 | \$ 71,399 | \$ — | \$ — |

As noted in the table above, the Company is required to make \$1.2 billion in principal payments on its outstanding notes payable through 2019. The Company expects to make these payments utilizing proceeds from the sale of its assets pursuant to the Plan of Liquidation, or it may elect to refinance the loans.

5. DISTRIBUTIONS

The Company has declared distributions for the months of January 2017 through December 2017 at an amount equal to \$0.65 per share, per year. For the months of January 2018 through November 2018, the Company declared distributions at an amount equal to \$0.0541667 per share, per month (\$0.65 per share on an annualized basis). Of this amount, \$0.02 of the per share, per month distribution for January 2018 through June 2018, was designated by the Company as a return of a portion of the stockholders' invested capital and, as such, reduced the stockholders' remaining investment in the Company. From July 2018 to November 2018, the full amount of these distributions has been designated by the Company as a return of a portion of the stockholders' invested capital and, as such, has reduced or will reduce the stockholders' remaining investment in the Company. In July 2018, in connection with the approval by the Company's stockholders of the Plan of Liquidation, the Company's board of directors voted to suspend indefinitely the Company's distribution reinvestment plan effective as of August 31, 2018. Accordingly, all distributions from August to November 2018 have been or will be paid in cash.

Additionally, on December 29, 2017, the Company declared a distribution to stockholders of \$1.05 (the "Special Distribution") per share that was paid in cash to all stockholders of record as of December 30, 2017 in January 2018. This distribution has been designated by the Company as a special distribution, which represents a return of a portion of the stockholders' invested capital from sales of investment property and, as such, reduced their remaining investment in the Company. The Special Distribution represents a portion of the net proceeds received from the strategic sale of six assets during 2017. The Special Distribution was not subject to reinvestment pursuant to the Company's distribution reinvestment plan.

The table below outlines the Company's total distributions declared to stockholders and noncontrolling interests for each of the quarters ended during 2018 and 2017, including the breakout between the distributions declared in cash and those reinvested pursuant to the Company's distribution reinvestment plan (in thousands). The Company declared distributions to the Company's stockholders as of daily record dates through December 2017, and as of monthly record dates from January 2018 to November 2018 and aggregates and pays such distributions monthly.

| Distributions for the three months ended | Stockholders | | | Noncontrolling Interests |
|--|---------------------------|--------------------------|-------------------|--------------------------|
| | Cash Distributions | Distributions Reinvested | Total Declared | Total Declared |
| 2018 | | | | |
| September 30, 2018 | \$ 36,970 | \$ 7,187 | \$ 44,157 | \$ 11,768 ⁽¹⁾ |
| June 30, 2018 | 22,457 | 21,844 | 44,301 | 52 |
| March 31, 2018 | 22,126 | 22,294 | 44,420 | 60 |
| Total | <u>\$ 81,553</u> | <u>\$ 51,325</u> | <u>\$ 132,878</u> | <u>\$ 11,880</u> |
| 2017 | | | | |
| December 31, 2017 | \$ 310,078 ⁽²⁾ | \$ 22,890 | \$ 332,968 | \$ 1,064 |
| September 30, 2017 | 22,224 | 23,031 | 45,255 | 1,786 |
| June 30, 2017 | 21,935 | 22,953 | 44,888 | 21,053 ⁽³⁾ |
| March 31, 2017 | 21,614 | 22,883 | 44,497 | 2,804 |
| Total | <u>\$ 375,851</u> | <u>\$ 91,757</u> | <u>\$ 467,608</u> | <u>\$ 26,707</u> |

(1) For the three months ended September 30, 2018, distributions declared to the noncontrolling interests included a distribution totaling \$11.6 million to an affiliate of Hines who was the Company's JV partner in the WaterWall JV, as a result of the sale of WaterWall Place.

(2) Includes \$288.0 million related to the Special Distribution described above.

(3) For the three months ended June 30, 2017, distributions declared to the noncontrolling interests included a distribution totaling \$21.0 million to the Company's JV partner in the Aviva Coral Gables JV, as a result of the sale of Aviva Coral Gables.

6. RELATED PARTY TRANSACTIONS

The table below outlines fees and expense reimbursements incurred that are payable to Hines and its affiliates for the periods indicated below (in thousands):

| Type and Recipient | Incurred | | | | Unpaid as of | |
|--|----------------------------------|----------|---------------------------------|-----------|--------------------|-------------------|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | | September 30, 2018 | December 31, 2017 |
| | 2018 | 2017 | 2018 | 2017 | | |
| Asset Management Fee- the Advisor and affiliates of Hines | \$ 8,886 | \$ 9,690 | \$ 26,527 | \$ 28,570 | \$ 2,724 | \$ 2,430 |
| Disposition Fee- the Advisor | \$ 4,243 | \$ 1,320 | \$ 5,776 | \$ 4,199 | 652 | 2,585 |
| Other ⁽¹⁾ | \$ 1,342 | \$ 1,650 | \$ 4,230 | \$ 4,396 | 858 | 1,978 |
| Property Management Fee- Hines | \$ 1,540 | \$ 1,784 | \$ 4,668 | \$ 5,411 | 166 | 146 |
| Development/Construction Management Fee- Hines | \$ 725 | \$ 430 | \$ 1,664 | \$ 921 | 588 | 207 |
| Leasing Fee- Hines | \$ 724 | \$ 998 | \$ 1,943 | \$ 1,691 | 2,208 | 2,129 |
| Expense Reimbursement- Hines (with respect to management and operations of the Company's properties) | \$ 2,480 | \$ 2,660 | \$ 7,367 | \$ 8,286 | 502 | 777 |
| Due to Affiliates | | | | | <u>\$ 7,698</u> | <u>\$ 10,252</u> |

(1) Includes amounts the Advisor paid on behalf of the Company such as general and administrative expenses. These amounts are generally reimbursed to the Advisor during the month following the period in which they are incurred.

In addition to the fees and expenses payable to Hines and its affiliates described in the table above, the Company declared a distribution of \$11.6 million to an affiliate of Hines as a result of the sale of WaterWall Place. This amount is included in distributions payable on the Company's Condensed Consolidated Balance Sheet as of September 30, 2018. See Note 5 — Distributions for additional details about the distribution.

7. FAIR VALUE MEASUREMENTS

Financial Instruments Fair Value Disclosures

As of September 30, 2018, the Company estimated that the fair value of its notes payable, which had a book value of \$1.4 billion, was \$1.4 billion. As of December 31, 2017, the Company estimated that the fair value of its notes payable, which had a book value of \$1.8 billion, was \$1.8 billion. Management has utilized market information as available or present value techniques to estimate the amounts required to be disclosed. Although the Company has determined the majority of the inputs used to value its notes payable fall within Level 2 of the fair value hierarchy, the credit quality adjustments associated with its fair value of notes payable utilize Level 3 inputs. However, as of September 30, 2018, the Company has assessed the significance of the impact of the credit quality adjustments on the overall valuations of its fair market value of notes payable and has determined that they are not significant. As a result, the Company has determined these financial instruments utilize Level 2 inputs. Since such amounts are estimates that are based on limited available market information for similar transactions, there can be no assurance that the disclosed values could be realized.

Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, restricted cash, distributions receivable, tenant and other receivables, accounts payable and accrued expenses, other liabilities, due to affiliates and distributions payable. The carrying value of these items reasonably approximates their fair value based on their highly-liquid nature and/or short-term maturities. Due to the short-term nature of these instruments, Level 1 and Level 2 inputs are utilized to estimate the fair value of these financial instruments.

Financial Instruments Measured on a Nonrecurring Basis

Certain long-lived assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an ongoing basis, but are subject to fair value adjustments (i.e., impairments) in certain circumstances. The inputs associated with the valuation of long-lived assets are generally included in Level 3 of the fair value hierarchy.

Impairment of Investment Property

Investment properties are reviewed for impairment at each reporting period if events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company determined that two of its properties were impaired during the nine months ended September 30, 2018 based on the assets having carrying values that exceeded the contract sales price under the executed purchase and sale agreement for each of the properties. For the year ended December 31, 2017, the Company determined that one of its properties was impaired as a result of deteriorating market conditions.

As of December 31, 2017, the Company's estimated fair value of the investment property was based on a comparison of recent market activity and discounted cash flow models, which include estimates of property-specific inflows and outflows over a specific holding period. Significant unobservable quantitative inputs used in determining the fair value of the investment property for the period ended December 31, 2017 include: a discount rate of 9.0%; a capitalization rate of 7.5%; stabilized occupancy rate of 92.5%; and a current market rental rate of \$28.00 per square foot. These inputs are based on the location, type and nature of each property, current and anticipated market conditions, and management's knowledge and expertise in real estate.

The following table summarizes activity for the Company's assets measured at fair value, on a non-recurring basis as of September 30, 2018 and December 31, 2017 (in thousands).

| As of | Description | Fair Value of Assets | Basis of Fair Value Measurements | | | |
|--------------------|---------------------|----------------------|---|---|---|-----------------|
| | | | Quoted Prices In Active Markets for Identical Items (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Impairment Loss |
| September 30, 2018 | Investment property | \$ 68,250 | \$ — | \$ 68,250 | \$ — | \$ 9,378 |
| December 31, 2017 | Investment property | \$ 25,700 | \$ — | \$ — | \$ 25,700 | \$ 7,124 |

8. REPORTABLE SEGMENTS

The Company's investments in real estate are geographically diversified and management evaluates the operating performance of each at an individual investment level and considers each investment to be an operating segment. The Company has aggregated all of its operating segments into four reportable segments based on the location of the segment and the underlying asset class. Management has aggregated the Company's investments that are not office properties in "other" based on the geographic location of the investment, due to the Company's ownership in various different types of investments that do not stand alone as their own reportable segment. The Company's reporting segments consist of the following, based on the Company's investments as of September 30, 2018:

- Domestic office investments (9 investments)
- Domestic other investments (4 investments)
- International office investments (8 investments)
- International other investments (6 investments)

The tables below provide additional information related to each of the Company's segments, geographic location and a reconciliation to the Company's net loss, as applicable. "Corporate-Level Accounts" includes amounts incurred by the corporate-level entities which are not allocated to any of the reportable segments (all amounts other than percentages are in thousands).

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|----------------------------------|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Total Revenue | | | | |
| Domestic office investments | \$ 32,882 | \$ 43,522 | \$ 98,579 | \$ 131,211 |
| Domestic other investments | 20,924 | 21,825 | 66,199 | 70,800 |
| International office investments | 16,994 | 24,581 | 56,157 | 70,918 |
| International other investments | 6,789 | 10,432 | 26,297 | 33,609 |
| Total Revenue | \$ 77,589 | \$ 100,360 | \$ 247,232 | \$ 306,538 |

For the three and nine months ended September 30, 2018 and 2017 the Company's total revenue was attributable to the following countries:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|----------------------|----------------------------------|------|---------------------------------|------|
| | 2018 | 2017 | 2018 | 2017 |
| Total Revenue | | | | |
| United States | 69% | 65% | 65% | 66% |
| United Kingdom | 5% | 9% | 8% | 10% |
| Australia | 10% | 10% | 9% | 9% |
| Germany | 4% | 5% | 6% | 6% |
| Poland | 7% | 6% | 7% | 5% |
| Russia | 3% | 3% | 3% | 3% |
| France | 2% | 2% | 2% | 1% |

For the three and nine months ended September 30, 2018 and 2017, the Company's property revenues in excess of expenses by segment was as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|------------------|---------------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Property revenues in excess of expenses ⁽¹⁾ | | | | |
| Domestic office investments | \$ 20,400 | \$ 27,223 | \$ 62,085 | \$ 82,724 |
| Domestic other investments | 12,670 | 14,004 | 40,640 | 45,275 |
| International office investments | 9,981 | 14,733 | 31,331 | 45,986 |
| International other investments | 4,475 | 7,978 | 18,092 | 25,273 |
| Property revenues in excess of expenses | \$ 47,526 | \$ 63,938 | \$ 152,148 | \$ 199,258 |

(1) Revenues less property operating expenses, real property taxes and property management fees.

As of September 30, 2018 and December 31, 2017, the Company's total assets by segment was as follows (in thousands):

| | September 30, 2018 | December 31, 2017 |
|----------------------------------|---------------------|---------------------|
| Total Assets | | |
| Domestic office investments | \$ 1,146,682 | \$ 1,146,312 |
| Domestic other investments | 728,095 | 794,558 |
| International office investments | 937,803 | 1,053,971 |
| International other investments | 172,950 | 429,827 |
| Corporate-level accounts | 51,832 | 301,529 |
| Total Assets | \$ 3,037,362 | \$ 3,726,197 |

As of September 30, 2018 and December 31, 2017, the Company's total assets were attributable to the following countries:

| | September 30, 2018 | December 31, 2017 |
|---------------------|--------------------|-------------------|
| Total Assets | | |
| United States | 63% | 59% |
| United Kingdom | 11% | 11% |
| Australia | 10% | 9% |
| Poland | 9% | 8% |
| Germany | —% | 7% |
| France | 5% | 4% |
| Russia | 2% | 2% |

For the three and nine months ended September 30, 2018 and 2017, the reconciliation of the Company's total property revenues in excess of expenses to the Company's net income (loss) is as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Reconciliation to property revenues in excess of expenses | | | | |
| Net income (loss) | \$ 149,112 | \$ 64,033 | \$ 184,368 | \$ 230,120 |
| Depreciation and amortization | 24,632 | 32,936 | 88,056 | 105,180 |
| Acquisition related expenses | — | — | — | 113 |
| Asset management and acquisition fees | 8,886 | 9,690 | 26,527 | 28,570 |
| General and administrative expenses | 2,212 | 2,002 | 8,187 | 7,277 |
| Impairment losses | 4,274 | — | 9,378 | — |
| (Gain) loss on derivatives | 857 | (174) | 39 | 628 |
| Gain on sale of real estate investments | (157,473) | (74,560) | (216,147) | (215,165) |
| Foreign currency (gains) losses | (3,818) | 1,941 | 4,543 | (5,386) |
| Interest expense | 15,704 | 14,435 | 45,921 | 44,024 |
| Other (income) expenses | (184) | (226) | (570) | (466) |
| (Benefit) provision for income taxes | 95 | 950 | (1,383) | (8,548) |
| Provision for income taxes related to sale of real estate | 3,229 | 12,911 | 3,229 | 12,911 |
| Total property revenues in excess of expenses | \$ 47,526 | \$ 63,938 | \$ 152,148 | \$ 199,258 |

9. SUPPLEMENTAL CASH FLOW DISCLOSURES

Supplemental cash flow disclosures for the nine months ended September 30, 2018 and 2017 (in thousands):

| | Nine Months Ended September 30, | |
|---|---------------------------------|-----------|
| | 2018 | 2017 |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid for interest | \$ 41,890 | \$ 41,583 |
| Cash paid for taxes | \$ 20,082 | \$ 5,973 |
| Supplemental Schedule of Non-Cash Activities | | |
| Distributions declared and unpaid | \$ 26,283 ⁽¹⁾ | \$ 14,740 |
| Distributions reinvested | \$ 59,014 | \$ 69,282 |
| Shares tendered for redemption | \$ 14,229 | \$ 15,797 |
| Assumption of mortgage upon disposition of property | \$ 208,872 | \$ — |
| Accrued capital additions | \$ 19,542 | \$ 5,684 |

- (1) For the nine months ended September 30, 2018, this amount included a distribution totaling \$11.6 million to an affiliate of Hines who was the Company's JV partner in the WaterWall JV. See Note 5 — Distributions for additional details about the distribution.

10. COMMITMENTS AND CONTINGENCIES

In May 2018, Puget Sound Energy renewed its lease for its space in The Summit located in Bellevue, Washington. In connection with this lease, the Company committed to fund \$9.7 million of tenant improvements, to be paid in future periods. As of September 30, 2018, \$9.7 million of the Company's commitment remained unfunded and is recorded in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheet.

In September 2018, WeWork signed a lease for space in The Summit located in Bellevue, Washington. In connection with this lease, the Company committed to fund \$14.0 million of tenant improvements, to be paid in future periods. As of September 30, 2018, \$14.0 million of the Company's commitment remained unfunded and is recorded in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheet.

The Company may be subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance. While the resolution of these matters cannot be predicted with certainty, management believes the final outcome of such matters will not have a material adverse effect on the Company's condensed consolidated financial statements.

11. SUBSEQUENT EVENTS

2300 Main Street

In October 2018, the Company entered into a contract to sell 2300 Main Street for a contract sales price of \$46.6 million. Although the Company expects the closing of this sale to occur in November 2018, there can be no assurances as to if or when this sale is completed.

250 Royall

In October 2018, the Company sold 250 Royall for a contract sales price of \$20.2 million. The Company acquired the property in September 2011 for \$57.0 million. The purchaser is not affiliated with the Company or its affiliates.

9320 Excelsior

In October 2018, the Company sold 9320 Excelsior for a contract sales price of \$49.5 million. The Company acquired the property in December 2011 for \$69.5 million. The purchaser is not affiliated with the Company or its affiliates.

Australian Properties Portfolio

In November 2018, the Company sold its Australian properties portfolio consisting of 818 Bourke Street, 100 Brookes, 825 Ann Street, and 465 Victoria Avenue for a contract sales price of A\$645.8 million (approximately \$465.0 million based on an exchange rate of \$0.72 per AUD on the date of the transaction). The Company acquired 818 Bourke in October 2014 for \$135.6 million, 100 Brookes in July 2012 for \$67.6 million, 825 Ann in April 2013 for \$128.2 million, and 465 Victoria Avenue for February 2013 for \$90.8 million. The purchaser is not affiliated with the Company or its affiliates.

Campus at Playa Vista

In November 2018, the Company sold Campus at Playa Vista for a contract sales price of \$330.1 million, of which \$10.0 million is contingent on certain leasing conditions having been met on or before November 15, 2019. The Company acquired the property in May 2013 for \$216.6 million. The purchaser is not affiliated with the Company or its affiliates.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in Item 1 in this Quarterly Report on Form 10-Q. The following discussion should also be read in conjunction with our audited consolidated financial statements and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2017.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements include statements concerning future financial performance and distributions, future debt and financing levels, acquisitions and investment objectives, payments to Hines Global REIT Advisors Limited Partnership (the "Advisor"), and its affiliates and other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto as well as all other statements that are not historical statements. These statements are only predictions. We caution that forward-looking statements are not guarantees. Actual events or our investments and results of operations could differ materially from those expressed or implied in forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology.

The forward-looking statements included in this Quarterly Report on Form 10-Q are based on our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, the availability of future financing and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Any of the assumptions underlying forward-looking statements could prove to be inaccurate. To the extent that our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flow from operations, pay distributions to our shareholders and maintain the value of any real estate investments and real estate-related investments in which we may hold an interest in the future, may be significantly hindered.

The following are some of the risks and uncertainties, which could cause actual results to differ materially from those presented in certain forward-looking statements:

- Whether we will be able to complete the sale of all or substantially all of our assets as expected;
- Unanticipated difficulties, expenditures or delays relating to our implementation of the Plan of Liquidation, which may reduce or delay our payment of liquidating distributions to our stockholders;
- Risks associated with the potential response of tenants, business partners and competitors to the announcement of the Plan of Liquidation;
- Risks associated with legal proceedings that may be instituted against us and others related to the Plan of Liquidation;
- Competition for tenants, including competition with affiliates of Hines Interests Limited Partnership (“Hines”);
- Our reliance on our Advisor, Hines and affiliates of Hines for our day-to-day operations and the management of our real estate investments, and our Advisor’s ability to attract and retain high-quality personnel who can provide service at a level acceptable to us;
- Risks associated with conflicts of interests that result from our relationship with our Advisor and Hines, as well as conflicts of interests certain of our officers and directors face relating to the positions they hold with other entities;
- The potential need to fund tenant improvements, lease-up costs or other capital expenditures, as well as increases in property operating expenses and costs of compliance with environmental matters or discovery of previously undetected environmentally hazardous or other undetected adverse conditions at our properties;
- The availability and timing of distributions we may pay is uncertain and cannot be assured;
- Our distributions have been paid using cash flows from financing activities, including proceeds from our public offerings, proceeds from debt financings and cash from the waiver of fees, and some or all of the distributions we pay in the future may be paid from similar sources or sources such as cash advances by our Advisor or cash resulting from a deferral or waiver of fees. When we pay distributions from certain sources other than our cash flow from operations, we will have less funds available for the acquisition of properties, and your overall return may be reduced;
- Risks associated with debt and our ability to secure financing;
- Risks associated with adverse changes in general economic or local market conditions, including terrorist attacks and other acts of violence, which may affect the markets in which we and our tenants operate;
- Catastrophic events, such as hurricanes, earthquakes, tornadoes and terrorist attacks; and our ability to secure adequate insurance at reasonable and appropriate rates;
- The failure of any bank in which we deposit our funds could reduce the amount of cash we have available to pay distributions and make additional investments;
- Changes in governmental, tax, real estate and zoning laws and regulations and the related costs of compliance and increases in our administrative operating expenses, including expenses associated with operating as a public company;
- International investment risks, including the burden of complying with a wide variety of foreign laws and the uncertainty of such laws, the tax treatment of transaction structures, political and economic instability, foreign currency fluctuations, and inflation and governmental measures to curb inflation may adversely affect our operations and our ability to make distributions;
- The lack of liquidity associated with our assets;
- Our ability to continue to qualify as a real estate investment trust (“REIT”) for federal income tax purposes;
- Risks related to the United Kingdom’s pending exit from the European Union (“Brexit”), including, but not limited to the decline of revenue derived from, and the market value of, properties located in the United Kingdom and continental Europe; and
- Our ability to refinance or sell properties located in the United Kingdom and continental Europe may be impacted by the economic and political uncertainty following the approval of “Brexit” by a majority of votes in the United Kingdom in June 2016 and the subsequent notice of departure sent by the United Kingdom to the European Union in March 2017.

These risks are more fully discussed in, and all forward-looking statements should be read in light of, all of the factors discussed in “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017, and in our Definitive Proxy Statement as filed with the SEC on May 10, 2018.

You are cautioned not to place undue reliance on any forward-looking statements included in this Quarterly Report on Form 10-Q. All forward-looking statements are made as of the date of this Quarterly Report on Form 10-Q and the risk that actual results will differ materially from the expectations expressed in this Quarterly Report on Form 10-Q may increase with the passage of time. In light of the significant uncertainties inherent in the forward-looking statements included in this Quarterly Report on Form 10-Q, the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this Quarterly Report on Form 10-Q will be achieved. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. Each forward-looking statement speaks only as of the date of the particular statement, and we do not undertake to update any forward-looking statement.

Executive Summary

Hines Global REIT, Inc. (“Hines Global” and, together with its consolidated subsidiaries, “we”, “us” or the “Company”) was incorporated under the Maryland General Corporation Law on December 10, 2008, primarily for the purpose of investing in a diversified portfolio of quality commercial real estate properties and other real estate investments located throughout the United States and internationally. In addition, Hines Global raised the equity capital for its real estate investments through two public offerings from August 2009 through April 2014. Hines Global offered up to \$500.0 million of shares of its common stock under its distribution reinvestment plan, pursuant to an offering which commenced on April 24, 2014 (the “DRP Offering”). Hines Global has raised approximately \$3.1 billion through its public offerings, including the DRP Offering. Hines Global engaged Hines Securities, Inc. (the “Dealer Manager”), an affiliate of Hines, to serve as the dealer manager for its public offerings. On July 17, 2018, in connection with the stockholder approval of the plan of liquidation and dissolution (the “Plan of Liquidation”), as discussed below, our board of directors determined to suspend indefinitely our distribution reinvestment plan effective as of August 31, 2018. As a result of the suspension of our distribution reinvestment plan, all distributions paid after August 31, 2018, will be paid to our stockholders in cash.

On February 26, 2018, our board of directors determined a net asset value (“NAV”) per share of our common stock of \$9.04 as of December 31, 2017. This per share NAV is slightly higher than the previously determined estimated per share NAV of \$8.98 as of December 30, 2017. The estimated per share NAV of \$8.98 as of December 30, 2017 represented a decrease from the per share NAV of \$10.03 as of December 31, 2016, and the decrease was due solely to a special distribution of \$1.05 per share declared to stockholders of record as of December 30, 2017. The aggregate value of our real estate property investments as of December 31, 2017 was \$4.4 billion, including amounts attributable to noncontrolling interests, which represented a 6.0% net increase when compared to the previously determined value of our assets as of December 31, 2016 (including adjustments for properties disposed during 2017). This 6.0% net increase resulted from a 1.9% appreciation in the aggregate values of our real estate property investments and 4.1% resulting from the weakening of the U.S. dollar against the Euro, British pound sterling, and Australian dollar. See our Current Report on Form 8-K filed with the SEC on February 27, 2018 for more information on the methodologies used to determine, and the limitations of, our NAV per share.

By the end of 2015, we completed our investment of the proceeds raised through our public offerings. Since our inception, we have owned interests in 45 properties, 18 of which were sold as of September 30, 2018. As a result, we owned 27 properties which contain, in the aggregate, 10.8 million square feet of leasable space. Our portfolio includes the following investments:

- Domestic office investments (9 investments)
- Domestic other investments (4 investments)
- International office investments (8 investments)
- International other investments (6 investments)

Our portfolio is comprised of approximately 65% domestic and 35% international investments and consists of a variety of real estate asset classes. Our current investment types encompass approximately 71% office, 24% retail, and 5% industrial. We believe that this diversification is directly in-line with our investment strategies of maintaining a well-diversified real estate portfolio and providing additional diversification across currencies.

We have concentrated our efforts on actively managing our assets and exploring a variety of strategic opportunities focused on enhancing the composition of our portfolio and its total return potential for its stockholders. On April 23, 2018, in connection with its review of potential strategic alternatives available to the Company, our board of directors determined that it is in the best interest of the Company and its stockholders to sell all or substantially all of our properties and assets and for the Company to liquidate and dissolve pursuant to the Plan of Liquidation. The principal purpose of the liquidation is to provide liquidity to our stockholders by selling the Company’s assets, paying its debts and distributing the net proceeds from liquidation to our stockholders. As required by Maryland law and our charter, the Plan of Liquidation was approved by the affirmative vote of the holders of at least a majority of the shares of our common stock outstanding and entitled to vote thereon at the Company’s annual meeting of stockholders held on July 17, 2018. We presently estimate that if we are able to successfully implement the Plan of Liquidation, then after the sale of

all or substantially all of the Company's assets and the payment of all of the Company's outstanding liabilities, we will have made total distributions to our stockholders of approximately \$10.00 to \$11.00 per share of the Company's common stock, comprised of three components: (i) the \$1.05 per share Special Distribution (defined below under "—Distributions"); (ii) the \$0.12 per share Return of Invested Capital Distributions (defined below under "—Distributions"); and (iii) the range of liquidating distributions to be made pursuant to the Plan of Liquidation of \$8.83 to \$9.83 per share of the Company's common stock, estimated by our board of directors as of April 23, 2018. Pursuant to the Plan of Liquidation, our board of directors has authorized a monthly liquidating distribution on shares of our common stock in an amount per share equal to \$0.0541667 for each month from July to November 2018. In connection with the approval by the Company's stockholders of the Plan of Liquidation, the Company's board of directors voted to suspend indefinitely the Company's distribution reinvestment plan, effective as of August 31, 2018. Accordingly, all distributions from August to November 2018 have been or will be paid in cash. We expect to make the final liquidating distribution on or before a date that is within 24 months after stockholder approval of the Plan of Liquidation. However, there can be no assurances regarding the amounts of any liquidating distributions or the timing thereof.

The following table provides additional information regarding each of the properties in which we owned an interest as of September 30, 2018.

| Property | Location | Investment Type | Date Acquired/ Net Purchase Price (in millions) ⁽²⁾ | Estimated Going-in Capitalization Rate ⁽³⁾ | Leasable Square Feet | Percent Leased ⁽¹⁾ |
|--|----------------------------|-----------------|---|---|----------------------|-------------------------------|
| Domestic Office Investments | | | | | | |
| 250 Royall ⁽⁴⁾ | Canton, Massachusetts | Office | 9/2011; \$57.0 | 9.1% | 185,171 | 100% |
| Campus at Marlborough | Marlborough, Massachusetts | Office | 10/2011; \$103.0 | 8.0% | 532,246 | 71% |
| 9320 Excelsior ⁽⁴⁾ | Hopkins, Minnesota | Office | 12/2011; \$69.5 | 6.2% | 254,915 | 100% |
| 550 Terry Francois | San Francisco, California | Office | 8/2012; \$180.0 | 8.2% | 289,408 | 100% |
| Riverside Center | Boston, Massachusetts | Office | 3/2013; \$197.1 | 5.7% | 509,702 | 86% |
| The Campus at Playa Vista ⁽⁴⁾ | Los Angeles, California | Office | 5/2013; \$216.6 | 5.7% | 348,724 | 99% |
| 2300 Main | Irvine, California | Office | 8/2013; \$39.5 | 6.4% | 132,064 | 100% |
| 55 M Street | Washington, D.C. | Office | 12/2013; \$140.9 | 4.8% | 267,652 | 96% |
| The Summit | Bellevue, Washington | Office | 3/2015; \$316.5 | 5.6% | 539,576 | 96% |
| Total for Domestic Office Investments | | | | | 3,059,458 | 91% |

| Property | Location | Investment Type | Date Acquired/ Net Purchase Price (in millions) ⁽²⁾ | Estimated Going-in Capitalization Rate ⁽³⁾ | Leasable Square Feet | Percent Leased ⁽¹⁾ |
|--|------------------------|-----------------|---|---|----------------------|-------------------------------|
| Domestic Other Investments | | | | | | |
| Minneapolis Retail Center | Minneapolis, Minnesota | Retail | 8/2012 & 12/2012; \$130.6 | 6.5% | 400,530 | 97% |
| The Markets at Town Center | Jacksonville, Florida | Retail | 7/2013; \$135.0 | 5.9% | 317,557 | 86% |
| The Avenue at Murfreesboro | Nashville, Tennessee | Retail | 8/2013; \$163.0 | 6.4% | 766,934 | 90% |
| The Rim | San Antonio, Texas | Retail | 2/2014, 4/2015, 12/2015 & 12/2016; \$285.9 | 5.9% | 1,032,014 | 94% |
| Total for Domestic Other Investments | | | | | 2,517,035 | 92% |
| International Office Investments | | | | | | |
| Gogolevsky 11 | Moscow, Russia | Office | 8/2011; \$96.1 | 8.9% | 94,240 | 93% |
| 100 Brookes St. ⁽⁴⁾ | Brisbane, Australia | Office | 7/2012; \$67.6 | 10.5% | 105,636 | 36% |
| 465 Victoria ⁽⁴⁾ | Sydney, Australia | Office | 2/2013; \$90.8 | 8.0% | 169,472 | 97% |
| New City | Warsaw, Poland | Office | 3/2013; \$163.5 | 7.1% | 484,182 | 85% |
| 825 Ann ⁽⁴⁾ | Brisbane, Australia | Office | 4/2013; \$128.2 | 8.0% | 206,505 | 94% |
| Perspective Défense | Paris, France | Office | 6/2013; \$165.8 | 8.5% | 289,663 | 47% |
| 25 Cabot Square | London, England | Office | 3/2014; \$371.7 | 6.7% | 455,712 | 59% |
| 818 Bourke ⁽⁴⁾ | Melbourne, Australia | Office | 10/2014; \$135.6 | 7.1% | 259,007 | 96% |
| Total for International Office Properties | | | | | 2,064,417 | 75% |
| International Other Investments | | | | | | |
| FM Logistic | Moscow, Russia | Industrial | 4/2011; \$70.8 | 11.2% | 748,578 | 100% |
| Poland Logistics Portfolio ⁽⁵⁾ | Poland | Industrial | 3/2012 & 10/2012; \$157.2 | 8.1% | 2,365,228 | 94% |
| Total for International Other Investments | | | | | 3,113,806 | 95% |
| Total for All Investments | | | | | 10,754,716 | 90% |

(1) Represents the percentage leased based on the effective ownership of the Operating Partnership in the properties listed. On September 30, 2018, the Company owned a 99.99% interest in the Operating Partnership as its sole general partner. Affiliates of Hines owned the remaining 0.01% interest in the Operating Partnership.

(2) For acquisitions denominated in a foreign currency, amounts have been translated to U.S. dollars at a rate based on the exchange rate in effect on the acquisition date.

(3) The estimated going-in capitalization rate is determined as of the date of acquisition by dividing the projected property revenues in excess of expenses for the first fiscal year following the date of acquisition by the net purchase price (excluding closing costs and taxes). Property revenues in excess of expenses includes all projected operating revenues (rental income, tenant reimbursements, parking and any other property-related income) less all projected operating expenses (property operating and maintenance expenses, property taxes, insurance and property management fees).

The projected property revenues in excess of expenses includes assumptions which may not be indicative of the actual future performance of the property, and the actual economic performance of each property for our period of ownership may differ materially from the amounts used in calculating the estimated going-in capitalization rate. These include assumptions, with respect to each property, that in-place tenants will continue to perform under their lease agreements during the 12 months following our acquisition of the property. In addition, with respect to the Poland Logistics Portfolio, the Minneapolis Retail Center, 465 Victoria, Riverside Center, 825 Ann, the Campus at Playa Vista, The Markets at Town Center, the Avenue at Murfreesboro, 55 M Street, 818 Bourke and The Summit, the projected property revenues in excess of expenses include assumptions concerning estimates of timing and rental rates related to re-leasing vacant space.

(4) We sold these properties in October 2018 and November 2018. See “—Subsequent Events” for additional information about the sales.

- (5) The Poland Logistics Portfolio is comprised of five industrial parks located in Warsaw, Wroclaw and Upper Silesia, Poland. In July 2018, the Company entered into a contract to sell the Poland Logistics Portfolio. Although the Company expects the closing of this sale to occur in November 2018, there can be no assurances as to if or when this sale is completed.

Critical Accounting Policies

Each of our critical accounting policies involves the use of estimates that require management to make assumptions that are subjective in nature. Management relies on its experience, collects historical and current market data, and analyzes these assumptions in order to arrive at what it believes to be reasonable estimates. In addition, application of these accounting policies involves the exercise of judgments regarding assumptions as to future uncertainties. Actual results could materially differ from these estimates. A disclosure of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2017 in Management's Discussion and Analysis of Financial Condition and Results of Operations. There have been no changes to our critical accounting policies during 2018.

Financial Condition, Liquidity and Capital Resources

To date, our most significant demands for funds have been related to the purchase of real estate properties and other real estate-related investments. Specifically, we funded \$5.1 billion of real estate investments using \$3.1 billion of proceeds from our public offerings, including the DRP offering, and debt proceeds. We invested all of the proceeds raised through our public offerings by the end of 2015. As a result, any subsequent real estate investments will be funded using proceeds from the dispositions of other real estate investments and debt proceeds. Other significant demands for funds include the payment of operating expenses, distributions and debt service. Generally, we expect to meet these operating cash needs using cash flows from operating activities and proceeds from sales of assets.

We have not generated sufficient cash flow from operations to fully fund distributions paid. Therefore some or all of our distributions may continue to be paid from other sources, such as proceeds from our debt financings, proceeds from the sales of assets, cash advances by our Advisor, and cash resulting from a waiver or deferral of fees. We have not placed a cap on the amount of our distributions that may be paid from any of these other sources.

We believe that the proper use of leverage can enhance returns on real estate investments. As of September 30, 2018, our portfolio was 36% leveraged, based on the most recent appraised values of our real estate investments. At that time, we had \$1.4 billion of principal outstanding under our various loan agreements with a weighted average interest rate of 3.4%. Approximately \$1.2 billion of our loans are maturing during the next year as of November 14, 2018. We expect to make these payments utilizing proceeds from the sale of our assets pursuant to the Plan of Liquidation, or we may elect to refinance the loans.

The discussions below provide additional details regarding our cash flows.

Cash Flows from Operating Activities

Our real estate properties generate cash flow in the form of rental revenues, which are used to pay direct leasing costs, property-level operating expenses and interest payments. Property-level operating expenses consist primarily of salaries and wages of property management personnel, utilities, cleaning, insurance, security and building maintenance costs, property management and leasing fees, and property taxes. Additionally, we make payments for general and administrative expenses, asset management fees, and, in prior periods, acquisition fees and expenses.

Net cash provided by operating activities decreased by \$59.4 million for the nine months ended September 30, 2018 as compared to the same period in the prior year. The largest components of the decrease are a \$16.6 million termination payment received from the largest tenant at 25 Cabot Square during the nine months ended September 30, 2017 and payment of an \$11.8 million capital gains tax during the nine months ended September 30, 2018 related to Mercedes Benz Bank, which was sold in 2017. Operating cash flows have also declined due to our dispositions of six properties in 2017 and seven properties in 2018, and decreases in occupancy at 100 Brookes and Riverside Center during the nine months ended September 30, 2018.

Cash Flows from Investing Activities

Net cash from investing activities primarily relates to proceeds received from the sales of our real estate investments and capital expenditures at our properties. Net cash from investing activities decreased \$211.8 million for the nine months ended September 30, 2018 compared to the same period in 2017, primarily due to property sales. The primary factors that contributed to the change between the two periods are summarized below.

2018

- We received proceeds of \$374.2 million from the sale of seven properties during the nine months ended September 30, 2018. See Note 3 — Investment Property for additional information regarding the sale of the properties.
- We paid \$48.8 million in capital expenditures at our operating properties.

2017

- We received proceeds of \$565.7 million from the sale of four properties during the nine months ended September 30, 2017.
- We paid \$34.0 million in capital expenditures at our operating properties.
- We made real estate loans of \$1.7 million and received proceeds from the collection of real estate loans receivable of \$7.2 million.

Cash Flows from Financing Activities

Redemptions

As described previously, we ceased offering primary shares pursuant to our public offerings in April 2014. During the nine months ended September 30, 2018 and 2017, respectively, we redeemed \$89.5 million and \$82.7 million in shares of our common stock through our share redemption program. During the nine months ended September 30, 2017, we also redeemed \$52.6 million of Convertible Preferred Equity Certificates (“CPEC”) held by the non-controlling interest owner in the Brindleyplace JV.

Distributions

We declared distributions of approximately \$0.65 per share, per year for 2017. Additionally, we declared a special distribution of \$1.05 per share (the “Special Distribution”) (\$288.0 million in total) to all stockholders of record as of December 30, 2017, that was paid in January 2018. In addition, our board of directors authorized monthly distributions aggregating \$0.325 per share for the six months ending June 30, 2018 and our board of directors designated an aggregate of \$0.12 per share of these distributions as a return of stockholders’ invested capital (the “Return of Invested Capital Distributions”) (such designation is not indicative of the characterization of these distributions for income tax purposes). The Return of Invested Capital Distributions have been paid to stockholders of record as of monthly record dates on the first business day of the month following the month to which the distributions relate.

From July 2018 to November 2018, we have declared distributions at an amount equal to \$0.0541667 per share, per month (\$0.65 per share on an annualized basis). The full amount of these distributions has been designated by the Company as a return of a portion of the stockholders’ invested capital and, as such, has reduced or will reduce the stockholders’ remaining investment in the Company. Distributions are paid monthly on the first business day following the completion of each month to which they relate. As a result of the suspension of our distribution reinvestment plan, any distributions paid after August 31, 2018 have been or will be paid to our stockholders in cash. Distributions paid to stockholders (including those reinvested in stock) during the nine months ended September 30, 2018 and 2017 were \$421.3 million and \$135.2 million, respectively.

The table below contains additional information regarding distributions declared to our stockholders and noncontrolling interest holders as well as the sources of distribution payments (all amounts are in thousands):

| Distributions for the Three Months Ended | Stockholders | | | Noncontrolling Interests | Distributions funded from Cash Flows From Operating Activities | |
|---|---------------------------|-----------------------------|-------------------|-----------------------------|--|--------------------|
| | Cash Distributions | Distributions Reinvested | Total Declared | Total Declared | | |
| 2018 | | | | | | |
| September 30, 2018 | \$ 36,970 | \$ 7,187 | \$ 44,157 | \$ 11,768 | \$ 30,679 ⁽¹⁾ | 55% |
| June 30, 2018 | \$ 22,457 | \$ 21,844 | \$ 44,301 | \$ 52 | \$ — | —% |
| March 31, 2018 | 22,126 | 22,294 | 44,420 | 60 | — | —% |
| Total | <u>\$ 81,553</u> | <u>\$ 51,325</u> | <u>\$132,878</u> | <u>\$ 11,880</u> | <u>\$ 30,679</u> | <u>21%</u> |
| 2017 | | | | | | |
| December 31, 2017 | \$ 310,078 ⁽²⁾ | \$ 22,890 | \$332,968 | \$ 1,064 | \$ 2,888 | 1% |
| September 30, 2017 | 22,224 | 23,031 | 45,255 | 1,786 | 21,091 | 45% |
| June 30, 2017 | 21,935 | 22,953 | 44,888 | 21,053 | 36,931 ⁽³⁾ | 82% ⁽³⁾ |
| March 31, 2017 | 21,614 | 22,883 | 44,497 | 2,804 | 28,819 | 64% |
| Total | <u>\$ 375,851</u> | <u>\$ 91,757</u> | <u>\$467,608</u> | <u>\$ 26,707</u> | <u>\$ 89,729</u> | <u>19%</u> |

- (1) For the three months ended September 30, 2018, distributions declared to noncontrolling interests included a distribution totaling \$11.6 million to an affiliate of Hines, who was the Company's JV partner in the WaterWall JV, as a result of the sale of WaterWall Place.
- (2) Includes \$288.0 million related to the Special Distribution described above.
- (3) These amounts exclude the \$21.0 million special distribution paid to the noncontrolling interest partners in the Aviva Coral Gables JV, which were made using proceeds from the sale of Aviva Coral Gables in June 2017.

Our cash flows from operations have been and may continue to be insufficient to fully fund distributions paid to stockholders. We have funded the remaining distributions from proceeds from the sales of our real estate investments in prior periods, and/or cash flows from financing activities.

Debt Financings

We utilize permanent mortgage financing to leverage returns on our real estate investments and use borrowings under our Revolving Credit Facility to provide funding for near-term working capital needs. As mentioned previously, our portfolio was 36% leveraged as of September 30, 2018 (based on the values of our real estate investments) with a weighted average interest rate of 3.4%.

Below is additional information regarding our loan activities for the nine months ended September 30, 2018 and 2017. See Note 4 — Debt Financing for additional information regarding our outstanding debt:

2018

- We borrowed approximately \$337.0 million and made payments of \$241.0 million under our Revolving Credit Facility.
- We made a payment of \$28.3 million to pay in full the mortgage loan for 100 Brookes in January 2018.
- We made a payment of \$44.9 million to pay in full the secured mortgage loan related to WaterWall Place upon the sale of the property in September 2018.
- We made a payment of \$170.0 million to pay in full the mortgage loan for The Summit in September 2018.
- We made payments of \$7.6 million on our remaining outstanding mortgage loans.

2017

- We borrowed approximately \$122.0 million and made payments of \$179.0 million under our Revolving Credit Facility.
- We made a payment of \$151.4 million to fully pay down the secured mortgage loan related to the Brindleyplace Project upon the sale of the property in February 2017.
- We made a payment of \$42.7 million to fully pay down the Aviva Coral Gables loan upon the sale of the property in June 2017.
- We made a payment of \$5.4 million related to the 100 Brookes loan in May 2017.
- We made a payment of \$37.9 million to fully pay down the secured mortgage loan related to Mercedes Benz Bank upon the sale of the property in July 2017.
- We made a payment of \$72.0 million to fully pay down the secured mortgage loan related to 55 M Street in September 2017.
- We made payments of \$6.4 million on our remaining outstanding mortgage loans.

Results of Operations*Same-store Analysis*

The following table presents the property-level revenues in excess of expenses for the three months ended September 30, 2018, as compared to the same period in 2017, by reportable segment. Same-store properties for the three months ended September 30, 2018 include 27 properties that were 90% and 93% leased as of September 30, 2018 and September 30, 2017, respectively (amounts in thousands, except for percentages):

| | Three Months Ended September 30, | | Change | |
|---|----------------------------------|------------------|--------------------|--------------|
| | 2018 | 2017 | \$ | % |
| Property revenues in excess of expenses ⁽¹⁾ | | | | |
| <i>Same-store properties</i> | | | | |
| Domestic office investments | \$ 20,318 | \$ 22,573 | \$ (2,255) | (10)% |
| Domestic other investments | 12,291 | 13,097 | (806) | (6)% |
| International office investments | 10,094 | 12,686 | (2,592) | (20)% |
| International other investments | 1,831 | 3,499 | (1,668) | (48)% |
| <i>Total same-store properties</i> | 44,534 | 51,855 | (7,321) | (14)% |
| <i>Disposed properties</i> | 2,992 | 12,083 | (9,091) | (75)% |
| Total property revenues in excess of expenses | \$ 47,526 | \$ 63,938 | \$ (16,412) | (26)% |
| Other | | | | |
| Depreciation and amortization | \$ 24,632 | \$ 32,936 | \$ (8,304) | (25)% |
| Impairment losses | \$ 4,274 | \$ — | \$ 4,274 | — % |
| Gain on sale of real estate investments | \$ 157,473 | \$ 74,560 | \$ 82,913 | 111 % |
| Interest expense | \$ 15,704 | \$ 14,435 | \$ 1,269 | 9 % |
| Income tax provision (benefit) | \$ 95 | \$ 950 | \$ (855) | (90)% |
| Provision for income taxes related to sale of real estate | \$ 3,229 | \$ 12,911 | \$ (9,682) | (75)% |

- (1) Property revenues in excess of expenses include total revenues less property operating expenses, real property taxes, and property management fees.

In total, property revenues in excess of expenses of our same-store properties decreased by 14% for the three months ended September 30, 2018 as compared to the three months ended September 30, 2017. Set forth below is a description of the significant variances in our property revenues in excess of expenses at our same-store properties:

Domestic office investments:

- Revenues in excess of expenses of 550 Terry Francois decreased \$0.8 million due to a reduction of gross rents collected from the single tenant as a result of a lease modification in 2017.
- Revenues in excess of expenses of Riverside Center decreased by \$0.5 million due to vacancies at the property. Riverside Center was 86% leased at September 30, 2018, compared to 95% leased at September 30, 2017.

International office investments:

- Revenues in excess of expenses of 100 Brookes decreased \$1.2 million primarily due to the vacancy of the single tenant in January 2018.
- Revenues in excess of expenses of 465 Victoria decreased \$1.9 million primarily due to a lease termination payment received from a tenant in the three months ended September 30, 2017.
- The decreases in revenues in excess of expenses were offset by a \$1.2 million increase at 825 Ann, primarily due to a lease termination payment received from a tenant during the three months ended September 30, 2018.
- Decreases in foreign currency exchange rates against the U.S. dollar caused decreases in the operating results of our international properties. Specifically, the Australian Dollar decreased 7% against the U.S. dollar during the three months ended September 30, 2018 compared to the same period in 2017. See “Item 3. Quantitative and Qualitative Disclosures About Market Risk” for additional information regarding our exposure to foreign currency exchange rates.

International other investments:

- Revenues in excess of expenses of FM Logistics decreased \$1.2 million, primarily due to lease renewals at lower rental rates in the fourth quarter of 2017.

Other changes

The decrease in depreciation and amortization in the table above is primarily due to the sales of six of our properties during 2017 and seven properties in 2018.

For the three months ended September 30, 2018, we determined that one of our investment properties was impaired based on the asset having a carrying value that exceeded the contract sales price under the purchase and sale agreement for the property. As a result, an impairment loss of \$4.3 million was recorded to write down its carrying value to its fair value as of September 30, 2018. No impairment charges were recorded for the three months ended September 30, 2017.

The increase in the gain on sale of real estate investments in the table above is due to the gain recognized upon the sale of six of our properties during the three months ended September 30, 2018 being higher than the gain on the property that was sold during the three months ended September 30, 2017.

The increase in interest expense in the table above is primarily due to having a higher weighted average interest rate on our loans outstanding during the three months ended September 30, 2018, compared to the same period in the 2017.

The provision for income taxes related to sale of real estate is due to taxes recognized upon the sale of German Logistics Properties in August 2018 for the three months ended September 30, 2018, and the sale of Mercedes Benz Bank in July 2017 for the three months ended September 30, 2017.

The following table presents the property-level revenues in excess of expenses for the nine months ended September 30, 2018, as compared to the same period in 2017, by reportable segment. Same-store properties for the nine months ended September 30, 2018 include 27 properties that were 90% and 93% leased as of September 30, 2018 and September 30, 2017, respectively (amounts in thousands, except for percentages):

| | Nine Months Ended September 30, | | Change | |
|---|---------------------------------|--------------------------|---------------------------|---------------------|
| | 2018 | 2017 | \$ | % |
| Property revenues in excess of expenses ⁽¹⁾ | | | | |
| <i>Same-store properties</i> | | | | |
| Domestic office investments | \$ 62,149 | \$ 67,577 | \$ (5,428) | (8)% |
| Domestic other investments | 38,828 | 38,988 | (160) | — % |
| International office investments | 28,851 | 37,971 | (9,120) | (24)% |
| International other investments | 6,149 | 10,188 | (4,039) | (40)% |
| <i>Total same-store properties</i> | <u>135,977</u> | <u>154,724</u> | <u>(18,747)</u> | <u>(12)%</u> |
| <i>Disposed properties</i> | <u>16,171</u> | <u>44,534</u> | <u>(28,363)</u> | <u>(64)%</u> |
| Total property revenues in excess of expenses | <u><u>\$ 152,148</u></u> | <u><u>\$ 199,258</u></u> | <u><u>\$ (47,110)</u></u> | <u><u>(24)%</u></u> |
| Other | | | | |
| Depreciation and amortization | \$ 88,056 | \$ 105,180 | \$ (17,124) | (16)% |
| Impairment losses | \$ 9,378 | \$ — | \$ 9,378 | — % |
| Gain on sale of real estate investments | \$ 216,147 | \$ 215,165 | \$ 982 | — % |
| Interest expense | \$ 45,921 | \$ 44,024 | \$ 1,897 | 4 % |
| Income tax provision (benefit) | \$ (1,383) | \$ (8,548) | \$ 7,165 | (84)% |
| Provision for income taxes related to sale of real estate | \$ 3,229 | \$ 12,911 | \$ (9,682) | (75)% |

(1) Property revenues in excess of expenses include total revenues less property operating expenses, real property taxes, and property management fees.

In total, property revenues in excess of expenses of our same-store properties decreased by 12% for the nine months ended September 30, 2018 as compared to the nine months ended September 30, 2017. Set forth below is a description of the significant variances in our property revenues in excess of expenses at our same-store properties:

Domestic office investments:

- Revenues in excess of expenses of 550 Terry Francois decreased \$2.4 million due to a reduction of gross rents collected from the single tenant as a result of a lease modification in 2017.
- Revenues in excess of expenses of Riverside Center decreased \$1.4 million due to vacancies at the property. Riverside Center was 86% leased at September 30, 2018, compared to 95% leased at September 30, 2017.

International office investments:

- Revenues in excess of expenses of 25 Cabot Square decreased \$5.1 million primarily due to vacancies at the property and increases in property operating expenses caused by a large refurbishment and expansion project.
- Revenues in excess of expenses of 100 Brookes decreased \$3.4 million primarily due the vacancy of the single tenant in January 2018. The property was fully vacant for most of 2018, and is 36% leased at September 30, 2018, compared to 100% leased at September 30, 2017.
- Revenues in excess of expenses of 465 Victoria decreased \$2.4 million primarily due to a lease termination payment received from a tenant during the nine months ended September 30, 2017.
- The decreases in revenues in excess of expenses were offset by a \$1.2 million increase at 825 Ann, primarily due to a lease termination payment received from a tenant during the nine months ended September 30, 2018.
- These declines are also offset by increases in foreign currency exchange rates against the U.S. dollar for our international properties. Specifically, the Euro increased 7% against the U.S. dollar during the nine months ended September 30, 2018 compared with the same period in 2017. Additionally, the British pound increased 6% against the U.S. dollar during that period. See “Item 3. Quantitative and Qualitative Disclosures About Market Risk” for additional information regarding our exposure to foreign currency exchange rates.

International other investments:

- Revenues in excess of expenses of FM Logistics decreased \$3.6 million, primarily due to lease renewals at lower rental rates in the fourth quarter of 2017.

Other changes

The decrease in depreciation and amortization in the table above is primarily due to the sales of several of our properties during 2017 and 2018.

For the nine months ended September 30, 2018, we determined that two of our properties were impaired, based on the assets having carrying values that exceeded the contract sales prices under the purchase and sale agreement for each of the properties. As a result, impairment losses of \$9.4 million were recorded to write down their carrying values to their fair values as of September 30, 2018. No impairment charges were recorded for the nine months ended September 30, 2017.

The increase in the gain on sale of real estate investments in the table above represents the gain recognized upon the sale of seven of our properties during the nine months ended September 30, 2018 and four of our properties during the nine months ended September 30, 2017.

The decrease in our income tax benefit is primarily due to the restructuring of certain of our Polish subsidiaries resulting from changes in tax laws in Poland during the nine months ended September 30, 2017.

The provision for income taxes related to sale of real estate is due to taxes recognized upon the sale of German Logistics Properties in August 2018 for the nine months ended September 30, 2018, and the sale of Mercedes Benz Bank in July 2017 for the nine months ended September 30, 2017.

Other Expenses

The tables below provide detail relating to our asset management and acquisition fees, acquisition-related expenses, and general and administrative expenses for the three and nine months ended September 30, 2018 and 2017. All amounts in thousands, except percentages:

| | Three Months Ended September 30, | | Change | |
|---------------------------------------|---|-------------|---------------|----------|
| | 2018 | 2017 | \$ | % |
| Asset management and acquisition fees | \$ 8,886 | \$ 9,690 | \$ (804) | (8)% |
| Acquisition related expenses | \$ — | \$ — | \$ — | — % |
| General and administrative expenses | \$ 2,212 | \$ 2,002 | \$ 210 | 10 % |
| Foreign currency gains (losses) | \$ 3,818 | \$ (1,941) | \$ 5,759 | (297)% |

| | Nine Months Ended September 30, | | Change | |
|---------------------------------------|--|-------------|---------------|----------|
| | 2018 | 2017 | \$ | % |
| Asset management and acquisition fees | \$ 26,527 | \$ 28,570 | \$ (2,043) | (7)% |
| Acquisition related expenses | \$ — | \$ 113 | \$ (113) | (100)% |
| General and administrative expenses | \$ 8,187 | \$ 7,277 | \$ 910 | 13 % |
| Foreign currency gains (losses) | \$ (4,543) | \$ 5,386 | \$ (9,929) | (184)% |

The changes identified in the tables above are primarily due to the following:

- We pay monthly asset management fees to the Advisor based on an annual fee of 1.5% of the net equity capital invested in real estate, which may be affected by the timing of the property sales, amounts of equity invested in properties that are sold, capital expenditures and changes in the leverage of our properties.
- General and administrative expenses include legal and accounting fees, printing and mailing costs, insurance costs, costs and expenses associated with our board of directors and other administrative expenses. The increase is due to increased legal and consulting costs associated with the Plan of Liquidation.

- See below for a description of the changes related to foreign currency gains (losses).

Foreign Currency Gains (Losses)

Our international real estate investments use functional currencies other than the U.S. dollar. The financial statements for these subsidiaries are translated into U.S. dollars for reporting purposes. Assets and liabilities are translated at the exchange rate in effect as of the balance sheet date while income statement amounts are translated using the average exchange rate for the period and significant nonrecurring transactions using the rate on the transaction date. Gains or losses resulting from translation are included in accumulated other comprehensive income (loss) within stockholders' equity. By contrast, gains and losses related to transactions denominated in currencies other than an entity's functional currency are recorded in foreign currency gains (losses) on the consolidated statement of operations. An exception is made where an intercompany loan or advance is deemed to be of a long-term investment nature, in which instance foreign currency transaction gains or losses are included in accumulated other comprehensive income (loss) within stockholders' equity.

During the three and nine months ended September 30, 2018 and 2017, these gains/losses were primarily related to the effect of remeasuring our borrowings denominated in currencies other than our functional currencies and the changes to the related exchange rates between the date of the borrowing and the end of each period.

Funds from Operations and Modified Funds from Operations

Funds from Operations ("FFO") is a non-GAAP financial performance measure defined by the National Association of Real Estate Investment Trusts ("NAREIT") widely recognized by investors and analysts as one measure of operating performance of a real estate company. FFO excludes items such as real estate depreciation and amortization. Depreciation and amortization, as applied in accordance with GAAP, implicitly assumes that the value of real estate assets diminishes predictably over time and also assumes that such assets are adequately maintained and renovated as required in order to maintain their value. Since real estate values have historically risen or fallen with market conditions such as occupancy rates, rental rates, inflation, interest rates, the business cycle, unemployment and consumer spending, it is management's view, and we believe the view of many industry investors and analysts, that the presentation of operating results for real estate companies using historical cost accounting alone is insufficient. In addition, FFO excludes gains and losses from the sale of real estate and impairment charges related to depreciable real estate assets and in-substance real estate equity investments, which we believe provides management and investors with a helpful additional measure of the historical performance of our real estate portfolio, as it allows for comparisons, year to year, that reflect the impact on operations from trends in items such as occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs. A property will be evaluated for impairment if events or circumstances indicate that the carrying amount may not be recoverable (i.e. the carrying amount exceeds the total estimated undiscounted future cash flows from the property). Undiscounted future cash flows are based on anticipated operating performance, including estimated future net rental and lease revenues, net proceeds on the sale of the property, and certain other ancillary cash flows. While impairment charges are excluded from the calculation of FFO as described above, stockholders are cautioned that due to the limited term of our operations, it could be difficult to recover any impairment charges.

In January 2017, the FASB issued ASU 2017-01 to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions of assets or businesses. We adopted this guidance on January 1, 2018 and we expect that any real estate transactions completed after that date will be accounted for under the asset acquisition guidance and the related acquisition-related expenses and acquisition fees will be treated under a capitalization/depreciation model and accordingly, will not be included in FFO or MFFO (as discussed below). Prior to ASU 2017-01, real estate acquisitions were generally considered business combinations and the acquisition-related expenses and acquisition fees were treated as operating expenses under GAAP.

In addition to FFO, management uses Modified Funds from Operations ("MFFO"), as defined by the Investment Program Association (the "IPA"), as a non-GAAP supplemental financial performance measure to evaluate our operating performance. The IPA has recommended the use of MFFO as a supplemental measure for publicly registered, non-listed REITs to enhance the assessment of the operating performance of a non-listed REIT. MFFO is not equivalent to our net income or loss as determined under GAAP, and MFFO may not be useful as a measure of the long-term operating performance of our investments or as a comparative measure to other publicly registered, non-listed REITs if we do not continue to operate with a limited life and targeted exit strategy, as currently intended and described herein. MFFO includes funds generated by the operations of our real estate investments and funds used in our corporate-level operations. MFFO is based on FFO, but includes certain additional adjustments which we believe are appropriate. Such items include reversing the effects of straight-line rent revenue recognition, fair value adjustments to derivative instruments that do not qualify for hedge accounting treatment and certain other items as described below. Some of these adjustments are necessary to address changes in the accounting and reporting rules under GAAP such as the accounting for acquisition-related expenses from a capitalization/depreciation model to an expensed-as-incurred model that were put into effect in 2009 and other changes to GAAP rules

for real estate subsequent to the establishment of NAREIT's definition of FFO. These changes in the accounting and reporting rules under GAAP affected all industries, and as a result of these changes, acquisition fees and expenses have typically been accounted for as operating expenses under GAAP. Management believes these fees and expenses do not affect our overall long-term operating performance. These changes also have prompted a significant increase in the magnitude of non-cash and non-operating items included in FFO, as defined. Such items include amortization of out-of-market lease intangible assets and liabilities and certain tenant incentives.

Other adjustments included in MFFO are necessary to address issues that are common to publicly registered, non-listed REITs. Publicly registered, non-listed REITs typically have a significant amount of acquisition activity and are substantially more dynamic during their initial years of investment and operations. While other start-up entities may also experience significant acquisition activity during their initial years, we believe that non-listed REITs like us are unique in that they have a limited life with targeted exit strategies within a relatively limited time frame after the acquisition activity ceases.

The purchase of properties, and the corresponding expenses associated with that process, including acquisition fees and expenses, is a key operational feature of our business plan to generate operational income and cash flows in order to make distributions to our stockholders. MFFO excludes any acquisition fees payable to our Advisor and acquisition expenses. As described above, prior to the adoption of ASU 2017-01, under GAAP, acquisition fees and expenses were characterized as operating expenses in determining operating net income. These expenses were paid in cash by us, and therefore such funds will not be available to distribute to our stockholders. In connection with any future acquisitions of real properties, unless our Advisor determines to waive the payment of any then-outstanding acquisition-related costs otherwise payable to our Advisor, such costs will be paid from additional debt, operational earnings or cash flow, net proceeds from the sale of properties, or ancillary cash flows. Therefore, MFFO may not be an accurate indicator of our operating performance, especially during periods in which properties are being acquired. Since MFFO excludes acquisition fees and expenses related to all of our acquisitions, MFFO would only be comparable to the operations of non-listed REITs that have completed their acquisition activity and have other similar operating characteristics.

Management uses MFFO to evaluate the financial performance of our investment portfolio, including the impact of potential future investments. In addition, management uses MFFO to evaluate and establish our distribution policy and the sustainability thereof. Further, we believe MFFO is one of several measures that may be useful to investors in evaluating the potential performance of our portfolio following the conclusion of the acquisition phase, as it excludes acquisition fees and expenses incurred prior to January 1, 2018, as described herein.

MFFO is useful in assisting management and investors in assessing the sustainability (that is, the capacity to continue to be maintained) of operating performance in future operating periods, and in particular, after the offering and acquisition stages are complete. MFFO is not a useful measure in evaluating net asset value because impairments are taken into account in determining net asset value but not in determining MFFO.

FFO and MFFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. In addition, FFO and MFFO should not be considered as alternatives to net income (loss) or income (loss) from continuing operations as an indication of our performance or as alternatives to cash flows from operating activities as an indication of our liquidity, but rather should be reviewed in conjunction with these and other GAAP measurements. Further, FFO and MFFO are not intended to be used as liquidity measures indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders. Please see the limitations listed below associated with the use of MFFO:

- MFFO excludes acquisition fees payable to our Advisor and acquisition expenses for periods prior to January 1, 2018. Although these amounts reduce net income, we generally have funded such costs with proceeds from our public offerings and acquisition-related indebtedness (and, solely with respect to acquisition-related costs incurred in connection with our acquisition of the Brindleyplace Project in July 2010, equity capital contributions from our joint venture partner) and do not consider these fees and expenses in the evaluation of our operating performance and determining MFFO.
- We use interest rate swap contracts and interest rate caps as economic hedges against the variability of interest rates on variable-rate loans. Although we expect to hold these instruments to maturity, if we were to settle these instruments currently, it would have an impact on our operating performance. Additionally, these derivative instruments are measured at fair value on a quarterly basis in accordance with GAAP. MFFO excludes gains (losses) related to changes in these estimated values of our derivative instruments because such adjustments may not be reflective of ongoing operations and may reflect unrealized impacts on our operating performance.
- We use foreign currency forward contracts as economic hedges against the variability of foreign exchange rates on certain international investments. These derivative instruments are typically short-term and are frequently settled at amounts that result

in additional amounts paid or received. However, such gains (losses) are excluded from MFFO since they are not considered to be operational in nature. Additionally, these derivative instruments are measured at fair value on a quarterly basis in accordance with GAAP. MFFO excludes gains (losses) related to changes in these estimated values of our derivative instruments because such adjustments may not be reflective of ongoing operations or may reflect unrealized impacts on our operating performance.

- We utilize the definition of FFO as set forth by NAREIT and the definition of MFFO as set forth by the IPA. Our FFO and MFFO as presented may not be comparable to amounts calculated by other REITs, if they use different approaches.
- Our business is subject to volatility in the real estate markets and general economic conditions, and adverse changes in those conditions could have a material adverse impact on our business, results of operations and MFFO. Accordingly, the predictive nature of MFFO is uncertain and past performance may not be indicative of future results.

Neither the United States Securities and Exchange Commission (the “SEC”), NAREIT nor any regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, the SEC, NAREIT or a regulatory body may decide to standardize the allowable adjustments across the non-listed REIT industry and we would have to adjust our calculation and characterization of FFO or MFFO.

The following section presents our calculation of FFO and MFFO attributable to common stockholders and provides additional information related to our operations (in thousands, except per share amounts) for the three and nine months ended September 30, 2018 and 2017 and the period from inception (December 10, 2008) through September 30, 2018. As we have recently completed the acquisition phase of our life cycle, FFO and MFFO are not useful in comparing operations for the two periods presented below.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Period from Inception (December 10, 2008) through September 30, 2018 |
|---|-------------------------------------|-----------|------------------------------------|------------|---|
| | 2018 | 2017 | 2018 | 2017 | |
| Net income (loss) | \$ 149,112 | \$ 64,033 | \$ 184,368 | \$ 230,120 | \$ 513,200 |
| Depreciation and amortization ⁽¹⁾ | 24,632 | 32,936 | 88,056 | 105,180 | 1,075,641 |
| Gain on sale of investment property ⁽²⁾ | (157,473) | (74,560) | (216,147) | (215,165) | (786,481) |
| Impairment Losses ⁽³⁾ | 4,274 | — | 9,378 | — | 16,503 |
| Provision for income taxes related to sale of real estate | 3,229 | 12,911 | 3,229 | 12,911 | 16,140 |
| Gain on sale of property from unconsolidated subsidiary | — | — | — | — | (7,196) |
| Adjustments for noncontrolling interests ⁽⁴⁾ | 3 | (40) | (30) | (1,142) | (31,656) |
| Funds from Operations attributable to common stockholders | 23,777 | 35,280 | 68,854 | 131,904 | 796,151 |
| Loss (gain) on derivative instruments ⁽⁵⁾ | 857 | (174) | 39 | 628 | (4,106) |
| Loss (gain) on foreign currency ⁽⁶⁾ | (4,303) | 2,450 | 3,353 | (4,495) | 37,766 |
| Other components of revenues and expenses ⁽⁷⁾ | 3,618 | 1,874 | 7,307 | 20,954 | (24,096) |
| Acquisition fees and expenses ⁽⁸⁾ | — | — | — | 113 | 223,148 |
| Adjustments for noncontrolling interests ⁽⁴⁾ | — | (2) | (1) | 324 | 5,216 |
| Modified Funds From Operations attributable to common stockholders | \$ 23,949 | \$ 39,428 | \$ 79,552 | \$ 149,428 | \$ 1,034,079 |
| Basic and diluted income (loss) per common share | \$ 0.51 | \$ 0.23 | \$ 0.64 | \$ 0.64 | \$ 2.64 |
| Funds From Operations attributable to common stockholders per common share | \$ 0.09 | \$ 0.13 | \$ 0.25 | \$ 0.48 | \$ 4.61 |
| Modified Funds From Operations attributable to common stockholders per common share | \$ 0.09 | \$ 0.14 | \$ 0.29 | \$ 0.54 | \$ 5.99 |
| Weighted average shares outstanding | 271,733 | 276,228 | 272,563 | 276,950 | 172,693 |

Notes to the table:

- (1) Represents the depreciation and amortization of various real estate assets. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that such depreciation and amortization may be of limited relevance in evaluating current operating performance and, as such, these items are excluded from our determination of FFO.

- (2) Represents the gain on disposition of certain real estate investments. Although this gain is included in the calculation of net income (loss), we have excluded it from FFO because we believe doing so appropriately presents the operating performance of our real estate investments on a comparative basis.
- (3) Represents impairment charges recorded for the three and nine months ended September 30, 2018 and 2017 in accordance with GAAP. Although such impairment charges on operating real estate investments and our investments in unconsolidated entities are included in the calculation of net income (loss), we have excluded them from FFO because we believe doing so more appropriately presents the operating performance of our real estate investments and our investments in unconsolidated entities on a comparative basis.
- (4) Includes income attributable to noncontrolling interests and all adjustments to eliminate the noncontrolling interests' share of the adjustments to convert our net income (loss) to FFO and MFFO.
- (5) Represents components of net income (loss) related to the estimated changes in the values of our interest rate contract derivatives and foreign currency forwards. We have excluded these changes in value from our evaluation of our operating performance and MFFO because such adjustments may not be reflective of our ongoing performance and may reflect unrealized impacts on our operating performance.
- (6) Represents components of net income (loss) primarily resulting from the remeasurement of loans denominated in currencies other than our functional currencies. We have excluded these changes in value from our evaluation of our operating performance and MFFO because such adjustments may not be reflective of our ongoing performance and may reflect unrealized impacts on our operating performance.
- (7) Includes the following components of revenues and expenses that we do not consider in evaluating our operating performance and determining MFFO for the three and nine months ended September 30, 2018 and 2017 (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Period from Inception (December 10, 2008) through September 30, 2018 |
|--|---|-----------------|--|------------------|---|
| | 2018 | 2017 | 2018 | 2017 | |
| Straight-line rent adjustment (a) | \$ (1,311) | \$ (2,800) | \$ (2,160) | \$ 8,285 | \$ (104,309) |
| Amortization of lease incentives (b) | 5,208 | 4,934 | 15,519 | 13,413 | 60,697 |
| Amortization of out-of-market leases (b) | (279) | (301) | (6,052) | (791) | 16,509 |
| Other | — | 41 | — | 47 | 3,007 |
| | <u>\$ 3,618</u> | <u>\$ 1,874</u> | <u>\$ 7,307</u> | <u>\$ 20,954</u> | <u>\$ (24,096)</u> |

- (a) Represents the adjustments to rental revenue as required by GAAP to recognize minimum lease payments on a straight-line basis over the respective lease terms. We have excluded these adjustments from our evaluation of our operating performance and in determining MFFO because we believe that the rent that is billable during the current period is a more relevant measure of our operating performance for such period.
- (b) Represents the amortization of lease incentives and out-of-market leases.
- (8) Represents acquisition expenses and acquisition fees paid to our Advisor that were expensed in our condensed consolidated statements of operations. We funded such costs with proceeds from our offering, and therefore do not consider these expenses in evaluating our operating performance and determining MFFO.

As noted previously, our cash flows from operations have been and may continue to be insufficient to fully fund distributions paid. Therefore, some or all of our distributions may continue to be paid from other sources, such as cash advances by the Advisor, cash resulting from a waiver or deferral of fees, proceeds from the sale of assets and/or borrowings. We have not placed a cap on the amount of our distributions that may be paid from any of these sources.

From inception through September 30, 2018, we declared distributions to our stockholders totaling \$1,095.6 million (which does not include the \$288.0 million Special Distribution), compared to total aggregate FFO of \$796.2 million and cash flows from operating activities of \$617.9 million. For the three months ended September 30, 2018, we declared distributions to our stockholders totaling \$44.2 million, compared to total aggregate FFO of \$23.8 million. For the three months ended September 30, 2017, we declared distributions to our stockholders totaling \$45.3 million, compared to total aggregate FFO of \$35.3 million. For the nine months ended September 30, 2018, we declared distributions to our stockholders totaling \$132.9 million, compared to total aggregate

FFO of \$68.9 million. For the nine months ended September 30, 2017, we declared distributions to our stockholders totaling \$134.6 million, compared to total aggregate FFO of \$131.9 million. During our offering and investment stages, we incurred acquisition fees and expenses in connection with our real estate investments, which were recorded as reductions to net income (loss) and FFO. These fees and expenses totaled \$223.1 million from inception through September 30, 2018.

Related-Party Transactions and Agreements

We have entered into agreements with the Advisor, Dealer Manager and Hines or its affiliates, whereby we pay certain fees and reimbursements to these entities during the various phases of our organization and operation. During the organization and offering stage, these include payments to our Dealer Manager for selling commissions and the dealer manager fee and payments to our Advisor for reimbursement of issuer costs. During the acquisition and operational stages, these include payments for certain services related to acquisitions, financing and management of our investments and operations provided to us by our Advisor and Hines and its affiliates pursuant to various agreements we have entered into or anticipate entering into with these entities. See Note 6 — Related Party Transactions in this Quarterly Report on Form 10-Q and Note 9 — Related Party Transactions in our Annual Report of Form 10-K for the year ended December 31, 2017 for additional information concerning our related-party transactions.

For the three months ended September 30, 2018, distributions declared to the noncontrolling interests included a distribution totaling \$11.6 million to an affiliate of Hines, our JV partner in the WaterWall JV, as a result of the sale of WaterWall Place.

Off-Balance Sheet Arrangements

As of September 30, 2018 and December 31, 2017, we had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Subsequent Events

2300 Main Street

In October 2018, we entered into a contract to sell 2300 Main Street for a contract sales price of \$46.6 million. Although we expect the closing of this sale to occur in November 2018, there can be no assurances as to if or when this sale is completed.

250 Royall

In October 2018, we sold 250 Royall for a contract sales price of \$20.2 million. We acquired the property in September 2011 for \$57.0 million. The purchaser is not affiliated with us or our affiliates.

9320 Excelsior

In October 2018, we sold 9320 Excelsior for a contract sales price of \$49.5 million. We acquired the property in December 2011 for \$69.5 million. The purchaser is not affiliated with us or our affiliates.

Australian Properties Portfolio

In November 2018, we sold our Australian properties portfolio consisting of 818 Bourke Street, 100 Brookes, 825 Ann Street, and 465 Victoria Avenue for a contract sales price of A\$645.8 million (approximately \$465 million based on an exchange rate of \$0.72 per AUD on the date of the transaction). We acquired 818 Bourke in October 2014 for \$135.6 million, 100 Brookes in July 2012 for \$67.6 million, 825 Ann in April 2013 for \$128.2 million, and 465 Victoria Avenue for February 2013 for \$90.8 million. The purchaser is not affiliated with us or our affiliates.

Campus at Playa Vista

In November 2018, we sold Campus at Playa Vista for a contract sales price of \$330.1 million. We acquired the property in May 2013 for \$216.6 million. The purchaser is not affiliated with us or our affiliates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market-sensitive instruments. In pursuing our business plan, we believe that interest rate risk, foreign currency risk and real estate valuation risk are the primary market risks to which we are exposed.

Interest Rate Risk

We are exposed to the effects of interest rate changes primarily as a result of debt used to maintain liquidity and fund expansion of our real estate investment portfolio and operations. One of our interest rate risk management objectives is to limit the impact of interest rate changes on cash flows. To achieve this objective, we may borrow at fixed rates or fix the variable rates of interest on variable interest rate borrowings through the use of interest rate swaps and caps. We have and may continue to enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument. We will not enter into derivative or interest rate transactions for speculative purposes. We are exposed to credit risk of the counterparty to these contracts in the event of non-performance under the terms of the derivative contracts. In the event of non-performance by the counterparty, if we were not able to replace these contracts, we would be subject to the variability of interest rates on the total amount of debt outstanding under the mortgage.

At September 30, 2018, we had fixed-rate debt of \$226.7 million and variable-rate debt of \$1.2 billion. If interest rates were to increase by 1% and all other variables were held constant, we would incur \$12.2 million in additional annual interest expense associated with our variable-rate debt. Additionally, we hedged approximately \$282.1 million of our variable-rate debt using interest rate caps, which limit our exposure to rising interest rates. As of September 30, 2018, the variable interest rates did not exceed their capped interest rates.

Foreign Currency Risk

We currently have real estate investments located in countries outside of the U.S. that are subject to the effects of exchange rate movements between the foreign currency of each real estate investment and the U.S. dollar, which may affect future costs and cash flows as well as amounts translated into U.S. dollars for inclusion in our condensed consolidated financial statements. Generally, we have entered into mortgage loans denominated in foreign currencies for these investments, which provide natural hedges with regard to changes in exchange rates between the foreign currencies and U.S. dollar and reduces our exposure to exchange rate differences. Additionally, we are typically a net receiver of these foreign currencies, and, as a result, our foreign operations benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar. The table below identifies the effect that a 10% immediate, unfavorable change in the exchange rates would have on our equity in these international real estate investments and their net income for the most recently completed period, by foreign currency (in thousands)⁽¹⁾⁽²⁾:

| | Reduction in Book Value as of September 30, 2018 | Reduction in Net Income (Loss) for the Nine Months Ended September 30, 2018 |
|-----|---|--|
| AUD | \$8,998 | \$330 |
| EUR | \$16,337 | \$12,614 |
| GBP | \$14,797 | \$4,802 |
| RUB | \$5,769 | \$234 |

- (1) Our real estate assets in Moscow, Russia were purchased in U.S. dollars and we expect that when we dispose of these assets, the sale transactions will also be denominated in U.S. dollars. Accordingly, we do not expect to have economic exposure to the Ruble upon disposition. However, changes in the exchange rate between the Ruble and the U.S. dollar could result in realized losses recorded in our consolidated statement of operations at the time of sale.
- (2) Our real estate assets in Warsaw, Wroclaw and Upper Silesia, Poland were purchased in Euros and we expect that when we dispose of these assets, the sale transactions will also be denominated in Euros. Accordingly, we do not expect to have Polish zloty exposure upon disposition.

Item 4. *Controls and Procedures*

Disclosure Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 promulgated under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2018, to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Change in Internal Controls

No change occurred in our internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended September 30, 2018 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II- OTHER INFORMATION

Item 1. *Legal Proceedings*

From time to time in the ordinary course of business, the Company or its subsidiaries may become subject to legal proceedings, claims or disputes. As of November 14, 2018, neither the Company nor any of its subsidiaries was a party to any material pending legal proceedings.

Item 1A. *Risk Factors*

We are subject to a number of risks and uncertainties, which are discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017. With the exception of the risk factors set forth below, there have been no material changes to the risk factors set forth under Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017.

Risks Related to the Liquidation of the Company

There can be no assurances concerning the prices at which our properties will be sold or the timing of such sales.

We cannot give any assurances as to the prices at which any of our properties ultimately will be sold, or the timing of such sales. Real estate market values are constantly changing and fluctuate with changes in interest rates, availability of financing, changes in general economic conditions and real estate tax rates, competition in the real estate market, the availability of suitable buyers, the perceived quality, consistency and dependability of income flows from tenancies and a number of other local, regional and national factors. In addition, environmental contamination, potential major repairs which are not presently contemplated, increased operating costs or other unknown liabilities, including in connection with non-compliance with applicable laws, if any, at the Company’s properties may adversely impact the sales price of those assets. As a result, the actual prices at which we are able to sell our properties may be less than the amounts we have assumed for purposes of stating the estimated range of liquidating distributions, which would result in the amount of such distributions being lower than our original estimate and the timing of the sales of our properties may not occur within the expected time frame. The amount available for distributions may also be reduced if the expenses we incur in selling our properties are greater than anticipated. In calculating our estimated range of liquidating distributions, we assumed that we will be able to find buyers for all of our assets at amounts based on our estimated range of market values for each property. However, for a variety of reasons, some of which are outside of our control, we may have overestimated the sales prices that we will ultimately be able to obtain for these assets. For example, in order to find buyers in a timely manner, we may be required to lower our asking price below the low end of our current estimate of the property’s market value. If we are not able to find buyers for these assets in a timely manner or if we have overestimated the sales prices we will receive, our liquidating distributions to our stockholders would be delayed or reduced. Furthermore, the estimated range of liquidating distributions to be made pursuant to the Plan of Liquidation of \$8.83 to \$9.83 per share of the Company’s common stock, estimated by the Board as of April 23, 2018 is based upon: (i) the Board’s estimate of the range of proceeds to be received by the Company from the sale of the Company’s properties pursuant to the Plan of Liquidation and from the sale of the German Logistics Properties, the Poland Logistics Portfolio and FM Logistic, (ii) the amount of indebtedness owed on each property, including any estimated penalties that we expect to incur at the time of the disposition of such properties for early payment thereof and other indebtedness of the Company, (iii) the amount of cash on hand, including net proceeds from sales of the Company’s properties completed prior to the our board of directors’ approval of the Plan of Liquidation, (iv) estimated cash flows to be generated by the continued operations of the Company during the liquidation process, and (v) the estimated expenses to be incurred in connection with the sale of each property and the winding down and dissolution of the Company.

If any of the parties to our sale agreements breach such agreements or default thereunder, or if the sales do not otherwise close, our liquidating distributions may be delayed or reduced.

We will seek to enter into binding sale agreements for our properties. The consummation of the potential sales will be subject to satisfaction of closing conditions. If any of the transactions contemplated by these sale agreements do not close because of a buyer breach or default, failure of a closing condition or for any other reason, we will need to locate a new buyer for the assets which we may be unable to do promptly or at prices or on terms that are as favorable as the original sale agreement. We will also incur additional costs involved in locating a new buyer and negotiating a new sale agreement for the assets. These additional costs may exceed amounts included in our projections. In the event that we incur these additional costs, our liquidating payments to our stockholders could be delayed or reduced.

We cannot determine at this time when or whether we will ultimately pay total liquidating distributions to our stockholders within the estimated range of liquidating distributions estimated by our board of directors because there are many factors, some of which are outside of our control, which could affect our ability to make such liquidating distributions.

Although we have provided an estimated range of liquidating distributions and have commenced paying liquidating distributions to our stockholders, we cannot determine at this time when, or potentially whether, we will be able to make total liquidating distributions to our stockholders in an amount that is within the range of liquidating distributions estimated by our board of directors on April 23, 2018. These distributions will depend on a variety of factors, including, but not limited to, the length of time it takes to implement the Plan of Liquidation, which we estimate could take two years or more, the price and timing of transactions entered into in the future, the cost of operating the Company through the date of our final dissolution, general business and economic conditions, and other matters. In addition, before making the final liquidating distribution, we will need to pay or arrange for the payment of all of our transaction costs in the liquidation, all other costs and all valid claims of our creditors. Our board of directors may also decide to acquire one or more insurance policies covering unknown or contingent claims against us, for which we would pay a premium which has not yet been determined. The Board may also decide to provide for any unknown and outstanding liabilities and expenses, which may include the establishment of a reserve fund or transferring assets to a liquidating trust to pay contingent liabilities and ongoing expenses in an amount to be determined as information concerning such contingencies and expenses becomes available. The amount of transaction costs in the liquidation is not yet final, including prepayment penalties with respect to indebtedness on the properties, so we have used estimates of these costs in calculating the amounts of our projected liquidating distributions. To the extent that we have underestimated these costs in calculating our projections, our actual liquidating distributions may be lower than our estimated range. In addition, if the claims of our creditors are greater than what we have anticipated or if we decide to acquire one or more insurance policies covering unknown or contingent claims against us, our liquidating distributions may be delayed or reduced. Further, if a reserve fund is established or assets are transferred to a liquidating trust to pay contingent liabilities, payment of liquidating distributions to our stockholders may be delayed or reduced.

The sales of our assets pursuant to the Plan of Liquidation will not be subject to further stockholder approval.

Following the approval of the Plan of Liquidation by our stockholders in July 2018, our board of directors has the authority to sell any and all of the Company's assets on such terms and to such parties, including affiliated parties (subject to the terms of our charter), as our board of directors determines appropriate, even if such terms are less favorable than those assumed for the purpose of estimating our range of liquidating distributions. Notably, our stockholders will have no subsequent opportunity to vote on such matters and will, therefore, have no right to approve or disapprove the terms of such sales.

Even if you receive total liquidating distributions within the estimated range of \$8.83 to \$9.83 per share of the Company's common stock, there can be no assurance regarding the total return you will realize.

Although we have provided an estimated range of total liquidating distributions of \$8.83 to \$9.83 per share of the Company's common stock, there can be no assurances regarding the amounts of any liquidating distributions or the timing thereof. Your total return will depend on the amount you paid for your shares and the date on which you purchased such shares. Stockholders should consult their financial advisors for more information about their potential total return.

Our board of directors may amend or terminate the Plan of Liquidation, if it determines that doing so is in the best interest of the Company and our stockholders.

At any time prior to the filing of Articles of Dissolution, our board of directors may amend or terminate the Plan of Liquidation without further stockholder approval if it determines that doing so would be in the best interest of the Company and our stockholders. Thus, we have the ability to determine to conduct the liquidation differently than previously described or we may determine not to complete the liquidation.

If there are any lawsuits in connection with the Plan of Liquidation, it may be costly and may prevent the Plan of Liquidation from being completed or from being completed within the expected timeframe.

Our stockholders may file lawsuits challenging the Plan of Liquidation which may name the Company or our board of directors as defendants. As of the date of this report, no such lawsuits challenging the Plan of Liquidation were pending, or to our knowledge, threatened. However, if such a lawsuit is filed, we cannot assure you as to the outcome of any such lawsuits, including the amount of costs associated with defending any such claims or any other liabilities that may be incurred in connection with such claims. If any plaintiffs are successful in obtaining an injunction prohibiting us from completing the Plan of Liquidation, such an injunction may delay the Plan of Liquidation or prevent it from being completed. Whether or not any plaintiff's claim is successful, this type of litigation often results in significant costs and diverts management's attention and resources, which could adversely affect the operation of our business and reduce the funds available for liquidating distributions to our stockholders.

We may fail to continue to qualify as a REIT, which would reduce the amount of any potential distributions.

The estimated range of liquidating distributions determined by our board of directors assumes that the Company will continue to qualify as a REIT under the Tax Code during the entire liquidation process and, therefore, no provision has been made for federal income taxes. So long as we qualify as a REIT and distribute all of our taxable income each year, we generally will not be subject to federal income tax. While our board of directors does not presently intend to terminate our REIT status prior to the final liquidating distribution of our assets and our dissolution, pursuant to the Plan of Liquidation, our board of directors may take actions that would result in such a loss of REIT status. To qualify as a REIT, we must satisfy various ongoing requirements relating to the nature of our gross assets and income, the timing and amount of distributions and the composition of our stockholders. There can be no assurance that the Company will be able to maintain its REIT qualification. We may encounter difficulties satisfying these requirements as part of the liquidation process. If we lose our REIT status, we would be taxable as a corporation for federal income tax purposes and would be liable for federal income taxes, including any applicable alternative minimum tax, at the corporate rate with respect to our entire income from operations and from liquidating sales of our assets for the taxable year in which our qualification as a REIT terminates and in any subsequent years, and we would not be entitled to a tax deduction for distributions that we make. We would also be subject to increased state and local taxes. As a result of these consequences, our failure to qualify as a REIT could substantially reduce the funds available for distribution to our stockholders.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

During the three months ended September 30, 2018, we did not sell or issue any equity securities that were not registered under the Securities Act of 1933, as amended.

The following table lists shares we redeemed under our share redemption program during the period covered by this report.

| Period | Total Number of Shares Redeemed | Average Price Paid per Share | Total Number of Shares Redeemed as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet be Redeemed Under the Plans or Programs ⁽¹⁾ |
|---|--|-------------------------------------|--|---|
| July 1, 2018 to July 31, 2018 | 1,083,013 | \$ 9.04 | 1,083,013 | — |
| August 1, 2018 to August 31, 2018 | 855,604 | \$ 9.02 | 855,604 | — |
| September 1, 2018 to September 30, 2018 | 1,240,012 | \$ 9.06 | 1,240,012 | — |
| Total | 3,178,629 | \$ 9.04 | 3,178,629 | |

- (1) This amount represents the number of shares available for redemption on September 30, 2018. Our share redemption program was first announced at the commencement of our initial public offering in February 2009. Our share redemption program does not have a fixed expiration date, but it is subject to significant restrictions and limitations and our board of directors may terminate, suspend or amend the program without stockholder approval. We may redeem shares on a monthly basis if the shares were held for at least one year and meet certain other conditions. Any such redemptions will be limited to the amount required to redeem 5% of the shares outstanding as of the same date in the prior calendar year. In addition, prior to August 20, 2018, unless our board of directors determined otherwise, redemptions were further limited to the amount of proceeds received from our distribution reinvestment plan in the month prior to the month in which the redemption request was received. Effective as of August 20, 2018, and in connection with the suspension of our distribution reinvestment plan, our share redemption program was amended to eliminate the distribution reinvestment plan proceeds limitation. Per the terms of our share redemption program, we may waive the one-year holding requirement and limitations described above for share redemption requests made in connection with the death or disability of a stockholder.

Item 3. *Defaults Upon Senior Securities*

Not applicable.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

Not applicable.

Item 6. Exhibits

| Exhibit No. | Description |
|--------------------|--|
| 2.1 | Plan of Liquidation and Dissolution (filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A on May 10, 2018 and incorporated by reference herein) |
| 3.1 | Articles of Amendment and Restatement of Hines Global REIT, Inc. (filed as Exhibit 3.1 to Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11 (File No. 333-156742), as amended and supplemented (the "Registration Statement") on August 3, 2009 and incorporated by reference herein) |
| 3.2 | Bylaws of Hines Global REIT, Inc. (filed as Exhibit 3.2 to Pre-Effective Amendment No. 1 to the Registration Statement on March 18, 2009 and incorporated by reference herein) |
| 3.3 | Amendment No. 1 to Bylaws of Hines Global REIT, Inc. (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on September 21, 2015 and incorporated by reference herein) |
| 3.4 | Amendment No. 2 to Bylaws of Hines Global REIT, Inc. (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on September 7, 2017 and incorporated by reference herein) |
| 4.1 | Hines Global REIT, Inc. Distribution Reinvestment Plan (included as Appendix A to the Prospectus contained in the Registrant's Registration Statement on Form S-3 (File No. 333-195478) filed on April 24, 2014 and incorporated by reference herein) |
| 10.1 * | Membership Interests Purchase and Sale Agreement, dated as of July 24, 2018, by and among Hines Global REIT Properties LP, as seller, and Gemini German Majority Holdco S.à r.l. and Gemini German Minority Holdco S.à r.l., as purchasers |
| 10.2 * | Notarial Deed and Preliminary Sale and Purchase Agreement Relating to Enterprises, dated as of July 25, 2018, by and among Piran Investments Sp. z o.o. Geneva sp.j., Piran Investments Sp. z o.o. Hadrian sp.j., Piran Investments Sp. z o.o. Klaudio sp.j., Piran Investments Sp. z o.o. Trajan sp.j., Piran Investments Sp. z o.o. Titus sp.j., as sellers and Gemini Poland Holdco S.à r.l., as purchaser |
| 31.1 * | Certification |
| 31.2 * | Certification |
| 32.1 * | Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC herewith and shall not be deemed to be "filed." |
| 99.1 | Third Amended and Restated Share Redemption Program, effective as of August 20, 2018 (filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K on July 17, 2018 and incorporated by reference herein) |
| 101 * | The following materials from Hines Global REIT, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, filed on November 14, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements. |

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HINES GLOBAL REIT, INC.

November 14, 2018

By: /s/ Sherri W. Schugart
Sherri W. Schugart
President and Chief Executive Officer

November 14, 2018

By: /s/ Ryan T. Sims
Ryan T. Sims
Chief Financial Officer and Secretary

**CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Sherri W. Schugart, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hines Global REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 14, 2018

By: /s/ Sherri W. Schugart
Sherri W. Schugart
President and Chief Executive Officer

**CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Ryan T. Sims, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hines Global REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 14, 2018

By: /s/ Ryan T. Sims
Ryan T. Sims
Chief Financial Officer and Secretary

**WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of Hines Global REIT, Inc. (the “Company”), each hereby certifies that to his/her knowledge, on the date hereof:

- (a) the quarterly report on Form 10-Q of the Company for the quarterly period ended September 30, 2018 filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2018

/s/ Sherri W. Schugart

Sherri W. Schugart

President and Chief Executive Officer

Date: November 14, 2018

/s/ Ryan T. Sims

Ryan T. Sims

Chief Financial Officer and Secretary

MEMBERSHIP INTERESTS
PURCHASE AND SALE AGREEMENT

by and between

HINES GLOBAL REIT PROPERTIES LP
as Seller

and

GEMINI GERMAN MAJORITY HOLDCO S.À R.L.

and

GEMINI GERMAN MINORITY HOLDCO S.À R.L.
as Purchasers

Dated as of: July 24, 2018

Table of Contents

| | |
|--|----|
| ARTICLE I DEFINITIONS | 2 |
| 1.1 <u>Definitions</u> | 2 |
| ARTICLE II PURCHASE AND SALE OF LLC INTERESTS | 10 |
| 2.1 <u>Purchase and Sale of LLC Interests</u> | 10 |
| 2.2 <u>Purchase Price.</u> | 10 |
| 2.3 <u>Polish Portfolio</u> | 11 |
| 2.4 <u>Escrowed Deposit</u> | 12 |
| 2.5 <u>Method of Payment of Purchase Price</u> | 12 |
| 2.6 <u>Adjustments to the Purchase Price.</u> | 13 |
| 2.7 <u>Leasing Costs</u> | 16 |
| ARTICLE III Closing | 16 |
| 3.1 <u>Closing.</u> | 16 |
| 3.2 <u>Joint Indemnification of Escrow Agent</u> | 21 |
| 3.3 <u>Closing Costs</u> | 21 |
| 3.4 <u>Relationship to Polish Purchase Agreement</u> | 22 |
| 3.5 <u>Conditions Precedent to Closing.</u> | 22 |
| 3.6 <u>Failure of Condition.</u> | 23 |
| 3.7 <u>Default.</u> | 24 |
| 3.8 <u>German Merger Control</u> | 26 |
| ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER | 27 |
| 4.1 <u>Power and Authority; Authorization</u> | 27 |
| 4.2 <u>Non-Contravention</u> | 27 |
| 4.3 <u>Organization</u> | 27 |
| 4.4 <u>Organizational Documents</u> | 27 |
| 4.5 <u>Conduct of Business</u> | 28 |
| 4.6 <u>Insolvency Proceedings</u> | 28 |
| 4.7 <u>Employees</u> | 28 |
| 4.8 <u>Financial Statements</u> | 28 |
| 4.9 <u>Indebtedness</u> | 29 |
| 4.10 <u>Other Monetary Liabilities</u> | 29 |
| 4.11 <u>Taxes</u> | 29 |
| 4.12 <u>Suits and Proceedings</u> | 30 |
| 4.13 <u>Membership Interests</u> | 31 |
| 4.14 <u>Title to Purchased LLC Interests</u> | 31 |
| 4.15 <u>Binding Effect</u> | 31 |
| 4.16 <u>Contracts</u> | 31 |
| 4.17 <u>Leases</u> | 31 |
| 4.18 <u>Title; Encumbrances</u> | 31 |
| 4.19 <u>Encroachments</u> | 31 |
| 4.20 <u>Permits</u> | 32 |

| | | |
|--|--|----|
| 4.21 | <u>Patriot Act</u> | 32 |
| 4.22 | <u>Exclusivity of Representations</u> | 33 |
| 4.23 | <u>Contamination</u> | 33 |
| 4.24 | <u>Changes in Representations and Warranties</u> | 33 |
| ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS | | 34 |
| 5.1 | <u>Power and Authority</u> | 34 |
| 5.2 | <u>Authorization</u> | 34 |
| 5.3 | <u>Non-Contravention</u> | 34 |
| 5.4 | <u>Governmental Authorization; Third Party Consents</u> | 34 |
| 5.5 | <u>Binding Effect</u> | 34 |
| 5.6 | <u>Patriot Act</u> | 35 |
| ARTICLE VI CONDITION OF THE PROPERTY; TITLE | | 36 |
| 6.1 | <u>“As Is”</u> | 36 |
| 6.2 | <u>Title; Financings</u> | 37 |
| 6.3 | <u>Contamination</u> | 37 |
| ARTICLE VII COVENANTS OF THE PARTIES | | 38 |
| 7.1 | <u>Seller Interim Operating Covenants</u> | 38 |
| 7.2 | <u>R&W Insurance Policy and Title Policy</u> | 41 |
| 7.3 | <u>Tax Covenants.</u> | 41 |
| ARTICLE VIII MATERIAL ADVERSE CHANGE | | 43 |
| 8.1 | <u>Material Adverse Change.</u> | 43 |
| ARTICLE IX INDEMNITY; LIMITATIONS ON INDEMNITY | | 45 |
| 9.1 | <u>Survival</u> | 45 |
| 9.2 | <u>Obligation of Seller to Indemnify</u> | 45 |
| 9.3 | <u>Obligation of Purchaser to Indemnify</u> | 46 |
| 9.4 | <u>Indemnification Procedure.</u> | 46 |
| 9.5 | <u>Limitations upon Indemnification.</u> | 48 |
| 9.6 | <u>Exclusivity of Indemnity</u> | 49 |
| 9.7 | <u>Survival</u> | 49 |
| ARTICLE X MISCELLANEOUS | | 49 |
| 10.1 | <u>Notices</u> | 50 |
| 10.2 | <u>Successors and Assigns; Third Party Beneficiaries</u> | 51 |
| 10.3 | <u>Amendment and Waiver.</u> | 52 |
| 10.4 | <u>Counterparts</u> | 52 |
| 10.5 | <u>Headings</u> | 52 |
| 10.6 | <u>GOVERNING LAW; CONSENT TO JURISDICTION</u> | 52 |
| 10.7 | <u>WAIVER OF TRIAL BY JURY</u> | 52 |
| 10.8 | <u>Severability</u> | 53 |
| 10.9 | <u>Rules of Construction</u> | 53 |
| 10.10 | <u>Entire Agreement</u> | 53 |

| | | |
|-------|--|----|
| 10.11 | <u>Publicity; Confidentiality</u> | 53 |
| 10.12 | <u>Non-Recourse</u> | 54 |
| 10.13 | <u>Recovery of Certain Fees</u> | 54 |
| 10.14 | <u>Further Assurances</u> | 55 |
| 10.15 | <u>Broker's, Finder's or Similar Fees.</u> | 55 |
| 10.16 | <u>Joint and Several</u> | 55 |

MEMBERSHIP INTERESTS PURCHASE AND SALE AGREEMENT

This MEMBERSHIP INTERESTS PURCHASE AND SALE AGREEMENT (this “Agreement”), dated as of July 24, 2018 (the “Effective Date”), by and between:

(1) **Hines Global REIT Properties LP**, a Delaware limited partnership (“Seller”);

(2) **Gemini German Majority Holdco S.à r.l.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 2-4, rue Eugene Ruppert, 2453 Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number B226179 (the “Majority Purchaser”); and

(3) **Gemini German Minority Holdco S.à r.l.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 2-4, rue Eugene Ruppert, 2453 Luxembourg and under process of registration with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) (the “Minority Purchaser” and, together with the Majority Purchaser, each a “Purchaser” and collectively the “Purchasers”, and, together with the Seller, the “Parties”).

RECITALS

WHEREAS, Seller is the sole member of, and owns all of the equity interests in, each of the limited liability companies organized and existing under the laws of the State of Delaware described on Exhibit A-1 attached hereto (each individually an “Owner”, and collectively the “Owners”) (such equity interests, the “LLC Interests”);

WHEREAS, each of the Owners exists under the Limited Liability Company Agreement for such Owner identified on Exhibit A-2 attached hereto (each individually an “Owner LLC Agreement”, and collectively, the “Owner LLC Agreements”);

WHEREAS, each Owner owns certain land, improvements and related property situated in Germany and generally described on Exhibit A-3 attached hereto (each individually a “Project”, and collectively the “Projects”);

WHEREAS, upon the terms and conditions set forth in this Agreement, Seller has agreed to sell to the Majority Purchaser, and the Majority Purchaser has agreed to purchase from Seller, 90% of the LLC Interests or such other percentage as determined hereby (*provided*, that the Purchasers shall, together, purchase 100% of the LLC Interests);

WHEREAS, upon the terms and conditions set forth in this Agreement, Seller has agreed to sell to the Minority Purchaser, and the Minority Purchaser has agreed to purchase from Seller, 10% of the LLC Interests or such other percentage as determined hereby (*provided*, that the Purchasers shall, together, purchase 100% of the LLC Interests);

WHEREAS, concurrently with the execution and delivery of this Agreement, Seller has caused certain wholly owned subsidiaries of Seller (collectively, the “Polish Sellers”), as sellers, and certain of the Purchasers’ Affiliates have caused certain wholly owned subsidiaries of such Affiliates (collectively, the “Polish Purchasers”), as purchasers, to enter into that certain Notarial Deed and Preliminary Sale and Purchase Agreement Relating To Enterprises, of even date herewith, in the form attached hereto as Exhibit R (the “Polish Purchase Agreement”), pursuant to which the Polish Sellers will sell to the Polish Purchasers those certain real estate projects situated in Poland and generally described on Exhibit A-5 (the “Polish Projects”);

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

“Accounting Policies” means the specific accounting principles, policies, bases, practices, rules and estimation techniques set out in Exhibit P.

“Accountants” has the meaning set forth in Section 2.6(d)(i).

“Affiliate” means, with respect to any Person, any Person controlling, controlled by or under common control with such Person. As used herein, the term “control” shall mean possession, directly or indirectly, of the power to direct the management and policies of a Person.

“Agreement” has the meaning set forth in the Preamble.

“Allocated Asset Value” means €310,000,000, as allocated among the Projects as set forth on Exhibit A-4 attached hereto.

“Applicable Contracts” has the meaning set forth in Section 4.16.

“Applicable Leases” has the meaning set forth in Section 4.17.

“Applicable Owner” means Owner A, Owner B, Owner C, Owner D or Owner E, as the context requires.

“Applicable Project” means the Owner A Project, the Owner B Project, the Owner C Project, the Owner D Project, or the Owner E Project, as the context requires.

“Applicable Tenants” means the Tenants under the Applicable Leases; and each is individually referred to as an “Applicable Tenant”.

“Asset Manager” means Hines Immobilien GmbH, the asset manager for the Projects.

“Authorized Qualification” has the meaning set forth in Section 4.24.

“Bank Payoff Amount” has the meaning set forth in Section 3.1(a)(ii).

“Bank Payoff Statement” has the meaning set forth in Section 3.1(a)(ii).

“Blocked Person” has the meaning set forth in Section 4.21(c).

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks in the State of Delaware, Luxembourg, Poland or Frankfurt am Main, Germany are authorized or required by law or executive order to close.

“Cash” means all cash of the Owners held (as of the Closing) in all bank accounts belonging to the Owners, including Tenant Deposits.

“Claim Notice” has the meaning set forth in Section 9.4(a).

“Closing” has the meaning set forth in Section 3.1(b).

“Closing Conditions” means those conditions to the obligations of the Parties to consummate the transaction set forth in Section 3.5.

“Closing Date” has the meaning set forth in Section 3.1(b).

“Closing Documents” has the meaning set forth in Section 3.1(c).

“Confidential Information” has the meaning set forth in Section 10.11.

“Contamination” means any and all pollution of the soil harmful to the environment or health (in particular harmful soil contamination within the meaning of sec. 2 para. 3 through 6 Federal Soil Protection Act (Bundesbodenschutzgesetz - BBodschG)), of the ground air, of the seepage water, of surface waters or the ground water, buildings or remains of buildings embedded in the ground and ground monuments, technical facilities, warfare agents or explosive ordnances (Kampfstoffe oder Kampfmittel), backfilling (Auffüllungen), covering (Verfüllungen) and landfills of all nature (Ablagerungen aller Art), harmful substances, materials or solids of any nature which are hazardous to health or the environment, in particular also in and at buildings, structural or technical facilities or parts thereof or in building material or construction material located or used therein; and any asbestos or other harmful, in particular health endangering substances having been used in the buildings which would entitle tenants to raise claims or public authorities to issue public orders.

“Contracts” each written contract or agreement (excluding Leases and any agreements or contracts which shall have expired or been terminated prior to the Closing Date) entered into by the Owners, including, for the avoidance of doubt, any facility management agreements. For the avoidance of doubt, “Contracts” does not include the Management Agreements.

“Effective Date” has the meaning set forth in the Preamble.

“Effective Time” means immediately prior to Closing.

“Escrow Agent” means Dr. Ulf Schuler or other authorized representative of the law firm Göring, Schmiegelt & Fischer, Neue Mainzer Strasse 75, 60311 Frankfurt am Main, Germany.

“Escrow Undertaking” means the escrow agreement entered into by and among the Purchasers, the Seller and the Escrow Agent in accordance with Section 2.4.

“Escrowed Deposit” has the meaning set forth in Section 2.4.

“Estimated NAV” means the amount set out against the “Estimated NAV” entry in the Estimated NAV Statement.

“Estimated NAV Statement” means the Seller’s good faith estimate of the Final NAV Statement, to be prepared and delivered by the Seller to the Purchasers in accordance with Section 3.1(a).

“EUR” or “€” or “euro” means the single currency of the European Union.

“Existing Lenders” has the meaning set forth in Section 3.1(a)(ii).

“Existing Mortgages” has the meaning set forth in Section 2.2(c).

“Financial Statements” has the meaning set forth in Section 4.8.

“Final NAV” means the amount set out against the “Final NAV” entry in the Final NAV Statement.

“Final NAV Statement” means the aggregated balance sheet of the Owners at the Effective Time prepared and agreed or otherwise finally determined in accordance with Section 2.6.

“FIRPTA Certificate” has the meaning set forth in Section 3.1(c)(iii).

“GAAP” means generally accepted accounting principles of the United States of America.

“German Notary” means Dr. Ulf Schuler or any other notary of the law firm Göring, Schmiegelt & Fischer, Neue Mainzer Strasse 75, 60311 Frankfurt am Main, Germany.

“Governmental Authority” means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“GREIT” has the meaning set forth in Section 10.11(b).

“Hall 7 Lease” has the meaning set forth in Section 7.1(e).

“Indebtedness” shall mean (i) indebtedness for borrowed money, whether secured or unsecured, (ii) capitalized lease obligations, (iii) obligations under interest rate cap, swap, collar or similar transaction or currency hedging transactions (valued at the termination value thereof), (iv) any obligations evidenced by notes, bonds, debentures or similar instruments, (v) all obligations in respect of bankers acceptances or letters of credit and (vi) guarantees of any such indebtedness of any other Person.

“Indemnified Party” has the meaning set forth in Section 9.4(a).

“Indemnifying Party” has the meaning set forth in Section 9.4(a).

“Insurance Policies” has the meaning set forth in Section 7.2.

“Intangible Property” means, collectively, all right, title and interest of an Owner in all intangible property owned by such Owner with respect to its Project, including all licenses, approvals, certificates, permits, plans, development rights, floor plans, plans and specifications, property names, and other marks, logos, names and the like associated therewith (excluding, for the avoidance of doubt, the “Hines” name and mark), and warranties and guaranties that such Owner has received with respect to any work or services performed with respect to, or equipment installed in, its Project.

“Intercompany Debt” has the meaning set forth in Section 6.2.

“Leases” means each lease, license, concession or other form of agreement, written or oral, however denominated, affecting or relating to the right of use or occupancy of any portion of a Project, including any amendments, modifications and supplements thereto and all guaranties of any of the obligations of the tenants thereto delivered in connection with such lease, license or agreement; and each is individually referred to herein as a “Lease”.

“Leasing Costs” means any leasing commissions, legal fees, tenant improvement costs and allowances, lease takeover payment obligations and other tenant inducements in respect of the Leases, whether payable before or after the Effective Time.

“Lien” means any mortgage, pledge, guarantee, indemnity, set-off arrangements, trust arrangement, hypothecation, assignment, encumbrance, lien (statutory or other) or preference, priority, attachment, right of first refusal, purchase option, claim or other security interest or preferential arrangement of any kind or nature whatsoever.

“LLC Interests” has the meaning set forth in the Recitals.

“Long Stop Date” means January 15, 2019.

“Losses” has the meaning set forth in Section 9.2.

“MAC” has the meaning set forth in Section 8.1(a).

“Majority Purchaser” has the meaning set forth in the Recitals.

“Management Agreements” means, collectively, the Property Management Agreement, the Owner A Asset Management Agreement, the Owner B Asset Management Agreement, the Owner C Asset Management Agreement, the Owner D Asset Management Agreement, and the Owner E Asset Management Agreement.

“Managers” means the Asset Manager and the Property Manager.

“Minority Purchaser” has the meaning set forth in the Recitals.

“OFAC List” has the meaning set forth in Section 4.21(a).

“Order” means any judgment, injunction, writ, award, decree or order of any nature.

“Organizational Documents” means, collectively, the certificates of formation and Owner LLC Agreements for the Owners (in each case as amended through the date hereof).

“Other Obligations” has the meaning set forth in Section 9.6.

“Owner” and “Owners” each have the meaning set forth in the Recitals.

“Owner A” has the meaning set forth in Exhibit A-1.

“Owner A Asset Management Agreement” means that certain Asset Management Agreement between Owner A and the Asset Manager entered into on May 22, 2014, relating to the management of the Owner A Project.

“Owner A Project” has the meaning set forth in Exhibit A-3.

“Owner B” has the meaning set forth in Exhibit A-1.

“Owner B Asset Management Agreement” means that certain Asset Management Agreement between Owner B and the Asset Manager entered into on May 22, 2014, relating to the management of the Owner B Project.

“Owner B Project” has the meaning set forth in Exhibit A-3.

“Owner C” has the meaning set forth in Exhibit A-1.

“Owner C Asset Management Agreement” means that certain Asset Management Agreement between Owner C and the Asset Manager entered into on December 10, 2015, relating to the management of the Owner C Project.

“Owner C Project” has the meaning set forth in Exhibit A-3.

“Owner D” has the meaning set forth in Exhibit A-1.

“Owner D Asset Management Agreement” means that certain Asset Management Agreement between Owner D and the Asset Manager entered into on December 10, 2015, relating to the management of the Owner D Project.

“Owner D Project” has the meaning set forth in Exhibit A-3.

“Owner E” has the meaning set forth in Exhibit A-1.

“Owner E Asset Management Agreement” means that certain Asset Management Agreement between Owner E and the Asset Manager entered into on December 10, 2015, relating to the management of the Owner E Project.

“Owner E Project” has the meaning set forth in Exhibit A-3.

“Owner LLC Agreement” and “Owner LLC Agreements” each have the meaning set forth in the Recitals.

“Owner Matters” has the meaning set forth in Section 6.1.

“Person” means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

“Polish Deposit” means the deposit, including any interest accrued thereon, paid by the Polish Purchasers pursuant to the Polish Purchase Agreement.

“Polish Projects” has the meaning set forth in the Recitals.

“Polish Purchase Agreement” has the meaning set forth in the Recitals.

“Polish Purchasers” has the meaning set forth in the Recitals.

“Polish Sellers” has the meaning set forth in the Recitals.

“Portfolio” has the meaning set forth in Section 2.3.

“Portfolio Purchase Price” has the meaning set forth in Section 2.3.

“Pre-Closing Date Period” means any time period ending on or before the Closing Date.

“Pre-Closing Date Tax” means any Tax attributable to the Pre-Closing Date Period. For purposes of calculating Pre-Closing Date Taxes attributable to a time period (*e.g.*, a fiscal year (*Wirtschaftsjahr*) or a calendar year) starting before and ending after the Closing Date any such time period will be deemed to have ended on the Closing Date. Thresholds and allowances that are

only being granted for a full financial year are to be recognized on a pro rata basis for the purposes of this determination.

“Project” and “Projects” each have the meaning set forth in the Recitals.

“Property Management Agreement” means that certain Property Management Agreement by and among each of the Owners and the Property Manager entered into on August 28, 2015, relating to the management of each of the Projects.

“Property Manager” means DTZ Zadelhoff Tie Leung GmbH, the property manager and leasing agent for the Projects.

“Purchase Price” has the meaning set forth in Section 2.2(a).

“Purchaser Default” has the meaning set forth in Section 3.7(b).

“Purchaser Default Amount” has the meaning set forth in Section 3.7(b).

“Purchasers” has the meaning set forth in the Preamble.

“Purchasers’ Closing Certificate” has the meaning set forth in 3.1(d)(v).

“Purchasers’ R&W Survival Period” has the meaning set forth in Section 9.3.

“Purchasers’ Representative” has the meaning set forth in Section 9.2.

“R&W Insurance Policy” has the meaning set forth in Section 7.2.

“R&W Survival Period” has the meaning set forth in Section 9.5(a)(iii).

“Releases” has the meaning set forth in Section 3.1(c)(xii).

“Relevant Tax Proceeding” means any Tax Proceeding (i) relating fully or partly to Pre-Closing Date Taxes or Pre-Closing Date Periods or (ii) that could give rise to rights or obligations of any Party to this Agreement under Section 4.11 or Section 9.2.

“Rentals” means fixed monthly rentals, additional rentals, escalation rentals (which include each Tenant’s proportionate share of building operation and maintenance costs and expenses provided for under its Lease, to the extent the same exceeds any expense stop (if any) specified in such Lease, retroactive rentals, all administrative charges, utility charges, tenant or real property association dues, storage rentals, special event proceeds, temporary rents, telephone receipts, locker rentals, vending machine receipts and other sums and charges payable to any owner by any Tenants under Leases or from other occupants or uses of the Projects, excluding Specific Tenant Billings.

“Requirements of Law” means, as to any Person, any law, statute, treaty, rule, regulation, Order or determination of a court or other Governmental Authority, in each case

applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“SEC” has the meaning set forth in Section 10.11(b).

“Securities Act” means the United States Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder.

“Seller” has the meaning set forth in the Preamble.

“Seller’s Closing Certificate” has the meaning set forth in 3.1(c)(xi).

“Seller’s Knowledge”, “to Seller’s Knowledge” or any similar phrase stating or implying a limitation on the basis of knowledge of Seller appears in this Agreement, unless specifically otherwise qualified, such phrase shall mean the present actual knowledge after due inquiry, of Omar Thowfeek and Christian Meister, and will not be construed to refer to the knowledge of any other officer, director, agent, employee or representative of Seller, or any affiliate of Seller, or to impose upon the individuals specified above any duty other than as set forth herein to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon such individuals any personal liability.

“Seller’s Premium Contribution” has the meaning set forth in Section 7.2.

“Seller’s Representations and Warranties” means the representations and warranties given by the Seller in ARTICLE IV.

“Significant Portion” means such portion of a given Project of which the value (or the repair costs in the event of damage or destruction of such portion) is equal to ten percent (10%) or greater of the Allocated Asset Value of such Project, as such value or repair costs calculation is reasonably determined by a third-party contractor or architect designated by Seller.

“Specific Tenant Billings” means specific tenant billings for work orders, special items performed or provided at the request of a given Tenant which are collected by an Owner, Purchaser or Seller after the Effective Time but which relate to any such specific services rendered on or prior to the Effective Time and which are identified on the Tenant’s payment as relating to such specific services or which are clearly identifiable as being payment for any such specific services.

“Tax” or “Taxes” means any tax within the meaning of Section 3 of the German General Fiscal Code (*Abgabenordnung*) and any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, stamp duty, occupation, premium, windfall profits, environmental, customs duties, capital, net worth, gains, capital stock, franchise, profits, withholding, social security (or similar), social insurance, unemployment, disability, withholding, property (real, personal, tangible, and intangible), transactional, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated tax, unclaimed property or

escheatment claims or other similar taxes, assessments, or charges, including any interest, penalty or addition thereto under the laws of any other jurisdiction.

“Tax Due Diligence Cut-Off Date” means July 20, 2018.

“Tax Returns” shall mean any return, declaration, report, claim for refund, or information return, statement, or election required to be furnished to a Governmental Authority relating to Taxes, and including any schedules and attachments thereto and any amendment thereof.

“Tenants” means tenants, licensees, concessionaires or other users or occupants of the Projects under Leases; and each is individually referred to herein as a “Tenant”.

“Tenant Deposits” means any rental security provided in cash (*Barsicherheit*) under any of the Leases.

“Title Policy” has the meaning set forth in Section 7.2.

“Trade Tax Insurance Policy” has the meaning set forth in Section 7.3(d).

“Trade Tax Risk” means the risk of imposition of any trade Taxes arising as a result of any Owner being deemed subject to any trade Tax pursuant to the German Trade Tax Act in respect of German-source rental income for any non-time-barred fiscal year.

“Transfer Tax” means any Real Estate Transfer Tax (*Grunderwerbsteuer*).

“U.S. Executive Orders” has the meaning set forth in Section 4.21(b).

“U.S. Tax Allocation” has the meaning set forth in Section 2.2(b).

“Warranty Claim” means any claim for a breach or inaccuracy of Seller’s Representations and Warranties or for any liabilities under Section 9.2(c).

The provisions of this Section 1.1 shall survive Closing.

ARTICLE II

PURCHASE AND SALE OF LLC INTERESTS

2.1 Purchase and Sale of LLC Interests. In consideration of, and upon and subject to, the mutual covenants, agreements and conditions set forth in this Agreement, and for other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, Seller agrees to sell, assign, transfer and convey all of its right, title and interest in and to 90% of the LLC Interests to the Majority Purchaser and 10% of the LLC Interests to the Minority Purchaser (provided, that the Purchasers may, by written notice to the Seller, reallocate the portion of the LLC Interests to be acquired by each Purchaser at any time prior to five (5) Business Days prior to the Closing Date), and each Purchaser agrees to purchase the LLC Interests in such proportion from Seller.

2.2 Purchase Price.

(a) The aggregate consideration for the LLC Interests shall be an amount equal to the Final NAV (the “Purchase Price”) as set forth in the Final NAV Statement, which shall be payable by the Purchasers to the Seller in accordance with this Section 2.2, Section 2.6, and Section 3.1. The amount payable by the Purchasers to the Seller on the Closing Date shall be the Estimated NAV *less* the amount of the Escrowed Deposit (which, as part of Closing, shall be paid to the Seller as provided in Section 2.5).

(b) The Parties agree that for U.S. federal income Tax purposes, the purchase of the LLC Interests shall be treated as the purchase of the Projects. The Parties further agree to allocate the Estimated NAV, the Bank Payoff Amount, any assumed liabilities and any other amounts treated as consideration for U.S. federal income Tax purposes among the Projects that are treated as transferred to the Purchasers in accordance with the rules under Section 1060 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the “US Tax Allocation”). Within ninety (90) days following the Closing Date, the Purchasers shall prepare and deliver to the Seller an initial draft of the US Tax Allocation. The Seller shall have sixty (60) days thereafter to provide the Purchasers with a statement of any disputed items with respect to such US Tax Allocation. If the Purchasers and the Seller agree on the US Tax Allocation, then the Sellers and the Purchasers shall (and shall cause their Affiliates to) report consistently with the US Tax Allocation on all Tax Returns, and neither the Seller nor the Purchasers shall (or shall permit their Affiliates to) take any position on any Tax Return that is inconsistent with the US Tax Allocation, unless required by a Taxing authority. If the disputed items are not resolved by the Seller and the Purchasers within thirty (30) days following the Seller’s submission of its statement of disputed items, then each of the Purchasers and the Seller shall use their own US Tax Allocation. The Seller and the Purchasers shall make appropriate adjustments to the US Tax Allocation to reflect the Final NAV. Subject to the foregoing, (i) the Final NAV shall be used for all Tax purposes under this Agreement, including for federal, state, local and foreign Tax purposes in accordance with applicable U.S. federal Tax law and analogous provisions of applicable foreign laws, and (ii) Seller and the Purchasers shall file all Tax Returns and related Tax documents consistent with the Final NAV, provided that, for the avoidance of doubt, any Tax Returns filed by an Owner shall reflect the books and accounts of such Owner and need not be consistent with the Final NAV or the value of the LLC Interests as reflected therein, to the extent applicable.

(c) The Purchasers shall pay, at or immediately prior to Closing, on behalf of the respective Owner, in respect of the existing financings encumbering the Projects described on Exhibit E attached hereto (the “Existing Mortgages”) the Bank Payoff Amount as set forth in and as directed by the Bank Payoff Statements.

2.3 Polish Portfolio. The Purchasers and Seller acknowledge and agree that, subject only to the terms of this Agreement and the Polish Purchase Agreement, it is the express agreement and understanding of the Purchasers and Seller that, as a material inducement to Seller and the Purchasers to enter into this Agreement (and to cause the Polish Sellers and the Polish Purchasers to enter into the Polish Purchase Agreement), the Purchasers and Polish Purchasers have agreed to purchase, and Seller and the Polish Sellers have agreed to sell, all of the LLC Interests

and the entirety of the Polish Projects (together, the “Portfolio”), subject to and in accordance with the terms and conditions hereof and of the Polish Purchase Agreement, which reflect an aggregate agreed property value of EUR 450,000,000 (the “Portfolio Purchase Price”) (which amount may be adjusted as set forth herein and under the Polish Purchase Agreement).

2.4 Escrowed Deposit.

(a) Deposit. Within two (2) Business Days after the Effective Date, the Purchasers shall deposit with the Escrow Agent, in immediately available funds, the sum of EUR 25,000,000 (increased by any interest accrued thereon, the “Escrowed Deposit”), of which EUR 22,500,000 shall be deposited by the Majority Purchaser and EUR 2,500,000 shall be deposited by the Minority Purchaser, which will be held in escrow by the Escrow Agent pursuant to the terms of the Escrow Undertaking and this Agreement as security for the performance by the Purchasers of their obligations under this Agreement. If the Purchasers fail to deposit all or any portion of the Escrowed Deposit with the Escrow Agent within the time period described above, this Agreement shall automatically terminate, and if this Agreement terminates, the Polish Purchase Agreement shall also automatically terminate. The Escrowed Deposit shall be (i) paid to the Seller at the Closing hereunder or (ii) otherwise disbursed as provided herein. Each Party agrees and covenants to promptly deliver such written instructions, joint or otherwise, to the Escrow Agent as are required to effect the release of the Escrowed Deposit in accordance with the terms of this Agreement.

(b) If, except in connection with the payment of the Escrowed Deposit to the Seller at Closing, the Escrow Agent receives written notice from either Purchaser or Seller, or both, setting forth the identity of the Party to whom the Escrowed Deposit is to be disbursed and further setting forth the specific section or paragraph of this Agreement pursuant to which the disbursement of the Escrowed Deposit is being requested, the Parties agree that notwithstanding the terms of the Escrow Undertaking the Escrow Agent shall disburse the Escrowed Deposit pursuant to such notice; provided, however, that if such notice is given by either the Purchasers or Seller but not both, the Escrow Agent shall (i) promptly notify the other Party (either Seller or the Purchasers, as the case may be) that the Escrow Agent has received a request for disbursement, and (ii) withhold disbursement of the Escrowed Deposit for a period of five (5) Business Days after receipt of such notice of disbursement and if the Escrow Agent receives written notice from either the Purchasers or the Seller within said five (5) Business Day period which notice countermands the earlier notice of disbursement, then the Escrow Agent shall withhold such disbursement until both the Purchasers and Seller can agree upon a disbursement of the Escrowed Deposit. The Purchasers and Seller each hereby agree to send to the other, pursuant to Section 10.1 below, a duplicate copy of any written notice sent to the Escrow Agent and requesting such disbursement or countermanding a request for disbursement.

2.5 Method of Payment of Purchase Price. On the Closing Date, subject to the terms and conditions of this Agreement and the Polish Purchase Agreement: (a) the Purchasers will direct the Escrow Agent, pursuant to the terms of the Escrow Undertaking, to pay to Seller by wire transfer of immediately available funds to an account to be designated by Seller the Escrowed Deposit, (b) the Purchasers will pay to the Sellers the Estimated NAV *less* the Escrowed Deposit, *less* any costs or other amounts to be paid by the Purchasers (on behalf of the Seller) or by the Seller

at Closing pursuant to the terms of this Agreement, and (c) the Purchasers will pay to all appropriate payees the other costs and amounts to be paid by the Purchasers at Closing pursuant to the terms of this Agreement, including the Bank Payoff Amount, and (d) the Seller will pay to the appropriate payees out of the proceeds of Closing payable to Seller all costs and amounts to be paid by Seller at Closing pursuant to the terms of this Agreement.

2.6 Adjustments to the Purchase Price.

(a) Pass-Through Obligations.

(i) At the Closing, the Seller shall cause each Owner to deliver to the Parties a list of all Applicable Tenants that are delinquent in payment of Rentals (which list shall also set forth the amount of Rentals due by each such Applicable Tenant (whether delinquent or otherwise), the period to which each such Rental relates and the nature of the amount due, itemizing separately fixed monthly rent and any additional charges). Any Rentals in respect of periods ending on or before the Closing Date and that are detailed on the list delivered by the Seller pursuant to the foregoing sentence that are received (net of Owner's reasonable costs of collection) from any Applicable Tenant after the Closing Date shall be applied in the following order of priority (without duplication): (A) first, to Rentals due and payable by such Tenant with respect to all periods after the Closing, and (B) second, to Rental arrearages owing by such Tenant with respect to all periods on or prior to the Closing. Any Rentals received directly or indirectly by each Owner or Seller following the Closing Date which are the property of the other, shall be paid to the other within five (5) Business Days following receipt thereof. In no event shall the Purchaser or the Owners have any liability for failure to collect delinquent Rentals, and in no event shall the Purchaser be obligated to, and the Purchaser shall not be obligated to cause any Owner to, and in no event shall the Seller, institute any legal, eviction or similar proceedings to enforce collection of delinquent Rentals against any Tenant, take any action to terminate any Tenant's Lease or take any other action that would adversely affect the occupancy of any Tenant under its Lease with regard to delinquencies.

(ii) With respect to specific tenant billings for work orders and special items performed or provided at the request of a given Tenant that are collected by an Owner, Purchaser or the Seller after the Closing Date but that relate to any such specific services rendered prior to the Closing and that are identified on the Tenant's payment as relating to such specific services (or which are clearly identifiable as being payment for any such specific services), the Purchasers shall cause such collected amounts to be paid to the Seller, or the Seller may retain such payment if such payment is received by the Seller after the Closing Date; provided, that the Purchasers shall have no liability for failure to collect any such amounts and the Purchasers shall not be required to conduct lockouts or take any other legal action to enforce collection of any such amounts owed by any Tenant with respect to any

such specific services; provided, further, that the Seller shall not pursue any remedies against any Tenants for such specific tenant billing.

(b) Within ninety (90) days after the Closing Date, Seller shall deliver to the Purchasers a draft of the Final NAV Statement prepared in accordance with Exhibit P. Purchasers shall cooperate with Seller in connection with its preparation of the Final NAV Statement, including by promptly delivering to Seller any work papers, invoices, correspondence or other information necessary for the calculation of the Final NAV in possession of the Purchasers or the Owners from and after Closing. In order to facilitate the Purchasers' review of the draft Final NAV Statement, Seller shall promptly provide the Purchasers with calculations and work papers or other reasonably requested information prepared by the preparer of the draft Final NAV Statement and Seller shall make its personnel or accountants reasonably available to Seller and their accountants to discuss such matters. The Seller and Purchasers agree to comply with their respective obligations under Exhibit P for the preparation and agreement of the draft Final NAV Statement and for the settlement of any adjustments to the Purchase Price to permit Seller to timely deliver the draft Final NAV Statement.

(c) The Purchasers may object to the draft Final NAV Statement by delivering written notice of objection to Seller within sixty (60) days following delivery of the draft Final NAV Statement. If the Purchasers do not deliver written notice of objection to the draft Final NAV Statement prior to the expiration of the foregoing period, then the draft Final NAV Statement shall be conclusive and binding on the Parties for purposes of this Section 2.6. Any notice of objection delivered by the Purchasers must contain a reasonably detailed statement of the basis of all objections of the Purchasers and the items to which they relate.

(d) If the Purchasers deliver a notice of objection in accordance with Section 2.6(c), Seller and the Purchasers shall endeavor to resolve any objections raised by the Purchasers and, on such resolution, the agreed Final NAV Statement shall be conclusive and binding on the Parties for purposes of this Section 2.6. If they are unable to do so within fifteen (15) Business Days after Seller's receipt of the Purchasers' notice of objection, then the matters remaining in dispute (and no other matters) will be promptly submitted to arbitration in accordance with the following provisions:

(i) The arbitration shall be conducted by three arbitrators who shall be appointed in accordance with the following procedure. Within twenty (20) days after the issuance of a notice for arbitration, Seller and Purchaser shall each appoint one arbitrator. Each such appointed arbitrator shall be an accountant with a nationally recognized accounting firm. If either Party fails to timely appoint an arbitrator, the other Party shall be entitled to appoint that arbitrator instead. Within fifteen (15) days after the first two arbitrators are appointed, such arbitrators shall select a third arbitrator, who also shall be an accountant with a nationally recognized accounting firm and neutral, impartial, and independent. In the event that the two arbitrators appointed by (or on behalf of) the Parties are unable to agree on the choice of a third arbitrator within fifteen (15) days after the date of the appointment of the last of such two arbitrators, then such third arbitrator shall be appointed upon the

request of any Party by the office of the American Arbitration Association for the region in which Delaware is located or any organization which is the successor thereto. As used herein, the term “Accountants” shall be the three (3) arbitrators selected pursuant to this subsection (i). Seller and Purchaser shall execute any agreement(s) reasonably required by the Accountants to accept their engagement pursuant to this Section 2.6.

(ii) Seller and Purchaser shall each submit a written statement setting forth in reasonable detail their respective positions with respect to only the disputed matters. Seller and Purchaser will furnish to the Accountants such work papers and other documents and information relating to the disputed issues as the Accountants may request and are available to that Party (or its accountants). Seller and Purchaser shall not be afforded the opportunity to present to the Accountants materials relating to the disputed matters or to discuss such matters with the Accountants unless the other Party is present.

(iii) The Accountants shall base their review solely on the written statements prepared by the Parties and supporting documents provided by the Parties and not on an independent examination or audit of the financial or accounting records of the Owners. In resolving any individual disputed matter, the Accountants may not assign a dollar amount or value to such matter that is more than the greatest amount or value, or less than the lowest amount or value, proposed by the Parties in their written statements submitted to the Accountants. The resolution of the dispute shall be determined by the concurrence of two (2) of the three (3) Accountants and must be rendered within thirty (30) days after the last of the three (3) Accountants is appointed pursuant to subsection (d)(i) above. The resolution by the Accountants of the matters referred to them for determination, as set forth in a written notice to be delivered to Seller and Purchaser by the Accountants, will be conclusive and binding on the Parties. Judgment may be entered upon the determination of the Accountants in any court having jurisdiction over the Party against which such determination is to be enforced. Seller and Purchaser will mutually revise the draft Final NAV Statement to reflect the resolution of the matters in dispute.

(iv) Purchaser and Seller shall each bear the cost of the Accountant they appoint and one-half of the cost of the third Accountant’s fees and expenses.

(e) The Final NAV Statement shall be final and binding on the Parties hereto upon (i) the expiration of the sixty (60) day objection period in Section 2.6(c), if the Purchasers make no objection, (ii) the resolution by Seller and Purchaser of all of the Purchasers’ objections pursuant to Section 2.6(d) or (iii) the date of the Accountants’ notice pursuant to Section 2.6(d)(d) (iii), as the case may be.

(f) The Parties acknowledge and agree that the provisions of this Section 2.6 shall be the sole and exclusive remedies for the determination of the adjustments to the Estimated NAV in accordance with this Section 2.6.

(g) On or before the tenth (10th) Business Day after the Final NAV Statement becomes final and binding on the Parties, if the Final NAV set out in the Final NAV Statement:

(i) is greater than the Estimated NAV, the Purchasers shall make a payment to the Seller in cash in immediately available funds equal to the amount by which the Final NAV is greater than the Estimated NAV; or,

(ii) is equal to the Estimated NAV, neither the Seller nor the Purchasers shall be liable to make any payment to the other pursuant to this Section 2.6(g); or,

(iii) is lower than the Estimated NAV, the Seller shall make a payment to the Purchasers in cash in immediately available funds equal to the amount by which the Final NAV is lower than the Estimated NAV.

(h) The provisions of this Section 2.6 shall survive the Closing.

2.7 Leasing Costs. Notwithstanding any provision of Section 2.6 to the contrary, Leasing Costs relating to the current term of any Lease which is in effect as of the Effective Date shall be the sole responsibility of Seller. To the extent any such Leasing Costs are unpaid as of the Closing Date, Purchaser shall be entitled to a credit at Closing for such Leasing Costs. Purchaser shall be solely responsible for all Leasing Costs that relate to the renewal, extension or amendment of any Lease after the Effective Date and for any new Lease entered into on or after the Effective Date. The provisions of this Section 2.7 shall survive Closing.

ARTICLE III

Closing

3.1 Closing.

(a) Pre-Closing Deliverables. The Seller shall:

(i) no later than the date falling five (5) Business Days prior to the Closing Date, deliver to the Purchasers the Estimated NAV Statement;

(ii) no later than the date falling five (5) Business Days prior to the Closing Date, procure that the relevant existing lenders or their security agents in relation to the Existing Mortgages (the “Existing Lenders”) deliver in writing a statement (each such statement a “Bank Payoff Statement” and, together, the “Bank Payoff Statements”) stating the amount required to be received by the relevant finance party (i) as of the last day of the month preceding the date on which the Closing Conditions under Section 3.5 have been fulfilled or validly waived, in order to effect the release of the Existing Mortgages and other security and (ii) for a certain reasonable period after that date (and in any event through the Closing Date), the daily amount of interest accruing per day after that date (the aggregate amount

payable on the Closing Date in accordance with such Bank Payoff Statements the “Bank Payoff Amount”); and

(iii) No later than the date falling eight (8) Business Days prior to the Closing Date, deliver to the Purchasers a completeness statement in accordance with the sample attached hereto as Exhibit K, including:

- a Copies of all German preliminary VAT Tax Returns for the period from the Tax Due Diligence Cut-Off Date through the Closing Date and all German annual VAT Tax Returns for assessment periods from January 1, 2017 through the Closing Date, and all corrections of preliminary VAT and annual VAT Tax Returns that any Owner has filed with Tax authorities during the period from the Tax Due Diligence Cut-Off Date through the date that is fifteen (15) Business Days prior to the Closing Date;
- b Copies of all German corporate income Tax Returns that any Owner has filed during the period from the Tax Due Diligence Cut-Off Date through the date that is fifteen (15) Business Days prior to the Closing Date;
- c Copies of all German VAT assessment notices (including amendment notices) for preliminary and assessment periods received by any Owner during the period from the Tax Due Diligence Cut-Off Date through the date that is fifteen (15) Business Days prior to the Closing Date;
- d Copies of all German corporate income Tax and Transfer Tax assessment notices (including amendment notices) received by any Owner during the period from the Tax Due Diligence Cut-Off Date through the date that is fifteen (15) Business Days prior to the Closing Date;
- e Proof of payment (e.g., copies of account statements) for all German VAT of each Owner for preliminary VAT and assessment periods that became due during the period from the Tax Due Diligence Cut-Off Date through the date that is fifteen (15) Business Days prior to the Closing Date; and
- f Proof of payment (e.g., copies of account statements) for all German land Taxes to be paid by each Owner during the period from the Tax Due Diligence Cut-Off Date through the date that is fifteen (15) Business Days prior to the Closing Date that have become due for payment on the statutory due dates for the German land Tax (i.e., February 15, May 15, August 15, and November 15). In the event of a change in the Tax base value of any Owner with effect for any of the aforementioned due dates, copies of the relevant land Tax assessments shall be enclosed with the proof of payment..

(b) Time and Place. The closing of the sale and purchase of the LLC Interests (the “Closing”) shall take place in accordance with the provisions of this ARTICLE III on the date that is three (3) Business Days following the later of (i) August 21, 2018 (provided, that

the Closing Conditions set forth in Section 3.5 have then been satisfied) and (ii) the date on which the Closing Conditions set forth in Section 3.5 have been satisfied (the “Closing Date”).

(c) Seller’s Closing Deliveries. On or before the Closing Date, the Seller shall execute and acknowledge, where appropriate, and deliver the instruments, documents and/or other items described in clauses (i), (ii), (iii), (iv), (viii), (ix), (x), (xi), and (xii) to the Purchasers (or, with respect to clause (xii) below, to the German Notary) at Closing as provided herein, provided that the instruments described in clause (i) will be delivered upon Seller’s receipt of (x) the amount described in Section 3.1(d)(i) and (y) evidence of the wire transfer (e.g., SWIFT confirmation) for payment of the Bank Payoff Amount due pursuant to this Agreement, and also upon receipt of such amount and evidence, Seller shall deliver the following items (v), (vi), (vii) and (xiii) to the Purchasers (the following collectively with the documents to be delivered by Purchaser pursuant to Section 3.1(c), the “Closing Documents”):

(i) A duly executed Assignment of LLC Interests in respect of the LLC Interests in each Owner in the form attached hereto as Exhibit B-1 and a duly executed First Amendment to Limited Liability Company Agreement for each Owner LLC Agreement in the form attached hereto as Exhibit B-2, pursuant to which, among other things, the words “Hines Global REIT” will be deleted from the names of the Owners;

(ii) Evidence of authority (including customary officer’s certificates relating to organizational documents, incumbency and authorizing resolutions), good standing (if applicable) and due authorization of Seller to enter into the transaction contemplated hereby and to perform all of its obligations hereunder, including the execution and delivery of all the closing documents required by this Agreement;

(iii) A certificate in the form attached hereto as Exhibit C (“FIRPTA Certificate”) from Seller certifying that Seller is not a “foreign person” as defined in Section 1445 of the Internal Revenue Code of 1986, as amended;

(iv) Written resignations, dated the Closing Date, of each of the Managers (solely for the purposes of this sub-clause (iv), as defined in each Owner LLC Agreement) of each Owner;

(v) All of the books and records of each Owner, including all notices, correspondence, orders, inquiries, drawings, plans, books of account and other documents and records, in each case to the extent in the possession of Seller or at a Manager’s office (which shall be deemed delivered provided such items are located in the offices of an Owner or any Manager at a Project);

(vi) All original Applicable Leases and Applicable Contracts for each Project to the extent in the possession of Seller or an Owner (which shall be deemed delivered provided such items are located in the offices of an Owner or any Manager at a Project);

(vii) All keys for the Projects and all leasing and other files relating to the Projects and all other licenses, certificates, permits, plans records, reports, documents and instruments that comprise the Intangible Property for the Projects to the extent in the possession of Seller or an Owner (which shall be deemed delivered provided such items are located in the offices of an Owner or any Manager at a Project);

(viii) A copy of the executed agreements terminating, at no cost to the Owners or the Purchasers, the Management Agreements as of the Closing Date;

(ix) Reasonable evidence that each Owner's existing insurance policies (if any) shall be cancelled at Closing at no cost to the Owners or the Purchasers;

(x) A good standing certificate from the Secretary of State of Delaware for each Owner, dated as of a date within ten (10) Business Days of the Closing Date;

(xi) A closing certificate (the "Seller's Closing Certificate") substantially in the form attached hereto as Exhibit O-1 dated as of the Closing Date, certifying that all of the Seller's Representations and Warranties are true and correct in all material respects as of the Closing Date, and repeating all of the Seller's Representations and Warranties as of the Closing Date, subject to, and as adjusted solely for, any Authorized Qualifications and other events that have first arisen since the Effective Date that would result in any breach or inaccuracy of the Seller's Representations and Warranties when repeated as of the Closing Date that have been disclosed in writing to the Purchasers prior to the Closing Date; and

(xii) The following with respect to the Existing Mortgages (to be delivered at or before Closing to the German Notary):

(A) the documents required for the cancellation of Existing Mortgages (including, where required, land charge certificates and previous assignment agreements if any Existing Lender is not registered as beneficiary in the relevant land register), in such form as is required for recording in the land register (*in grundbuchtauglicher Form*) and only under the condition (*Treuhandauflage*) that the cancellation may only be filed with the land register upon written confirmation by the respective Existing Lender that the amount set out in the respective Bank Payoff Statement has been repaid; the documents to be provided shall include the applications for release of the Existing Mortgage (*Löschungsantrage*) of the respective Owner in such form as is required for recording in the land register; and

(B) security release agreements between the providers of security in connection with the existing facilities pursuant to which the respective security is (i) released upon (and with effect of) the receipt by the relevant

Existing Lender on the Closing Date of the respective Bank Payoff Amount. The Seller shall procure from each Existing Lender a statement by such Existing Lender confirming that all obligations of the respective Owner in respect of (y) principal and interest and (z) (to the extent such confirmation can be given by the relevant Existing Lender at that point in time and/or in compliance with its standard procedures) costs, fees and expenses then due in connection with the applicable Existing Mortgage, as well as any associated security and hedging agreements, will be fully discharged upon receipt by such Existing Lender of the relevant Bank Payoff Amount

(such documents and agreements described in (A) and (B) above, collectively, the “Releases”).

(xiii) Such other instruments and documents, if any, to be executed, acknowledged and/or delivered by Seller to the Purchasers pursuant to any of the other provisions of this Agreement or otherwise reasonably necessary to complete the transaction contemplated hereby and to carry out the intent and purposes of this Agreement; provided the same shall not impose any new obligations upon Seller (other than to a de minimis extent), subject Seller to additional liability not already contemplated hereunder, or require the expenditure by Seller of any monies in excess of de minimis amounts (in the aggregate).

(d) Purchasers’ Closing Deliveries. On or before the Closing Date, the Purchasers shall execute and acknowledge, where appropriate, and deliver the following instruments, documents and/or other items to the Seller (except as provided in clause (ii) below) at the Closing:

(i) Payment of the Estimated NAV *less* the Escrowed Deposit (which shall be applied as provided in Section 2.5), pursuant to this Agreement;

(ii) Payment of the Bank Payoff Amount due pursuant to this Agreement and delivery of evidence (*e.g.*, SWIFT confirmation) of the wire transfer thereof;

(iii) The duly executed Assignments of LLC Interests in respect of all of the LLC Interests and a duly executed First Amendment to Limited Liability Company Agreement for each LLC Agreement, each as referred to in Section 3.1(c) (i) above;

(iv) Evidence of authority (including customary officer’s certificates relating to organizational documents, incumbency and authorizing resolutions), good standing (if applicable) and due authorization of Purchaser to enter into the transaction contemplated hereby and to perform all of its respective obligations hereunder, including the execution and delivery of all the closing documents required by this Agreement;

(v) A closing certificate (the “Purchasers’ Closing Certificate”) substantially in the form attached hereto as Exhibit O-2 dated as of the Closing Date certifying that all of the of representations and warranties given by the Purchaser in ARTICLE V are true and correct in all material respects as of the Closing Date and repeating all of the of representations and warranties given by the Purchaser in ARTICLE V as of the Closing Date; and

(vi) All other instruments and documents, if any, to be executed, acknowledged and/or delivered by the Purchasers to Seller pursuant to any of the other provisions of this Agreement or as otherwise reasonably necessary to complete the transaction contemplated hereby and to carry out the intent and purposes of this Agreement; provided the same shall not impose material new obligations upon the Purchasers (other than to a de minimis extent), subject the Purchasers to additional liability not already contemplated hereunder, or require the Purchasers to expend any monies in excess of de minimis amounts (in the aggregate).

(e) On the Closing Date, the Purchasers and the Seller shall each or jointly, as applicable, execute and deliver notice to the Escrow Agent instructing the Escrow Agent to release the Escrowed Deposit to the Seller in accordance with the terms of the Escrow Undertaking.

(f) Until the expiration of the R&W Survival Period, the Purchasers shall retain and make all Applicable Leases, Applicable Contracts, other documents, books, records and any other materials in its possession, or in the possession of each Owner, or in the hands of their respective agents, to the extent the same relate to the period of Seller’s ownership of the LLC Interests, available to Seller or their representatives for inspection and/or copying at reasonable times and upon at least five (5) Business Days’ notice, provided Seller executes a reasonable confidentiality agreement with respect thereto. This Section 3.1(f) shall survive the Closing until the later of the expiration of the R&W Survival Period and the expiration of any mandatory legal document retention periods under Requirements of Law.

3.2 Joint Indemnification of Escrow Agent. If this Agreement becomes the subject of any litigation or controversy, Purchaser and Seller jointly and severally, will hold Escrow Agent free and harmless from any loss or expense, including reasonable attorneys’ fees, that may be suffered by it by reason thereof other than as a result of Escrow Agent’s gross negligence or willful misconduct.

3.3 Closing Costs. Closing costs incurred in connection with the Closing will be allocated as follows:

(a) The Purchasers will pay (i) all premium and other costs for obtaining the Insurance Policies (subject to Seller’s Premium Contribution), (ii) the Purchasers’ attorneys’ fees, (iii) all of the Escrow Agent’s escrow and closing fees, if any, (iv) any Transfer Taxes, and (v) any notarial fees, court registration fees, and other costs arising under Requirements of Law in Germany.

(b) Seller will pay Seller’s attorneys’ fees.

(c) All other Taxes, costs and fees incurred by each Party shall be borne by the Party incurring such Taxes, costs and/or fees.

(d) Except as otherwise expressly provided in this Agreement, if the Closing does not occur on or before the Closing Date for any reason whatsoever, the costs incurred through the date of termination will be borne by the Party incurring same.

3.4 Relationship to Polish Purchase Agreement. Subject to the terms of this Agreement and the Polish Purchase Agreement, the Parties acknowledge that the LLC Interests are being sold and transferred to the Purchasers as a part of the Portfolio containing both the LLC Interests and the Polish Projects, that the Parties do not intend to sell or purchase the LLC Interests (or any portion thereof) or any of the Polish Projects as individual assets, and that the LLC Interests are being sold and transferred hereunder and the Polish Projects are being sold and transferred under the Polish Purchase Agreement as part of one transaction within the meaning of Section 857(b)(6)(E)(vi) of the Internal Revenue Code of 1986, as amended. Accordingly, in the event that, prior to the Closing, the Polish Purchase Agreement is terminated for any reason, this Agreement shall automatically terminate, without the necessity of any further action by the Parties hereunder, subject to Section 3.7. Furthermore, if either Party exercises any right to terminate this Agreement in accordance herewith, then such Party shall, and, if applicable, Seller shall cause the Polish Sellers or the Purchasers shall cause their Affiliates to cause the Polish Purchasers, as the case may be, to, simultaneously terminate the Polish Purchase Agreement (if the same is not terminated by its terms), subject to Section 3.7.

3.5 Conditions Precedent to Closing.

(a) Purchasers' Obligations to Close. The obligation of Purchasers to close the sale/purchase transaction hereunder shall be conditioned upon the satisfaction of the following conditions, any of which may be waived by written notice from Purchasers to Seller, and all of which shall be deemed waived upon Closing:

(i) Seller shall have performed in all material respects each of the obligations of Seller set forth in this Agreement as of the Closing Date;

(ii) Seller's Representations and Warranties shall be true and correct in all material respects as of the Closing as if remade on the Closing Date (subject only to Authorized Qualifications and such adjustments as set forth in the Seller's Closing Certificate delivered at Closing);

(iii) the Releases have been executed by the relevant parties in accordance with Section 3.1(c)(xii) and have been delivered to the German Notary; and

(iv) Seller shall have delivered to Purchasers final transfer pricing studies, prepared by Ernst & Young in accordance with Section 9, Paragraph 3 of the German General Fiscal Code (*Abgabenordnung*) and the corresponding ordinance (*Gewinnabgrenzungsaufzeichnungsverordnung*), supporting the arm's-

length nature (including interest rates and LTV ratios) of all intra-group debt arrangements (including shareholder loans) made to each of Owner A and Owner B prior to the Closing.

(b) Seller's Obligations to Close. The obligation of Seller to close the sale/purchase transaction hereunder shall be conditioned upon the satisfaction of the following conditions, any of which may be waived by written notice from Seller to Purchasers, and all of which shall be deemed waived upon Closing:

(i) The Purchasers shall have performed in all material respects each of the obligations of the Purchasers set forth in this Agreement as of the Closing Date;

(ii) The Purchasers' representations and warranties made in ARTICLE V shall be true and correct in all material respects as of the Closing as if remade on the Closing Date.

(c) Merger Control Condition. The obligations of the Purchasers and the Seller to close the sale/purchase transaction hereunder shall be conditioned upon the satisfaction of the following:

(i) the German Federal Cartel Office having failed to notify the notifying parties within one month after submission of a complete filing of the proposal of the sale/purchase transaction hereunder in accordance with Section 39 GWB that it has initiated a formal investigation; or

(ii) the German Federal Cartel Office having failed to serve on the notifying parties an order pursuant to Section 40 para. 2 sentence 1 GWB within the time periods required pursuant to Section 40 para. 2 GWB or within the time period of any extension of the review period pursuant to Section 40 para. 2 sentence 4 Nr. 1 GWB; or

(iii) the German Federal Cartel Office having notified the Seller and the Purchasers, or either of them, in writing that it will not prohibit the sale/purchase transaction hereunder.

3.6 Failure of Condition.

(a) Subject to Section 3.6(c), if the conditions precedent to Seller's and the Purchasers' obligation to effect the closing as set forth in Section 3.5(c) are not satisfied on or before the date that is five (5) Business Days prior to the Long Stop Date, then either Party may terminate this Agreement by notice thereof to the other Party and to Escrow Agent, in which event such terminating Party shall cause, as the case may be, the Polish Purchasers or Polish Sellers to also terminate the Polish Purchase Agreement. If this Agreement is so terminated, then the Purchasers shall be entitled to receive a refund of the Escrowed Deposit and no Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof.

(b) Subject to Section 3.6(c), if by the date that is five (5) Business Days prior to the Long Stop Date (i) any condition precedent to Seller's obligation to effect the Closing as set forth in Section 3.5(b) is not satisfied, (ii) all conditions precedent to the Purchaser's obligation to effect the Closing as set forth in Section 3.5(a) are satisfied, and (iii) the conditions precedent set forth in Section 3.5(c) are satisfied, then Seller shall be entitled to terminate this Agreement by notice thereof to the Purchasers and the Escrow Agent, in which event Seller shall cause the Polish Sellers to also terminate the Polish Purchase Agreement. Subject to Section 3.6(c), if by the date that is five (5) Business Days prior to the Long Stop Date (i) any condition precedent to the Purchasers' obligation to effect the Closing as set forth in Section 3.5(a) is not satisfied, (ii) all conditions precedent to the Seller's obligation to effect the Closing as set forth in Section 3.5(b) are satisfied, and (iii) the conditions precedent set forth in Section 3.5(c) are satisfied, then the Purchasers shall be entitled to terminate this Agreement by notice thereof to Seller and the Escrow Agent, in which event the Purchasers shall cause their Affiliates to cause the Polish Purchasers to also terminate the Polish Purchase Agreement. If this Agreement is terminated by either the Seller or the Purchasers pursuant to the foregoing provisions of this Section 3.6(b), then, subject to Section 3.6(c), the Party that so terminated this Agreement shall be entitled to receive the Escrowed Deposit and no Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof. Subject to Section 3.6(c), if by the date that is five (5) Business Days prior to the Long Stop Date, (i) any condition precedent to the Purchasers' obligation to effect the Closing as set forth in Section 3.5(a) is not satisfied, (ii) any condition precedent to the Seller's obligation to effect the Closing as set forth in Section 3.5(b) is not satisfied, and (iii) the conditions precedent set forth in Section 3.5(c) are satisfied, then either Party may terminate this Agreement by notice thereof to the other Party and to Escrow Agent, in which event such terminating Party shall cause, as the case may be, the Polish Purchasers or Polish Sellers to also terminate the Polish Purchase Agreement. If this Agreement is so terminated, then the Purchasers shall be entitled to receive a refund of the Escrowed Deposit and no Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof.

(c) Notwithstanding the foregoing, if the applicable conditions precedent are not satisfied due to a default by Seller or the Purchasers hereunder, then Section 3.7 shall govern and this Section 3.6 shall not apply.

3.7 Default.

(a) Default by Seller. Notwithstanding any provision in this Agreement to the contrary, if Closing of the purchase and sale transaction provided for herein does not occur as herein provided (time being of the essence) by reason of any default by Seller hereunder or a default by Polish Sellers under the Polish Purchase Agreement, the Purchasers may, as their sole and exclusive remedies, elect by written notice to Seller, within five (5) Business Days following the scheduled Closing Date, either (a) to terminate this Agreement and to cause their Affiliates to cause the Polish Purchasers to terminate the Polish Purchase Agreement, in which event the Purchasers shall receive from the Escrow Agent the Escrowed Deposit and the Polish Purchasers shall receive the Polish Deposit pursuant to the Polish Purchase Agreement, whereupon Seller and the Purchasers will have no further rights or obligations under this Agreement and the Polish Sellers and Polish Purchasers will have no further rights or obligations under the Polish Purchase

Agreement, except those obligations that expressly survive termination hereof and the Polish Purchase Agreement, (b) proceed to Closing to the extent reasonably practicable, in which case Seller shall not be entitled to refuse to proceed to Closing unless the Purchasers are in default hereunder or any condition to Seller's obligation to consummate the Closing pursuant to Section 3.5(b) or Section 3.5(c) is not satisfied, or (c) postpone Closing to the date which is not later than ninety (90) days following the Closing Date (but in no event beyond the Long Stop Date), and, in any event, the Purchasers (for themselves and on behalf of the Polish Purchasers) hereby waive all other remedies against Seller or the Polish Sellers or their respective Affiliates, including any claim for damages of any type or kind including consequential or punitive damages. If the Purchasers elect to postpone Closing pursuant to the provisions of this Section 3.7, the provisions of this Agreement shall apply as if references to the Closing Date are to such postponed date (provided that Purchasers shall have no further right to postpone the Closing pursuant to this Section 3.7) and time shall be of the essence for the purposes of such postponed Closing. Unless otherwise expressly required pursuant to this Agreement, in no event shall Seller be obligated to undertake any of the following: (A) change the condition of the Projects or restore the same after any fire or other casualty; (B) expend money or post a bond to remove or insure over any matter encumbering title to a Project; or (C) expend any money to repair, improve or alter a Project or any portion thereof. Notwithstanding the foregoing, nothing contained in this Section 3.7(a) will limit the Purchasers' remedies at law, in equity or as herein provided in the event of a breach by Seller of any of its obligations hereunder which expressly survive Closing or under any of the Closing Documents, subject to the terms and provisions of this Agreement, including Section ARTICLE IX, including Section 9.5.

(b) Default By the Purchasers. In the event the Closing and the consummation of the transactions contemplated herein do not occur as provided herein (time being of the essence) by reason of any default of the Purchasers hereunder or of the Polish Purchasers under the Polish Purchase Agreement (a "Purchaser Default"), Purchaser and Seller agree it would be impractical and extremely difficult to fix the damages which Seller may suffer. The Purchasers and Seller hereby agree that, in the event of a Purchaser Default, (i) an amount equal to the sum of the Escrowed Deposit and the Polish Deposit (the "Purchaser Default Amount") is a reasonable estimate of the total net detriment Seller would suffer in the event of any such default and failure by the Purchasers and/or the Polish Purchasers to complete the purchase of the LLC Interests and/or the purchase of the Polish Projects, and (ii) provided that the Seller is not in material default hereunder, the Purchaser Default Amount shall be paid to Seller and will be the full, agreed and liquidated damages for the default and failure of the Purchasers and/or the Polish Purchasers to complete the purchase of the LLC Interests and/or the purchase of the Polish Projects, and will be Seller's sole and exclusive remedy (whether at law or in equity) for any such default of the Purchasers and/or the Polish Purchasers resulting in the failure of consummation of the Closing hereunder and/or under the Polish Purchase Agreement, whereupon this Agreement will terminate (and Seller will cause the Polish Sellers to terminate the Polish Purchase Agreement) and Seller and the Purchasers will have no further rights or obligations hereunder and the Polish Sellers and Polish Purchasers will have no further rights or obligations under the Polish Purchase Agreement, except with respect to obligations which expressly survive termination hereunder and the Polish Purchase Agreement; provided, that, in the event the Purchaser Default Amount is paid other than directly from the Escrowed Deposit and the Polish Deposit, the Purchasers shall be entitled to a refund of the Escrowed Deposit and the Polish Purchasers shall be entitled to a refund of the Polish Deposit, and the Seller

shall, at the request of Purchasers, deliver written notice to the Escrow Agent to effect such refunds. The Purchasers hereby waive and release any right to (and hereby covenant that they shall not) sue Seller or the Polish Sellers or seek or claim a refund of the Purchaser Default Amount on the grounds it is unreasonable in amount and exceeds the actual damages of Seller and the Polish Sellers or that its payment to the Seller and/or the Polish Sellers constitutes a penalty and not agreed upon and reasonable liquidated damages. Notwithstanding the foregoing, nothing contained in this Section 3.7(b) will limit the remedies of Seller or the Polish Sellers at law, in equity or as herein provided in the event of a breach by the Purchasers of any of its obligations hereunder which expressly survive Closing or under any of the Closing Documents.

(c) Consequential and Punitive Damages. Except with respect to consequential damages under Warranty Claims fully covered by the Insurance Policies, Seller and the Purchasers each waive any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that Seller and the Purchasers each have waived the right to obtain incidental, special, exemplary or consequential damages in connection with any default of the Purchasers or Seller respectively, or otherwise, which, in the case of the Purchasers, include loss of profits or inability to secure lenders, investors or buyers).

(d) Cross Default / Remedies. Notwithstanding the foregoing provisions of this Section 3.7, (i) a default by Seller under this Agreement shall constitute a default by Polish Sellers under the Polish Purchase Agreement; (ii) a default by Polish Sellers under the Polish Purchase Agreement shall constitute a default by Seller under this Agreement; (iii) a default by the Purchasers under this Agreement shall constitute a default by Polish Purchasers under the Polish Purchase Agreement; (iv) a default by Polish Purchasers under the Polish Purchase Agreement shall constitute a default by the Purchasers under this Agreement; and (v) the non-defaulting Party to this Agreement or the Polish Purchase Agreement shall exercise the same remedies under both this Agreement and the Polish Purchase Agreement. By way of clarification of clause (v) above, if the Seller or the Polish Sellers are the defaulting Parties, the Purchasers and the Polish Purchasers must enforce the same remedies under both this Agreement and the Polish Purchase Agreement (i.e., the Purchasers and the Polish Purchasers must either both elect to terminate this Agreement and the Polish Purchase Agreement, or exercise specific performance under both this Agreement and the Polish Purchase Agreement, and if specific performance is not available under either this Agreement or the Polish Purchase Agreement, then the Purchasers and the Polish Purchasers may only exercise its right to terminate both this Agreement and the Polish Purchase Agreement). This Section 3.7(d) shall be null and void and shall not apply to any Party from and after the closing under the Polish Purchase Agreement.

(e) This Section 3.7 shall survive Closing or termination of this Agreement.

3.8 German Merger Control. Purchasers shall notify the German Federal Cartel Office pursuant to § 39 Sec. 1 GWB in connection with § 37 Sec. 1 Number 1 GWB of the sale/purchase transactions contemplated herein promptly, and in any event within ten (10) Business Days, after the Effective Date. Purchasers shall thereafter, at their sole cost and expense, use their reasonable efforts to resolve any objections raised by the German Federal Cartel Office, and shall

reasonably promptly provide the German Federal Cartel Office with any documents or information requested by it. Purchasers shall reasonably promptly forward to Seller a copy of any notices, letters or other communications received by Purchasers from the German Federal Cartel Office in connection with, and shall otherwise keep Seller reasonably informed as to the status of the German Federal Cartel Office's review of, the sale/purchase transaction contemplated herein. For the avoidance of doubt, any obligation by Purchasers under this Agreement and Section 3.8 to resolve any objections raised by the German Federal Cartel Office on Purchasers shall be limited solely to actions with respect to the LLC Interests and shall exclude any assets, businesses or other interests held by Purchaser or its Affiliates.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as follows as of the Effective Date:

4.1 Power and Authority; Authorization. Seller has the power and authority to execute, deliver and perform its obligations under this Agreement. The execution, delivery and performance by Seller of this Agreement and the documents to be executed and delivered by Seller pursuant hereto and the transactions contemplated hereby and thereby have been duly authorized by all necessary action of Seller, including any actions required by its organizational documents.

4.2 Non-Contravention. The execution and delivery by Seller of this Agreement and the other documents to be executed and delivered by Seller pursuant hereto, and the performance by Seller of this Agreement and the other documents to be executed and delivered by Seller pursuant hereto in accordance with its terms, will not violate or result in any breach of, constitute a default under, or cause the creation of a Lien upon any of the assets of the Owners pursuant to, (a) any of Seller's organizational documents or the Owners' Organizational Documents, (b) any Orders of any Governmental Authority against, or binding upon, any of Seller, the Owners, the Projects or any Requirement of Law applicable to any of Seller, the Owners or the Projects, or (c) any agreement, indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which any of Seller or the Owners is a party or by which any of Seller, the Owners or the Projects is bound.

4.3 Organization.

(a) Seller is a limited partnership duly formed and validly existing under the laws of the State of Delaware.

(b) Each Owner is a limited liability company duly organized and validly existing under the laws of the State of Delaware. Each Owner has all requisite corporate or other similar organizational power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Each Owner does not directly or indirectly own any interest in any Person.

4.4 Organizational Documents. Attached to this Agreement as Exhibit F are true, complete and correct copies of the Organizational Documents. The Organizational Documents are in full force and effect and (except as set forth on Exhibit F attached hereto or as otherwise provided for in this Agreement in connection with the consummation of the transactions contemplated hereunder) have not been modified, supplemented or amended, and there are no other organizational documents of Owners. None of Seller or the Owners is, or has taken any action which would be in, violation of the Organizational Documents.

4.5 Conduct of Business. None of the Owners has received any written notice that it is in violation of any Order or Requirement of Law which violation is outstanding as of the date hereof. At all times since their formation, each Applicable Owner has not engaged in any business or owned assets unrelated to the Applicable Project. Each Applicable Owner has conducted its business only in the ordinary course consistent with its past practice.

4.6 Insolvency Proceedings. None of Seller or the Owners, have (i) made a general assignment for the benefit of its creditors, (ii) admitted in writing its inability to pay its debts as they mature, or (iii) had an attachment, execution or other judicial seizure of any property interest which remains in effect. No bankruptcy, insolvency, reorganization or similar action or proceeding, whether voluntary or involuntary, is pending or has been threatened in writing against, the Owners, and Seller is not aware of any circumstance which may lead to any such bankruptcy, insolvency, reorganization or similar action or proceeding. There is not pending any case, proceeding or action seeking appointment of a receiver, trustee, custodian or other similar official for such Person for all or any substantial part of its or their property. No resolution voluntarily to wind up any of the Owners has been adopted by its managers or by Seller.

4.7 Employees. The Owners presently have no employees and have not had employees at any time in the past. The Owners are not parties to any written employee agreements or collective bargaining agreements. The Owners do not maintain and have never maintained or been required to contribute to an employee benefit plan (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974).

4.8 Financial Statements.

(a) Seller has furnished to Purchasers true, correct and complete copies of (i) an unaudited balance sheet and a statement of income and loss for each Owner as of, and for, the twelve-month period ending, December 31, 2017, and (ii) unaudited interim balance sheets and statements of income and loss for each Owner as of, and for, the four months ending April 30, 2018 (collectively, the “Financial Statements”).

(b) The Financial Statements were prepared in accordance with the books and records of each Owner, have been prepared consistent with past practices, have been prepared in accordance with GAAP (except that the unaudited Financial Statements do not contain notes required by GAAP and are subject to normal and recurring year-end adjustments) and do not materially misstate the financial position of each Owner on the dates of such statements and the results of operations for the periods covered.

(c) The books of account and other financial records of each Owner:

(i) reflect all items of income and expense and all assets and liabilities required to be reflected therein in accordance with United States generally accepted accounting principles applied on a basis consistent with the past practices of each Owner, respectively, and

(ii) have been maintained in accordance with all applicable laws and good business and accounting practices.

(d) All books, records and accounts, financial or otherwise, of each Owner are kept in reasonable detail and accurately and fairly reflect the transaction and dispositions of the assets of such Owner as of the date hereof.

4.9 Indebtedness. Except as set forth on Exhibit G attached hereto, the Owners are not liable for any Indebtedness. Except for the security rights that will be released under the Releases, the Owners have not granted any security rights.

4.10 Other Monetary Liabilities. The Owners are not liable for any monetary liability of at least EUR 50,000 (not including indebtedness for borrowed money, which is addressed in Section 4.9) which would be required by United States GAAP to be reflected in an audited consolidated corporate balance sheet; provided that this representation shall not apply with respect to any monetary liabilities which (a) are set forth on Exhibit H attached hereto, (b) are trade payables incurred in the ordinary course of business (including pursuant to the terms of any Leases or Contracts), (c) are disclosed in the accounting books and records and Financial Statements which have been made available to Purchaser, (d) are the subject of any other representation or warranty contained in this ARTICLE IV and are specifically disclosed pursuant to such representation or warranty or are not required to be disclosed because such other representation or warranty is limited or qualified with respect to scope, dollar amount, knowledge or materiality, or (e) are based upon any matter (i) occurring, arising or accruing on or after the Closing Date except to the extent Seller is expressly obligated in respect thereof under other provisions of this Agreement, (ii) which is Purchaser's obligation, or for which Seller is relieved of any obligations or responsibilities under Section 2.7, clauses (A) through (E) of Section 6.1 or Section 10.15, (iii) in respect of which an adjustment has been made or provided for in ARTICLE II of this Agreement, (iv) arising under any document relating to title of each Project, or (v) except for a current liability evidenced by an existing judgment, a pending litigation matter or a contractual agreement to pay an agreed sum, relating to the physical or environmental condition of each Project, including any physical or environmental condition at such Project that violates any Requirements of Law, and including any contingent claim pertaining to the physical or environmental condition of the Projects.

4.11 Taxes.

(a) (i) All Tax Returns that are required to be filed on or before the Effective Date by or with respect to the Owners have been filed in accordance with the Requirements of Law, (ii) all Tax Returns referred to in clause (i) were and are true, correct, and complete in all respects, (iii) all Taxes shown to be due on such Tax Returns, and any and all Tax otherwise due

and payable in respect of such periods (regardless of whether shown on any Tax Return) by or with respect to the Owners have been paid in full, (iv) all estimated Taxes required to be paid in respect of the Owners have been paid in full when due in accordance with the Requirements of Law.

(b) (i) All deficiencies asserted or assessments made as a result of any examinations by any Governmental Authority with respect to any Taxes payable by or asserted against the Owners have been paid in full, and no issues that were raised in writing by any Governmental Authority in connection with any such examination are currently pending, (ii) except as set forth on Exhibit S attached hereto, there are no pending or threatened (in writing) examinations, audits, actions, proceedings, investigations, legal proceedings, disputes or claims with respect to any Taxes payable by or asserted against the Owners, and no written notices have been received from any Governmental Authority of its intent to examine or audit any Tax Returns of or including any of the Owners, and (iii) the Owners have not given, been requested in writing to give, or are subject to, any waiver or extension of any statute of limitations relating to the payment of Taxes of the Owners or for which the Owners are or are reasonably likely to be liable.

(c) Except as set forth on Exhibit S attached hereto, all Taxes that the Owners are or were required by the Requirements of Law to withhold or collect have been duly reported, withheld or collected and, to the extent required by the Requirements of Law, have been paid to the proper Governmental Authority. No Tax will arise on any of the Owners as a result of this Agreement, including the Closing and the transactions contemplated hereunder.

(d) Each Owner currently is, and at all times since its formation has been, properly classified as a disregarded entity for U.S. federal tax purposes. Each Owner currently qualifies, and has at all times, qualified as a corporation for German Tax purposes but, to Seller's Knowledge, never as a Tax resident of Germany or as having a permanent establishment for any German Tax purposes (including trade Tax), subject to Exhibit S. None of the Owners have had or do have a dependent agent or employee in Germany. All necessary filings in relation to the foregoing treatment and classification of the Owners have been made.

(e) So far as the Sellers' are aware, none of the Owners will be required (i) to include any amount in Taxable income, or will be precluded from claiming any Tax loss or deduction, for any Taxable period ending after the Closing Date as a result of a change in accounting method or as a result of any agreement with any Governmental Authority with respect to any such Taxable period or (ii) include any amount in Taxable income after the Closing Date in respect of any income that accrued prior to the Closing Date.

(f) Each Owner has all books and records to appropriately evidence its Tax position in its Tax returns duly filed on or before Closing. There are no rulings, special arrangements or agreements for Tax purposes relating to any Owner. All historical Transfer Taxes for each Owner have been paid or relief therefor has been duly claimed. All deductions for depreciations on assets have been validly claimed by each Owner. Each Owner has fully complied with all applicable VAT obligations.

4.12 Suits and Proceedings. Except as set forth on Exhibit I attached hereto, there is not any legal action, suit, proceeding (including administrative proceedings

(*Verwaltungsverfahren*) condemnation, eminent domain or real estate tax adjustment proceedings) or arbitration pending or threatened in writing against any of the Owners or the Projects or Seller with respect to the Owners or the Projects.

4.13 Membership Interests. Seller is the sole owner and sole member of each of the Owners. None of the Owners have or are bound by any outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of the LLC Interests or any instrument or document convertible into or exercisable or exchangeable for any the LLC Interests. None of the LLC Interests are evidenced by a certificate.

4.14 Title to Purchased LLC Interests. As of the Closing Date, Seller is the sole owner of and has good and valid title to the LLC Interests, free and clear of all Liens that will exist as of the Closing Date other than this Agreement. As of the Closing Date, Seller has the unrestricted power and authority to transfer the LLC Interests to the Purchasers. Upon delivery of the Assignment of LLC Interests and the payment therefor, the Purchasers shall acquire good, valid, legal and beneficial title to the LLC Interests, free and clear of all Liens, other than those created by the Purchasers.

4.15 Binding Effect. This Agreement has been, and the other documents to be executed and delivered by Seller pursuant to this Agreement will as of Closing have been, duly executed and delivered by Seller, and has and will constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

4.16 Contracts. Each of the Contracts currently in effect to which each Owner is a party or is bound, is set forth on Exhibit J attached hereto (the Contracts as to each Applicable Project, the "Applicable Contracts"). No Owner has given or received any written notice of any default under an Applicable Contract by the Owners or any other party or parties to an Applicable Contract, which default remains uncured or unwaived.

4.17 Leases. There are no written Leases currently affecting each Applicable Project other than the written Leases set forth on Exhibit L attached hereto (collectively as to each Applicable Project, the "Applicable Leases"). No Owner has given or, to Seller's Knowledge, received any written notice of any default under an Applicable Lease which default remains uncured. Each Owner is in compliance in all material respects with all Applicable Leases and, to Seller's Knowledge, each Applicable Tenant is in compliance with each Applicable Lease. Seller has furnished to the Purchasers true, correct and complete copies of the rent rolls for each Owner as of the Closing Date.

4.18 Title; Encumbrances. Each Applicable Owner holds valid title in the respective Applicable Project as specified on Exhibit A-3. Except as set forth on Exhibit M, each Applicable Project is free of encumbrances registered in the land register other than encumbrances registered in division II and division III of the applicable German land register.

4.19 Encroachments. To Seller's Knowledge, there are no encroachments affecting the Projects except as set forth on Exhibit N.

4.20 Permits. To Seller's Knowledge, the buildings permits and/or other public permits regarding the Projects have not been withdrawn by the applicable Governmental Authority. Seller has not received notification by any applicable Governmental Authority that the Projects are in non-compliance with the building or usage permits or any fire safety rules. All building and usage permits and licenses materially necessary for the use of the Projects have been fully issued, it being understood that this does not include a guarantee that the Projects and their usage actually comply with the issued permits.

4.21 Patriot Act. Neither the Seller nor any of its officers, managers nor directors, nor any direct or, to the Seller's Knowledge, indirect owner of ten percent (10%) or more of the legal or beneficial interests in the Sellers, nor, to the Seller's Knowledge, any other legal or beneficial owner of the Seller:

(a) is listed in the "Alphabetical Listing of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers" (the "OFAC List") published by OFAC, as in effect from time to time, and as such list is located on the U.S. Department of Treasury's website: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>;

(b) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in Executive Orders issued by the United States government pertaining to the OFAC List (the "U.S. Executive Orders") or, to the Seller's Knowledge, is otherwise a person, entity or government with whom a United States person is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation and/or executive orders;

(c) is owned or controlled by, or acts for or on behalf of, any person or entity on the OFAC List or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the U.S. Executive Orders pertaining to the OFAC List (any person referenced in this provision, or in provisions (a)-(b) above, is hereby referred to herein as a "Blocked Person"); or

(d) has made any bribe or other financial inducement or provided anything else of value to a public official or governmental employee in the past in connection with the acquisition, financing, operation or otherwise pertaining to a Project in violation of the Foreign Corrupt Practices Act of the United States of America and the rules and regulations promulgated thereunder, or in violation of any other applicable anti-corruption or anti-bribery laws, including analogous laws of Germany.

(e) Without limiting the rights of the Purchasers otherwise set forth herein, if the Purchasers determine that the Seller may be a Blocked Person or that the Seller has otherwise breached the representations set forth in this Section 4.21, then the Purchasers

may delay the Closing to permit the Purchasers to investigate whether any such breach has occurred. The Seller shall cooperate reasonably with the Purchasers in connection with any such investigation and shall provide such information and materials as the Purchasers may reasonably request in connection therewith to confirm the Seller's compliance with the representations set forth in this Section 4.21. If the Purchasers determine in good faith that the Seller is a Blocked Person or has otherwise breached the representations set forth in this Section 4.21, then the Purchasers shall have the right, upon notice to the Seller and the Escrow Agent, to immediately terminate this Agreement and to take all other actions necessary, or in the opinion of the Purchasers, appropriate to comply with applicable laws regarding such Blocked Person. If this Agreement is so terminated, then (i) the Polish Purchase Agreement shall also terminate, and (ii) unless otherwise prohibited under any Requirements of Law, the Escrowed Deposit shall be returned to the Purchasers in accordance with the terms of the Escrow Undertaking and the Polish Deposit shall be returned to the Polish Purchasers, and neither Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof.

4.22 Exclusivity of Representations. The Seller's Representations and Warranties in this Agreement are in lieu of and are exclusive of all other representations and warranties, including any implied warranties. Seller disclaims any such other or implied representations or warranties (including all statutory warranties that may arise under German law), notwithstanding the delivery or disclosure to the Purchasers or its officers, directors, employees, agents or representatives of any offering memorandum or other documentation or information (including any pro forma financial information, supplemental data or financial projections or other forward-looking statements).

4.23 Contamination. To Seller's Knowledge, the Projects are free of any Contamination, except as set forth in Exhibit Q.

4.24 Changes in Representations and Warranties. The term "Authorized Qualifications" shall mean any qualifications to the Seller's Representations and Warranties to reflect: (i) new Leases, Lease amendments, new Contracts, and/or Contract amendments, executed by Seller or the Applicable Owners after the Effective Date in accordance with this Agreement, (ii) any action taken by Seller in respect of the Owners or the Project not prohibited by or otherwise in contravention of the terms of this Agreement, (iii) a default by a Tenant under any Lease or contractor under a Contract, or an insolvency by a Tenant or a contractor occurring after the Effective Date, (iv) the amendment of each Owner LLC Agreement in accordance with Section 7.1(j), and (v) any Contamination increasing, first occurring or first becoming known by Seller with respect to any Project after the Effective Date. Authorized Qualifications shall not constitute a default by Seller or a failure of a condition precedent to Closing. If, prior to the Closing, there occurs or exists a breach of a representation or warranty of Seller that constitutes an Authorized Qualifications, then the Purchasers shall have no remedy therefor and must proceed to the Closing with no adjustment of the Purchase Price and Seller shall have no liability therefor. If (x) between the Effective Date and the Closing Date, facts or events not known to Seller prior to the Effective Date are discovered by Seller, (y) such facts or events are not Authorized Qualifications or otherwise caused by the Seller or any of the Owners in contravention of the terms of this Agreement, and (z) such facts or events would result in a failure of the condition set forth in Section 3.5(a)(ii) above, such failure

shall not constitute a breach of this Agreement, and following Seller's written notice to the Purchasers (which Seller shall be obligated to deliver to the Purchasers promptly after Seller obtains Knowledge of same), the Purchasers' sole remedies in such event shall be to either: (i) waive the condition and proceed to Closing; or (ii) terminate this Agreement in accordance with Section 3.6(b) and, in such event, cause the Polish Purchasers to terminate the Polish Purchase Agreement; provided, however, if the Purchasers do not exercise their right to terminate this Agreement on or before the later of (A) the scheduled Closing Date or (B) the date that is three (3) Business Days after the Purchasers receive written notice from Seller of such facts or events (and Closing shall be automatically extended to permit the running of such period), then the Purchasers shall be deemed to have elected to waive the condition and proceed to Closing under this Agreement and to closing under the Polish Purchase Agreement (subject to the satisfaction of the conditions precedent thereunder). If the Purchasers terminate this Agreement pursuant to this ARTICLE IV, then the Escrowed Deposit shall be returned to the Purchasers and the Parties shall have no further obligations or liabilities hereunder.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

The Purchasers hereby represents and warrants to Seller as follows:

5.1 Power and Authority. The Purchasers have the power and authority to execute, deliver and perform its obligations under this Agreement.

5.2 Authorization. The execution, delivery and performance by the Purchasers of this Agreement and the documents to be executed and delivered by the Purchasers pursuant hereto and the transactions contemplated hereby and thereby have been duly authorized by all necessary action of the Purchasers.

5.3 Non-Contravention. The execution and delivery by the Purchasers of this Agreement and the other documents to be executed and delivered by Purchaser pursuant hereto, and the performance by the Purchasers of this Agreement and the other documents to be executed and delivered by the Purchasers pursuant hereto in accordance with their terms, will not violate or result in any breach of, or constitute a default under, (a) the organizational documents of the Purchasers, (b) any Orders of any Governmental Authority against, or binding upon, the Purchasers or any Requirement of Law applicable to the Purchasers, or (c) any agreement, indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which either Purchaser is a party or by which the Purchasers are bound.

5.4 Governmental Authorization; Third Party Consents. No approval, consent, compliance, exemption, authorization or other action by, or notice to, or filing with, any Governmental Authority or any other Person, and no lapse of a waiting period under any Requirement of Law, is necessary or required in connection with the execution, delivery or performance (including the purchase of the LLC Interests) by, or enforcement against, the Purchasers of this Agreement or the transactions contemplated hereby.

5.5 Binding Effect. Each of this Agreement and the other documents to be executed and delivered by the Purchasers pursuant hereto has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligations of the Purchasers, enforceable against the Purchasers in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

5.6 Patriot Act. Neither the Purchasers nor any of its officers, managers nor directors, nor any direct or, to the Purchasers' knowledge, indirect owner of ten percent (10%) or more of the legal or beneficial interests in the Purchasers, nor, to the Purchasers' knowledge, any other legal or beneficial owner of the Purchasers:

(a) is listed in the OFAC List published by OFAC, as in effect from time to time, and as such list is located on the U.S. Department of Treasury's website: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>;

(b) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the U.S Executive Orders or, to the Purchasers' knowledge, is otherwise a person, entity or government with whom a United States person is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation and/or executive orders;

(c) is owned or controlled by, or acts for or on behalf of, any Blocked Person; or

(d) has made any bribe or other financial inducement or provided anything else of value to a public official or governmental employee in the past in connection with the acquisition, financing, operation or otherwise pertaining to a Project in violation of the Foreign Corrupt Practices Act of the United States of America and the rules and regulations promulgated thereunder, or in violation of any other applicable anti-corruption or anti-bribery laws, including analogous laws of Germany.

Without limiting the rights of Seller otherwise set forth herein, if Seller determines that either Purchaser may be a Blocked Person or that the Purchasers have otherwise breached the representations set forth in this Section 5.6, then Seller may delay the Closing to permit Seller to investigate whether any such breach has occurred. The Purchasers shall cooperate reasonably with Seller in connection with any such investigation and shall provide such information and materials as Seller may reasonably request in connection therewith to confirm the Purchasers' compliance with the representations set forth in this Section 5.6. If Seller determines in good faith that either Purchaser is a Blocked Person or has otherwise breached the representations set forth in this Section 5.6, then Seller shall have the right, upon notice to the Purchasers and the Escrow Agent, to immediately terminate this Agreement and to take all other actions necessary, or in the opinion of Seller, appropriate to comply with applicable laws regarding such Blocked Person. If this Agreement is so terminated, then (i) the Polish Purchase Agreement shall also terminate, and (ii) unless otherwise

prohibited under any Requirements of Law, the Escrowed Deposit shall be returned to the Purchasers in accordance with the terms of the Escrow Undertaking and the Polish Deposit shall be returned to the Polish Purchasers, and neither Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof; provided, however, the Escrowed Deposit shall be paid to the Seller in accordance with the terms of the Escrow Undertaking if the representations and warranties in this Section 5.6 were breached when made.

ARTICLE VI

CONDITION OF THE PROPERTY; TITLE

6.1 “As Is”. The Purchasers acknowledge (i) that prior to the date hereof, the Purchasers and their agents, attorneys, advisors and consultants have been given a reasonable opportunity to inspect and investigate the Projects and to perform due diligence with respect to the Owners and their respective assets (including the Projects), business, liabilities and obligations (all of the foregoing, collectively, the “Owner Matters”), and all matters relating to all of the foregoing, including all of the physical, environmental and operational aspects of the Projects, either independently or through agents and experts of Purchaser’s choosing and (ii) that the Purchasers will acquire the LLC Interests based upon the Purchasers’ own investigation and inspection and not on any representations or warranties made by any person except as set forth in this Agreement. SELLER AND THE PURCHASERS AGREE THAT, EXCEPT AS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, THE LLC INTERESTS SHALL BE SOLD, AND THE PURCHASERS SHALL ACCEPT THE LLC INTERESTS, ON THE CLOSING DATE WITH ALL OWNER MATTERS TO BE ON AN “AS IS, WHERE IS” BASIS, WITH ALL FAULTS AND WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN THE DOCUMENTS EXECUTED AND DELIVERED BY SELLER AT CLOSING, SUCH SALE SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, AVAILABILITY OF DEVELOPMENT RIGHTS, ZONING, MERCHANTABILITY, PHYSICAL CONDITION THEREOF OR FITNESS FOR A PARTICULAR PURPOSE OR ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY RENT ROLL AND SELLER DOES HEREBY DISCLAIM AND RENOUNCE ANY SUCH REPRESENTATION OR WARRANTY, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT. THE PURCHASERS SPECIFICALLY ACKNOWLEDGE THAT, EXCEPT AS PROVIDED FOR IN THIS AGREEMENT OR IN THE DOCUMENTS EXECUTED AND DELIVERED BY SELLER AT CLOSING, THE PURCHASERS ARE NOT RELYING AND SHALL NOT RELY ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, FROM SELLER OR ANY OTHER PERSON AS TO THE OWNER MATTERS (AND HEREBY RELEASES SELLER FROM ALL LIABILITY WITH RESPECT TO THE OWNER MATTERS, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN THE DOCUMENTS EXECUTED AND DELIVERED BY SELLER AT CLOSING), INCLUDING: (A) THE CONDITION OR SAFETY OF THE PROJECTS, INCLUDING PLUMBING, SEWER, HEATING AND ELECTRICAL SYSTEMS, ROOFING, AIR CONDITIONING,

FOUNDATIONS, SOILS AND GEOLOGY (INCLUDING THE PRESENCE OF CONTAMINATION AND OTHER HAZARDOUS SUBSTANCES OR THE COMPLIANCE OF THE PROJECTS WITH APPLICABLE REQUIREMENTS OF LAW), LOT SIZE, OR SUITABILITY OF THE PROJECTS FOR A PARTICULAR PURPOSE; (B) WHETHER THE APPLIANCES, IF ANY, PLUMBING OR UTILITIES AND ANY ASSOCIATED METERS ARE IN WORKING ORDER; (C) THE LIVABILITY OR SUITABILITY FOR OCCUPANCY OF ANY STRUCTURE AND THE QUALITY OF ITS CONSTRUCTION; (D) THE FITNESS OF ANY PERSONAL PROPERTY; OR (E) THE PHYSICAL CONDITION OF THE PROJECTS, INCLUDING WHETHER THE IMPROVEMENTS INCLUDED IN THE PROJECTS ARE STRUCTURALLY SOUND, IN GOOD CONDITION, OR IN COMPLIANCE WITH APPLICABLE REQUIREMENTS OF LAW. THE PURCHASERS FURTHER ACKNOWLEDGE AND AGREE THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND IN THE CLOSING DOCUMENTS, SELLER SHALL NOT BE UNDER ANY DUTY TO MAKE ANY AFFIRMATIVE DISCLOSURE REGARDING ANY MATTER WHICH MAY BE KNOWN TO IT, ITS OFFICERS, DIRECTORS, PRINCIPALS, CONTRACTORS, AGENTS OR EMPLOYEES, AND THAT THE PURCHASERS ARE RELYING SOLELY UPON THEIR OWN INSPECTION OF THE PROJECTS AND ITS OTHER DUE DILIGENCE AND NOT UPON ANY REPRESENTATIONS MADE TO IT BY ANY PERSON WHOMSOEVER. ANY REPORTS, REPAIRS OR WORK REQUIRED BY THE PURCHASERS ARE TO BE THE SOLE RESPONSIBILITY OF THE PURCHASERS AND THE PURCHASERS AGREE THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THERE IS NO OBLIGATION ON THE PART OF SELLER TO MAKE OR CAUSE TO BE MADE ANY CHANGES, ALTERATIONS, OR REPAIRS TO THE PROJECTS. THE PURCHASERS AGREE AND ACKNOWLEDGE THAT THE PURCHASERS' OBLIGATIONS HEREUNDER SHALL REMAIN IN FULL FORCE AND EFFECT WITH THE PURCHASERS HAVING NO RIGHT TO DELAY THE CLOSING OR TERMINATE THIS AGREEMENT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, REGARDLESS OF ANY FACTS OR INFORMATION LEARNED BY THE PURCHASERS BEFORE OR AFTER THE DATE HEREOF. The provisions of this Section 6.1 shall survive the Closing without limitation.

6.2 Title; Financings. Without limiting the generality of Section 6.1, the Purchasers acknowledge that, prior to the date hereof, the Purchasers have been given a reasonable opportunity to investigate the status of title to each Project and that, at Closing, each of the Projects will be encumbered by all encumbrances registered in division II of the applicable German land registers, any other encumbrances disclosed to the Purchasers or its Affiliates prior to the Effective Date, the Leases, the Contracts, and all other encumbrances disclosed to the Purchasers on or prior to the Effective Date. Notwithstanding the foregoing, at or prior to Closing, the Purchasers shall pay the Bank Payoff Amount as directed by the Bank Payoff Statements and the Seller shall repay in full any shareholder, member or similar loans from Seller or its Affiliates to the Owners ("Intercompany Debt"). The provisions of this Section 6.2 shall survive Closing.

6.3 Contamination. Upon Closing, the Purchasers will assume the risk that adverse matters, including adverse physical and environmental conditions, may not have been revealed by the Purchasers' inspections and investigations. The Purchasers further hereby assume the risk of changes in applicable Requirements of Law relating to past, present and future

environmental conditions on, or resulting from the ownership or operation of, the Property. Without limiting the foregoing or the provisions of Section 6.1, the Purchasers acknowledge that the Owners do not own their respective Projects free of Contamination, and Seller shall not have any liability to Purchasers or any other party in respect of any such Contamination that may exist with respect to or otherwise affect the Projects, Purchaser hereby assuming all such liability. Purchasers shall indemnify Seller against any and all Losses arising out of claims by third parties in respect of any such Contamination. Without limiting the foregoing, the Purchasers expressly waive all claims directly against Seller with respect to the environmental condition of, or the presence of Contamination on or affecting, the Projects, including any claims arising under § 24 (2) BBodSchG and § 9 (2) Environmental Damages Act (Umweltschadensgesetz - USchadG). The provisions of this Section 6.3 are subject in their entirety to Section 4.23 and shall survive the Closing without limitation.

ARTICLE VII

COVENANTS OF THE PARTIES

7.1 Seller Interim Operating Covenants. From and after the Effective Date and through Closing, Seller shall, or shall cause each Applicable Owner to:

(a) Information. Provide such information regarding the business and the affairs of such Applicable Owner and of the Applicable Project, each as the Purchasers may reasonably require;

(b) Operations. Continue to operate, manage and maintain the Applicable Project in the normal and ordinary course of each Owner's business and substantially in accordance with such Owner's past and present practice and in substantially its present state and physical condition, subject to ordinary wear and tear and ARTICLE VIII of this Agreement. In particular, Seller shall not, and shall procure that each Applicable Owner shall not, without the prior consent of the Purchasers, to be given in the Purchasers' sole discretion (except as otherwise provided below):

- (i) voluntarily increase existing or incur new liabilities (including contingent liabilities), except in the ordinary course of the Applicable Owner's business and consistent with the Applicable Owner's prior practice;
- (ii) create, purchase or transfer any encumbrance on any Applicable Owner's material assets, the Leases or the Projects, except for those created by operation of law or those transferred as provided in this Agreement;
- (iii) in respect of any Project, (i) to the extent Owner has the right to consent under the Applicable Lease, grant consent to any assignment, sublease or waiver under such Lease (it being understood that, in such event, Purchasers shall, in granting

or withholding consent, comply with the standard for granting or withholding consent, if any, set forth in such Lease) except in the ordinary course of business consistent with past practice or (ii) deliver any notice of default or other material notice under a Lease, other than default notices in relation to unpaid rent as part of ordinary course arrears management (provided such default notice shall not terminate or threaten termination of such Lease);

- (iv) in relation to each Applicable Owner, transfer, grant an option over or otherwise dispose of or purchase, take an option over or otherwise acquire any material asset, undertaking or business;
- (v) make any change to the capital structure or governing documents of any Applicable Owner;
- (vi) agree to any waiver, release or cancellation of any material claims or debt to the detriment of the Applicable Owner;
- (vii) discontinue or otherwise change its practices to collect its receivables and to pay its accounts payable;
- (viii) settle any insurance claim or amend or vary any insurance policy, in each case, in relation to any of the Applicable Projects or any Applicable Owner, except for a renewal of the existing insurance policies in relation to the Projects or any Applicable Owner on materially the same terms in case the Closing Date is postponed beyond the date of termination of such insurance policy;
- (ix) file any Tax return with respect to any Owner or close or concede to any Tax audit with respect to any Owner in a manner materially inconsistent with such Owner's past Tax practice; or
- (x) enter into any agreement or commitment to do any of the above.

(c) **Maintain Insurance.** Maintain fire and extended coverage insurance on the Applicable Project which is at least equivalent in all material respects to the insurance policies covering the Applicable Project as of the Effective Date.

(d) **Personal Property.** Not transfer or remove any personal property of the Applicable Owner from the Applicable Project except for the purpose of repair or replacement thereof with property of substantially similar quality of the item of personal property being replaced.

(e) Leases. Not enter into any new lease or any amendments, expansions or renewals of Applicable Leases, or terminate any Applicable Lease, in each case without the prior written approval of the material terms thereof by the Purchasers, which approval will not be unreasonably withheld, delayed or conditioned. Purchaser and Seller acknowledge that Owner E is currently negotiating a new Lease of a portion of the Owner E Project commonly referred to as “Hall 7” (such new lease, the “Hall 7 Lease”) Seller shall keep the Purchasers reasonably informed of the status of negotiations of the Hall 7 Lease. In no event shall Seller enter into the Hall 7 Lease without the prior written approval of its final terms in all respects by the Purchasers, which approval will not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, nothing herein shall be deemed to require the Purchasers’ consent to any expansion or renewal which the Applicable Owner, as landlord, is required to honor pursuant to any Applicable Lease; provided, however, if any material terms of any such expansion or renewal requires an agreement by the Applicable Owner, then the Applicable Owner shall not enter into any such agreement without the prior written consent of the material terms thereof by the Purchasers, which consent will not be unreasonably withheld, delayed or conditioned. Promptly following the date on which the Applicable Owner enters into any such new Lease (or any amendments, expansions or renewals of any Applicable Lease), or terminates any Applicable Lease, Seller shall provide to the Purchasers copies of all documentation in connection therewith.

(f) Contracts. Not enter into, or renew the term of, any Contract, unless such Contract is terminable on thirty (30) days (or less) prior notice without penalty or unless the Purchasers consents thereto in writing, which consent will not be unreasonably withheld, delayed or conditioned. Promptly following the date on which Seller enters into, or renews the term of, any such Contract, Seller shall provide to the Purchasers copies of all documentation in connection therewith.

(g) Notices. To the extent received by Seller or the Applicable Owner, promptly deliver to the Purchasers copies of written default notices, notices of lawsuits and notices of violations affecting the Applicable Project or any part thereof.

(h) Encumbrances. Without the Purchasers’ prior written approval in its sole discretion, not voluntarily subject the Applicable Project or any other material assets of the Applicable Owner to any additional liens, encumbrances, covenants, easements or any other items or matters affecting title to or other interests in the Applicable Project or such material assets, unless released prior to Closing.

(i) Cash. Prior to the Closing, the Seller shall, or shall the Cause the Owners to, ensure, in accordance with this Agreement, that the Cash of each Owner, excluding Tenant Deposits, does not exceed EUR 20,000.

(j) Owner LLC Agreements. Prior to the Closing, the Seller shall amend and restate each Owner LLC Agreement to add or remove such terms as are necessary to provide that (i) the LLC Interests of the applicable Owner are freely transferable by the member(s) of such Owner and (ii) such Owner’s existence shall be perpetual, and, in each case (i) and (ii), each Owner LLC Agreement shall be otherwise silent with respect to the applicable topics (i.e., subject only to the default requirements of the Delaware Limited Liability Company Act).

Whenever in this Section 7.1 Seller is required to obtain the Purchasers' written approval with respect to any transaction described therein, the Purchasers shall, within five (5) Business Days after receipt of Seller's request therefor, notify Seller of its approval or disapproval of same (setting forth the reasons for any such disapproval) and, if the Purchasers fails to notify Seller of its approval or disapproval within said five (5)-Business-Day period, the Purchasers shall be deemed to have approved same. This Section 7.1 shall survive the Closing through May 31, 2019.

7.2 R&W Insurance Policy and Title Policy. The Purchasers and Seller acknowledge that Losses arising out of breaches of Seller's Representations and Warranties (other than as a result of fraud or willful misconduct) shall be payable solely through representation and warranty insurance (the "R&W Insurance Policy") and a policy or policies of title insurance covering the Projects (whether one or more, the "Title Policy" and collectively with the R&W Insurance Policy, the "Insurance Policies") to be purchased by the Purchasers on or before the Closing Date. Purchasers shall use commercially reasonable efforts to obtain the Insurance Policies, in each case on terms and conditions reasonably acceptable to the Purchasers, on or prior to Closing, provided, however, the subrogation rights of the insurers against the Seller under the Insurance Policies shall in all events be expressly limited to the fraud and willful misconduct of Seller. Without limiting the Purchasers' obligations under the preceding sentence, the Purchasers shall (i) use all commercially reasonable efforts to satisfy on or prior to the Closing Date all conditions and requirements applicable to the Purchasers to obtaining the Insurance Policies and (ii) pay all policy premiums and other fees and expenses associated with obtaining the Insurance Policies required to be paid at or prior to the Closing. The Purchasers shall bear the cost of the Insurance Policies; provided, that, at Closing, the Purchasers will receive a credit against the Purchase Price (by way of the inclusion of a liability in the Estimated NAV Statement and in the Final NAV Statement) in an amount equal to the sum of EUR 310,000 ("Seller's Premium Contribution"); provided, that if the actual premiums paid by the Purchasers for the Insurance Policies are less than the Seller's Premium Contribution, the Parties shall cause their respective Affiliates to cause an amount equal to such difference to be credited against the purchase price under the Polish Purchase Agreement, up to the amount of the premiums for the analogous insurance policies purchased thereunder (any excess to be paid by the purchasers thereunder); provided, further, that, in the event that Purchasers obtain the Trade Tax Insurance Policy, Seller's Premium Contribution shall be increased for all purposes under this Agreement by the amount Seller is obligated to reimburse to Purchasers for the costs of the Trade Tax Insurance Policy, as calculated in accordance with Section 7.3(d). For the avoidance of doubt, in no event shall the Purchasers' obligation to close the sale/purchase transaction hereunder be conditioned on Purchaser obtaining or maintaining the Insurance Policies.

7.3 Tax Covenants.

(a) Tax Returns and VAT Documentation.

(i) Seller shall prepare and file all Tax Returns for the Owners required to be filed by or on behalf of the Owners for all Taxable periods prior to the Closing Date, including for all calendar years completed prior to the Closing Date and for each Tax period in the calendar year 2018 with respect to which a Tax Return is due prior to the Closing Date (e.g., monthly VAT Tax Returns). For the

avoidance of doubt, Seller shall also file prior to Closing all Tax Returns for calendar years prior to and including 2016 that have not previously been filed. Further, Seller shall either file all Tax Returns for the calendar year 2017 prior to Closing or provide drafts of all such Tax Returns to the Purchasers by no later than November 30, 2018, such that Purchasers are able to timely file such Tax Returns.

(ii) Purchasers shall prepare all remaining Tax Returns for the year 2018 that have not been prepared by Seller in accordance with Seller's obligations under Section 7.3(a)(i).

(iii) The Seller and the Purchasers shall fully cooperate in preparing and filing all Tax Returns required to be filed by or on behalf of the Owners for the period until and including the Closing Date. All Tax Returns for periods up to and including the Closing Date shall be prepared in a manner consistent with those prepared for previous Tax assessment periods. Purchasers' obligations under this Section 7.3(a) shall include commercially reasonable access to all necessary information and documents required for the preparation of the aforementioned Tax Returns. The Seller shall fully cooperate with the Purchasers to provide without undue delay any information needed for the preparation of the Tax Returns upon the Purchasers' reasonable request. On request of the Purchasers, the Seller shall in particular procure (*stehen dafür ein*) for the Purchasers any document or information that the Purchasers reasonably believe would be useful in connection with a relevant Tax Return, provided that such document or information is in the Seller's possession or can be reasonably obtained by the Seller.

(iv) The Seller shall provide to the Purchasers full documentation regarding input VAT pursuant to Sect 15a VATA as prescribed in Sect 15a.12 of the VAT Application Decree (*Umsatzsteueranwendungserlass*) within six (6) weeks after the Closing Date.

(b) Tax Audits; Cooperation.

(i) The Purchasers shall promptly notify the Seller in writing of any announcement, notice or commencement of any Relevant Tax Proceeding in relation to any Pre-Closing Date Period, including such factual information describing the object of the Relevant Tax Proceeding to a reasonable level of detail and copies of any assessment, notice or other document received from any Tax authority related to the applicable Tax.

(ii) The Seller shall fully cooperate with the Purchasers to provide without undue delay any information to be furnished to a Tax auditor or the Tax authorities in connection with any Relevant Tax Proceedings upon the Purchasers' reasonable request.

(iii) On request of the Purchasers, the Seller shall in particular procure (*stehen dafür ein*) for the Purchasers any document or information that the

Purchasers reasonably believe would be useful in connection with a Relevant Tax Proceeding, provided that such document or information is the Seller's possession or can be reasonably obtained by the Seller.

(c) Purchasers covenant to Seller that, except as required by any Governmental Authority or mandatory Requirements of Law, and after having given Seller the opportunity to intervene, neither Purchasers nor any of their subsidiaries (including, after Closing, the Owners) will (i) implement any restructurings with retroactive effect prior to and including the Closing Date or (ii) take any action on or after Closing that could give rise to any Tax liability of Seller or Seller's affiliates.

(d) From the Effective Date until the Closing, the Parties shall cooperate to obtain an insurance policy for the benefit of Purchasers covering the Trade Tax Risk (the "Trade Tax Insurance Policy"). Seller will reimburse Purchasers for all costs for the Trade Tax Insurance Policy up to an amount of EUR 50,000. This Section 7.3(d) shall survive the Closing through May 31, 2019.

(e) Except as explicitly provided elsewhere in this Section 7.3, this Section 7.3 shall survive, with respect to each respective Claim with respect to a particular Owner hereunder, the Closing until such claim has become time-barred (*verjähren*) on the date that is six (6) months after the date on which the last applicable Tax assessment with respect to such Owner has become final and non-amendable (*Eintritt der Festsetzungsverjährung einschl. Ablaufhemmungen*).

ARTICLE VIII

MATERIAL ADVERSE CHANGE

8.1 Material Adverse Change.

(a) MAC. If, prior to the Closing Date, any of the Projects is destroyed or damaged by fire or other casualty, Seller will promptly give the Purchasers notice thereof. If all or a Significant Portion of any Project is so destroyed or damaged, and any of (i) the cost to repair or restore such destruction or damage is not fully recoverable from applicable insurance (subject to any deductible under any such applicable insurance policy), (ii) the cost to repair or restore such destruction or damage exceeds 40% of such Project's Allocated Asset Value, or (iii) such destruction or damage was caused by the intentional misconduct or gross negligence of the Applicable Owner or any agent, director, or employee of the Applicable Owner or any Manager (each circumstance described in clause (i), (ii) or (iii), a "MAC"), the Purchasers will have the option to terminate this Agreement as to such Project and its Applicable Owner upon notice to Seller given not later than fifteen (15) days after receipt of Seller's notice. In the event of the termination of this Agreement as to a Project and its Applicable Owner pursuant to this Section 8.1(a), the Purchase Price shall be reduced by the Allocated Asset Value of such Project.

(b) Termination of this Agreement as to a Project and its Applicable Owner shall not terminate this Agreement as to the remainder of the Projects not so terminated

pursuant to Section 8.1(a). Notwithstanding the foregoing or anything to the contrary in this Agreement or the Polish Purchase Agreement, if the Portfolio Purchase Price is reduced as a result of the termination of this Agreement as to one or more Projects and their Applicable Owners pursuant to Section 8.1(a) and/or the termination of the Polish Purchase Agreement as to one or more Polish Projects, and such aggregate reduction in the Portfolio Purchase Price equals or exceeds 20% of the Portfolio Purchase Price, each Party will have the option, by written notice delivered to the other Party within five (5) Business Days of the most recent termination to occur pursuant to Section 8.1(a) or pursuant to the Polish Purchase Agreement, to terminate this Agreement in its entirety, in which case the Party so terminating this Agreement shall also cause the Polish Purchase Agreement (to the extent closing thereunder has not occurred) to be terminated and the Purchasers and their Affiliates shall be entitled to receive a refund of the Escrowed Deposit and the Polish Deposit, and no Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof. If the Purchasers do not timely elect to terminate this Agreement as to a Project that has suffered a MAC, then Seller will not be obligated to repair such damage or destruction, but (a) at Closing, Seller shall, or shall cause the Applicable Owner to, assign and turn over to the Purchasers all of the insurance proceeds net of reasonable collection costs (or, if such have not been awarded, all of their respective right, title and interest therein) payable with respect to such fire or other casualty (excluding any proceeds of insurance that are payable on account of any business interruption, rental insurance or similar coverage intended to compensate the Applicable Owner for loss of rental or other income from such Project attributable to periods prior to the Closing), and (b) Seller shall convey the LLC Interests in the Applicable Owner to the Purchasers at Closing, and the Parties will proceed to Closing pursuant to the terms hereof without abatement of the Purchase Price, except that the Purchasers will receive a credit against cash due at Closing for the amount of the deductible on such insurance policy less any amounts expended by the Seller or the Applicable Owner to collect any such insurance proceeds or to make such repairs or to remedy any unsafe conditions at such Project, other than repairs which are the responsibility of Tenants under Leases.

(c) Casualty of Less Than a Significant Portion. If less than a Significant Portion of a Project is damaged as aforesaid, or if all or a Significant Portion of any Project is so destroyed or damaged but such damage does not constitute a MAC, then the Purchasers shall not have the right to terminate this Agreement as to such Project and Seller will not be obligated to repair such damage or destruction, but (a) the Applicable Owner will assign and turn over to the Purchasers all of the insurance proceeds net of reasonable collection costs (or, if such have not been awarded, all of its right, title and interest therein) payable with respect to such fire or other casualty (excluding any proceeds of insurance that are payable on account of any business interruption, rental insurance or similar coverage intended to compensate the Applicable Owner for loss of rental or other income from such Project attributable to periods prior to the Closing), and (b) the Parties will proceed to Closing pursuant to the terms hereof without abatement of the Purchase Price, except that the Purchasers will receive a credit against cash due at Closing for the amount of the deductible on such insurance policy less any amounts expended by the Applicable Owner to collect any such insurance proceeds or to make such repairs or to remedy any unsafe conditions at such Project, other than repairs which are the responsibility of Tenants under Leases.

ARTICLE IX

INDEMNITY; LIMITATIONS ON INDEMNITY

9.1 Survival. The representations and warranties of Seller contained in ARTICLE IV shall survive the Closing as set forth in Section 9.5, and the representations and warranties of Purchasers contained in ARTICLE V shall survive the Closing as set forth in Section 9.3. The other covenants and agreements of the Purchasers and Seller contained in this Agreement shall not survive beyond the Closing, except for (i) indemnification obligations pursuant to Section 9.2(c), which shall survive until all claims thereunder have become time-barred (*verjähren*) on the date that is six (6) months after the date on which the last applicable Tax assessment has become final and non-amendable (*Eintritt der Festsetzungsverjährung einschl. Ablaufhemmungen*), and (ii) those covenants and agreements that expressly survive by their terms, in which case such covenants and agreements shall survive the Closing for a period of six (6) months unless a particular covenant or agreement contains a specific survival period.

9.1 Obligation of Seller to Indemnify. Subject to Sections 9.1, 9.4, 9.5, and 9.6 and this Section 9.2, Seller shall indemnify, defend and hold harmless the Purchasers from and against any and all claims, causes of action, judgments, liabilities, losses, damages, costs and expenses, whether from third party claims or otherwise, including reasonable attorneys' fees, court costs and other out-of-pocket expenses including fees and expenses incurred in enforcing this indemnity in litigation (collectively, "Losses") that arise out of, or result from:

(a) any liabilities of the Owners that arose or accrued prior to the Closing Date under any contract or agreement to which any of the Owners is (or was) a party, and by which it is (or was) bound but which expired or was terminated prior to the Closing Date;

(b) third party claims for personal injury or property damage, if such injury or damage occurred wholly prior to the Closing Date except to the extent any Owner receives insurance proceeds covering any such third party claim;

(c) any liabilities arising out of Taxes (excluding Transfer Taxes arising purely as a result of this Agreement) of the Owners or the Projects, to the extent payable by an Owner, that are attributable to any Taxable period or portion thereof ending prior to the Closing Date, including interest on Taxes for any Pre-Closing Date Period imposed on the Owners by any Tax authority (it being understood that indemnifiable interest is calculated until and including the Closing Date). For purposes of this clause (c), the amount of Taxes attributable to any portion of a Taxable period shall be determined as if the Closing Date was the end of a Tax accounting period (provided, that thresholds and allowances that are only granted for a full financial year shall be recognized on pro rata basis for the purposes of this determination); and

(d) any breach or inaccuracy of Seller's Representations and Warranties or Seller's obligations pursuant to Section 7.1 or Section 7.3.

Notwithstanding anything to the contrary contained in this Agreement, the Parties acknowledge and agree that if the Purchasers have knowledge of a breach or an inaccuracy of any Seller's

Representations and Warranties, and the Purchasers proceed with Closing, the Purchasers shall be deemed to have waived and released any claim for indemnification with respect thereto, except for any Tax claims under Section 4.11, Section 7.3 or Section 9.2(c). As used herein, “the Purchasers have knowledge” shall mean the actual knowledge of the Purchasers’ Representative (and not constructive or imputed knowledge), after due inquiry, and will not be construed to refer to the knowledge of any other officer, director, agent, employee or representative of the Purchasers, or any affiliate of the Purchasers, or to impose upon Purchasers’ Representative any duty other than as set forth herein to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon Purchasers’ Representative any individual personal liability. As used herein, “Purchasers’ Representative” shall mean Peter Krause.

9.2 Obligation of Purchaser to Indemnify. Subject to Sections 9.1, 9.4, 9.5, and 9.6 and this Section 9.3, Purchaser shall indemnify, defend and hold harmless Seller from and against all Losses that arise out of or result from, (i) the inaccuracy of any representation or warranty made by Purchaser pursuant to ARTICLE V to the extent not waived in writing by Seller and (ii) any Transfer Taxes. Notwithstanding any other provision of this Agreement: (i) the Purchasers’ total liability, including any liability for costs, fees, expenses (including legal expenses) and interest, (A) in respect of all claims for indemnification for the inaccuracy of any representation or warranty made by Purchaser pursuant to ARTICLE V is limited to 10% of the Allocated Asset Value, and (B) in respect of all claims for indemnification in relation to any Transfer Taxes is limited to the total amount of such Transfer Taxes *less* any portion of the Transfer Taxes paid by the Purchasers; and (ii) the Purchasers shall have no liability for any claim for indemnification unless the Seller gives written notice to the Purchasers of any matter or event that may give rise to such claim as soon as commercially practicable after the Seller becomes aware of such matter or event, with reasonable detail of such matter or event then known to the Seller, on or before the date being twelve (12) months from the Closing Date (the “Purchasers’ R&W Survival Period”).

9.3 Indemnification Procedure.

(a) Any indemnified Party seeking indemnification under this Agreement (each, an “Indemnified Party”) shall, within the relevant limitation period provided in Section 9.1, promptly upon discovering or identifying the underlying reasons giving rise to a claim for indemnification give the indemnifying Party or Parties (collectively, the “Indemnifying Party”) written notice (a “Claim Notice”) describing in reasonable detail the facts giving rise to any claims for indemnification hereunder and shall include in the Claim Notice the amount or method of computation of the amount of such claim and a reference to the provision of this Agreement or any agreement, certificate or instrument delivered pursuant to this Agreement upon which such claim is based; provided, that a Claim Notice in respect of any action at law or in equity by or against a third party as to which indemnification will be sought shall be given promptly after the action or suit is commenced and the Indemnified Party shall not make any admissions, enter into any settlement agreements or otherwise make any compromise with such third party prior to the expiration of the thirty (30) day period set forth in Section 9.4(b) below or thereafter in the event the Indemnifying Party has given notice of its election to take over the defense in accordance with Section 9.4(b) below and for so long as such Party diligently pursues such defense (it being agreed

that, in the event the Indemnifying Party does not make such election or ceases to diligently pursue such defense, the provisions of Section 9.4(c)) shall apply).

(b) The Indemnifying Party shall have the right, at its own cost, to participate jointly in the defense of any claim or demand in connection with which the Indemnified Party has claimed indemnification hereunder, and, if the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party hereunder against any Losses that may result from such claim or demand, may elect to take over the defense of such claim or demand through counsel of its own choosing by so notifying the Indemnified Party within thirty (30) days of receipt of the Indemnified Party's notice of such claim or demand. If the Indemnifying Party makes such an election:

(i) it shall keep the Indemnified Party reasonably informed as to the status of such matter and shall promptly send copies of all pleadings to the Indemnified Party;

(ii) with respect to any issue involved in such claim or demand, it shall have the sole right to settle or otherwise dispose of such claim or demand on such terms as it, in its sole discretion, shall deem appropriate; provided, however, that the consent, which consent shall be in its sole discretion, of the Indemnified Party to the settlement or disposition of any claim or demand shall be required if such settlement or disposition shall result in any liability (which is not paid at the time of settlement by the Indemnifying Party) to, or equitable relief against, the Indemnified Party; and

(iii) the Indemnified Party shall have the right to participate jointly in the defense of such claim or demand, but shall do so at its own cost not subject to reimbursement under Section 9.2 or Section 9.3.

(c) If the Indemnifying Party does not elect to take over the defense of a claim or demand, the Indemnified Party shall have the right to contest, compromise or settle such claim or demand in the exercise of its reasonable judgment; provided, however, that the consent of the Indemnifying Party to any compromise or settlement of such claim or demand shall be required, which consent shall not be unreasonably withheld or delayed. The costs of defense and any settlement reached shall be borne by the Indemnifying Party in accordance with the foregoing.

(d) The Parties agree that any payment by Seller to Purchasers under this Article 9 shall be construed and deemed (i) between Seller and Purchasers as a reduction of the Purchase Price, and (ii), if payment is made directly to the relevant Owner, between Purchasers and the relevant Owner as a contribution (Einlage) by Purchasers into the relevant Owner. Payments under this Article 9 by Purchasers to Seller shall be construed and deemed accordingly and to the contrary.

(e) With respect to claims for indemnification arising from the breach or inaccuracy of Seller's obligations pursuant to Section 7.1 or Section 7.3, the Purchasers shall, prior to pursuing such indemnification, seek any applicable recourse under the Insurance Policies.

(f) The foregoing provisions of this Section 9.4 shall not apply to any Warranty Claims, other than those arising out of fraud or willful misconduct, such inapplicable Warranty Claims being subject to Section 9.5.

9.4 Limitations upon Indemnification.

(a) R&W Insurance Policy.

(i) Notwithstanding any other provision of this Agreement, the Sellers' total liability in respect of all Warranty Claims (other than those arising as a result of fraud or willful misconduct), including any liability for costs, fees, expenses (including legal expenses) and interest, is limited to one euro (€1) (the "Liability Cap"), which amount shall be paid by Seller to Purchasers at Closing through a credit against the amount payable by the Purchasers hereunder, and the Purchasers agree and accept that their only recourse in respect of all and any Warranty Claims (other than those arising as a result of fraud or willful misconduct) in excess of the Liability Cap shall be under the R&W Insurance Policy, notwithstanding that the Purchasers are or may be unable to pursue or obtain any remedy under the R&W Insurance Policy, whether due to policy exceptions or exclusions, validity (including due to the insolvency, breach or default of any person), or creditworthiness, Purchasers' failure to obtain or maintain the R&W Insurance or otherwise.

(ii) The Purchasers acknowledge, agree and undertake that any claims under this agreement, including Warranty Claims, are subject to Section 10.12.

(iii) There shall be no liability for any Warranty Claim unless the Purchasers give written notice to the Seller of any matter or event which may give rise to the Warranty Claim as soon as commercially practicable after the Purchasers become aware of such matter or event with reasonable detail of such matter or event then known to the Purchasers, on or before the date being thirty-six (36) months from the Closing Date (the "R&W Survival Period").

(iv) Notwithstanding the limitation specified in the immediately preceding paragraph, (a) any claim of Purchasers for a breach of Seller's Representations and Warranties set forth in Section 4.11 or for liabilities under Section 9.2(c) with respect to a particular Owner shall survive until it becomes time-barred (*verjähren*) on the date that is six (6) months after the date on which the last applicable Tax assessment with respect to such Owner has become final and non-amendable (*Eintritt der Festsetzungsverjährung einschl. Ablaufhemmungen*), but in any case until seven (7) years after the Closing Date, and (b) any claim of Purchasers for a breach of Seller's Representations and Warranties set forth in Section 4.1, Section 4.2, Section 4.3, Section 4.4, Section 4.13 or Section 4.14 shall survive until seven (7) years after the Closing Date.

(b) EXCEPT WITH RESPECT TO CONSEQUENTIAL DAMAGES UNDER WARRANTY CLAIMS FULLY COVERED BY THE INSURANCE POLICIES, IN NO

EVENT SHALL ANY INDEMNIFYING PARTY BE LIABLE TO ANY INDEMNIFIED PARTY FOR ANY CONSEQUENTIAL OR PUNITIVE DAMAGES, OR FOR DAMAGES ON ACCOUNT OF BUSINESS INTERRUPTION, COST OF CAPITAL OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY (OR DAMAGES SIMILAR TO THE FOREGOING), FOR ANY BREACH OR DEFAULT UNDER, OR ANY ACT OR OMISSION ARISING OUT OF OR IN ANY WAY RELATING TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, UNDER ANY FORM OF ACTION WHATSOEVER, WHETHER IN CONTRACT OR OTHERWISE (OTHER THAN INDEMNIFICATION FOR AMOUNTS PAID OR PAYABLE TO THIRD PARTIES IN RESPECT OF ANY THIRD PARTY CLAIM FOR WHICH INDEMNIFICATION HEREUNDER IS OTHERWISE REQUIRED).

9.5 Exclusivity of Indemnity. If Closing occurs, excluding claims for the breach by any Party of Other Obligations, the indemnification provided in this ARTICLE IX (subject in all events to Section 9.1 and Section 9.5 above) shall be the sole and exclusive remedy after the Closing Date for damages available to the Parties to this Agreement for breach of any of the representations, warranties, covenants and agreements contained in this Agreement or (ii) any other right, claim or action arising from the transactions contemplated hereby which survive Closing. If Closing occurs, Seller and the Purchasers expressly waive, release and agree not to make any claim against the other Party (except for indemnification claims made pursuant to this ARTICLE IX and claims for breach of Other Obligations), for the recovery of any costs or damages, whether directly or by way of contribution, or for any other relief whatsoever, under any applicable Requirements of Law, whether now existing or applicable or hereinafter enacted or applicable (including claims for breach of contract, failure of disclosure, tortious wrong or violation of securities laws) arising from transactions contemplated by this Agreement. As used herein, “Other Obligations” shall mean the obligations under Section 2.6, Section 2.7, Section 3.1(d), Section 7.1, Section 7.3, Section 10.11, Section 10.13, Section 10.14 and Section 10.15 of this Agreement and the obligations under the Closing Documents.

9.6 Survival. This ARTICLE IX shall survive the Closing.

ARTICLE X

MISCELLANEOUS

10.1 Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be delivered as provided below addressed as follows:

if to Seller:

Hines Global REIT Properties LP
c/o Hines Advisors Limited Partnership

2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056-6118
Attention: Kevin McMeans
Telephone: 713.966.5322
Email: kevin.mcmeans@hines.com
with copy to:

Hines Global REIT Properties LP
c/o Hines Advisors Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attention: Jason P. Maxwell – General Counsel
Telephone: 713.966.7638
Email: Jason.maxwell@hines.com
with a copy to:

Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201-2980
Attention: Jon Dunlay
Telephone: 214.953.6711
Email: jon.dunlay@bakerbotts.com

if to the Purchasers:

The Blackstone Group International Partners LLP
40 Berkeley Square
London W1J 5AL
Attention: Farhad Karim
Telephone: +44 (0) 20-7451-4000
Email: realestateeuropeannotices@Blackstone.com

With a copy to:

Simpson Thacher & Bartlett LLP
CityPoint
One Ropemaker Street
London EC2Y 9HU
England
Attention: Wheatly MacNamara
Telephone: +44 (0) 20-7275-6193
Email: wmacnamara@stblaw.com

Any notice or demand provided for in or permitted under this Agreement shall be made in writing, and may be given or served by (i) delivering the same in person or by email transmission (with a

hard copy sent by Federal Express or other reputable overnight delivery service requiring a signature upon receipt) to the Party to be notified, or (ii) by depositing same with Federal Express or other reputable overnight courier service. Notice given in any such manner shall be effective only if and when received by the Party to be notified (or service is refused), but if notice is not received by 5:00 p.m. local time on a Business Day, such notice will be effective the next Business Day. Any Party may by notice given in accordance with this Section 10.1 designate another address or Person for receipt of notices hereunder. The provisions of this Section 10.1 shall survive Closing

10.2 Successors and Assigns; Third Party Beneficiaries.

(a) This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the Parties hereto. Neither Purchaser may assign its interest under this Agreement except to any of its Affiliates (provided that such assignment shall not relieve the Purchasers of their obligations hereunder, and provided that such assignment shall not be effective unless and until the Purchasers deliver to Seller an assumption agreement reasonably satisfactory to Seller in which the assignee assumes all of the Purchasers' obligations under this Agreement) except that the Majority Purchaser may assign part or all of its interest under this Agreement to the Minority Purchaser and vice versa. Seller may not assign any of their rights under this Agreement without the written consent of the Purchasers. No Person other than the Parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement. The provisions of this Section 10.2 shall survive Closing.

(b) Notwithstanding the foregoing, the Purchasers may assign, charge, pledge or grant any other security interest in respect of this Agreement or any of their rights hereunder to any of its and/or its Affiliates' lenders or any other agent or other representative of any such lender, but in no event shall any such assignment, charge, pledge or grant relieve the Purchasers of their obligations hereunder.

(c) The Seller agrees that it will, promptly on request of the Purchasers, execute any acknowledgment of notice of assignment, charge, pledge or other security interest granted by the Purchasers in accordance with the terms of this Agreement and local law requirements.

10.3 Amendment and Waiver.

(a) No failure or delay on the part of Seller or the Purchasers in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

(b) Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by Seller or the Purchasers from the terms of any provision of this Agreement, shall be effective (i) only if it is made or given in writing and signed by Seller and the Purchasers and (ii) only in the specific instance and for the specific purpose for which made or given.

(c) The provisions of this Section 10.3 shall survive Closing.

10.4 Counterparts. This Agreement may be executed in any number of counterparts and by the Parties hereto in separate counterparts, and by facsimile or portable document format (pdf) transmission, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. The provisions of this Section 10.4 shall survive Closing.

10.5 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. The provisions of this Section 10.5 shall survive Closing.

10.6 GOVERNING LAW; CONSENT TO JURISDICTION. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF WHICH MAY RESULT IN THE APPLICATION OF LAWS OF ANOTHER JURISDICTION. The Parties hereto irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in the State of Delaware, over any suit, action or proceeding arising out of or relating to this Agreement, the LLC Interests, the Projects or the affairs of the Owners. To the fullest extent they may effectively do so under applicable law, the Parties hereto irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that they are not subject to the jurisdiction of any such court, any objection that they may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The provisions of this Section 10.6 shall survive Closing.

10.7 WAIVER OF TRIAL BY JURY. SELLER AND THE PURCHASERS, TO THE EXTENT THEY MAY LEGALLY DO SO, HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, OR RELATED TO, OR INCIDENTAL TO, THE DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE EXTENT THEY MAY LEGALLY DO SO, SELLER AND THE PURCHASERS HEREBY AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 10.7 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE OTHER PARTY OR PARTIES HERETO TO WAIVER OF ITS OR THEIR RIGHT TO TRIAL BY JURY. The provisions of this Section 10.7 shall survive Closing.

10.8 Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and

of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof. The provisions of this Section 10.8 shall survive Closing.

10.9 Rules of Construction. Unless the context otherwise requires, (i) references to sections or subsections refer to sections or subsections of this Agreement, and (ii) the word “including” shall mean “including without limitation”. The provisions of this Section 10.9 shall survive Closing.

10.10 Entire Agreement. This Agreement, together with the exhibits and schedules hereto, is intended by the Parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the Parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties or undertakings, other than those set forth or referred to herein. This Agreement, together with the exhibits and schedules hereto, supersede all prior agreements and understandings between the Parties with respect to such subject matter. The provisions of this Section 10.10 shall survive Closing.

10.11 Publicity; Confidentiality.

(a) Until the expiration of the R&W Survival Period, none of the Parties hereto shall issue a publicity release or public announcement concerning, or otherwise disclose any information related to, set forth in, or arising out of this Agreement, the transactions contemplated hereby, or the business and affairs of the Owners, including the existence of this Agreement (collectively, the “Confidential Information”), without prior approval by the other Party hereto, in each case except as may be required by applicable Requirements of Law, except for disclosures to the employees, advisors or consultants of a Party and any of the Purchasers or their Affiliates, lenders, any agent of such lenders and any professional adviser of such lender or agent (“Advisors”) who have a need to know such Confidential Information and agree to keep and hold the same in accordance with the provisions of this Section 10.11, and except disclosure by the Purchasers or their Affiliates in any customary communications to any funder or limited partner in the funds invested (directly or indirectly) in a Purchaser or any prospective funder or limited partner in any funds managed or advised by an Affiliate of the Purchasers, in each case so long as such disclosure is on a confidential basis, in the ordinary course of business, and is consistent with past business practice. Each Party shall be liable for any breach of this provision by its Advisors. If any publicity release or public announcement is required by any Requirement of Law to be made by any Party hereto prior to the first anniversary of the Closing Date, prior to making such announcement such Party will deliver a draft of such announcement to the other Parties and shall give the other Parties reasonable opportunity to comment thereon. The provisions of this Section 10.11 shall survive the Closing.

(b) Notwithstanding the foregoing, Seller, its Affiliates, and its direct and indirect partners, members, and other owners, and any entity advised by Seller or its Affiliates (including for the avoidance of doubt Hines Global REIT, Inc (“GREIT”)) may disclose in press releases, SEC and other filings with Governmental Authorities, financial statements and/or other communications such information regarding the transactions contemplated hereby and under the

Polish Purchase Agreement and any such information related to the Owners, the Projects, this Agreement and the Polish Purchase Agreement as may be necessary or advisable under federal or state securities law, rules or regulations (including U.S. Securities and Exchange Commission (“SEC”) rules and regulations), “generally accepted accounting principles” or other accounting rules or procedures or in accordance with GREIT’s prior custom, practice or procedure; provided, that a substantially final draft of any such document to be publicly disclosed or filed shall be provided to the Purchasers at least 1 (one) Business Day prior to such public disclosure or filing for the Purchasers’ reasonable review and comment (provided that the acceptance of any such comments shall be in GREIT’s sole discretion and that in no event shall the Purchasers’ review delay such public disclosure or filing). GREIT will be required to publicly disclose the possible transactions contemplated hereby and file this Agreement and the Polish Purchase Agreement with the SEC promptly after the execution of the same by the Parties or as soon as required by law.

10.12 Non-Recourse. The liability of Seller and the Purchasers hereunder shall be limited to their respective assets and in no event shall any recourse be had against any officer, director, member (direct or indirect), partner (direct or indirect), manager (direct or indirect), employee, agent, representative, beneficiary or trustee of, or any person executing this Agreement on behalf of, Seller or the Purchasers. The provisions of this Section 10.12 shall survive the Closing.

10.13 Recovery of Certain Fees. In the event a Party hereto files any action or suit against another Party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, then in that event the prevailing Party will be entitled to have and recover of and from the other Party all reasonable attorneys’ fees and costs resulting therefrom. For purposes of this Agreement, the term “attorneys’ fees” or “attorneys’ fees and costs” shall mean all court costs and the fees and expenses of counsel to the Parties hereto, which may include printing, photostating, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 10.13 shall survive Closing and shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment.

10.14 Further Assurances. If at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement or any other documents or agreements reasonably requested by either Seller or the Purchasers in order to consummate the transactions contemplated by this Agreement, the Parties to this Agreement shall take all such necessary action; provided, however, that such further assurances do not increase such Party’s obligations or liabilities hereunder or decrease such Party’s rights hereunder, other than to a *de minimis* extent. The provisions of this Section 10.14 shall survive Closing.

10.15 Broker’s, Finder’s or Similar Fees.

(a) Seller hereby agrees to indemnify and hold harmless the Purchasers from and against any claim by any broker, finder, consultant or like agent or any other person or entity for commissions or other compensation for bringing about this transaction where such claim is based in whole or in part on dealings with Seller, and from all expenses of the Purchasers in

resisting such claim, including reasonable attorneys' fees and expenses; provided that the foregoing shall not apply to any claims by a Manager (unless payable under a Management Agreement, the organizational documents of Seller or any other documents to which Seller or any of their subsidiaries are parties).

(b) The Purchasers hereby agrees to indemnify and hold harmless Seller from and against any claim by any broker, finder, consultant or like agent or any other person or entity for commissions or other compensation for bringing about this transaction where such claim is based in whole or in part on dealings with the Purchasers, and from all expenses of Seller in resisting such claim, including reasonable attorneys' fees and expenses.

(c) The provisions of this Section 10.15 shall survive Closing.

10.16 Joint and Several. Notwithstanding anything herein or in the Closing Documents to the contrary, the obligations and liabilities of the Purchasers hereunder and under the Closing Documents are joint and several. Without limiting the foregoing, Purchasers acknowledge that a default or breach by either Purchaser hereunder shall be deemed a default or breach by each Purchaser hereunder, and in no event shall the liability of either Purchaser hereunder be conditioned on the performance by the other Purchaser of any obligations hereunder. The provisions of this Section 10.16 shall survive Closing.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Purchase Agreement on the date first written above.

SELLER:

HINES GLOBAL REIT PROPERTIES LP,
a Delaware limited partnership

By: Hines Global REIT, Inc.,
a Maryland corporation,
its general partner

By: _____

Name: _____

Title: _____

PURCHASERS:

GEMINI GERMAN MAJORITY HOLDCO S.À R.L.,
a private limited liability company

By: _____

Name: _____

Title: _____

GEMINI GERMAN MINORITY HOLDCO S.À R.L.,
a private limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A-1

OWNERS

- (1) **Hines Global REIT Sulzenbrucker Strasse 7 LLC**, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA (hereinafter referred to as **"Owner A"**);
- (2) **Hines Global REIT Forchheim Logistics LLC**, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA (hereinafter referred to as **"Owner B"**);
- (3) **Hines Global REIT Karlsdorf LLC**, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA (hereinafter referred to as **"Owner C"**);
- (4) **Hines Global REIT Nuremburg LLC**, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA (hereinafter referred to as **"Owner D"**);
- (5) **Hines Global REIT Duisburg LLC**, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA (hereinafter referred to as **"Owner E"**)

EXHIBIT A-2

OWNER LLC AGREEMENTS

Owner A: (1) Hines Global REIT Sulzenbrucker Strasse 7 LLC

1. Limited Liability Company Agreement of Hines Global REIT Sulzenbrucker Strasse 7 LLC, dated as of June 25, 2013
2. Certificate of Formation of Hines Global REIT Sulzenbrucker Strasse 7 LLC filed with the Delaware Secretary of State on June 25, 2013

Owner B: (2) Hines Global REIT Forchheim Logistics LLC

1. Limited Liability Company Agreement of Hines Global REIT Forchheim Logistics LLC , dated as of February 10, 2014
2. Certificate of Formation of Hines Global REIT Forchheim Logistics LLC filed with the Delaware Secretary of State on February 10, 2014

Owner C: (3) Hines Global REIT Karlsruhe LLC

1. Limited Liability Company Agreement of Hines Global REIT Nuremberg Karlsruhe LLC, dated as of December 17, 2014; as amended and restated by Amended and Restated Limited Liability Company Agreement of Hines Global REIT Karlsruhe LLC, dated as of January 8, 2015; as amended by Amendment to Amended and Restated Limited Liability Company Agreement of Hines Global REIT Karlsruhe LLC, dated April 10, 2015
2. Certificate of Formation of Hines Global REIT Nuremberg Karlsruhe, filed with the Delaware Secretary of State on December 17, 2014; as amended by Certificate of Amendment filed with the Delaware Secretary of State on January 8, 2015

Owner D: (4) Hines Global REIT Nuremburg LLC

1. Limited Liability Company Agreement of Hines Global REIT Viernheim LLC , dated as of December 17, 2014; as amended and restated by Amended and Restated Limited Liability Company Agreement of Hines Global REIT Nuremberg LLC, dated as of January 8, 2015

2. Certificate of Formation of Hines Global REIT Viernheim LLC filed with the Delaware Secretary of State on December 17, 2014; as amended by Certificate of Amendment dated January 8, 2015

Owner E: (5) Hines Global REIT Duisburg LLC

1. Limited Liability Company Agreement of Hines Global REIT Duisburg LLC , dated as of December 17, 2014
2. Certificate of Formation of Hines Global REIT Duisburg LLC filed with the Delaware Secretary of State on December 17, 2014

EXHIBIT A-3

SUBSIDIARY PROJECTS

[NOTE: EXHIBIT TO INCLUDE EXCERPTS FROM LAND REGISTER]

“Owner A Project”:

“Owner B Project”:

“Owner C Project”:

“Owner D Project”:

“Owner E Project”:

EXHIBIT A-4

ALLOCATED ASSET VALUES

EXHIBIT A-5

POLISH PROJECTS

| | |
|-------------------------------|---|
| Property Name | LOGISTIC CENTRE BĘDZIN |
| Address | Łagisza, Będzin Świerczewskiego Street |
| Buildings | three warehouses |
| Owner | State Treasury: real properties disclosed in 1 st , 2 nd and 4 th Land & Mortgage Registers Piran Investments spółka z ograniczoną odpowiedzialnością GENEVA sp. j.: real property disclosed in 3 rd Land & Mortgage Register |
| Perpetual Usufructuary | Piran Investments spółka z ograniczoną odpowiedzialnością GENEVA sp. j.: real properties disclosed in 1 st , 2 nd and 4 th Land & Mortgage Registers |

| | |
|----------------------|---|
| Property Name | LOGISTIC CENTRE SOSNOWIEC |
| Address | Sokolska Street, Sosnowiec |
| Buildings | two warehouses |
| Owner | Piran Investments spółka z ograniczoną odpowiedzialnością HADRIAN sp. j. |

| | |
|-------------------------------|---|
| Property Name | LOGISTIC CENTRE WROCŁAW |
| Address | Kępińska and Torowa Streets, Wrocław |
| Buildings | two warehouses |
| Owner | State Treasury |
| Perpetual Usufructuary | Piran Investments spółka z ograniczoną odpowiedzialnością KLAUDIO sp. j. |

| | |
|----------------------|--|
| Property Name | LOGISTIC CENTRE WARSAW I |
| Address | Mineralna, Działkowa and Szyszkowa Streets, Warsaw |
| Buildings | four warehouses |
| Owner | Piran Investments spółka z ograniczoną odpowiedzialnością TRAJAN sp. j. |

| | |
|----------------------|---|
| Property Name | LOGISTIC CENTRE WARSAW III |
| Address | Daniszewska, Szlachecka Streets, Warsaw |
| Buildings | one warehouse |
| Owner | Piran Investments spółka z ograniczoną odpowiedzialnością TITUS sp. j. |

EXHIBIT B-1

**ASSIGNMENT AND ASSUMPTION OF
LLC INTERESTS**

THIS ASSIGNMENT AND ASSUMPTION OF LLC INTERESTS (this “**Assignment**”), dated as of the ____ day of _____, 2018 (the “**Effective Date**”), is made by and between Hines Global REIT Properties LP, a Delaware limited partnership (“**Assignor**”), and [_____, a _____] (“**Assignee 1**”) and [_____, a _____] (“**Assignee 2**” and, together with Assignee 1, the “**Assignees**”).

WITNESSETH:

WHEREAS, Assignor is the sole member of [_____], a Delaware limited liability company (the “**Company**”);

WHEREAS, the Company exists pursuant to that certain Limited Liability Company Agreement for [_____] dated as of [_____] (“the **LLC Agreement**”);

WHEREAS, Assignor owns one hundred percent (100%) of the membership interests in the Company (the “**LLC Interests**”);

WHEREAS, Assignor desires to assign to Assignee 1, and Assignee 1 desires to accept and assume from Assignor, 90% of the LLC Interests;

WHEREAS, Assignor desires to assign to Assignee 2, and Assignee 2 desires to accept and assume from Assignor, 10% of the LLC Interests; and

WHEREAS, this Assignment is made in connection with the closing of the transfer of the LLC Interests pursuant to that certain Membership Interests Purchase and Sale Agreement dated as of June [___], 2018 (the “**Purchase Agreement**”) between Assignor and the Assignees.

NOW, THEREFORE, for good and valuable consideration, the mutual receipt and sufficiency of which are hereby acknowledged, the parties to this Assignment, intending to be legally bound, hereby agree as follows:

1. Assignment. Assignor hereby transfers, assigns and conveys (i) unto Assignee 1 all of Assignor’s right, title and interest in and to 90% of the LLC Interests, and (ii) unto Assignee 2 all of Assignor’s right, title and interest in and to 10% of the LLC Interests.

2. Assumption. The Assignees hereby accept the LLC Interests and hereby assume and agree to perform, pay or discharge, as applicable, all of the liabilities, duties, covenants, debts, obligations and responsibilities of Assignor under the LLC Agreement or otherwise allocable to the LLC Interests.

3. Withdrawal. Pursuant to this Assignment, Assignor hereby withdraws as a member of the Company.

4. Miscellaneous. This Assignment shall be governed by and construed in accordance with the laws of the State of Delaware. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment may be executed in separate and multiple counterparts, each of which shall be deemed an original hereof, and all of which taken together shall constitute one and the same instrument. In the event of any conflict between the terms of this Agreement and the Purchase Agreement, the Purchase Agreement shall control.

5. Incorporation by Reference. The covenants, agreements and limitations in ARTICLE VI and ARTICLE IX and Section 10.12 of the Purchase Agreement are hereby incorporated by reference as if herein set forth in full.

[Remainder of page intentionally left blank]

EXECUTED as of the Effective Date.

ASSIGNOR:

HINES GLOBAL REIT PROPERTIES LP,
a Delaware limited partnership

By: Hines Global REIT, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Title: _____

ASSIGNEE 1:

_____,

By: _____
Name: _____
Title: _____

ASSIGNEE 2:

_____,

By: _____
Name: _____
Title: _____

EXHIBIT B-2

**[FIRST] AMENDED AND RESTATED LIMITED LIABILITY COMPANY
AGREEMENT**

FOR

[_____ LLC]

THIS [FIRST] AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this “**Agreement**”) for [_____ LLC], a Delaware limited liability company (the “**Company**”), is made and entered into as of _____, 2018, by and between Hines Global REIT Properties LP, a Delaware limited partnership (the “**Original Member**”) and [_____], a [_____] as managing member of the Company (the “**Managing Member**”) and [_____], a [_____] as a member (the “**Non-Managing Member**,” and, together with the Managing Member, each a “**Member**” and collectively the “**Members**”).

W I T N E S S E T H:

WHEREAS, the Original Member formed the Company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.), as amended from time to time (the “**Act**”) as sole member thereof on [_____, ____], pursuant to the filing of that certain Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on _____ and that certain Limited Liability Company Agreement for [_____ LLC] dated [_____, ____] (the “**Original Agreement**”); and

[WHEREAS, the Original Agreement was amended and restated pursuant to that certain Amended and Restated Limited Liability Company Agreement of the Company dated as of [_____] (as so amended, the “**Current Agreement**”); and]

WHEREAS, effective as of [_____, 2018], and simultaneously with the execution and delivery of this Amendment, the Original Member transferred and assigned 90% of its sole membership interests to [_____] and 10% of its sole membership interests to [_____] pursuant to that certain Assignment and Assumption of LLC Interests (the “**Assignment Agreement**”) which was entered into pursuant to that certain Membership Interests and Sale Purchase Agreement dated as of [_____, 2018] (the “**Purchase Agreement**”) between the Original Member and the Members; and

WHEREAS, the Original Member and the Members desire to amend the [Original] [Current] Agreement to reflect the effect of the execution and delivery of the Assignment Agreement, to acknowledge the withdrawal of Original Member from the Company as a Member and the admission of the Managing Member and the Non-Managing Member as Members of the Company, and to otherwise amend its provisions in their entirety;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the mutual receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree to amend the [Original][Current] Agreement in its entirety as follows:

1. Name. The name of the limited liability company continued hereby is [_____]. The Certificate of Formation of the Company has been executed, delivered and filed with the office of the Secretary of State of the State of Delaware by an “authorized person” of the Company within the meaning of the Act. As the name of the Company as set forth in this Section 1 is different from the name of the Company as set forth on the Certificate of Formation, concurrently with the execution of this Agreement, the Managing Member shall execute, deliver and file with the Secretary of State of the State of Delaware an amendment to the Certificate of Formation of the Company reflecting the change of the name of the Company described in this Section 1.
2. Purpose. The Company was formed and is hereby continued for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.
3. Registered Office. The address of the registered office of the Company in the State of Delaware is [_____].
4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is [_____].
5. Members. The Original Member acknowledges that it has withdrawn from the Company as a member pursuant to the transfer of LLC Interests under the Assignment Agreement and has no continuing interest in the Company as a member. The Members consent to the Original Member’s withdrawal as a member of the Company to the extent such consent may be required. The name, address and limited liability company interests of each Member is set forth on Schedule A attached hereto, as may be amended. Each such Member, as applicable, is hereby admitted to the Company as a Member of the Company upon its execution of this Agreement and is or was issued such limited liability company interests set forth in the books and records of the Company. The limited liability company interests, as such interests may be adjusted from time to time by the consent of the Managing Member, shall be set forth in the books and records of the Company.
6. Powers. The business and affairs of the Company shall be managed by the Managing Member. The Managing Member shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members under the laws of the State of Delaware. An “authorized person” within the meaning of the Act, has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his or her powers as an “authorized person” ceased, and the Managing Member

and, subject to the limitations set forth in Section 7 below, each officer of the Company with a title of Senior Managing Director, Managing Director, President, Senior Vice President, Executive Vice President, Vice President, Secretary, Treasurer, Assistant Secretary or Assistant Treasurer (each a “**Designated Officer**”) thereupon became a designated “authorized person” and hereby continues as a designated “authorized person” within the meaning of the Act. The Managing Member, without the consent of any other Member or any Designated Officer, as an authorized person, within the meaning of the Act, shall execute, deliver and file, or cause the execution, delivery and filing of, all certificates (and any amendments and/or restatements thereof) required or permitted by the Act to be filed with the Secretary of State of the State of Delaware. The Managing Member or any Designated Officer shall execute, deliver and file, or cause the execution, delivery and filing of any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

7. Officers. The Company may employ and retain persons as may be necessary or appropriate for the conduct of the Company’s business, including (i) employees and agents who may be designated as officers with titles, including, but not limited to, “Senior Managing Director”, “Managing Director”, “President”, “Senior Vice President”, “Executive Vice President”, “Vice President”, “Secretary”, “Treasurer”, “Assistant Secretary”, “Assistant Treasurer”, “Director”, and “Manager”, as and to the extent authorized by the Managing Member and with such powers as authorized by the Managing Member (each, an “**Officer**”) and (ii)(A) individuals who may be designated as officers with the title “Chief Accounting Officer”, “Secretary”, “Assistant Secretary”, “Vice President – Tax” or “Vice President – Accounting” for the limited purposes of executing tax returns and requesting taxpayer identification numbers, (B) individuals who may be designated as officers with the title “Chief Accounting Officer”, “Secretary” or “Assistant Secretary” for the limited purposes of filing entity registrations, filing of state level annual reports, filing state level qualification certificates, executing secretary certificates or incumbency certificates, (C) individuals who may be designated as officers with the title “Chief Accounting Officer”, “Secretary”, “Assistant Secretary” or “Vice President – Treasury” for the limited purposes of opening and maintaining bank accounts and executing related bank documents (D) individuals who may be designated as officers with the title “Authorized Signatory” for the limited purposes of executing property management agreements, listing agreements, audit, tax and consulting agreements and professional services agreement and (E) individuals who may be designated as officers, as and to the extent authorized by the Members, and with such powers as authorized by the Members (each, a “**Limited Officer**”). The Officers of the Company as of the date of this Agreement shall be as set forth on Schedule B attached hereto and the Limited Officers shall be as set forth on Schedule C attached hereto. The Officers and Limited Officers of the Company may be amended from time to time by the consent of the Managing Member.
8. Dissolution.

- a. The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following:
 - i. the written consent of the Managing Member;
 - ii. the time at which there are no Members, unless the Company is continued in accordance with the Act; provided that the Company shall not be dissolved and shall not be required to be wound up if a Member is admitted to the Company, in the manner provided herein, effective as of the occurrence of the event that terminated the continued membership of the last remaining Member (the “**Terminating Event**”), within ninety (90) days after the occurrence of the Terminating Event, pursuant to Section 8(b) hereof; or
 - iii. the entry of a decree of judicial dissolution under Section 18-802 of the Act.
 - b. Notwithstanding anything in Section 15 to the contrary, a person or entity appointed by the personal representative of the Member that had been the last remaining Member (the “**New Member**”) may be admitted to the Company as a member of the Company after there is no longer a remaining Member of the Company, and such New Member shall be so admitted if such New Member shall execute an instrument in writing, either before or after the Terminating Event, stating that such New Member shall be so admitted effective immediately prior to the Terminating Event, and such New Member agrees in writing to become a party to, and bound by, this Agreement, as amended, supplemented or otherwise modified.
9. Liquidation. Upon dissolution pursuant to Section 8, the Company’s business and assets shall be liquidated in an orderly manner. The Managing Member or its designee shall be the liquidating trustee (the “**Liquidator**”) to wind up the affairs of the Company. In performing its duties, the Liquidator is authorized to sell, distribute, exchange or otherwise dispose of Company assets in any manner that the Liquidator shall determine, subject to the Act and Section 12 below.
 10. Capital Contributions; Percentage Interest. The Members shall make capital contributions to the Company in an amount approved by the Managing Member. No Member shall be required or permitted to make any additional capital contributions without the consent of the Managing Member. The percentage interest of each Member in the Company shall be as set forth in the books and records of the Company, as amended from time to time.
 11. Allocation of Profits and Losses. All items of income, gain, loss, deductions and credit for tax purposes shall be allocated to each Member pro rata in accordance with such Member’s percentage interests in the Company as set forth in the books and records of the Company, as amended by the Managing Member from time to time.
 12. Distributions. Subject to the Act and other applicable law, distributions shall be made to the Members at the times and in the aggregate amounts determined by the Managing Member.

13. Assignments. A Member may sell, assign, encumber or otherwise transfer in whole or in part its limited liability company interest at any time to any person or entity without the consent of any other person or entity. If a Member transfers some or all of its limited liability company interest in the Company, the transferee shall be admitted to the Company as a member of the Company and shall succeed to the transferring Member's limited liability company interests as set forth on the books and records of the Company, upon the approval of the Managing Member, in its sole discretion, and such transferee's execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, as this Agreement may be amended or restated, which instrument may be a counterpart signature page to this Agreement or a restatement thereof. If a Member transfers all of its limited liability company interests in the Company, the admission of the subject transferee shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to a Member by merger or consolidation shall, without further act, be a Member hereunder without any action by any person or entity, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Company shall continue without dissolution.
14. Resignation. A Member may resign from the Company without obtaining the prior consent of the other Members.
15. Admission of Additional Members. Except as provided in Section 8(b), one or more additional members of the Company may be admitted to the Company with the consent of the Managing Member.
16. Liability of Members. The Members shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act.
17. Indemnification. The Company (the "**Indemnitor**") shall indemnify and hold harmless the Members, their affiliates and subsidiaries, and all officers, directors, partners, employees, and agents of any of the foregoing (each, an "**Indemnitee**") to the full extent permitted by law from and against any and all losses, claims, demands, costs, damages, liabilities, joint and several, expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnitee may be involved, or threatened to be involved as a party or otherwise, arising from, or in connection with, the performance of any action by such Indemnitee for, on behalf of, or otherwise in connection with, the Company.
18. Amendments; Entire Agreement. This Agreement may be amended only by written instrument executed by all of the Members. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.
19. Conflict. In the event of any conflict between this Agreement and the Purchase Agreement, the Purchase Agreement shall control.

20. Incorporation by Reference. The covenants, agreements and limitations provided in ARTICLE VI and ARTICLE IX and Section 10.12 of the Purchase Agreement are hereby incorporated by reference as if herein set forth in full.
21. Benefits of Agreement. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any Member.
22. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.
23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.
24. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby,
has duly executed this Agreement as of the date first above written.

ORIGINAL MEMBER

HINES GLOBAL REIT PROPERTIES LP,
a Delaware limited partnership

By: Hines Global REIT, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Title: _____

MEMBERS

GEMINI GERMAN MAJORITY HOLDCO S.À R.L.

By: _____
Name: _____
Title: _____

GEMINI GERMAN MAJORITY HOLDCO S.À R.L.

By:
Name:
Title:

Schedule A

Members

| Name | Membership Interests | Address |
|-----------------------|----------------------|---------|
| [MANAGING MEMBER] | [●%] | [●] |
| [NON-MANAGING MEMBER] | [●%] | [●] |

Schedule B

Officers

Name

Office

Schedule C

Limited Officers

Name

Office

EXHIBIT C

FIRPTA CERTIFICATE

NON-FOREIGN ENTITY CERTIFICATION

Section 1445 of the Internal Revenue Code of 1986 (as amended, the “Code”) provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445 of the Code), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform GEMINI GERMAN MAJORITY HOLDCO S.À R.L., a private limited liability company incorporated under the laws of Luxembourg (“Majority Transferee”) and GEMINI GERMAN MINORITY HOLDCO S.À R.L., a private limited liability company incorporated under the laws of Luxembourg (“Minority Transferee”; and together with the Majority Purchaser, “Transferee”) that withholding of tax is not required upon the disposition of a U.S. real property interest by Transferor the undersigned (the “Transferor”) hereby certifies the following:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor’s U.S. employer identification number is _____; and
4. Transferor’s office address is
c/o Hines Interests Limited Partnership
2800 Post Oak Boulevard
Houston, Texas 77056

Transferor understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made within this certification could be punished by fine, imprisonment, or both.

Under penalties of perjury the undersigned declares that he has examined this certification and that to the best of his knowledge and belief it is true, correct and complete, and the undersigned further declares that he has the authority to sign this document on behalf of Transferor

SELLER:

HINES GLOBAL REIT PROPERTIES LP,
a Delaware limited partnership

By: Hines Global REIT, Inc.,
a Maryland corporation,
its general partner

By: _____

Name: _____

Title: _____

EXHIBIT D

INTENTIONALLY DELETED

EXHIBIT E

EXISTING MORTGAGES

EXHIBIT F

ORGANIZATIONAL DOCUMENTS

EXHIBIT G
INDEBTEDNESS

EXHIBIT H

OTHER MONETARY LIABILITIES

EXHIBIT I

SUITS AND PROCEEDINGS

EXHIBIT J
CONTRACTS

EXHIBIT K

SAMPLE COMPLETENESS STATEMENT

[Seller's Letterhead]

[Purchaser's Address]

With a copy to:

Simpson Thacher & Bartlett LLP
CityPoint
One Ropemaker Street
London EC2Y 9HU
England
Attention: Wheatly MacNamara

RE: Gemini – Germany Portfolio – Completeness Statement Pursuant to Section 3.1(a)(iii) of the Membership Interests Purchase and Sale Agreement dated [●] (the “*Purchase Agreement*”)

Ladies and Gentlemen,

Please find enclosed the documents required to be delivered in accordance with Section 3.1(a)(iii) of the Purchase Agreement, as listed on Schedule 1 hereto, each of which is true, complete and correct as of the date hereof and which together comprise the complete set of documents required thereunder.

[Place, Date]

[Print Seller's name]

Seller's signature

Schedule 1 to Completeness Statement
List of Enclosed Documents

EXHIBIT L

LEASES

[See attached.]

EXHIBIT M
ENCUMBRANCES

None.

EXHIBIT N

ENCROACHMENTS

EXHIBIT O-1

SELLER'S CLOSING CERTIFICATE

This certificate is furnished by HINES GLOBAL REIT PROPERTIES LP, a Delaware limited partnership ("Seller") to GEMINI GERMAN MAJORITY HOLDCO S.À R.L., a private limited liability company incorporated under the laws of Luxembourg ("Majority Purchaser") and GEMINI GERMAN MINORITY HOLDCO S.À R.L., a private limited liability company incorporated under the laws of Luxembourg ("Minority Purchaser"; and together with the Majority Purchaser, "Purchaser") pursuant to that certain Membership Interest Purchase and Sale Agreement dated July 24, 2018, by and among Seller and Purchaser (the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Agreement.

Seller hereby certifies to Purchaser that all of Seller's Representations and Warranties are true and correct in all material respects as of the date hereof (the "Closing Date"), and remakes to Purchaser as of the Closing Date all of Seller's Representations and Warranties, subject solely to adjustments for:

- i. each Authorized Qualification as set forth on Schedule 1 attached hereto; and
- ii. each written disclosure timely delivered to Purchaser in accordance with Section 3.1(c)(xi) of the Agreement of events that would result in any breach or inaccuracy of the Seller's Representations and Warranties when remade as of the Closing Date, each of which such written disclosures is attached hereto as Schedule 2.

This certificate is given subject to the terms and conditions of the Agreement, including all limitations on liability and survival limitations contained therein. Without limiting the foregoing, and for the avoidance of doubt, any claims hereunder in relation to any breach or inaccuracy of the Seller's Representations and Warranties as remade hereunder (other than arising from fraud or willful misconduct) shall constitute Warranty Claims and shall be subject to the terms and conditions of the Agreement with respect thereto.

Executed as of this ____ day of _____, 2018.

SELLER:

HINES GLOBAL REIT PROPERTIES LP,
a Delaware limited partnership

By: Hines Global REIT, Inc.,
a Maryland corporation,
its general partner

By: _____

Name: _____

Title: _____

Schedule 1 to Seller's
Closing Certificate

Schedule 2 to Seller's
Closing Certificate

EXHIBIT O-2

PURCHASERS' CLOSING CERTIFICATE

GEMINI GERMAN MAJORITY HOLDCO S.À R.L., a private limited liability company incorporated under the laws of Luxembourg (“Majority Purchaser”) and GEMINI GERMAN MINORITY HOLDCO S.À R.L., a private limited liability company incorporated under the laws of Luxembourg (“Minority Purchaser”; and together with the Majority Purchaser, “Purchaser”) hereby jointly and severally certify to HINES GLOBAL REIT PROPERTIES LP, a Delaware limited partnership (“Seller”), that all representations and warranties of Purchaser set forth in Article V of the that certain Membership Interest Purchase and Sale Agreement dated July 24, 2018, by and among Seller and Purchaser are true and correct in all material respects as of the Closing Date (as defined below). This certificate is given subject to the terms and conditions of, and is subject to the limitations set forth in, the Agreement, including Article IX and Section 10.12.

Executed as of this ____ day of _____, 2018 (the “Closing Date”).

PURCHASERS:

GEMINI GERMAN MAJORITY HOLDCO S.À R.L.,
a private limited liability company

By: _____
Name: _____
Title: _____

GEMINI GERMAN MINORITY HOLDCO S.À R.L.,
a private limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT P

ACCOUNTING POLICIES

1. The Final NAV Statement shall be prepared:
 - a. first, in accordance with the specific accounting principles, bases, conventions, rules, policies, procedures, practices, estimation techniques and methods set out in paragraph 2 below;
 - b. secondly and subject to paragraph 1(a), in accordance with the accounting principles, bases, conventions, rules, policies, procedures, practices, classifications, categorisations, estimation techniques and methods (including in respect of the exercise of management discretion and judgement) as were used in the preparation of the Financial Statements applied on a consistent basis; and
 - c. thirdly and subject to paragraphs 1(a) and 1(b), by reference to GAAP as at 31 December 2017.

For the avoidance of doubt, paragraph 1(a) will take precedence over paragraphs 1(b) and 1(c) and paragraph 1(b) will take precedence over paragraph 1(c).

2. The specific accounting principles, bases, conventions, rules, policies, procedures, practices, estimation techniques and methods referred to in paragraph 1(a) above are as follows:
 - a. the Projects, together, shall be included in the Final NAV Statement at the fixed amount of the Allocated Asset Value, and the portion of the Allocated Asset Value attributable to each Project shall be as set forth on Exhibit A-4. No other tangible or intangible fixed assets shall be included in the Final NAV Statement;
 - b. the Final NAV Statement shall be prepared in euro (EUR). Assets and liabilities in the Final NAV Statement denominated in a currency other than euro shall be converted into euro at the relevant exchange rate prevailing at the Closing Date as shown in the London Edition of the Financial Times, or such other point of reference as the parties shall agree;
 - c. the Final NAV Statement shall be prepared as at the Effective Time on the basis that the Owners are each a going concern and shall, save as required elsewhere in this Exhibit P, exclude the effect of change of control or ownership of the Owners and will not take into account the effects of any post-Closing reorganisation or post-Closing intentions or obligations of the Purchasers;
 - d. for the purposes of the Final NAV Statement, the Effective Time shall be treated as (i) the end of a financial reporting period (including performance of all normal year-end accounting procedures) and (ii) the end of a Tax accounting period;

- e. no account shall be taken of events taking place after the Effective Time, and regard shall only be had to information available to the parties up to the date that the draft Final NAV Statement is delivered by the Seller to the Purchasers (the “Cut Off Time”) and only where such information provides additional evidence of conditions existing at the Effective Time;
- f. the provisions of this Exhibit P shall be interpreted so as to avoid the double counting of any item to be included in the Final NAV Statement;
- g. no asset or liability shall be excluded from the Final NAV Statement solely on grounds of materiality;
- h. the Final NAV Statement shall be prepared on an aggregated basis to include each of the Owners. Balances and unrealised profits on transactions between Owners shall be reconciled and eliminated;
- i. an asset shall be included in the Final NAV Statement for any Taxes prepaid by the Owners in respect of the period after the Effective Time and for any advance payments exceeding the liability as per the following sentence. A liability shall be included for any Taxes of the Owners in respect of the period prior to the Effective Time to the extent unpaid as at the Effective Time. Current income Tax and current trade Tax liabilities that are calculated on an annual basis shall be pro-rated on the number of days in the current year elapsed through the Effective Time as compared to the number of days in the current year elapsing from and after the Effective Time;
- j. no deferred Tax assets or liabilities will be included in the Final NAV Statement;
- k. a liability shall be included in the Final NAV Statement in respect of all Rentals invoiced by the Owners before the Effective Time to the extent such amounts relate to the period after (but excluding) the Completion Date;
- l. no assets shall be included in the Final NAV Statement in respect of Rentals subject to Section 2.6(a)(i) of this Agreement;
- m. no assets shall be included in the Final NAV Statement in respect of Specific Tenant Billings receivable (whether invoiced or un-invoiced) at the Effective Time (such amounts being subject to Section 2.6(a)(ii) of this Agreement);
- n. an asset shall be included in the Final NAV Statement in respect of any amounts paid by the Owners prior to the Effective Time in respect of the period after the Effective Time (in each case only to the extent the benefit of the prepayment is received or receivable by the Owners after the Effective Time): (i) under the Contracts; (ii) in respect of annual permits and/or inspection fees; and (iii) in respect of the operation and maintenance of each Project, including utilities (including steam, electricity and gas charges). A liability shall be included in the

Final NAV Statement in respect of any amounts payable by the Owners in respect of the period prior to the Effective Time to the extent unpaid at the Effective Time: (x) under the Contracts; (y) in respect of annual permits and/or inspection fees; and (z) in respect of the operation and maintenance of each Project, including utilities (including steam, electricity and gas charges). Notwithstanding the foregoing, no assets or liabilities shall be included in respect of electricity, water, gas or other utilities furnished to any Tenants directly by the relevant public utility;

- o. no asset shall be included in respect of the Owner's existing insurance policies;
- p. an asset shall be included in respect of all cash and cash equivalents held by each Owner (at the reconciled cash book balance); provided, that Cash, excluding Tenant Deposits, shall only be included as an asset up to a maximum amount of €20,000 for each Owner, and Cash held in respect of Tenant Deposits shall be recognized as an asset only to the extent a corresponding liability is also recognized;
- q. an asset shall be included in respect of any deposits held on behalf of an Owner by a utility company or other third party, to the extent the benefit of such deposits remains receivable by the relevant Owner after the Effective Time;
- r. a liability shall be included in respect of any Leasing Costs relating to the term of any Lease which is in effect as at the Effective Time, to the extent outstanding at the Effective Time; and no assets shall be included in respect of any Leasing Costs relating to the term of any Lease which is in effect as at the Effective Time that were paid or incurred by an Owner prior to the Effective Time;
- s. an asset shall be included in respect of any Leasing Costs relating to the term of any Lease which is not yet in effect as at the Effective Time, to the extent paid or incurred by an Owner prior to the Effective Time; and no liabilities shall be included in respect of any Leasing Costs relating to the term of any Lease which is not yet in effect as at the Effective Time that are payable by an Owner after the Effective Time;
- t. any liabilities in the nature of borrowings at the Effective Time, including any associated financial derivatives, shall be included as a liability in the Final NAV Statement at their full redemption value, including principal amounts, accrued interest and any other charges such as early settlement fees, notarial fees, court registration fees, and breakage costs;
- u. a liability shall be included in the Final NAV Statement in respect of any fees, costs or other expenses incurred by the Owners arising from the termination of any agreements on, or as a result of, Closing;

- v. the Final NAV Statement shall include a liability for any amounts payable to the Seller or the Seller's Affiliates by the Owners after the Effective Time;
- w. no assets shall be included in the Final NAV Statement in respect of capitalised debt issuance costs, development costs, leasing fees or lease incentives;
- x. no assets shall be included in the Final NAV Statement in respect of accounting adjustments under GAAP to recognise the value of leases acquired at above-market value;
- y. a liability shall be included in the Final NAV Statement in respect of any of the Seller's costs related to the transactions contemplated in this Agreement and (if applicable) the Polish Purchase Agreement to the extent unpaid at the Effective Time and payable by the Owners after the Effective Time;
- z. any insurance claims received or receivable shall be valued at zero, except to the extent that the Owners have made payment or recognised a payable on or before the Effective Time in respect of the issue to which the insurance claim receipt or receivables relates, in which case such insurance claim receipt or receivable shall be valued at the lower of the amount received or receivable and the amount of the payments made or payable recognised;
- aa. no asset or liability shall be included in the Final NAV Statement in respect of deferred Tax; and
- bb. the Seller's Premium Contribution shall be included as a liability in the Final NAV Statement.

EXHIBIT Q
CONTAMINATION

EXHIBIT R

POLISH PURCHASE AGREEMENT

[See attached.]

EXHIBIT S

TAX REPRESENTATIONS

1. With respect to the representations in Section 4.11(b), the following two (2) German administrative tax proceedings are pending:

- **Appeal dated 23 October 2017 against corporate income tax (CIT) assessment 2015 for Hines GREIT Duisberg LLC**

Tax office estimated the 2015 taxable income as the German CIT return was not filed by September 2017. Appeal refers to the 2015 CIT return actually resulting in a CIT loss and therefore claiming for an assessment in accordance with the CIT return (once filed). Total tax of kEUR 5 resulting from the assessment has been paid irrespective of the appeal.

- **Appeal dated 16 July 2018 against CIT assessment 2015 for Hines GREIT Sülzenbrücker Str. 7 LLC**

Amount of CIT loss assessed by kEUR 109 lower than stated in the 2015 German CIT return. Appeal refers to consideration of CIT loss as stated in the tax return. Appeal only refers to amount of losses, i.e. no CIT payments (as taxable income is negative).

2. The representations in Section 4.11(c) regarding construction withholding tax (“Bauabzugsteuer”) are limited to Seller’s knowledge in the case of (i) Hines Global REIT Forchheim Logistics LLC and its assets for periods prior to June 3, 2014 with respect to Phase 1 and January 1, 2015 with respect to Phase 2, (ii) Hines Global REIT Karlsdorf LLC and its assets for periods prior to April 1, 2015, (iii) Hines Global REIT Nuremburg LLC and its assets for periods prior to April 1, 2015, (iv) Hines Global REIT Sulzenbrucker Strasse 7 LLC and its assets for periods prior to March 19, 2013 and (v) Hines Global REIT Duisburg LLC and its assets for periods prior December 1, 2015.

3. Seller makes no representation or warranty with respect to matters covered by the Trade Tax Insurance Policy.

**PRELIMINARY SALE AND PURCHASE AGREEMENT
RELATING TO ENTERPRISES**

1. DEFINITIONS

Unless provided otherwise in this Agreement, the terms written with capital letters have the meaning described in Sections below.

- 1.1. **"Accounting Act"** means the act on accounting (*Polish: ustawa o rachunkowości*) dated 29 September 1994 (Official Journal of Laws of 2018, item 395, as amended).
- 1.2. **"Accounting Documents"** means, jointly, the print-outs and/or electronic data from the Sellers' accounting books and accounting documents as well as copies of the Sellers' tax documents, relating to the operation of the Enterprises to the extent that was agreed by the Parties, listed in **Schedule 1.2.**, whereas:
 - 1.2.1. **"Accounting Documents Będzin"** are described in part A of the Schedule;
 - 1.2.2. **"Accounting Documents Sosnowiec"** are described in part B of the Schedule;
 - 1.2.3. **"Accounting Documents Wrocław"** are described in part C of the Schedule;
 - 1.2.4. **"Accounting Documents Okęcie"** are described in part D of the Schedule;
 - 1.2.5. **"Accounting Documents Annopol"** are described in part E of the Schedule.
- 1.3. **"Affiliate"** means, with respect to any person, another person who, directly or indirectly, (a) Controls the first person, (b) is Controlled by the first person, or (c) is under common Control with the first person.
- 1.4. **"Agreement"** means this preliminary sale and purchase agreement regarding the sale and purchase of the Enterprises.
- 1.5. **"Allocated Enterprise Value"** means each of the following values ascribed to the Enterprises by the Parties for the specific purposes set forth herein:
 - 1.5.1. **"Allocated Enterprise Value Będzin"** is EUR 22,000,000;
 - 1.5.2. **"Allocated Enterprise Value Sosnowiec"** is EUR 22,000,000;
 - 1.5.3. **"Allocated Enterprise Value Wrocław"** is EUR 26,000,000;
 - 1.5.4. **"Allocated Enterprise Value Okęcie"** is EUR 40,000,000;
 - 1.5.5. **"Allocated Enterprise Value Annopol"** is EUR 30,000,000.
- 1.6. **"Anti-Monopoly Approval Application"** means application to be submitted to the Polish Office of Competition and Consumer Protection (*UOKiK*) by the Purchaser or its Affiliates in accordance with Section 10.
- 1.7. **"Anti-Monopoly Authority"** means the Polish Office of Competition and Consumer Protection (*Urząd Ochrony Konkurencji i Konsumentów*).
- 1.8. **"Anti-Monopoly Clearances"** means each of the following:
 - 1.8.1. the issuance by the Anti-Monopoly Authority of an unconditional decision or decisions granting consent to the concentration of business enterprises comprising the direct or indirect assumption by the Purchaser of control over the Enterprises within the meaning of the Competition Law in connection with the execution of the Transaction;

- 1.8.2. the lapse – subsequent to the submission of the Anti-Monopoly Approval Application – of the deadline set out in the applicable laws for the issuance by the Anti-Monopoly Authority of a decision or decisions as referred to in Section 1.8.1 above, in particular the lapse of the deadline provided for in the Competition Law with the effect that the concentration of business enterprises comprising the direct or indirect assumption by the Purchaser of control over the Enterprises may proceed without the need for the issuance by the Anti-Monopoly Authority of the decision referred to in Section 1.8.1 above; or
- 1.8.3. the return of the Anti-Monopoly Approval Application by the Anti-Monopoly Authority after the Anti-Monopoly Authority determines that the contemplated concentration is not subject to a filing obligation under the Competition Law.
- 1.9. **“Agreements on Assignment of Receivables”** means agreements on security assignment of receivables concluded with the Existing Lender provided in **Schedule 1.9**.
- 1.10. **“Assets”** means assets listed in **Schedule 1.10**, whereas:
- 1.10.1. **“Assets Będzin”** are described in part A of the Schedule;
- 1.10.2. **“Assets Sosnowiec”** are described in part B of the Schedule;
- 1.10.3. **“Assets Wrocław”** are described in part C of the Schedule;
- 1.10.4. **“Assets Okęcie”** are described in part D of the Schedule;
- 1.10.5. **“Assets Annopol”** are described in part E of the Schedule.
- 1.11. **“Assigned Receivables”** means, jointly, the outstanding receivables related to the operation of the Enterprises, limited to the rents, service charges and other payments due from the Tenants (together with due VAT) resulting from invoices issued in relation only to a period until the Closing Date, provided that (in respect of each receivable) such receivable is not overdue by more than 60 (sixty) days. The Assigned Receivables will be listed in Schedule to the Final Agreements and will indicate separately **“Assigned Receivables Będzin”**, **“Assigned Receivables Sosnowiec”**, **“Assigned Receivables Wrocław”**, **“Assigned Receivables Okęcie”** and **“Assigned Receivables Annopol”**.
- 1.12. **“Assumed Liabilities”** means, jointly, the liabilities of the Sellers under the Tenant Deposits, Collateral Documents and obligations to return to the contractors the retentions securing the Construction Guarantees, whether actual or contingent, whether matured or not, which the Purchaser shall assume in connection with the Transaction. The Assumed Liabilities will be listed in Schedules to the Final Agreements and will indicate separately **“Assumed Liabilities Będzin”**, **“Assumed Liabilities Sosnowiec”**, **“Assumed Liabilities Wrocław”**, **“Assumed Liabilities Okęcie”** and **“Assumed Liabilities Annopol”**.
- 1.13. **“Authorized Qualifications”** means any qualifications to the Warranties made by the Sellers in Section 5 to reflect circumstances described in Section 7.1.
- 1.14. **“Bank Accounts Agreements”** means the agreements for the opening and maintaining the bank accounts for the Sellers described in **Schedule 1.14**.
- 1.15. **“Breach”** means any of the Sellers’ Warranties or any of the Purchaser’s Warranties (as the context requires) being not true or not correct.
- 1.16. **“Building Permits”** means the building permits listed in **Schedule 1.16**.
- 1.17. **“Buildings”** means the logistics centres developed on respective Land, further described in **Schedule 1.17**, whereas:
- 1.17.1. **“Buildings Będzin”** are described in part A of the Schedule;

- 1.17.2. **"Buildings Sosnowiec"** are described in part B of the Schedule;
- 1.17.3. **"Buildings Wrocław"** are described in part C of the Schedule;
- 1.17.4. **"Buildings Okęcie"** are described in part D of the Schedule;
- 1.17.5. **"Buildings Annopol"** are described in part E of the Schedule.
- 1.18. **"Business Day"** means any day other than a Saturday, Sunday or other day on which commercial banks in the State of Delaware, Luxembourg, Poland or Frankfurt am Main, Germany are authorized or required by law or executive order to close.
- 1.19. **"Cash"** means all cash of the Sellers held (as of the moment of execution of the Final Agreements) on all bank accounts opened under the Bank Accounts Agreements, including, among others, Tenant Deposits; provided that prior to the Closing, the Sellers shall cause that the Cash, other than Tenant Deposits to be transferred to the Purchaser as part of the Enterprise, shall not exceed **EUR 20,000** per Enterprise, the **"Cash"** means jointly **"Cash Będzin"**, **"Cash Sosnowiec"**, **"Cash Wrocław"**, **"Cash Okęcie"** and **"Cash Annopol"**.
- 1.20. **"Certificates"** means, jointly:
- 1.20.1. certificates to be issued by the relevant tax office of the Sellers (according to the Sellers' registered office) in accordance with Article 306g of the Tax Ordinance, confirming that as of the date of issuing of the said certificate there were no tax arrears of the Sellers or with payments of the relevant taxes, and for a certificate to be issued in accordance with Article 306e §4 of the Tax Ordinance, confirming that as of the date of issuing of the said certificates no proceedings aimed at defining or declaring the Sellers' or tax liabilities were pending;
- 1.20.2. certificates to be issued by the Mayors of relevant cities (according to location of the Land), in accordance with Article 306g of the Tax Ordinance, confirming that as of the date of issuing of the said certificate there were no tax arrears of the Sellers with payments of the relevant taxes, and a certificate to be issued in accordance with Article 306e §4 of the Tax Ordinance, confirming that as of the date of issuing of the said certificates no proceedings aimed at defining or declaring the Sellers' tax liabilities were pending;
- 1.20.3. certificates to be issued by the Social Security Office in accordance with Article 50 Section 4 and Article 123 of the Act on social security system (*Polish: ustawa o systemie ubezpieczeń społecznych*) dated 13 October 1998 and Articles 217 and 218 of the Administrative Proceedings Code, confirming that as of the date of issuing of the said certificate the Sellers were disclosed in the Register of Payers of Contributions KSI ZUS as a payers of social contributions in the Republic of Poland;
- and a **"Certificate"** means any of them.
- 1.21. **"Closing"** means execution of the Final Agreements.
- 1.22. **"Closing Date"** has the meaning set forth in Section 9.3.
- 1.23. **"Closing Month"** means the month during which the Closing shall take place.
- 1.24. **"Closing Notice"** means a written notice from the Sellers to the Purchaser or from the Purchaser to the Sellers requiring the recipient to execute the Final Agreements on the Closing Date and delivered in the circumstances specified in Section 9.4.
- 1.25. **"Collateral Documents"** means security for the performance of obligations of a Tenant under a Lease which shall be delivered by such Tenant to the Sellers in accordance with provisions of the relevant Lease prior to the Closing Date (that can consist of any of the following: the Tenant

Deposits, bank guarantees, parent company guarantees and declarations on voluntary submission to execution). The list of Collateral Documents constitutes **Schedule 1.25**, whereas:

- 1.25.1. “**Collateral Documents Będzin**” are described in part A of the Schedule;
 - 1.25.2. “**Collateral Documents Sosnowiec**” are described in part B of the Schedule
 - 1.25.3. “**Collateral Documents Wrocław**” are described in part C of the Schedule;
 - 1.25.4. “**Collateral Documents Okęcie**” are described in part D of the Schedule;
 - 1.25.5. “**Collateral Documents Annopol**” are described in part E of the Schedule.
- 1.26. “**Competition Law**” means the Act on competition and consumer protection (Polish: *ustawa o ochronie konkurencji i konsumentów*) dated 16 February 2007 (consolidated text: Official Journal of Laws of 2015, item 184, as amended);
- 1.27. “**Conditional Anti-Monopoly Clearance**” has the meaning ascribed to it in Section 10.4.
- 1.28. “**Conditions**” means the conditions precedent provided for in Section 9.1.
- 1.29. “**Construction Guarantees**” means the construction guarantees and warranties listed in **Schedule 1.29**, whereas:
- 1.29.1. “**Construction Guarantees Będzin**” are described in part A of the Schedule;
 - 1.29.2. “**Construction Guarantees Sosnowiec**” are described in part B of the Schedule;
 - 1.29.3. “**Construction Guarantees Wrocław**” are described in part C of the Schedule;
 - 1.29.4. “**Construction Guarantees Okęcie**” are described in part D of the Schedule;
 - 1.29.5. “**Construction Guarantees Annopol**” are described in part E of the Schedule.
- 1.30. “**Control**” means the ability, directly or indirectly, whether through the ownership of stocks or shares, voting rights, by contract, or otherwise (including by being the general partner, management board member, administrator or manager), to both (a) direct or cause the direction of the management of an entity, and (b) conduct the day-to-day business operations of an entity; a person or people shall be deemed to direct or cause the direction of the management and policies of an entity if the consent or approval of such person(s) shall be required with respect to major decisions concerning such an entity; for the purpose of this Agreement, “**Control**” shall mean in particular (but not limited to) a dominant position within the meaning of Article 4 § 1 item 4) of the Commercial Companies Code.
- 1.31. “**Copyrights**” means all economic copyrights, derivative rights, and authorisations (if any) to building design created on the basis of agreements with architects within the fields of exploitation specified therein, as listed in **Schedule 1.31**, whereas:
- 1.31.1. “**Copyrights Będzin**” are described in part A of the Schedule;
 - 1.31.2. “**Copyrights Sosnowiec**” are described in part B of the Schedule;
 - 1.31.3. “**Copyrights Wrocław**” are described in part C of the Schedule;
 - 1.31.4. “**Copyrights Okęcie**” are described in part D of the Schedule;
 - 1.31.5. “**Copyrights Annopol**” are described in part E of the Schedule.
- 1.32. “**Deposit**” means the amount of **EUR 20,000,000** deposited by the Purchaser or its Affiliates, pursuant to this Agreement, securing the performance of the Purchaser’s obligations under this Agreement, increased by any interest accrued thereon.
- 1.33. “**Disclosure Period**” means the period commencing on the date of execution of this Agreement and ending 3 (three) Business Days prior to the Closing Date.

- 1.34. **"Documentation"** means, jointly **"Będzin Documentation"**, **"Sosnowiec Documentation"**, **"Wrocław Documentation"**, **"Okęcie Documentation"** and **"Annopol Documentation"**, including the following original documents:
- 1.34.1. The legal documentation which will be held by the Sellers or any of the Sellers' advisors, accountants or property managers concerning the Enterprises to the extent agreed by the Parties, including, without limitations: (i) the original signed copies of all the Leases, together with copies of documents related thereto (e.g. Collateral Documents), (ii) the written correspondence with the Tenants, (iii) originals of Permits together with the copies of documents related thereto, and (iv) copies and/or originals of all agreements referred to in the definitions of the Enterprises;
 - 1.34.2. copies of the entire accounting and finance documentation of the Sellers related to the Enterprises, including, without limitation, copies of VAT registers for purposes of potential VAT correction obligations and documentation relating to the costs of maintenance of the Properties and the reconciliation of the service charges payable by the Tenants under the Leases to the extent agreed by the Parties;
 - 1.34.3. the technical documentation which will be in the Sellers' possession concerning the Enterprises, including all designs, execution designs, as built documentation, drawings and descriptions necessary to complete the construction on the Properties, the original signed copies of all administrative decisions concerning the Properties and/or the construction process, copies of all correspondence with any Governmental Entity concerning the Properties, operation manuals concerning any plant and machinery in the Buildings, health and safety instructions for the Buildings and its fire protection system and the Buildings' energy performance certificate (*Polish: świadectwo charakterystyki energetycznej*).
- 1.35. **"Due Diligence Materials"** means the documents and information that were made available in the VDR by the Sellers to the Purchaser and its advisors for the purposes of the Purchaser's due diligence as of 23 July 2018 constituting **Schedule 1.35**, as well as documentation available on site (in the Buildings), including technical documentation. For the avoidance of doubt, the definition of the **"Due Diligence Materials"** which will be used in the Final Agreements will embrace the definition of the "Due Diligence Materials" used herein, updated by the New Due Diligence Materials.
- 1.36. **"Encumbrance"** means any encumbrance (*obciążenie*), third party right, contractual or statutory limitation including, in particular, any mortgage (including compulsory mortgage), easement, pledge, right of first refusal, pre-emption right, option, limitation of the use or disposal of, pre-lease, lease, enforcement officer's seizure (*Polish: zajęcie w postępowaniu egzekucyjnym*), usufruct right or any other encumbrance or limitation in possession, use, management or disposal of, whether existing or subject to any condition, irrespective of its legal cause, as well as any other legal instrument giving any person any right or claim in connection with the Properties, Assigned Receivables, Assets or any other part of any of the Enterprise, and **"Encumbrances"** means all of such limitations and instruments.
- 1.37. **"Enterprises"** means five enterprises (*Polish: przedsiębiorstwa*) within the meaning of Article 55¹ of the Civil Code run by the Sellers, and whose classification as an enterprise or organized part of enterprise for tax purposes will be confirmed by tax rulings specified in Section 9.1.1, comprising a set of tangible and intangible assets (*Polish: zespół składników materialnych i niematerialnych*) on the basis of which the Sellers run business activity related to the Properties or its parts and which comprise exclusively the elements listed in Sections 3.1 - 3.5 of this Agreement and the **"Enterprise"** means any one of the them, as the context requires, whereas:
- 1.37.1. **"Enterprise Będzin"** is further described in Section 3.1;

- 1.37.2. “**Enterprise Sosnowiec**” is further described in Section 3.2;
- 1.37.3. “**Enterprise Wrocław**” is further described in Section 3.3;
- 1.37.4. “**Enterprise Okęcie**” is further described in Section 3.4;
- 1.37.5. “**Enterprise Annopol**” is further described in Section 3.5.
- 1.38. “**Environmental Decision**” means the decisions listed in **Schedule 1.38**.
- 1.39. “**Environmental Law**” means any law (whether civil, criminal or administrative), including, but not limited to, the Environmental Protection Act 2001 dated 27 April 2001 (Polish: *ustawa z dnia 27 kwietnia 2001 r. - Prawo ochrony środowiska*) (consolidated text: Official Journal of Laws dated 2017, item 519, as amended), the Waste Management Act dated 14 December 2012 (Polish: *ustawa z dnia 14 grudnia 2012 r. o odpadach*) (consolidated text: Official Journal of Laws dated 2018, item 21), the Act dated 13 April 2007 on preventing damage to the environment and curing damages (Polish: *ustawa z dnia 13 kwietnia 2007 r. o zapobieganiu szkodom w środowisku i ich naprawie*) (consolidated text: Official Journal of Laws dated 2014, item 1789), the Act dated 3 October 2008 on making available information on the environment and its protection, the participation of the society in the environmental protection and environmental impact assessments (Polish: *ustawa z dnia 3 października 2008 r. o udostępnianiu informacji o środowisku i jego ochronie, udziale społeczeństwa w ochronie środowiska oraz o ocenach oddziaływania na środowisko*) (consolidated text: Official Journal of Laws dated 2017, item 1405) and any other statute, subordinate legislation and duly ratified treaty, relating to:
- 1.39.1. the protection of, or prevention of harm to, the environment, natural resources, health or safety of humans, animals or plants; and
- 1.39.2. noise, vibration or radiation; and
- 1.39.3. the presence, usage, storage, treatment, clean-up, removal, management, transportation, manufacture, production or disposal of hazardous substances or their management; and
- 1.39.4. the release, discharge of emissions or waste or other effluent into the environment; and
- 1.39.5. use of water.
- 1.40. “**Escrow Account**” has the meaning ascribed to it in Section 12.2.1.
- 1.41. “**Escrow Accounts Agreement**” means the escrow accounts agreement entered into by and among the Sellers, the Purchaser and the Escrow Agent on or prior to the date hereof.
- 1.42. “**Escrow Agent**” means Dr. Ulf Schuler or any other notary of the law firm Göring, Schmiegelt & Fischer, Neue Mainzer Strasse 75, 60311 Frankfurt am Main, Germany.
- 1.43. “**EUR**” or “**Euro**” or “**€**” means the lawful currency of the participating member States of the European Union adopted under Council Regulation (EC) No. 974/98.
- 1.44. “**Existing Facility**” means the loan granted to the Sellers under the Existing Facility Documents.
- 1.45. “**Existing Facility Documents**” means the agreement under which the Existing Facility was granted to the Sellers and all ancillary agreements in related thereto, i.e., the loan facility agreement dated 24 July 2012, with annexes thereto, and related documents, as amended and restated on 17 July 2015, all of which are listed in **Schedule 1.45**.
- 1.46. “**Existing Lender**” means Deutsche Pfandbriefbank AG with its registered office in Unterschleißheim at Freisinger Straße 5, 85716 Unterschleißheim, Germany, registered with the commercial register of the Local Court of Munich (Handelsregister des Amtsgerichts München) under number HRB 41054.

- 1.47. **“Existing Lender’s Consent”** means the consent of the Existing Lender for the sale of the Enterprises in form and substance satisfactory to the Purchaser, the Sellers and the Existing Lender.
- 1.48. **“Facility Management Agreements”** means agreements concluded with facility managers, entered with respect to the Enterprises, the list of which constitutes **Schedule 1.48**, whereas:
- 1.48.1. **“Facility Management Agreement Będzin”** is described in part A of the Schedule;
- 1.48.2. **“Facility Management Agreement Sosnowiec”** is described in part B of the Schedule;
- 1.48.3. **“Facility Management Agreement Wrocław”** is described in part C of the Schedule;
- 1.48.4. **“Facility Management Agreement Okęcie”** is described in part D of the Schedule;
- 1.48.5. **“Facility Management Agreement Annopol”** is described in part E of the Schedule.
- 1.49. **“Final Agreements”** means five final sale and purchase agreements regarding the sale and purchase of the Enterprises, each Enterprise separately, which the Sellers and the Purchaser (or its controlled Affiliates, as applicable) wish to execute simultaneously on the terms and conditions specified in this Agreement, subject to satisfaction or waiver of all the Conditions.
- 1.50. **“Fully and Fairly Disclosed”** means, in respect of any information contained in the Due Diligence Materials, an explicit form of disclosure that, applying standard professional due diligence (*Polish: działanie z należytą starannością przy uwzględnieniu zawodowego charakteru prowadzonej działalności*), would alert the Purchaser or the Purchaser’s advisors to the fact that any of the Warranties of the Sellers is untrue or incorrect. The following manners of disclosure of information are not Fully and Fairly Disclosed: (i) a disclosure of derivative information the main content of which is included in a non-disclosed document, (ii) a disclosure of information solely by a reference to a non-disclosed document, or (iii) a partial disclosure of information which was partially disclosed in two or more documents (directly or by reference), unless those documents contain direct references to other disclosed documents that together contain all the primary information on the subject.
- 1.51. **“GAAP”** means the generally accepted accounting principles of Poland.
- 1.52. **“German Assignment Agreement”** means the agreements for the assignment and assumption of, in the aggregate, 100% of the interests in each of the German Owners by the German Purchaser, to be concluded at closing of the transactions under the German Sale Agreement.
- 1.53. **“German Deposit”** means the deposit, including any interest accrued thereon, paid by the German Purchaser pursuant to the German Sale Agreement.
- 1.54. **“German Owners”** means the limited liability companies organized and existing under the laws of the State of Delaware that have agreed as of the date hereof to sell the German Portfolio pursuant to the German Sale Agreement.
- 1.55. **“German Portfolio”** means land, improvements and related property situated in Germany owned by the German Owners and generally described in **Schedule 1.55**.
- 1.56. **“German Purchasers”** means the entities that are the purchasers of 100% of the interests in the German Owners under the German Sale Agreement.
- 1.57. **“German Sale Agreement”** means the membership interests purchase and sale agreement regarding the purchase by the German Purchasers of 100% of the interests in the German Owners (under the laws of Delaware) executed concurrently with the execution of this Agreement.
- 1.58. **“Governmental Entity”** means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including but not limited to state, local authority or administrative entities or agencies (*Polish: organy władzy i administracji państwowej lub samorządowej*), courts, local authority appeal bodies (*Polish: samorządowe kolegia*

- odwoławcze)), and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.
- 1.59. **"Indebtedness"** shall mean (i) indebtedness for borrowed money, whether secured or unsecured, (ii) capitalized lease obligations, (iii) obligations under interest rate cap, swap, collar or similar transaction or currency hedging transactions (valued at the termination value thereof), (iv) any obligations evidenced by notes, bonds, debentures or similar instruments, (v) all obligations in respect of bankers acceptances or letters of credit, and (vi) guarantees of any such indebtedness of any other Person.
- 1.60. **"Joint Release Instruction"** means the joint release instruction that will be regulated under the Escrow Accounts Agreement.
- 1.61. **"Land"** means, jointly, the land on which the Enterprises are located, whereas:
- 1.61.1. **"Land Będzin"** is further described in Section 2.1;
- 1.61.2. **"Land Sosnowiec"** is further described in Section 2.2;
- 1.61.3. **"Land Wrocław"** is further described in Section 2.3;
- 1.61.4. **"Land Okęcie"** (also named Warsaw I) is further described in Section 2.4;
- 1.61.5. **"Land Annopol"** (also named Warsaw III) is further described in Section 2.5.
- 1.62. **"Land and Mortgage Register Books"** means land and mortgage register books maintained for the Land.
- 1.63. **"Landlord"** means one of the Sellers acting as the landlord under the relevant Lease.
- 1.64. **"Leases"** means each lease, written or oral, however denominated, or other right of occupancy affecting or relating to any Enterprise, including any amendments, modifications and supplements thereto delivered in connection with such lease, as listed in **Schedule 1.65**; and **"Lease"** means any of them, whereas:
- 1.64.1. **"Leases Będzin"** are described in part A of the Schedule;
- 1.64.2. **"Leases Sosnowiec"** are described in part B of the Schedule;
- 1.64.3. **"Leases Wrocław"** are described in part C of the Schedule;
- 1.64.4. **"Leases Okęcie"** are described in part D of the Schedule;
- 1.64.5. **"Leases Annopol"** are described in part E of the Schedule.
- 1.65. **"Long Stop Date"** means 15 January 2019.
- 1.66. **"Losses"** means actual damage (*damnum emergens*) and any lost rent under any of the Leases, but excluding any other lost profit (*lucrum cessans*).
- 1.67. **"Material Adverse Change"** means where all or a Significant Portion of any Property is destroyed or damaged or a Significant Action occurs, and any of (i) the cost to repair or restore such destruction or damage or Significant Action is not fully recoverable from applicable insurance (subject to any deductible under any such applicable insurance policy), (ii) the cost to repair or restore such destruction or damage or Significant Actions exceeds 40% of the Price of the relevant Enterprise or (iii) such destruction or damage was caused by the intentional misconduct or gross negligence of the Sellers or any agent, manager, or employee of the Sellers or the manager of the Property.
- 1.68. **"Mortgages"** means, jointly, all mortgages encumbering the Properties, as disclosed in Land and Mortgage Register Books and described in detail in Section 2 of this Agreement.
- 1.69. **"New Due Diligence Materials"** means any new documents and information (which were not held by or known to the Sellers prior to the date of this Agreement) disclosed to the Purchaser

and/or to the Purchaser's advisors by the Sellers and/or the Sellers' advisors during the Disclosure Period.

- 1.70. **"Non-Assumed Liabilities"** means all obligations and liabilities, whether actual or contingent, whether matured or not, and whether disclosed in the Accounting Documents or not, other than the Assumed Liabilities; and a **"Non-Assumed Liability"** means any of them; a list of agreements containing certain Non-Assumed Liabilities is attached in **Schedule 1.71**. For the avoidance of doubt, the Purchaser shall not assume any Non-Assumed Liabilities and rights and obligations arising under the agreements listed in **Schedule 1.71** will be excluded from the Enterprises.
- 1.71. **"Notices"** has the meaning ascribed to it in Section 17.1.
- 1.72. **"Occupancy Permits"** means occupancy permits for the Buildings and/or Structures further described in **Schedule 1.73**.
- 1.73. **"Order"** means any judgment, injunction, writ, award, decree or order of any nature issued by any Government Entity or arbitration tribunal.
- 1.74. **"Organizational Documents"** means, collectively, the articles of association of each Seller (in each case as amended through the date hereof).
- 1.75. **"Other Warranties"** means the Sellers' Warranties other than the Title Warranties.
- 1.76. **"Party"** means each of the Sellers or the Purchaser.
- 1.77. **"Pay-Off Letter"** means a pay-off letter to be issued by the Existing Lender with attached Release Letter, materially in the form agreed between the Parties and constituting **Schedule 1.78**, subject to remarks of the Existing Lender.
- 1.78. **"Permits"** means, jointly, the Environmental Decisions, Building Permits, Occupancy Permits and Zoning Permits, and, if applicable, any permit to be transferred from the Seller to the Purchaser either by operation or law or specifically in accordance with the relevant Final Agreement, all as listed in **Schedule 1.79**.
- 1.79. **"Permitted Encumbrances"** means, jointly: (i) the Mortgages and encumbrances described in Section III of the Land and Mortgage Register Books, (ii) the Leases, (iii) the Agreements on Assignment of Receivables, but in relation to items specified in Section 9.1.3 only until the reassignment referred to in the said provision and to all other items only until the effectiveness of the Release Letter, (iv) the Pledges, and (v) other securities established to the benefit of the Existing Lender in connection with the Existing Facility and disclosed to the Purchaser prior to the end of the Disclosure Period.
- 1.80. **"Person"** means any individual, partnership, capital company, Governmental Entity and any other legal entity; and **"Persons"** means all of them.
- 1.81. **"Pledges"** means the pledges listed in **Schedule 1.82**.
- 1.82. **"PLN"** or **"zloty"** means the legally binding currency in the Republic of Poland. All amounts related to the Closing of the Transaction (e.g., Cash) expressed in PLN under this Agreement shall be recalculated into EUR using the average PLN/EUR exchange rate published by the National Bank of Poland on the Business Day directly preceding the Closing Date.
- 1.83. **"Postponement Notice"** has the meaning ascribed to it in Section 9.3.
- 1.84. **"Preceding Closing Month"** means the calendar month immediately preceding the Closing Month.
- 1.85. **"Premises"** means, jointly, all rentable premises in the Buildings.

- 1.86. **"Price"** has the meaning ascribed to it in Section 12.1 (as adjusted, if applicable, pursuant to Section 10.4 and Section 15) and includes: **"Price Będzin"**, **"Price Sosnowiec"**, **"Price Wrocław"**, **"Price Okęcie"**, and **"Price Annopol"**.
- 1.87. **"Price Formula"** has the meaning ascribed to it in Section 12.1.
- 1.88. **"Properties"** means, jointly, the Land, and the Buildings, the Structures and infrastructure located on the Land, individually a **"Property"**.
- 1.89. **"Property Management Agreements"** means agreements concluded with property managers, entered with respect to the Properties, the list of which constitutes **Schedule 1.90** whereas:
- 1.89.1. **"Property Management Agreement Będzin"** is described in part A of the Schedule;
- 1.89.2. **"Property Management Agreement Sosnowiec"** is described in part B of the Schedule;
- 1.89.3. **"Property Management Agreement Wrocław"** is described in part C of the Schedule
- 1.89.4. **"Property Management Agreement Okęcie"** is described in part D of the Schedule;
- 1.89.5. **"Property Management Agreement Annopol"** is described in part E of the Schedule.
- 1.90. **"Purchaser's Bank Account"** means the bank account of the Purchaser to be indicated in the Final Agreements.
- 1.91. **"Purchaser Default"** has the meaning ascribed to it in Section 14.8.
- 1.92. **"Purchaser Default Amount"** has the meaning ascribed to it in Section 14.8.
- 1.93. **"R&W Insurance"** means the warranties and indemnities insurance issued by the R&W Insurer to the benefit of the Purchaser in respect of this Agreement on or about the date hereof; provided, however, the subrogation rights of the R&W Insurer against the Sellers under the R&W Insurance shall in all events be expressly limited to the fraud and wilful misconduct of Sellers.
- 1.94. **"R&W Insurer"** means AIG.
- 1.95. **"Release Letter"** means a release letter issued by the Existing Lender, in the written form with the signatures of persons authorized to represent the Existing Lender certified by a notary, effective upon the payment of the Total Pay-Off Amount pursuant to Section 11.3.3, in which: (i) the Existing Lender irrevocably and unconditionally waives (*Polish: zrzeka się*) and consents to the release (*Polish: wyraża zgodę na zwolnienie*) of all Securities other than those previously re-assigned in accordance with Section 9.1.3, and (ii) the Existing Lender irrevocably and unconditionally re-assigns to the Sellers all rights, claims and receivables assigned to the Existing Lender under the Agreements on Assignment of Receivables. The Release Letter shall be issued by the Existing Letter materially in the form attached hereto as **Schedule 1.78** in the form agreed by the Parties.
- 1.96. **"Requirements of Law"** means, as to any Person: any law, statute, treaty, rule, regulation, Order or determination of a court or other Governmental Entity, in each case applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject.
- 1.97. **"Securities"** means, collectively, the Mortgages, the assignments made under the Agreements on Assignment of Receivables, the Pledges, guarantees, indemnity, preference, set-off arrangements, trust arrangements and any other security instruments established to the benefit of the Existing Lender to secure the Existing Lender's receivables towards the Sellers under the Existing Facility Documents, encumbering any rights and/or assets, to be purchased by the Purchaser under the Final Agreements.

- 1.98. **"Sellers' Bank Accounts"** means the following bank accounts of the Sellers, where part of the Price shall be transferred upon the Closing, maintained in EUR:
- 1.98.1. For Seller 1: number 26 1090 2851 0000 0001 2248 4744, by the bank Bank Zachodni WBK S.A., SWIFT: [***];
- 1.98.2. For Seller 2: number 78 1090 2851 0000 0001 2248 4778, by the bank Bank Zachodni WBK S.A., SWIFT: [***];
- 1.98.3. For Seller 3: number 27 1090 2851 0000 0001 2248 4823, by the bank Bank Zachodni WBK S.A., SWIFT: [***];
- 1.98.4. For Seller 4: number 39 1090 2851 0000 0001 2248 3055, by the bank Bank Zachodni WBK S.A., SWIFT: [***];
- 1.98.5. For Seller 5: number 07 1090 2851 0000 0001 2248 4698, by the bank Bank Zachodni WBK S.A., SWIFT: [***];
- 1.99. **"Sellers' Best Knowledge"** or any similar phrase stating or implying a limitation on the basis of the knowledge of a Seller, unless specifically otherwise qualified, shall mean the actual knowledge after due inquiry of Mr. Mieczysław Godzisz, Mr. Przemysław Iznerowicz and Mr. Kamil Nurek, and will not be construed to refer to the knowledge of any other officer, director, agent, employee or representative of a Seller, or any affiliate of a Seller, or to impose upon of Mr. Mieczysław Godzisz, Mr. Przemysław Iznerowicz and Mr. Kamil Nurek any duty other than as set forth above to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon Mr. Mieczysław Godzisz, Mr. Przemysław Iznerowicz and Mr. Kamil Nurek, any individual personal liability.
- 1.100. **"Sellers' Insurance Premium Contribution"** means the portion of the cost of the premiums payable under the Title Insurance and the R&W Insurance in respect of the sale of Enterprises payable by the Sellers (as a deduction from Price pursuant to Section 12.1.7(e)), up to the aggregate amount of EUR 140,000 (any additional costs of such premiums to be covered by the Purchaser or its Affiliates).
- 1.101. **"Service Agreements"** means the Property Management Agreements, Facility Management Agreements and all other services agreements, other than the Utility Agreements, for the provision of services necessary to operate and maintain the Properties, entered into with respect to each Property, the list of which is attached hereto as **Schedule 1.102**, whereas:
- 1.101.1. **"Service Agreements Będzin"** are described in part A of the Schedule;
- 1.101.2. **"Service Agreements Sosnowiec"** are described in part B of the Schedule;
- 1.101.3. **"Service Agreements Wrocław"** are described in part C of the Schedule;
- 1.101.4. **"Service Agreements Okęcie"** are described in part D of the Schedule;
- 1.101.5. **"Service Agreements Annopol"** are described in part E of the Schedule.
- 1.102. **"Significant Action"** means the filing of any action or proceeding under which an Enterprise or any portion thereof (including any portion of any Property) may be taken or encumbered pursuant to Polish law, including but not limited to condemnation (*wywłaszczenie*), merger and division of a Property (*podział i scalenie nieruchomości*), enforcement proceedings (*postępowanie egzekucyjne*) or any other action or proceeding having similar result, that would be reasonably likely to result in a decrease of value of such Enterprise equal to ten percent (10%) or greater of the Price of the relevant Enterprise pursuant to a reasonable calculation of such value by a professional valuer chosen by the Parties.
- 1.103. **"Significant Portion"** means such portion of a given Enterprise for which the value (or the repair costs in the event of damage or destruction of such portion) is equal to ten percent (10%) or greater of the Price of the relevant Enterprise, as such value or repair costs calculation is reasonably determined by a third-party contractor or architect designated by the Sellers.

- 1.104. **"Structures"** means all structures located on the Land, other than Buildings, listed in **Schedule 1.103**, whereas:
- 1.104.1. **"Structures Będzin"** are described in part A of the Schedule;
 - 1.104.2. **"Structures Sosnowiec"** are described in part B of the Schedule;
 - 1.104.3. **"Structures Wrocław"** are described in part C of the Schedule;
 - 1.104.4. **"Structures Okęcie"** are described in part D of the Schedule;
 - 1.104.5. **"Structures Annopol"** are described in part E of the Schedule.
- 1.105. **"Tax"** or **"Taxes"** means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, stamp duty, occupation, premium, windfall profits, environmental, customs duties, capital, net worth, gains, capital stock, franchise, profits, withholding, social security (or similar), social insurance, unemployment, disability, withholding, property (real, personal, tangible, and intangible), transactional, sales, use, transfer, registration, value added, alternative or add on minimum, estimated tax, unclaimed property or escheatment claims or other similar taxes, assessments, or charges, including any interest, penalty or addition thereto, including, without limitation, any item for which liability arises as a transferee, successor, or custodian, or by contract or otherwise.
- 1.106. **"Tax Ordinance"** means the Act – Tax Ordinance (*Polish: Ordynacja podatkowa*) dated 29 August 1997 (Official Journal of Laws of 2017, item 201 (consolidated text with further amendments)).
- 1.107. **"Tax Returns"** shall mean any return, declaration, report, claim for refund, or information return, statement, or election required to be furnished to a Governmental Entity relating to Taxes, and including any schedules and attachments thereto and any amendment thereof.
- 1.108. **"TCLT"** means the Polish tax on civil law transactions (*Polish: podatek od czynności cywilnoprawnych*), ruled by the Act on tax on civil law transactions dated 9 September 2000 (Official Journal of Laws of 2017, item 1150 (consolidated text with further amendments)).
- 1.109. **"Tenants"** means all tenants under the Leases and the **"Tenant"** means any of them, as the context requires.
- 1.110. **"Tenant Deposit"** means a cash deposit provided by a Tenant under a Lease as a security of Tenant's obligations from such Lease, and **"Tenant Deposits"** means all of them. The list of Tenant Deposits is included in **Schedule 1.25**.
- 1.111. **"Tenant Fit-Out"** means any fit-out works or improvements in or to Premises leased to a Tenant under a Lease, which according to the Lease are to be performed by the landlord. The list of the Tenant Fit-Out outstanding as of the date of this Agreement constitutes **Schedule 1.112** and shall be updated as of the Closing Date in accordance with the provisions hereof.
- 1.112. **"Tenant Incentives"** means any incentives granted to any Tenant, pursuant to or in connection with any Lease, including but not limited to:
- 1.112.1. undertakings of the landlord to pay for any logo or sign displayed in or on the Building, or to cover, in full or in part, the cost of (or to perform by the landlord, at its cost, in full or in part) the Tenant Fit-Out;
 - 1.112.2. payments in consideration of conclusion of any Lease;
 - 1.112.3. undertakings of the landlord to reimburse a Tenant for any costs associated with any Lease (including relocation costs); and
 - 1.112.4. rents rebates (including rent-free periods) or service charges rebates as well as step rents.

The list of the Tenant Incentives outstanding as of the date of this Agreement constitutes **Schedule 1.113** and shall be updated as of the Closing Date in accordance with the provisions hereof.

- 1.113. **"Title Insurance"** means a title insurance policy to be issued on the Closing Date by the Title Insurer, with the Purchaser as insured, pursuant to the commitment letter dated 25 July 2018; provided, however, the subrogation rights of the Title Insurer against the Sellers under the Title Insurance shall in all events be expressly limited to the fraud and wilful misconduct of Sellers.
- 1.114. **"Title Insurer"** means Dual.
- 1.115. **"Title Warranties"** means the Sellers' Warranties given in Section 5.11 through Section 5.12.
- 1.116. **"Total Pay-Off Amount"** means the total amount determined in the Pay-Off Letter that shall be paid to release the Securities.
- 1.117. **"Trade Information"** means information in a documented form, relating to the operation of the Enterprises, including secrets and know-how of the Enterprises and pricing and rental policies concerning leasing of the Buildings, including **"Trade Information Będzin"**, **"Trade Information Sosnowiec"**, **"Trade Information Wrocław"**, **"Trade Information Okęcie"** and **"Trade Information Annopol"**.
- 1.118. **"Transaction"** means the sale of the Enterprises by the Sellers to the Purchaser (or its controlled Affiliates, as applicable) contemplated under this Agreement.
- 1.119. **"Utility Agreements"** means utility supply agreements, entered with respect to the Properties, the list of which constitutes **Schedule 1.120**, whereas:
 - 1.119.1. **"Utility Agreements Będzin"** are described in part A of the Schedule;
 - 1.119.2. **"Utility Agreements Sosnowiec"** are described in part B of the Schedule;
 - 1.119.3. **"Utility Agreements Wrocław"** are described in part C of the Schedule;
 - 1.119.4. **"Utility Agreements Okęcie"** are described in part D of the Schedule;
 - 1.119.5. **"Utility Agreements Annopol"** are described in part E of the Schedule.
- 1.120. **"Vacant Space"** means the Premises, for which no Lease has been signed as of the date of this Agreement, listed in **Schedule 1.121**, and the Premises leased under a given Lease the term of which shall expire on or prior the Closing Date.
- 1.121. **"VAT"** means Polish value added tax.
- 1.122. **"VAT Act"** means the act on the tax on goods and services (*Polish: ustawa o podatku od towarów i usług*) dated 11 March 2004 (Official Journal of Laws of 2017, item 1221 (consolidated text with further amendments)).
- 1.123. **"VDR"** means the virtual data room where the portion of the Due Diligence Materials listed on **Schedule 1.35** have been made available to the Purchaser and its advisors.
- 1.124. **"Warranty"** means a statement contained in Section 5 or Section 6 and **"Warranties"** means all of those statements.
- 1.125. **"Zoning Permits"** means zoning permits listed in **Schedule 1.126**.

2. DESCRIPTION OF THE LAND

At the date of execution of this Agreement:

2.1. Land Będzin

Seller 1 is the owner and holds the perpetual usufruct right valid until 5 December 2089 to the real estate located in Będzin, in Łagisza district, at ul. Gzichowska, comprising plots of land nos.

2146/145, 2146/146, 2146/148, 2146/150, 2146/151, 2146/138, 2146/141, 2146/135, 1958/6, 1955/14, 1955/15, 1958/15, 2146/13, 2146/14, 2146/120, 1986/11, 1953/15, 2146/128, 2146/130, 1953/9, 2146/44, 2146/45, 2146/27, 2146/112, 2146/113, 2146/133, 2146/137, 2146/139, 2146/114, 2146/140, 2146/147 and 2146/149 of a total area of 199,15 square meters and is the owner of buildings and structures developed thereon, recorded in the Land and Mortgage Register Books nos. KA1B/00029175/9, KA1B/00008618/4, KA1B/00014324/1 and KA1B/00028688/1, kept by the District Court in Będzin, 5th Land and Mortgage Register Department (the “**Land Będzin**”). The foregoing representations are confirmed by an ordinary extracts from the Land and Mortgage Register Books kept for the Land Będzin, issued by the Central Information of the Land and Mortgage Registry Court in Warsaw on [***] ([***]), pursuant to article 364 of the Act dated 6 July 1982 on Land and Mortgage Registers and Mortgages, application reference number: [***], which further demonstrates that:

- 2.1.1. In Section I-O of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.1.2. In Section I-Sp of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.1.3. In Section II of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***.
- 2.1.4. In Section III of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.1.5. In Section IV of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***.

2.2. Land Sosnowiec

Seller 2 is the owner of the real estate located in Sosnowiec, at ul. Sokolska, precinct no. 0003 Zagórze, comprising plots of land nos. 2934/1, 2934/5 and 2934/6 of a total area of 126,125 square meters, recorded in the Land and Mortgage Register Books nos. KA1S/0051637/5 and KA1S/00082256/6, kept by the District Court in Sosnowiec, 6th Land and Mortgage Register Department and is the owner of buildings and structures developed thereon, that are not disclosed in the land and mortgage registers (the “**Land Sosnowiec**”). The foregoing representations are confirmed by an ordinary extract from the Land and Mortgage Register Books kept for the Land Sosnowiec, issued by the Central Information of the Land and Mortgage Registry Court in Warsaw on [***] ([***]), pursuant to article 364 of the Act dated 6 July 1982 on Land and Mortgage Registers and Mortgages, application reference number: [***], which further demonstrates that:

- 2.2.1. In Section I-O of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.2.2. In Section I-Sp of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.2.3. In Section II of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.2.4. In Section III of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.2.5. In Section IV of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;

2.3. Land Wroclaw

Seller 3 holds the perpetual usufruct right valid until 5 December 2089 to the real estate located in Wrocław, at ul. Torowa and ul. Kępińska, precinct no. 0050 Karłowice, comprising plots of land nos. 7/1, 7/2, 8 of a total area of 102,552 square meters and is the owner of buildings and structures developed thereon, recorded in the Land and Mortgage Register Book no. WR1K/00111123/9, kept by the District Court for Wrocław-Krzyków in Wrocław, 4th Land and Mortgage Register Department (the “**Land Wrocław**”). The foregoing representations are confirmed by an ordinary extract from the Land and Mortgage Register Book kept for the Land Wrocław, issued by the Central Information of the Land and Mortgage Registry Court in Warsaw on [***] ([***]), pursuant to article 364 of the Act dated 6 July 1982 on Land and Mortgage Registers and Mortgages, application reference number: [***], which further demonstrates that:

- 2.3.1. In Section I-O of the land and mortgage register no. [***][***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.3.2. In Section I-Sp of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.3.3. In Section II of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.3.4. In Section III of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.3.5. In Section IV of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;

2.4. Land Okęcie

Seller 4 is the owner of the real estate located in Warsaw, in Włochy district, at Szyszkowa 20, Szyszkowa 20a, Mineralna 15 and Mineralna 15a streets, precinct no. 2-07-14, comprising plots of land nos. 20/1, 21/1, 22/1 and 23/1 of a total area of 72,071 square meters, recorded in the Land and Mortgage Register Books nos. WA5M/00465532/7, WA5M/00465534/1, WA5M/00465535/8 and WA5M/00465533/4, kept by the District Court for Warsaw-Mokotów in Warsaw, 13th Land and Mortgage Register Department and is the owner of buildings and structures developed thereon, that are not disclosed in the land and mortgage registers (the “**Land Okęcie**”). The foregoing representations are confirmed by an ordinary extract from the Land and Mortgage Register Books kept for the Land Okęcie, issued by the Central Information of the Land and Mortgage Registry Court in Warsaw on [***] ([***]), pursuant to article 364 of the Act dated 6 July 1982 on Land and Mortgage Registers and Mortgages, application reference number: [***], which further demonstrates that:

- 2.4.1. In Section I-O of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.4.2. In Section I-Sp of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.4.3. In Section II of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.4.4. In Section III of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;
- 2.4.5. In Section IV of the land and mortgage register no. [***] **[to be populated by the Notary in the Polish version of the Agreement]**;

2.5. Land Annopol

Seller 5 is the owner of the real estate located in Warsaw, in Białoleka district, at ul. Daniszewska, precinct no. 4-07-05, comprising plots of land nos. 61, 54/4, 60, 62/6 and 62/5 of a total area of 65,615 square meters, recorded in the Land and Mortgage Register Book no. WA3M/00156793/1, kept by the District Court for Warsaw-Mokotów in Warsaw, 9th Land and Mortgage Register Department and is the owner of building and structures developed thereon, that are not disclosed in the land and mortgage register (the “**Land Annopol**”). The foregoing representations are confirmed by an ordinary extract from the Land and Mortgage Register Book kept for the Land Annopol, issued by the Central Information of the Land and Mortgage Registry Court in Warsaw on [***] ([***]), pursuant to article 364 of the Act dated 6 July 1982 on Land and Mortgage Registers and Mortgages, application reference number: [***], which further demonstrates that:

- 2.5.1. In Section I-O of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.5.2. In Section I-Sp of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.5.3. In Section II of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.5.4. In Section III of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;
- 2.5.5. In Section IV of the land and mortgage register no. [***] ***[to be populated by the Notary in the Polish version of the Agreement]***;

3. DESCRIPTION OF THE ENTERPRISES

3.1. Enterprise Będzin

Seller 1 is the owner of the Enterprise Będzin which includes the following tangible and intangible components:

- 3.1.1. the right of perpetual usufruct and the ownership to the Land Będzin;
- 3.1.2. the ownership right to the Buildings Będzin;
- 3.1.3. the ownership right to Structures Będzin;
- 3.1.4. the rights to Assets Będzin;
- 3.1.5. the rights under the Collateral Documents Będzin;
- 3.1.6. the rights under the Construction Guarantees Będzin;
- 3.1.7. the Copyrights Będzin within fields of exploitation specified in Schedule 1.31;
- 3.1.8. the Cash Będzin up to the amount of EUR [***] ([***] euro);
- 3.1.9. the Assigned Receivables Będzin;
- 3.1.10. the Documentation Będzin;
- 3.1.11. the Accounting Documents Będzin;
- 3.1.12. the Trade Information Będzin;
- 3.1.13. the obligations under the Assumed Liabilities Będzin;
- 3.1.14. the rights and the obligations under the Bank Accounts Agreements Będzin;
- 3.1.15. the rights and the obligations under the Utility Agreements Będzin;
- 3.1.16. the rights and the obligations under the Service Agreements Będzin;

- 3.1.17. Permits to the extent valid and unperformed but requiring separate transfer;
- 3.1.18. Rights, receivables, claims and (to the extent permitted by law) obligations arising from the Indemnity Agreement dated 12 December 2012 concluded between ProLogis Poland XXI sp. z o.o. and ProLogis Poland XXXIX sp. z o.o. and legal predecessor of Seller 1;
- 3.1.19. Rights, receivables and claims arising from the clause 7.6.4 of the sale agreement dated 29 March 2012 (Rep. A 1996/2012) concluded between legal predecessor of Seller 1 and ProLogis Poland XXI sp. z o.o. and ProLogis Poland XXXIX sp. z o.o.;
- 3.1.20. Right and obligations arising under agreement dated 11 December 2012 concluded between the legal predecessor of Seller 1 and Salans D. Oleszczuk Kancelaria Prawnicza sp.k. subject to potential changes.

3.2. Enterprise Sosnowiec

Seller 2 is the owner of the Enterprise Sosnowiec which includes the following tangible and intangible components:

- 3.2.1. the ownership to the Land Sosnowiec;
- 3.2.2. the ownership right to the Buildings Sosnowiec;
- 3.2.3. the ownership right to Structures Sosnowiec;
- 3.2.4. the rights to Assets Sosnowiec;
- 3.2.5. the rights under the Collateral Documents Sosnowiec;
- 3.2.6. the rights under the Construction Guarantees Sosnowiec;
- 3.2.7. the Copyrights Sosnowiec within fields of exploitation specified in Schedule 1.31;
- 3.2.8. the Cash Sosnowiec up to the amount of EUR [***] ([***] euro);
- 3.2.9. the Assigned Receivables Sosnowiec;
- 3.2.10. the Documentation Sosnowiec;
- 3.2.11. the Accounting Documents Sosnowiec;
- 3.2.12. the Trade Information Sosnowiec;
- 3.2.13. the obligations under the Assumed Liabilities Sosnowiec;
- 3.2.14. the rights and the obligations under the Bank Accounts Agreements Sosnowiec;
- 3.2.15. the rights and the obligations under the Utility Agreements Sosnowiec;
- 3.2.16. the rights and the obligations under the Service Agreements Sosnowiec;
- 3.2.17. Permits to the extent valid and unperformed but requiring separate transfer;

3.3. Enterprise Wrocław

Seller 3 is the owner of the Enterprise Wrocław which includes the following tangible and intangible components:

- 3.3.1. the right of perpetual usufruct and the ownership to the Land Wrocław;
- 3.3.2. the ownership right to the Buildings Wrocław;
- 3.3.3. the ownership right to Structures Wrocław;
- 3.3.4. the rights to Assets Wrocław;
- 3.3.5. the rights under the Collateral Documents Wrocław;

- 3.3.6. the rights under the Construction Guarantees Wrocław;
- 3.3.7. the Copyrights Wrocław within fields of exploitation specified in Schedule 1.31;
- 3.3.8. the Cash Wrocław up to the amount of EUR [***] ([***] euro);
- 3.3.9. the Assigned Receivables Wrocław;
- 3.3.10. the Documentation Wrocław;
- 3.3.11. the Accounting Documents Wrocław;
- 3.3.12. the Trade Information Wrocław;
- 3.3.13. the obligations under the Assumed Liabilities Wrocław;
- 3.3.14. the rights and the obligations under the Bank Accounts Agreements Wrocław;
- 3.3.15. the rights and the obligations under the Utility Agreements Wrocław;
- 3.3.16. the rights and the obligations under the Service Agreements Wrocław;
- 3.3.17. Permits to the extent valid and unperformed but requiring separate transfer;

3.4. Enterprise Okęcie

Seller 4 is the owner of the Enterprise Okęcie which includes the following tangible and intangible components:

- 3.4.1. ownership to the Land Okęcie;
- 3.4.2. the ownership right to the Buildings Okęcie;
- 3.4.3. the ownership right to Structures Okęcie;
- 3.4.4. the rights to Assets Okęcie;
- 3.4.5. the rights under the Collateral Documents Okęcie;
- 3.4.6. the rights under the Construction Guarantees Okęcie;
- 3.4.7. the Copyrights Okęcie within fields of exploitation specified in Schedule 1.31;
- 3.4.8. the Cash Okęcie up to the amount of EUR [***] ([***] euro);
- 3.4.9. the Assigned Receivables Okęcie;
- 3.4.10. the Documentation Okęcie;
- 3.4.11. the Accounting Documents Okęcie;
- 3.4.12. the Trade Information Okęcie;
- 3.4.13. the obligations under the Assumed Liabilities Okęcie;
- 3.4.14. the rights and the obligations under the Bank Accounts Agreements Okęcie;
- 3.4.15. the rights and the obligations under the Utility Agreements Okęcie;
- 3.4.16. the rights and the obligations under the Service Agreements Okęcie;
- 3.4.17. Permits to the extent valid and unperformed but requiring separate transfer;

3.5. Enterprise Annopol

Seller 5 is the owner of the Enterprise Annopol which includes the following tangible and intangible components:

- 3.5.1. the ownership to the Land Annopol;

- 3.5.2. the ownership right to the Buildings Annopol;
- 3.5.3. the ownership right to Structures Annopol;
- 3.5.4. the rights to Assets Annopol;
- 3.5.5. the rights under the Collateral Documents Annopol;
- 3.5.6. the rights under the Construction Guarantees Annopol;
- 3.5.7. the Copyrights Annopol within fields of exploitation specified in Schedule 1.31;
- 3.5.8. the Cash Annopol up to the amount of EUR [***] ([***] euro);
- 3.5.9. the Assigned Receivables Annopol;
- 3.5.10. the Documentation Annopol;
- 3.5.11. the Accounting Documents Annopol;
- 3.5.12. the Trade Information Annopol;
- 3.5.13. the obligations under the Assumed Liabilities Annopol;
- 3.5.14. the rights and the obligations under the Bank Accounts Agreements Annopol;
- 3.5.15. the rights and the obligations under the Utility Agreements Annopol;
- 3.5.16. the rights and the obligations under the Service Agreements Annopol;
- 3.5.17. Permits to the extent valid and unperformed but requiring separate transfer;

4. DESCRIPTION OF DOCUMENTS PRESENTED

- 4.1. The following documents were presented at the time of execution of this deed:
 - 4.1.1. extract from the land register issued under the authority of the Mayor of [***] on [***] 2018, ref.: [***], which provides, among other things, that the plot of land nos. [***] and [***], located in [***] at [***], with an area of [***] sq. m., precinct [***], are marked as "[***]" a symbol denoting [***];
 - 4.1.2. excerpt from a building register, issued under the authority of [***] on [***] 2018, ref no. [***], according to which on plots of land nos. [***] and [***], are developed with building reference number [***];
 - 4.1.3. excerpt from the master plan for plots of land nos. [***] and [***] precinct [***], located at [***] in [***] issued on [***] 2018 by [***], which provides that such land is covered by local master plan (*miejscowy plan zagospodarowania przestrzennego*) adopted by the City Council of [***] on [***] (the resolution [***]) and indicating designation of such land as [***];
 - 4.1.4. the certificate no. [***] dated [***], issued by [***], from which it transpires that the Property [***] is not located in the area with respect to which the Council of [***] issued a resolution relating to the revitalization area or on statutory pre-emption right of the Mayor of [***] on the basis of the Act on Revitalization dated 9 October 2015 (Journal of Laws of 2015, item 1777);
 - 4.1.5. the certificate no. [***] dated [***], issued by [***], from which it transpires that the Properties are not an agricultural or forest land in the meaning of the Act of 11 April 2003 on development of agricultural regime, as amended, or Act of 28 September 1991 on forests, as amended, respectively.
 - 4.1.6. current excerpts from the National Court Register maintained for the Sellers dated [***] 2018;

- 4.1.7. current excerpt from the National Court Register maintained for the Purchaser, dated [***] 2018;
- 4.1.8. minutes from the extraordinary shareholders meeting of the Purchaser dated [***] 2018, including a resolution granting consent for the purchase of the Enterprises.

5. REPRESENTATIONS AND WARRANTIES OF THE SELLER

Subject only to the issues related to the risks described in the draft Title Insurance attached to the commitment letter dated 25 July 2018, the Sellers, jointly and severally, represent and warrant to the Purchaser as follows as of the date of this Agreement:

- 5.1. Authorization. The execution, delivery and performance by the Sellers of this Agreement and the documents to be executed and delivered by the Sellers pursuant hereto and the transactions contemplated hereby does not require on the part of any Seller any filing with, or any permit, consent or approval of any Person (other than the Existing Lender's Consent, which, subject to Section 9.2, shall be obtained prior to the Closing pursuant to Section 9.1 and included in the equivalent representation hereto given in the Final Agreements) and thereby have been duly authorized by all necessary actions of the Sellers, including any actions required by its Organizational Documents.
- 5.2. Non-Contravention.
 - 5.2.1. The execution and delivery by the Sellers of this Agreement and the other documents to be executed and delivered by the Sellers pursuant hereto, and the performance by the Sellers of this Agreement and the other documents to be executed and delivered by the Sellers pursuant hereto in accordance with its terms, will not violate or result in any breach of, constitute a default under, or cause the creation of an Encumbrance upon any of the Properties pursuant to (a) any of the Sellers' Organizational Documents, (b) any Orders of any Governmental Entity against, or binding upon, any of the Sellers, the Properties or any Requirement of Law applicable to any of the Sellers, or the Properties, or (c) any agreement, indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which any of the Sellers is a party or by which any of the Sellers, or the Properties is bound.
 - 5.2.2. The execution and performance of this Agreement will not lead to a detriment of any of the Sellers' creditors nor make impossible the satisfaction in whole or in part of a third party's claim towards any of the Sellers. In particular, neither the execution nor performance of this Agreement or any agreements referred to in it shall give grounds to any party to raise any claims under Art. 59 of the Polish civil code or art. 527 and subsequent of the Polish civil code.
- 5.3. Organization.
 - 5.3.1. The Sellers have the power and authority to execute, deliver and perform their obligations under this Agreement. The Sellers are each duly formed and validly existing under the laws of Poland and have all requisite corporate or other similar organizational power and authority to own, lease and operate their properties and to carry on its business as now being conducted.
 - 5.3.2. None of the Sellers is subject to any merger or corporate division or transformation proceedings.
 - 5.3.3. None of the Sellers ever had any registered presence or place of business (including any branch or representative office) outside of Warsaw, whether in Poland or in any other country.
- 5.4. Conduct of Business. None of the Sellers has received any written notice that it is in violation of any Order or Requirements of Law which violation is outstanding as of the date hereof in relation

to the Enterprise. The Sellers do not conduct any business activity related to the Enterprises for which under Polish law a licence (*zezwolenie, licencja lub koncesja*) is required.

- 5.5. Insolvency Proceedings. None of the Sellers have (i) made a general assignment for the benefit of their creditors, (ii) admitted in writing their inability to pay their debts as they mature, or (iii) had an attachment, execution or other judicial seizure of any property interest which remains in effect. No bankruptcy, insolvency, reorganization or similar action or proceeding, whether voluntary or involuntary, is pending or has been threatened in writing against any Seller, and no Seller is aware of any circumstance that may lead to any such bankruptcy, insolvency, reorganization or similar action or proceeding. To the Sellers' Best Knowledge there is not pending any case, proceeding or action seeking appointment of a receiver, trustee, custodian or other similar official for such Person for all or any substantial part of its or their property. No resolution voluntarily to wind up any of the Sellers has been adopted by its managers.
- 5.6. Employees. The Sellers presently have no employees and have not had employees at any time in the past. The Sellers are not parties to any written employee agreements or collective bargaining agreements.
- 5.7. Indebtedness. The Enterprises are not liable for any Indebtedness.
- 5.8. Financial Statements.
- 5.8.1. The Sellers have furnished to the Purchaser certain financial information, including trial balance extracts and statutory accounts of each Seller, as part of the Due Diligence Materials, which such financial information the Sellers represent and warrant: (i) were prepared in accordance with the books of account and other financial records of each Seller, (ii) are presented in accordance with the applicable requirements of Polish GAAP consistently applied and do not materially misstate the results of operations of each Seller or Enterprise, as applicable, as of the dates thereof or for the periods covered thereby, (iii) have been prepared in accordance with Polish GAAP applied on a basis consistent with the past practices of each Seller, and (iv) include all adjustments that are necessary for a presentation of the financial condition of each Seller or Enterprise, as applicable, and the results of the operations of each Seller or Enterprise, as applicable, as of the dates thereof or for the periods covered thereby, in each case which are not materially misstated. The Sellers represent and warrant that there has been no material adverse change to the financial condition of any of the Enterprises since the date that such financial information was initially provided as part of the Due Diligence Materials.
- 5.8.2. The books of account and other financial records of each Enterprise:
- (a) reflect all items of income and expense and all assets and liabilities required to be reflected therein in accordance with Polish GAAP applied on a basis consistent with the past practices of each Seller, respectively, and
 - (b) have been maintained in accordance with good business and accounting practices.
- 5.9. Other Monetary Liabilities. There are no grounds of liability for any material monetary liability connected with the Enterprises that would be required by GAAP to be reflected in a consolidated corporate balance sheet; provided that this representation shall not apply with respect to any monetary liabilities which (a) are set forth on **Schedule 5.9** attached hereto, (b) are trade payables incurred in the ordinary course of business (including pursuant to the terms of any Leases or contracts), (c) are disclosed in the accounting books and records and financial information that have been made available to the Purchaser, (d) are the subject of any other representation or warranty contained in this Section 5 and are specifically disclosed pursuant to such representation or warranty or are not required to be disclosed because such other representation or warranty

is limited or qualified with respect to scope, dollar amount, knowledge or materiality, or (e) are based upon any matter (i) occurring, arising or accruing on or after the Closing Date except to the extent the Sellers are expressly obligated in respect thereof under other provisions of this Agreement, (ii) that is a Purchaser's obligation, or for which the Sellers are explicitly relieved of any obligations or responsibilities under this Agreement or (iii) arising under any document relating to title to each Project.

5.10. Suits and Proceedings.

5.10.1. Except as set forth in **Schedule 5.10.1** attached hereto, there is no any legal action, suit, proceeding (including, without limitation condemnation, eminent domain or real estate tax adjustment proceedings, or proceeding aimed at the challenge of the Permits) or arbitration pending or threatened in writing against any of the Sellers with respect to the Properties.

5.10.2. There is no outstanding judgment, order, decree, arbitration award or decision of a court, tribunal, arbitrator or governmental agency in any jurisdiction against any of the Sellers.

5.11. Title to Properties.

5.11.1. As of the Closing Date, the Sellers are the registered owners of the relevant Properties or perpetual usufructees of the Land and owners of the Buildings and Structures of the relevant Properties and have good and valid title to the Properties, free and clear of all Encumbrances that will exist as of the Closing Date other than this Agreement other than Permitted Encumbrances. The Sellers acquired the legal title to the Properties in good faith. As of the Closing Date, the Sellers have unrestricted power and authority to transfer the Properties to the Purchaser. Upon execution of the Final Agreements, the Purchaser shall acquire good, valid, legal and beneficial title to the Properties, free and clear of all Encumbrances, other than Permitted Encumbrances and those Encumbrances created by the Purchaser.

5.11.2. Sections II-IV of the excerpts from the Land and Mortgage Register Book maintained for the Property attached as **Schedule 5.11.2** accurately, truly and completely reflect the legal status of each Property, except road easement to be deleted in the case of the Sosnowiec Property (which expired by the virtue of law and an application with this regard shall be filed with the Final Agreement).

5.11.3. The Sellers have not made statements, nor executed deeds or agreements that would create an Encumbrance over any of the Properties which could be registered in any of the Land and Mortgage Register Books maintained for any of the Properties but has not been filed for registration in the relevant Land and Mortgage Register Book prior to conclusion of this Agreement.

5.11.4. No applications were made to the Land and Mortgage Register Book and to the Sellers' Best Knowledge there are no grounds for a third party to make such application in relation to any of the Properties.

5.11.5. No Property (or any part thereof) is subject to any Significant Action and, to the Sellers' Best Knowledge, no Property (or any part thereof) is threatened with any Significant Action.

5.11.6. To the Sellers' Best Knowledge no Property (or any part thereof) is subject to claims of the expropriated (especially pre-war) owners of any Land or their heirs for the re-establishment of the legal title and/or re-possession of any Land and/or any part thereof relating to the use of the Land and there are no grounds for such claims.

- 5.11.7. No Property is subject to rights of repurchase (*prawa odkupu*) or rights of priority (*prawa pierwszeństwa nabycia*) or any statutory or contractual pre-emption rights (*prawa pierwokupu*).
- 5.11.8. The Sellers are not a party to any preliminary, conditional or any other sale agreement or any other agreement regarding any Property (or any part thereof) or any other part of the Enterprise.
- 5.11.9. There are no third party rights that may result in a valid claim to transfer the legal title to the Property or any part thereof to any person.
- 5.11.10. To the Sellers' Best Knowledge, there are no circumstances that would justify the early termination or expiration of the Sellers' perpetual usufruct right in relation to the Wrocław Property or Bedzin Property.
- 5.12. Other Property Matters.
- 5.12.1. The Properties have a direct, free and unrestricted access to the public roads without a need to pass over any other land in the ownership or occupation of any third party, except the Będzin Property where one of two access roads is located on the land leased by Seller 1 from Tauron Ciepło S.A. on the basis of the tenancy agreement dated 18 June 2002 (as amended). Such access is sufficient for the current operation of the Properties.
- 5.12.2. All utilities systems up to the connection points and all connection points (Polish: *przyłącza*) of the utilities systems that service the Properties are located on the Properties.
- 5.12.3. The Sellers hold the Properties in an undisturbed manner (Polish: *w sposób niezakłócony*).
- 5.12.4. The annual perpetual usufruct right fee for 2018 amounts to PLN 930,233.70 for Wrocław Property and PLN 159,254.91 for Bedzin Property and the Sellers are not in arrears with payment thereof.
- 5.12.5. None of the Sellers have received any notification concerning change of the perpetual usufruct fees in relation to the Wrocław Property and Będzin Property.
- 5.13. Binding Effect. Each of this Agreement and the other documents to be executed and delivered by the Sellers pursuant to this Agreement has been duly executed and delivered by the Sellers, and constitutes the legal, valid and binding obligations of the Sellers, enforceable against the Sellers in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity)
- 5.14. Contracts. Each of the Utility Agreements, Property Management Agreements, Facility Management Agreements and Service Agreements currently in effect to which each Seller is a party or is bound, is set forth in respective schedule to this Agreement. No Seller has given or received any written notice of any default under such agreements by the Sellers or any other party or parties to such agreements, which default remains uncured or unwaived. To the Sellers' Best Knowledge there are no grounds for giving such notice. Other than the Leases, the Service Agreements and the Utility Agreements, there are no other written binding agreements or contracts or similar obligations, comprising part of any Enterprise.
- 5.15. Leases. There are no Leases currently affecting the Premises other than the Leases set forth in **Schedule 1.65** attached hereto. All Leases are binding and valid. None of the Leases have expired.
- 5.15.1. No Seller has given or received any written notice of any default under a Lease which default remains uncured. There is no material default of any of the Sellers (as the landlord)

or any of the Tenants is continuing at the moment of execution of this Agreement, under or in connection with any Lease, with exception to the tenant which are in arrears in payment of rent and service charges listed in Schedule 7.1.4. For the purpose of this provision a "material default of any of the Sellers" means any default that would entitle a Tenant to terminate the Lease or withhold or reduce any part of a rent or service charges and a "material default of a Tenant" means any default in the form of any arrears with a payment of rent or service charges for a period longer than 60 (sixty) days as of the Closing Date, or a default that would entitle the Seller to either terminate the Lease whether on the basis of the Lease directly or on the basis of applicable provisions of Polish law, or claim financial compensation from such Tenant. To Sellers' Best Knowledge, there has been no material default by any other party under a Lease.

- 5.15.2. None of the Sellers has signed any amendments, modifications or settlements in relation to any of the Leases other than as specified in the *Rent Roll* attached as **Schedule 5.15.3**.
- 5.15.3. The Sellers have not received any correspondence written (including by e-mail) from any of the Tenants concerning that Tenant's intention to withhold, reduce or otherwise cancel any payment under the respective Lease or questioning the amount of any payment or reconciliation of payments under any of the Leases, or containing Tenant's intention to abandon the leased premises.
- 5.15.4. **Schedule 1.25** contains a true, correct and complete list of the Collateral Documents. There have been no amendments or modifications to any of the Collateral Documents. All Collateral Documents are valid and binding. None of the Sellers received any notice from the issuers of the Collateral Documents questioning their validity. None of the Collateral Documents has been called by nor returned to the relevant Tenant or the issuer of the document.
- 5.15.5. **Schedule 1.25** contains a true, correct and complete list of the Tenant Deposits, including any interest accrued thereon in all material respects. None of the Tenant Deposits has been called by nor returned to the relevant Tenant.
- 5.15.6. As of the Closing Date, no right under any of the Leases nor any of the rents or other amounts payable thereunder, nor under any Lease collateral, is assigned, pledged or encumbered by the Sellers.
- 5.15.7. Except for the Tenant Incentives expressly specified in the *Rent Roll* attached as **Schedule 5.15.3**, no Tenant, and no Affiliate of any Tenant or any broker representing any Tenant, was or is entitled to any payment, allowance, rebate, refund or reverse payment or any other tenant incentive or consideration in connection with any of the Leases.
- 5.15.8. The monthly amounts of rents and service charges (both net of VAT) as invoiced to Tenants in relation to each Lease and other information set forth in the *Rent Roll* attached as **Schedule 5.15.3**, are true and correct in all material respects.
- 5.15.9. The Sellers have not concluded any written agreements other than the Leases that do or would entitle any Person, other than the beneficiaries of the limited third party rights disclosed in the Land and Mortgage Register Books, to occupy any part of any Property. No Person, other than (i) the Tenants, (ii) their subtenants, (iii) Orange pursuant to those agreements set forth in **Schedule 5.15.10**, and (iv) the beneficiaries of the limited third party rights disclosed in the Land and Mortgage Register Books, possesses any part of any Property whether pursuant to any agreement or without any legal title.
- 5.16. Encumbrances. Except for the Permitted Encumbrances set forth on **Schedule 5.16**, each Enterprise is free of encumbrances.
- 5.17. Encroachments. There are no encroachments affecting the Properties.

5.18. Permits.

- 5.18.1. All Permits, are binding final and non-appealable (Polish: *ostateczne i niezaskarżalne w sądowno-administracyjnym toku instancji*). The Permits comprise all permits necessary for the operation and business of the Enterprises as presently conducted.
- 5.18.2. None of the Permits have been invalidated, cancelled or withdrawn by the applicable Governmental Entity. No Seller received notification by the applicable Governmental Entity or from another Person that the Properties are in non-compliance with the master plan, building or usage permits or any fire safety rules. No Building, Structure of any of their respective parts is used without all required occupancy permits or notifications about the completion of the works and/or intention to start using such Building, Structure or part thereof. There are no pending proceedings concerning any of the Permits. To the Sellers' Best Knowledge there are no grounds to challenge any of the Permits or re-open proceedings concerning any of the Permits.
- 5.18.3. The Permits are all building and usage permits necessary for the use of the Properties. No notification of the intention to carry out works or notification about the completion of the works and intention to start use has been submitted to or issued by or is required by any Governmental Entity in relation to the Enterprises.
- 5.18.4. To the extent any Permit was subject to any condition, the relevant condition(s) has been satisfied and not disputed by the Governmental Entity or any Person.
- 5.18.5. To Sellers' Best Knowledge the Buildings and Structures has been constructed in a manner not violating the Permits.
- 5.18.6. No construction works that require a building permit or a notification to the authorities are being carried out on the Property except for those listed in **Schedule 5.18.6**.
- 5.18.7. The Sellers use the Buildings and structures, fit outs, and improvements located on the Property in accordance with the Occupancy Permit and applicable laws, including but not limited to master plans and fire protection regulations. To the Sellers' Best Knowledge the Tenants use the Building and structures, fit outs, and improvements located on the Property in accordance with the Occupancy Permit and applicable laws.

- 5.19. Construction Guarantees. The Construction Guarantees are the only guarantees and warranties being valid in respect of any of the Buildings and Structures, whereas the construction Guarantees are still valid only in cases indicated in **Schedule 1.29**. There are no valid collaterals securing the Construction Guarantees, except those listed in **Schedule 1.29**.

5.20. Environmental Matters

- 5.20.1. To the Sellers' Best Knowledge there is no contamination of the Properties that would result in imposing on its owner an obligation to reclaim the soil or groundwater, remove any hazardous substance from the Property or pay any increased fees, fines or fulfill other obligations under applicable law, except the Wrocław Property where remediation plan is under preparation.
- 5.20.2. To the Sellers' Best Knowledge no hazardous substances are stored on or under the Property in a manner which would be conflicting with the relevant provisions of law.
- 5.20.3. The Sellers has not received any notice of fines, decisions or filings with respect to the Property by any Governmental Entity in connection with any Environmental Law.
- 5.20.4. To the Sellers' Best Knowledge the Sellers and are not aware of any facts, circumstances or conditions that would give rise to any claim, proceedings or action, or to any liability, under any Environmental Law.

- 5.20.5. To the Sellers' Best Knowledge, no permit issued under the Environmental Law in respect of the Property, will be revoked, suspended, cancelled, varied or not renewed as a result of the execution or performance of this Agreement
- 5.20.6. All fees due from the Sellers for the use of the environment resulting from the operation of the Property have been duly paid.
- 5.21. Assets. The Sellers are the sole owners of all Assets. The Assets are free from any Encumbrance other than Permitted Encumbrances.
- 5.22. Public Aid. The Sellers, except Seller 3 as fully disclosed on **Schedule 5.22**, has not received any state aid or public subsidy, due to the incurred improvements on any of the Properties, in particular in a form of a waiver of the property tax payable for the Properties.
- 5.23. Guarantees. The Sellers are not a party to nor is liable (including, without limitation, contingently) under any guarantee, suretyship, security instrument or other agreement to secure or incur a financial or other obligation with respect to an obligation of any Person.
- 5.24. Insurances
- 5.24.1. **Schedule 5.24.1** contains a complete list of valid insurance policies taken out by the Sellers and their Affiliates concerning the Properties. All premiums that are due under the Policies have been timely paid in full.
- 5.24.2. Except for claims listed in **Schedule 5.24.2**, no claims are outstanding under any of the above insurance policies and the Sellers are not aware of any fact or circumstance that could give rise to a claim under any of the policies.
- 5.24.3. None of the insurers under any of the Policies is refusing, nor has given any written indication to the Sellers that it intends to refuse, in whole or in part, a claim under the Policies or any of them.
- 5.24.4. Except for claims listed in, no payments or settlements were made or are pending to be made under any Policy which result in decrease of the insurance amounts resulting from the documents evidencing the Policies.
- 5.25. Copyrights
- 5.25.1. Sellers are holders of the Copyrights to the extent described in **Schedule 1.31**. The Seller does not hold any other copyrights or intellectual property rights required to operate the Property.
- 5.25.2. The Sellers have not established any Encumbrances save for the Permitted Encumbrances on the said Copyrights.
- 5.25.3. The Sellers have not infringed the Copyrights.
- 5.26. Powers of Attorney. **Schedule 5.26** contains full list of existing powers of attorney granted on behalf of the Sellers in relation to the Enterprise, which shall be revoked by the Seller no later than immediately prior to the Closing.
- 5.27. Taxes. No Seller is in arrears with the payment of any Tax, other public and/or legal dues, social security contributions or other public levies. The real estate Taxes for each Property that have been due and payable have been duly and timely paid by the Sellers. No Seller is in arrears with respect to the payment of any real estate Taxes applicable to any Property.
- 5.28. Completeness of Due Diligence Materials. The Sellers through the Due Diligence Materials, have disclosed to the Purchaser all relevant material information, as possessed by the Sellers in relation to the Enterprises. A full list of the Due Diligence Materials is attached as **Schedule 5.28**.

6. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

6.1. The appearing persons acting in the name and on behalf of the Purchaser, hereby represent and warrant to the Sellers that as of the date hereof the following representations and warranties are true and correct:

- 6.1.1. Organization. The Purchaser is duly organized and validly existing under the laws of Luxembourg.
- 6.1.2. Permit of the Ministry of Interior. The Purchaser **is a foreigner** within the meaning of the Law on acquisition of real estate by foreigners dated 24 March 1920 (consolidated text, Journal of Laws of 2004 no. 167, item 1758), but due to the fact that the Purchaser is an entrepreneur with registered offices in the European Economic Area, no permit of the minister of interior is required for the purchase of the Properties (as a part of the purchase of the Enterprises) by the Purchaser, in accordance with the provisions of Article 8 Section 2 of the Act on the acquisition of the real estate by foreigners.
- 6.1.3. Authority. The execution, delivery and performance by the Purchaser of this Agreement and the documents to be executed and delivered by the Purchaser pursuant hereto and the transactions contemplated hereby and thereby have been duly authorized by all necessary action of the Purchaser and the Purchaser has the power and authority to undertake the foregoing.
- 6.1.4. Enforceability. This Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it.
- 6.1.5. No Violation. The execution and performance of this Agreement by the Purchaser pursuant to the terms hereof will not conflict with, or result in a breach of, any provision of the constitutional documents of the Purchaser, any agreement to which the Purchaser is a party or an addressee or binding on the Purchaser or any judgment, order, writ, injunction or decree of any court or any other governmental body by which the Purchaser is bound.
- 6.1.6. Consents. The execution of this Agreement by the Purchaser will not require on the part of the Purchaser any filing with, or any permit, consent or approval of, any court or any other governmental or regulatory authority, other than permits, consents and approvals set forth in this Agreement. The Purchaser holds all required consents and authorizations to enter into this Agreement and perform its obligations hereunder. The Purchaser has secured sufficient resources to finance the Transaction.
- 6.1.7. Due Diligence. The Purchaser confirms that, on the basis of the Due Diligence Materials and the technical investigations and site viewing on [***] 2018 of the Buildings, it has carried out, through its professional advisers, a due diligence investigation related to the legal, tax, commercial, technical and environmental status of the Enterprises. The Purchaser represents that it is not aware of any breach of the Warranties of the Sellers that would authorize the Purchaser to make a claim against the Sellers as of the date hereof.

7. REPRESENTATIONS AND WARRANTIES IN THE FINAL AGREEMENTS

7.1. Subject only to the subsequent sentence and the issues related to the risks described in the draft Title Insurance attached to the commitment letter dated 25 July 2018, in the Final Agreements, the Sellers shall repeat the Warranties made to the Purchaser in Section 5 and represent that they are true and correct. The Sellers' Warranties can be modified only to reflect ("**Authorized Qualifications**"):

- 7.1.1. the scope of coverage under the R&W Insurance, i.e. if a Breach of (or the Sellers' inability to repeat as of the Closing) any of the Sellers' Warranties occurs due to any of the Sellers' fault and due to that fact such Sellers' Warranty will not be covered by the R&W Insurance, the Sellers shall repeat as of the Closing Date only these Sellers' Warranties which are insured under the R&W Insurance and represent that they are true and correct, provided that in such case it shall be obliged to cover at its cost the Breach (or inability to repeat

the relevant Sellers' Warranty) by Title Insurance or other insurance on the terms acceptable to the Purchaser, to the extent such coverage is available on reasonable commercial terms;

- 7.1.2. execution of new leases and amendments to the Leases if consented by the Purchaser in accordance with this Agreement, except new leases described in **Schedule 7.1.2** in which case the consent of the Purchaser is not required,
 - 7.1.3. delivery of new Collateral Documents and/or payment of a Tenant Deposits (as the case may be),
 - 7.1.4. increase or decrease of a given Tenant's arrears in payment, as currently indicated in **Schedule 7.1.4**,
 - 7.1.5. increase or decrease of the outstanding Tenant Fit-Out and Tenant Incentives,
 - 7.1.6. liabilities resulting from existing Service Agreements and Utility Agreements as well as new Service Agreements and Utility Agreements and other agreements (including agreements for the performance of fit-out works) that the Sellers enter into or amend prior to the Closing Date, in order to conduct its activities related to the Enterprises in accordance with the normal course of business, understood as conducting activities diligently and prudently in the ordinary course consistent with past practice (taking into account the factual state described in the application for the tax ruling referred to in Section 9.1.1) and ensure the daily management of the Properties,
 - 7.1.7. delivery of new Construction Guarantees and/or delivery of new security instruments securing Construction Guarantees (new and existing) and/or replacement of existing security instruments securing existing Construction Guarantees with new security instruments (e.g., replacement of cash retention with a bank guarantee and vice versa) (as the case may be);
 - 7.1.8. a default by a Tenant under any Lease or contractor under the Service Agreements or the Utility Agreements, or an insolvency by a Tenant or a contractor occurring after the date of this Agreement;
 - 7.1.9. any action taken by the Sellers in respect to the Enterprises not prohibited by or otherwise in contravention of the terms of this Agreement to the extent it does not (i) affect the Title Insurance or R&W Insurance, (ii) materially affect, prevent, delay or increase the cost of the completion of the Transaction or (iii) decrease the value of the Property or any right, receivable or asset to be acquired as part of the Enterprise; and
 - 7.1.10. other events that have first arisen since the date hereof that would result in any breach or inaccuracy of the Seller's Warranties if made without modification in the Final Agreements that have been disclosed in writing to the Purchaser prior to the Closing Date.
- 7.2. In the Final Agreements, the Purchaser shall repeat as of the Closing Date all the Warranties made to the Sellers in Section 6 and represent that they are true and correct.
- 7.3. The Warranties made by the Sellers in this Agreement are in lieu of and are exclusive of all other representations and warranties, including any implied warranties. The Sellers disclaim any such other or implied representations or warranties (including all statutory warranties that may arise under Polish law), notwithstanding the delivery or disclosure to Purchaser or its officers, directors, employees, agents or representatives of any offering memorandum or other documentation or information (including any pro forma financial information, supplemental data or financial projections or other forward looking statements).

- 7.4. Authorized Qualifications (unless such arises from circumstances for which any of the Sellers is liable as a result of fraud or willful misconduct) shall not constitute a default by the Sellers or a failure of a Condition precedent to the Closing.

8. PRELIMINARY SALE AGREEMENT

- 8.1. Subject to fulfilment of Conditions, the Parties hereby undertake to conclude 5 (five) Final Agreements, one for each Enterprise, pursuant to which:

8.1.1. Seller 1 shall sell, assign and transfer to the Purchaser **the Enterprise Będzin** (including among other things the ownership right and the right of perpetual usufruct to each of the Land Będzin and ownership of the Buildings Będzin and Structures Będzin) and the Purchaser shall purchase, assume and acquire the Enterprise Będzin (including among other things the ownership right and the right of perpetual usufruct to each of the Land Będzin and ownership of the Buildings Będzin and the Structures Będzin) from the Seller 1, for the Price set forth in Section 12 below;

8.1.2. Seller 2 shall sell, assign and transfer to the Purchaser **the Enterprise Sosnowiec** (including among other things the ownership right to each of the Land Sosnowiec and ownership of the Buildings Sosnowiec and the Structures Sosnowiec) and the Purchaser shall purchase, assume and acquire the Enterprise Sosnowiec (including among other things the ownership right to each of the Land Sosnowiec and ownership of the Buildings Sosnowiec and the Structures Sosnowiec) from Seller 2, for the Price set forth in Section 12 below;

8.1.3. Seller 3 shall sell, assign and transfer to the Purchaser **the Enterprise Wrocław** (including among other things the ownership right to each of the Land Wrocław and the right of perpetual usufruct to each of the Land Wrocław and ownership of the Buildings Wrocław and the Structures Wrocław) and the Purchaser shall purchase, assume and acquire the Enterprise Wrocław (including among other things the ownership right to each of the Land Wrocław and ownership of the Buildings Wrocław and the Structures Wrocław) from Seller 3, for the Price set forth in Section 12 below;

8.1.4. Seller 4 shall sell, assign and transfer to the Purchaser **the Enterprise Okęcie** (including among other things the ownership right to each of the Land Okęcie and ownership of the Buildings Okęcie and the Structures Okęcie) and the Purchaser shall purchase, assume and acquire the Enterprise Okęcie (including among other things the ownership right to each of the Land Okęcie and ownership of the Buildings Okęcie and the Structures Okęcie) from Seller 4, for the Price set forth in Section 12 below;

8.1.5. Seller 5 shall sell, assign and transfer to the Purchaser **the Enterprise Annopol** (including among other things the ownership right to each of the Land Annopol and ownership of the Buildings Annopol and the Structures Annopol) and the Purchaser shall purchase, assume and acquire the Enterprise Annopol (including among other things the ownership right to each of the Land Annopol and ownership of the Buildings Annopol and the Structures Annopol) from Seller 5, for the Price set forth in Section 12 below.

- 8.2. Subject to the Conditions, the appearing persons acting in the name and on behalf of the Purchaser, undertake to purchase and assume from the Sellers in the Final Agreements:

8.2.1. rights and obligations comprising the Enterprise Będzin free from any Encumbrances, save for the Permitted Encumbrances, for the Price Będzin;

8.2.2. rights and obligations comprising the Enterprise Sosnowiec free from any Encumbrances, save for the Permitted Encumbrances, for the Price Sosnowiec;

- 8.2.3. rights and obligations comprising the Enterprise Wrocław free from any Encumbrances, save for the Permitted Encumbrances, for the Price Wrocław;
- 8.2.4. rights and obligations comprising the Enterprise Okęcie free from any Encumbrances, save for the Permitted Encumbrances, for the Price Okęcie;
- 8.2.5. rights and obligations comprising the Enterprise Annopol free from any Encumbrances, save for the Permitted Encumbrances, for the Price Annopol

9. CONDITIONS

- 9.1. The Sellers and the Purchaser shall execute the Final Agreements, subject to the satisfaction or waiver of the following Conditions:
 - 9.1.1. tax rulings (*Polish: indywidualne interpretacje podatkowe*) having been issued by the relevant tax authority, pursuant to the joint applications that will be filed by:
 - (a) Seller 1 and Purchaser 1 and confirming that: (i) the sale of a set of tangible and intangible assets comprising the Enterprise Będzin constitutes a sale to the Purchaser 1 of the Seller 1 enterprise within the meaning of the VAT Act and thus, as such, is outside the scope of the taxation with the VAT;
 - (b) Seller 2 and Purchaser 2 and confirming that: (i) the sale of a set of tangible and intangible assets comprising the Enterprise Sosnowiec constitutes a sale to the Purchaser 2 of the Seller 2 enterprise within the meaning of the VAT Act and thus, as such, is outside the scope of the taxation with the VAT;
 - (c) Seller 3 and Purchaser 3 and confirming that: (i) the sale of a set of tangible and intangible assets comprising the Enterprise Wrocław constitutes a sale to the Purchaser 3 of the Seller 3 enterprise within the meaning of the VAT Act and thus, as such, is outside the scope of the taxation with the VAT;
 - (d) Seller 4 and Purchaser 4 and confirming that: (i) the sale of a set of tangible and intangible assets comprising the Enterprise Okęcie constitutes a sale to the Purchaser 4 of the Seller 4 enterprise within the meaning of the VAT Act and thus, as such, is outside the scope of the taxation with the VAT;
 - (e) Seller 5 and Purchaser 5 and confirming that: (i) the sale of a set of tangible and intangible assets comprising the Enterprise Annopol constitutes a sale to the Purchaser 5 of the Seller 5 enterprise within the meaning of the VAT Act and thus, as such, is outside the scope of the taxation with the VAT;
 - 9.1.2. The Anti-Monopoly Clearance has been obtained by the Purchaser;
 - 9.1.3. In respect of the assumption of rights and receivables related to the Leases assigned by the Sellers to the Existing Lender by virtue of the Agreements on Assignment of Receivables or otherwise, that such rights and receivables are reassigned by the Existing Lender to the Sellers;
 - 9.1.4. The Existing Lender's Consent has been obtained and provided to the Purchaser;
 - 9.1.5. Subject to Section 7, and except for Authorized Qualifications (unless they arise from circumstances for which any Seller is liable as a result of fraud or wilful misconduct), Sellers' Warranties shall be true and correct in all material respects as of the Closing as if remade on the Closing Date.
- 9.2. The Parties confirm that despite the fact that certain Conditions may depend on the Parties' actions, all Conditions are conditions precedent within the meaning of Article 89 of the Civil Code

and none of them is a condition dependent on, respectively, either the Sellers or Purchaser (*Polish: warunek potestatywny*).

- 9.3. The payments related to the Closing shall take place in accordance with the provisions of this Section 9 and Section 11 on the date that is the 20 (twenty) Business Days from the date on which all of the Conditions set forth in Section 9.1 are satisfied (the “**Closing Date**”). If Closing does not occur on or before the Long Stop Date, this Agreement shall expire on the Long Stop Date. Upon any Party becoming aware of the satisfaction of any Condition set forth in Section 9.1, such Party shall promptly notify the other Parties hereto.
- 9.4. The Sellers shall send to the Purchaser a Closing Notice within 2 (two) Business Days after the satisfaction of the last of the Conditions referred to in Section 9.1. If the Sellers fails to send a Closing Notice to the Purchaser in accordance with the directly preceding sentence, the Purchaser may send to the Sellers a Closing Notice. The Closing shall take place in the offices of Dentons Europe Dąbrowski i Wspólnicy sp.k. at 10.00 am CET on the Closing Date or at such other time and location as the Parties agree.
- 9.5. The Parties shall keep each other promptly informed about the status of the satisfaction of the Conditions.

10. ANTI-MONOPOLY CLEARANCE

- 10.1. Not later than 5 Business Days after signing of the Agreement, the Purchaser or its Affiliates shall submit to the Polish Office of Competition and Consumer Protection (*UOKiK*) the Anti-Monopoly Approval Applications, prepared by the Purchaser and at its sole cost (with no cost for the Sellers, however the Purchaser is not bound to cover any costs of the Sellers’ advisors reviewing draft applications attached hereto), , for the purpose of obtaining an anti-monopoly clearance necessary for the purposes of consummating the Transaction and shall diligently and expeditiously prosecute, and shall co-operate fully with the Sellers in the prosecution of the Anti-Monopoly Approval Application.
- 10.2. The Parties agree that all requests and enquiries from the regulatory body filed in relation to Anti-Monopoly Approval Application shall be dealt with by the Parties in consultation with each other and the Parties shall promptly co-operate with and provide all necessary information and assistance reasonably required by such government, agency, court or body upon being requested to do so. No Party shall take actions that it is aware of or should reasonably be aware of that would have the effect of delaying, impairing or impeding the receipt of the Anti-Monopoly Clearance. For the avoidance of doubt, nothing in clause 10 shall be deemed or construed to create an obligation on the Purchaser or its Affiliates to take any actions with respect to any assets, businesses or other interests held by the Purchaser or its Affiliates other than the Enterprises.
- 10.3. The Purchaser and the Sellers shall use all reasonable efforts to obtain the Anti-Monopoly Clearance as soon as practicable after the date of this Agreement.
- 10.4. If the Anti-Monopoly Clearance stipulates conditions (the “**Conditional Anti-Monopoly Clearance**”), including but not limited to (i) selling or otherwise disposing of, or holding separate and agreeing to sell or otherwise dispose of, assets, categories of assets or businesses of either the Purchaser or the Purchaser’s Affiliates, (ii) terminating existing relationships, contractual rights or obligations of either the Purchaser or the Purchaser’s Affiliates or (iii) requiring that one or more of the Properties must be excluded from the transaction contemplated hereunder, then the Purchaser will carefully consider the conditions imposed in the Conditional Anti-Monopoly Clearance and:
 - 10.4.1. will promptly notify the Sellers as to whether the Purchaser considers the Condition set out in Section 9.1.2 unfulfilled thus the Closing will not occur, or

10.4.2. will promptly notify the Sellers that the Purchaser accepts the conditions imposed in the Conditional Anti-Monopoly Clearance and consider the Condition set out in Section 9.1.2 fulfilled (at Purchaser's discretion), provided, that, if such condition requires the Purchaser not to acquire any of the Enterprises or part thereof (including a Property), such exclusion of the Enterprise or part thereof shall reduce the obligation of the Purchaser to pay the entire Price (pursuant to Section 12) by the Allocated Enterprise Value of the relevant Enterprise; provided, further, that in such case, but not as the condition to the Closing, the Parties will commence good faith discussions in order to modify the terms of the Transaction to allow the Sellers to dispose of Enterprises or parts thereof (including a Property) being subject to exclusion pursuant to the Conditional Anti-Monopoly Clearances in favour of the Purchaser or any third party purchaser pre-agreed with the Purchaser.

11. PRE-CLOSING ACTIONS; CLOSING RELATED ACTIONS

- 11.1. Not later than 10 (ten) Business Days prior to the Closing Date, the Purchaser shall deliver to the Sellers the originals of the Certificates. Subject to the following sentence, if any Certificate states that any of the Sellers owes any amount to the issuer of such a Certificate, the Sellers procure and deliver to the Purchaser as soon as possible a new Certificate), confirming that no amount is due by any of the Sellers to the issuer thereof. If the Purchaser delivers to the Sellers the originals of the Certificates after the date falling 10 (ten) Business Days prior to the Closing Date and any Certificate states that any of the Sellers owes any amount to the issuer of such a Certificate, the Sellers shall either procure and deliver to the Purchaser as soon as possible a new Certificate confirming that no amount is due by any of the Sellers to the issuer thereof, or the Sellers shall deliver to the Purchaser a confirmation of payment of the amount(s) that the given Seller owed to the issuer(s) of the Certificate(s). Within 5 (five) Business Days from the date hereof, the Sellers will grant to the Purchaser relevant powers of attorney to obtain the Certificates. The Sellers will also provide the Purchaser with all statements, consents and declarations of the Sellers required, as the case may be, for the Purchaser to apply for and collect the Certificates.
- 11.2. The Sellers shall procure that, not later than 5 (five) Business Days before the Closing Date, the Existing Lender issues the Pay-Off Letter confirming, among others, the Total Pay-Off Amount and that upon the Existing Lender obtaining the Total Pay-Off Amount, all Encumbrances established in favour of the Existing Lender other than the rights and receivables related to the Enterprises assigned by the Sellers prior to the Closing in accordance with Section 9.1.3 shall expire.
- 11.3. At the Closing, the following actions shall occur as set forth below:
- 11.3.1. The Purchaser shall sign the Final Agreements
 - 11.3.2. the Sellers shall deliver to the Purchaser an irrevocable, conditional, power of attorney granting the authorisation to the Purchaser to sign of Sellers' behalf the Final Agreement, if the bank transfers as indicated in 11.3.3 and 11.3.4 have been made and the bank transfer confirmation have been presented to the Sellers, and the Sellers fail to sign the Final Agreements immediately afterwards;
 - 11.3.3. The Sellers and the Purchaser shall sign the Joint Release Instruction and shall deliver the Joint Release Instruction to the Escrow Agent. The Escrow Agent, based on the Joint Release Instruction, shall transfer the Deposit in favour of the Existing Lender to the bank accounts indicated in the Pay-Off Letter and pursuant to the Joint Release Instruction,;
 - 11.3.4. The Purchaser shall transfer the remaining part of the Price in EUR (i) in favour of the Existing Lender to the bank accounts indicated in the Pay-Off Letter in an amount equal the balance due under the Pay-Off Letter as reduced by the Deposit, and (ii) to the Sellers' Bank Accounts with respect to the remaining part;

- 11.3.5. The Sellers shall sign the Final Agreements;
- 11.3.6. The Notary shall file the application to disclose change of the ownership/perpetual usufruct right to the Properties;
- 11.3.7. The possession of the Enterprises shall be transferred to the Purchaser and the Sellers and the Purchaser shall execute a handover protocol in this respect.
- 11.3.8. The Sellers and Purchaser shall take actions necessary to change the authorized signatories for all the bank accounts maintained under the Bank Accounts Agreements.
- 11.3.9. On the Closing Date, the Sellers shall deliver to the Purchaser the originals of the Documentation described in the list attached hereto as **Schedule 11.3.6**. The Documentation listed in **Schedule 11.3.6** may be supplemented with additional documents gathered by the Sellers by the Closing Date. The remaining Documentation shall be handed over to the Purchaser within 14 (fourteen) Business Days from Closing Date and the list of such remaining Documentation will be prepared by the Sellers and verified by the Purchaser and its advisors between the date of this Agreement and the Closing Date. Each handover of the Documentation will be confirmed by a separate handover protocol.
- 11.3.10. All of the insurance policies set forth on Schedule **5.24.1** shall have been terminated effective as of the Closing at no cost or liability to the Purchaser or the Enterprises and the Sellers shall deliver to the Purchaser reasonable evidence thereof;
- 11.3.11. The Sellers shall prepare and afterwards the Sellers and the Purchaser shall execute notifications to the Tenants informing them about the new landlord under the Leases. The Purchaser shall deliver these notifications to the Tenants within 5 (five) Business Days from the Closing Date. If a Lease provides for a Collateral Document, the notification to a Tenant, relevant Seller shall provide for information that the rights under such Collateral Document were assigned to the Purchaser and the Purchaser assumed an obligation to return the Collateral Document to a Tenant in accordance with the provisions of respective Lease. If a Lease provides for a Tenant Deposit, the notification to a Tenant, respective Seller shall provide for information that the Purchaser assumed an obligation to return the Tenant Deposit to a Tenant in accordance with the provisions of respective Lease. In the Final Agreements, the Purchaser shall indemnify the Sellers against any liability to Tenants who paid the Tenant Deposits for their returns solely to the extent the Purchaser actually receives such Tenant Deposits at the Closing.
- 11.3.12. The Sellers and Purchaser shall execute all required notifications (which shall be prepared by the Sellers in form and substance reasonably satisfactory to the Purchaser) to Persons that have issued or countersigned any documents or agreements transferred to the Purchaser as part of the Enterprises, including the Collateral Documents, the Construction Guarantees, the Service Agreements and the Utility Agreements informing such Persons about assignments of rights effected under the Final Agreements. The Purchaser shall deliver these notifications to the relevant issuers within 5 (five) Business Days from the Closing Date.
- 11.3.13. Where the consents and actions referred to in Section 13.5 have not been obtained or taken prior to the Closing Date, the Sellers and the Purchaser undertake to cooperate in order to obtain such consent or take another action. With respect to the obligations in the Service Agreements and the Utility Agreements such other action may include terminating any non-transferred agreements and arranging for new contracts to be entered into by the Purchaser.
- 11.3.14. In the Final Agreements the Purchaser shall undertake that if, after the Closing, any third party raises any claim arising from events occurring following Closing against the Sellers in connection with obligations from agreements transferred to the Purchaser as part of

the Enterprises (due to the lack of releasing the Sellers from such obligations according article 519 § 2 of the Civil Code) the Purchaser shall indemnify and hold the Sellers harmless on an after tax basis, based on the risk principle (Polish: *zwolni z odpowiedzialności i naprawi szkodę*), without any recourse claims, against any liability to such third parties. All the above notices will be prepared and sent by the Purchaser at his own expense and risk.

12. PRICE

12.1. The Parties shall indicate in the Final Agreements purchase prices for each Enterprise separately i.e.:

12.1.1. purchase price for the Enterprise Będzin ("**Price Będzin**"),

12.1.2. purchase price for the Enterprise Sosnowiec ("**Price Sosnowiec**"),

12.1.3. purchase price for the Enterprise Wrocław ("**Price Wrocław**"),

12.1.4. purchase price for the Enterprise Okęcie ("**Price Okęcie**"),

12.1.5. purchase price for the Enterprise Annopol ("**Price Annopol**"),

jointly referred to as the "**Price**".

12.1.6. The Price shall be calculated for the purpose of the Final Agreements in accordance with the formula set out in **Schedule 12.1** (which shall include the allocation of the Price as attributable to the Land, Building, Structures, Assigned Receivables and other items) (the "**Price Formula**"). The value of particular elements of each Enterprise will be indicated in a Schedule to the Final Agreements. The Parties shall cooperate in the calculation of the Price, including with respect to the calculation of the variable components of the Price Formula and the items set forth in Section 12.1.7, with respect to which such cooperation the Sellers shall promptly provide the Purchaser with all reasonable documentation and relevant information relevant to the calculation of the Price.

12.1.7. The following rules shall apply to the Price Formula:

- (a) The Sellers shall bear the costs of the Tenant Incentives outstanding on the Closing Date;
- (b) The Purchaser shall benefit from the rents under the Leases for the Closing Month following (but excluding) the Closing Date. The Sellers will issue invoices to the Tenants for whole Closing Month (in the case of the Lease with Carrefour Polska sp. z o.o., due to specifics of such Lease, also for the month following the Closing Month) and collect rents for the whole Closing Month (in the case of the Lease with Carrefour Polska sp. z o.o. – also for the month following the Closing Month) and the Price shall be accordingly decreased by those amounts;
- (c) The Purchaser and the Sellers shall reconcile service charges for the ongoing period (in case of the Closing in 2018 from 1 January 2018) until the last day of the Closing Month (assuming the Sellers collect all the service charges for the Closing Month) and any shortfall shall be paid to the Sellers by the Purchaser and any excess shall be paid to the Purchaser by the Sellers within 3 (three) months after the Closing Month, as per the reconciliation provided for in Section 12.2.5 through Section 12.2.7.

- (d) The Price shall be increased by: (i) the amount of Cash held on accounts of the Enterprises opened according to the Bank Accounts Agreements (which shall not exceed EUR 20,000 per Enterprise), taken over by the Purchaser, (ii) pre-paid perpetual usufruct fees for the Land Będzin and the Land Wrocław for the period starting from the day after the Closing Day until 31 December 2018, (iii) the nominal value (including VAT but excluding any VAT for which the Purchaser are required to account to the applicable Governmental Entity) of the Assigned Receivables assigned to the Purchaser (other than Tenant Deposits).
- (e) The Price shall be decreased by the amount of the Sellers' Insurance Premium Contribution.

12.2. Other settlements

12.2.1. Deposit.

- (a) Pursuant to the Escrow Accounts Agreement, the Escrow Agent shall maintain for the Purchaser an escrow account in EUR for the Price (including the Deposit) (the "**Escrow Account**"). Within 2 (two) Business Days after the date hereof, the Purchaser shall deposit (or procure the deposit of) the Deposit on the Escrow Account, which will be held in escrow by the Escrow Agent pursuant to the terms of the Escrow Accounts Agreement as security for the performance by the Purchaser of their obligations under this Agreement. If the Purchaser fail to deposit all or any portion of the Deposit within the time period described above, this Agreement shall automatically terminate, and if this Agreement terminates, the German Sale Agreement shall also automatically terminate. The Deposit shall be (i) paid to the Sellers at the Closing hereunder or (ii) otherwise disbursed as provided herein.
- (b) In all circumstances under this Agreement, the Deposit shall be released based on the Joint Release Instruction or court decision or arbitration award (according to the procedure described in the Escrow Accounts Agreement). Each Party agrees and covenants to promptly deliver any Joint Release Instruction to the Escrow Agent as is required to effect the release of the Deposit in accordance with the terms of this Agreement.

12.2.2. All costs related to the maintenance of the Escrow Account (including negative interests) will be covered by the Purchaser.

12.2.3. All risks relating to the Enterprises shall pass to the Purchaser upon the execution of the Final Agreements, however for any defects of any Enterprise between signing of this Agreement and the Closing Date, the Sellers will only be liable to the extent that the risk is not covered by an existing insurance policy or in the case of an intent or gross negligence.

12.2.4. The Sellers shall be responsible for the payment of all operating expenses (including cost resulting from the Property Management Agreements) relating to the Properties for the period from 1 January 2018 until the last day of the Closing Month, to the extent invoices for such operating costs are issued and delivered to the Sellers prior to the reconciliation of service charges pursuant to Section 12.2.5. Those operating expenses shall be part of the reconciliation pursuant to Section 12.2.5. Charges for utilities delivered to the Properties shall be paid by the Sellers until the Closing Date (inclusive) – according to the meters. Seller 1 shall cover all costs resulting from the agreement indicated in Section 3.1.20 until the Closing Date (inclusive).

12.2.5. The Parties shall reconcile the service charges and charges for utilities delivered to the Properties, collected from the Tenants under the Leases for the period from 1 January

2018 until the last day of the Closing Month or the Closing Date (if the costs are borne by the Sellers until the Closing Date) with the actual operating costs paid by the Sellers or due from the Sellers for that period. The reconciliation procedure is attached as **Schedule 12.2.5**.

- 12.2.6. With respect to all invoices for costs of utilities delivered to the Properties for periods following the Closing (other than those included in the reconciliation described in Section 12.2.5) that the Sellers receive after the Closing Date, the Sellers shall cause the issuer to annul any such invoices and issue new invoices to the Purchaser.
- 12.2.7. If it turns out that the Cash (other than the Tenant Deposits) transferred to the Purchaser as part of the Enterprises differed from the amount of the Cash included in the calculation of the Price and indicated in the Final Agreements (the "**Amount of Cash**"), then (i) if there is a surplus, the Purchaser will be obliged to pay the Sellers the surplus over the Amount of Cash within 5 (five) Business Days from the Closing Date to Sellers' Bank Account, and (ii) if there is a deficit, the Sellers will be obligated to pay the Purchaser the deficit below the Amount of Cash within 5 (five) Business Days from the Closing Date to the Purchaser's Bank Account (in each case, amounts expressed in PLN shall be recalculated into EUR using the average PLN/EUR exchange rate published by the National Bank of Poland on the Business Day directly preceding the Closing Date).
- 12.2.8. For a period of 12 (twelve) months following Closing, the Purchaser shall transfer to the Sellers (or their respective Affiliates) any amounts received from the Tenants (by mistake or otherwise) on account of: (i) the rent for the period until the Closing Date (inclusive) and (ii) service charges for the period until the last day of the Closing Month, unless such payment was made by the Tenants on account of any of the Assigned Receivables or was not due to the Sellers, and the Sellers shall transfer to the Purchaser any amounts received from the Tenants (by mistake or otherwise) on account of: (i) the rent for the period after the Closing Date and (ii) service charges for the period after the last day of the Closing Month. Any of the foregoing amounts received by the Purchaser shall be applied in the following order of priority (without duplication): (i) first, to rent and service charges due and payable by the applicable Tenant with respect to all periods after Closing, and (ii) second, to rent and service charge arrearages owing by the applicable Tenant with respect to all periods on or prior to Closing. The applicable Party shall transfer any such amounts to the other Party within 15 (fifteen) Business Days from the receipt thereof.

13. COVENANTS OF THE PARTIES

- 13.1. Prior to the Closing Date, without the Purchaser's prior written consent (to be given in the Purchaser's sole discretion), the Sellers shall not:
 - 13.1.1. subject to Section 13.2, enter into, amend, terminate, or waive or forgive any rights under any agreement or increase existing or incur new liabilities (including contingent liabilities) relating to the Enterprises (excluding Leases) other than in the ordinary course of business consistent with past practice;
 - 13.1.2. enter into any new Leases (except leases listed in **Schedule 7.1.2**), enter into any amendments (including, for the avoidance of doubt, the Lease annex described in Section 13.5.5, provided, that such consent to the execution of the Lease annex described in Section 13.5.5 shall not be unreasonably withheld or delayed), waivers, expansions or renewals of, or grant any consent under, existing Leases or terminate any Lease, provided that, in such cases, the Purchaser's prior written consent shall not be unreasonably withheld, delayed or conditioned;
 - 13.1.3. transfer, purchase or create any Encumbrance over any of the rights and/or receivables (including but not limited to the Properties and the Leases) to be assignable to the

Purchaser within the Enterprises in accordance with this Agreement, except for those Encumbrances created by operation of law;

- 13.1.4. dispose of, or undertake to dispose of the Enterprises or a part thereof to any Person;
 - 13.1.5. in respect of any Property, (i) grant consent to any assignment, sublease or waiver under a Lease or (ii) deliver any notice of default or other material notice under a Lease, other than default notices in relation to unpaid rent as part of ordinary course arrears management (provided such default notice shall not terminate or threaten termination of such Lease) and in the ordinary course of business consistent with past practice;
 - 13.1.6. in relation to each Seller, transfer, grant an option over or otherwise dispose of or purchase, take an option over or otherwise acquire any material asset, undertaking or business, however only to the extent such assets constitute or would constitute part of an Enterprise;
 - 13.1.7. agree to any waiver, release or cancellation of any claims or debt to the detriment of the relevant Seller, however only to the extent such claims of debt constitute part of an Enterprise;
 - 13.1.8. discontinue or otherwise change its practices to collect its receivables and to pay its accounts payable with respect to each Enterprise;
 - 13.1.9. settle any insurance claim or amend or vary any insurance policy, in each case, in relation to any of the Properties, except for a renewal of the existing insurance policies in relation to the Properties on materially the same terms in case the Closing Date is postponed beyond the date of termination of such insurance policy
 - 13.1.10. enter into any agreement or commitment to do any of the above, however only to the extent such commitment relates to an Enterprise;
 - 13.1.11. make, perform any other actions that may have, or permit occurrence of a Material Adverse Change;
 - 13.1.12. make, agree to make, and permit to make anything that could reasonably be expected to result in any of the Sellers' Warranties being untrue or incorrect, or any of the Conditions not having been satisfied; or
 - 13.1.13. apply for any construction permit, make any notification about the intention to perform the construction works in relation to any Property;
 - 13.1.14. take any steps to implement any litigation against any Tenant or a third party (in relation to the Enterprise) (if applicable).
- 13.2. Notwithstanding the above, the Sellers shall conduct its activities related to the Enterprises in accordance with the normal and ordinary course of business without any material interruption, understood as conducting activities and continuing to operate, manage and maintain the Enterprises diligently and prudently, consistent with good real estate management practice and in substantially its present state and physical condition (taking into account the factual state described in the application for the tax rulings referred to in Section 9.1.1) and which activity does not have an objectively negative impact on the business and operations of the Enterprises, in particular the Sellers shall be entitled, without the Purchaser's prior written consent, to enter into new Service Agreements and Utility Agreements and other agreements (including agreements for the performance of fit-out works) which are required to conduct its activities related to the Enterprises in accordance with the normal course of business and to ensure the daily management of the Properties. The Sellers will comply with its obligations under any of their

existing contracts related to the Enterprises and the applicable legal and administration requirements in connection with the Enterprises.

- 13.3. Prior to the sale of the Enterprises, the Sellers shall not terminate currently maintained insurance relationships for the Enterprises, including the Properties, and shall pay all related insurance premiums required to ensure the effective insurance coverage for the Properties up to its full reinstatement value.
- 13.4. The Sellers shall: (i) provide such information regarding the Enterprises as the Purchaser may reasonably require; (ii) promptly notify the Purchaser and supply copies of any correspondence with the Tenants connected with the Leases, which is related to the invalidation, ineffectiveness, termination, rent reduction or re-negotiation of any of the Leases, as well as a breach and will provide information on any circumstances which may lead to consequences; and (iii) notify the Purchaser about any material changes to the status of the Enterprises, including the Property, in comparison to the status as of the date of this Agreement.
- 13.5. Prior to the Closing Date, the Sellers shall:
 - 13.5.1. use best efforts to obtain all necessary consents from the parties to the Collateral Documents, the Construction Guarantees and collaterals of such Construction Guarantees, the Service Agreements and the Utility Agreements in respect of their transfer to the Purchaser and the release of the Sellers from all obligations related to such agreements (according article 519 § 2 of the Civil Code), provided, that, if the Sellers fail to deliver the relevant consent for transfer to the Purchaser of any of the Collateral Documents or Construction Guarantees, then the Sellers shall be liable for the payment of all amounts under each such Collateral Document and Construction Guarantee until each such Collateral Document and Construction Guarantee has been established in favour of the Purchaser pursuant to the relevant Lease or contract;
 - 13.5.2. take any other action required for the effective transfer to the Purchaser of the agreements referred to in Section 13.5.1 and permits (notifications) referred to in Section 13.1.5;
 - 13.5.3. inform the Purchaser promptly when any of the consents referred to in Section 13.5.1 have been declined;
 - 13.5.4. confirm to the Purchaser in writing (including in the form of an e-mail confirmation signed by the authorized person of the Tenants) that all defects indicated in handover protocols listed in Schedule 13.5.4 are removed; and
 - 13.5.5. use best efforts to sign an annex to the Lease with Johnson & Johnson prolonging the lease term for at least 3 (three) additional years.
- 13.6. The Purchaser and/or its technical advisor will be entitled to inspect the Properties upon prior written notification delivered to the Sellers not later than 3 (three) Business Days prior to the inspection and on the date indicated in such notification (provided that such date shall fall on a Business Day). The Purchaser shall not overuse its right to request such inspections and such inspection shall not adversely affect the operation of the Properties and rights of the Tenants.
- 13.7. The Sellers shall complete at their cost any fit out and works in accordance with the Leases as listed in **Schedule 13.7** and remedy any defects therein prior to the Closing. If any such fit out or works may not be completed prior to the Closing, then the Sellers shall complete such fit out and/or works as soon as reasonably possible thereafter, but, in any event, no later than by the deadlines specified in the Leases or otherwise agreed with the Tenants. The Purchaser shall allow the Sellers to complete such fit out and works by allowing necessary access to the relevant parts of the relevant Properties after the Closing. When performing such fit out and works, the Sellers shall obey the relevant provisions of the applicable Leases regulating the conduct of the

fit out and/or works. The Sellers shall be liable for any damage to any Property or Tenant caused by such fit out and works. If the relevant fit out and works require building permits or notifications of the works, the Parties shall agree in good faith on the most feasible solution to allow the completion of such fit out and works based on the existing or new permits or notifications.

- 13.8. The Sellers shall cooperate with and assist the Purchaser with the preparation and filing of the water permit allowing for the extraction of ground water on plot 23/1 on Land Okęcie, which such obligation shall survive the Closing until the earlier of (i) the date on which the Purchaser obtains such permit and (ii) the date that is 2 (two) months from the Closing Date.
- 13.9. Until the Closing Date the Parties will cooperate in relation to proceedings in front of the Mayor of Piekary Śląskie for the issuance of the decision on environmental conditions (as described in Schedule 5.10.1), in particular they will cooperate with the Sellers advisor (Dentons Europe Dąbrowski i Wspólnicy sp. k.) in respect of current correspondence with authorities.
- 13.10. The Purchaser confirms that is familiar with remediation plan draft (Polish: *projekt planu remediacji*) prepared for the Sellers and plan of further actions related to filing the notification on the historical contamination of the soil surface and filing the application for the issuance of a decision approving the remediation plan for the Wrocław Property and accepts them. The Parties are going to procure that final decision approving the remediation plan is addressed to the Purchaser's Affiliate;
- 13.11. The Parties shall file the joint applications for Tax rulings (Polish: *indywidualne interpretacje podatkowe*) with each relevant Tax authority no later than within 15 (fifteen) Business Days after the date hereof.

14. RIGHTS OF RESCISSION

- 14.1. The Purchaser will only be entitled to rescind this Agreement jointly and only in relation to all of the Sellers and with respect to all Enterprises in the event where:
 - 14.1.1. a material default by any of the Sellers or a material default of the German Seller under the German Sale Agreement (solely to the extent closing thereunder has not occurred) occurs; provided, that, in either such event, the Purchaser may elect, by written notice to the Sellers within 5 (five) Business Days after the Closing Date, to (a) proceed to Closing to the extent reasonably practicable, in which case the Sellers shall not be entitled to refuse to proceed to Closing unless the Purchaser is in material default hereunder, or (b) postpone Closing to a date that is not later than 90 days following the Closing Date (but in no event beyond the Long Stop Date). If the Purchaser elects to postpone Closing pursuant to the provisions of this Section 14.1.1, the provisions of this Agreement shall apply as if references to the Closing Date are to such postponed date and time shall be of the essence for the purposes of such postponed Closing. Unless otherwise expressly required pursuant to this Agreement, in no event shall the Sellers be obligated to undertake any of the following: (A) change the condition of the Properties or restore the same after any fire or other casualty; (B) expend money or post a bond to remove or insure over any matter encumbering title to an Enterprise; or (C) expend any money to repair, improve or alter a Property or any portion thereof. For the purposes of this Section 14.1.1, a "material default by any of the Sellers" shall mean a default of the Sellers that results, or would result at Closing, in actual or potential losses (including a decrease in value of the Enterprises) to the Purchaser in excess of EUR 1,000,000 (one million Euro) with respect to each Enterprise, which such actual or potential losses shall be determined by Deloitte, provided, that, if Deloitte does not qualify as an independent third-party valuer in relation to the Parties at such time or otherwise refuses to undertake the valuation, the valuation shall be performed by an independent third-party valuer agreed upon by the Parties in good faith;

- 14.1.2. the Sellers refuse to execute any of the Final Agreements despite all the Conditions having been satisfied or the Sellers do not attend any of the meetings on the Closing Date scheduled in accordance with the provisions of this Agreement for the purpose of the execution of the Final Agreements, despite the lapse of additional 15 (fifteen) Business Days grace period granted by the Purchaser (but in any case not longer than until the Business Day directly preceding the Closing Date); or
- 14.1.3. due to any of the Sellers' breach, the Escrow Agreement has been terminated by either of the Parties and the breach has not been remedied before the Closing Date, and no replacement escrow agreement has been entered into between the Purchaser, the Sellers and the replacement escrow agent; or
- 14.1.4. a new Encumbrance has been created or permitted to be created over the Properties or any of the Leases, except for a new Encumbrance required to be created to the benefit of the Existing Lender in connection with the Existing Facility; or
- 14.1.5. any of the Conditions is not satisfied by the date that is 20 (twenty) Business Days prior to the Long Stop Date (subject to postponement under Section 9.3) due to circumstances for which the Sellers are liable; or
- 14.1.6. any of the Conditions is not satisfied by the Long Stop Date; or
- 14.1.7. if the German Sale Agreement is terminated or rescinded; or
- 14.1.8. in the circumstances described in Section 7.4 or Section 15
- 14.2. The Purchaser will be entitled to exercise the above rescission right by jointly delivering a rescission notice to the Sellers until the date falling 5 (five) Business Days after the Closing Date (inclusive). The rescission notice may be drawn up in the simple written form (no notarial deed or notarised signatures form required), unless otherwise required by law. Upon a request of the Sellers, the Purchaser undertakes to deliver to the Sellers within 10 (ten) days of receipt of the Sellers' request, any additional declaration in writing (with notarised signatures) reconfirming unconditional authority of the Sellers to demand deletion of entry of the claims resulting herefrom from each relevant Land and Mortgage Register Book.
- 14.3. If the Purchaser has rescinded this Agreement on the grounds specified under Sections 14.1.1 through 14.1.8, in addition to the Purchaser delivering a rescission notice in accordance with Section 14.2, the Purchaser and the Sellers shall, or shall cause their respective Affiliates to, notify the Escrow Agent holding the Deposit and the escrow agent holding the German Deposit (as provided under the German Sale Agreement and solely to the extent closing thereunder has not occurred) and the Purchaser and its Affiliates shall be entitled to receive a refund of the Deposit and a refund of the German Deposit (if applicable), and no Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof.
- 14.4. If the Purchaser has rescinded this Agreement on the grounds specified under Section 14.1.2 which arose due to reasons for which any of the Sellers is liable, the Sellers shall be liable jointly vis a vis the Purchaser for a contractual penalty amounting to **EUR 4,000,000**, payable to a bank account indicated by the Purchaser. The Purchaser and its Affiliates may not demand any other compensation from the Sellers exceeding the amount of the contractual penalty, other than the return of the Deposit and the German Deposit (as described above).
- 14.5. The Sellers will only be entitled to rescind this Agreement jointly and with respect to all Enterprises in the event where:
 - 14.5.1. the German Purchasers fail to deposit all or any portion of the German Deposit within the time period described under the German Sale Agreement or the Purchaser fails to

deposit all or any portion of the Deposit within the time period provided under this Agreement; or

- 14.5.2. due to the Purchaser's breach, the Escrow Agreement has been terminated by either of the Parties and the breach has not been remedied before the Closing Date, and no replacement escrow agreement has been entered into between the Purchaser, the Sellers and the replacement escrow agent; or
 - 14.5.3. any of the Conditions is not satisfied by the date that is 20 (twenty) Business Days prior to the Long Stop Date (subject to postponement under Section 9.3) due to circumstances for which the Purchaser is liable (intentional fault or gross negligence (Polish: *wina umyślna lub rażące niedbalstwo*)); or
 - 14.5.4. despite all the Conditions having been satisfied: (i) the Purchaser refuses to execute the Final Agreements, or (ii) the Purchaser does not attend any of the meetings on the Closing Date scheduled in accordance with the provisions hereof for the purpose of the execution of the Final Agreements, despite the lapse of the additional 15 (fifteen) Business Days grace period granted by the Sellers (but in any case not longer than until the Business Day directly preceding the Closing Date); or
 - 14.5.5. if the German Sale Agreement is terminated or rescinded.
- 14.6. The Sellers will be entitled to exercise the above rescission right by jointly delivering a rescission notice to the Purchaser until the date falling 5 (five) Business Days after the Closing Date (inclusive). The rescission notice may be drawn up in the simple written form (no notarial deed or notarised signatures form required). In the circumstances described in Section 14.2, upon a request of the Sellers, the Purchaser undertakes to deliver to the Sellers within 10 (ten) days of receipt of the Sellers' request, any requested declaration in writing (with notarised signatures) confirming unconditional authority of the Sellers to demand deletion of the entry of the claims resulting herefrom from each relevant Land and Mortgage Register Book.
- 14.7. If the Sellers have rescinded this Agreement on the grounds specified under Section, 14.5.2 (however, only if (i) such applicable breach is caused by the Purchaser intentionally or as a result of fraud and (ii) the failure to enter into a replacement escrow agreement is caused by the Purchaser intentionally or as a result of fraud), 14.5.3, 14.5.4, or 14.5.5 (however, only to the extent the German Deposit shall be released to the German Sellers as a result of such applicable termination or rescission of the German Sale Agreement), then in addition to the Sellers delivering a rescission notice in accordance with Section 14.6, the Sellers and the Purchaser shall, or shall cause their respective Affiliates to, notify the Escrow Agent holding the Deposit and the escrow agent holding the German Deposit (as provided under the German Sale Agreement) and the Sellers and their Affiliates shall be entitled to receive a refund of the Deposit and a refund of the German Deposit, and no Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof.
- 14.8. Notwithstanding the other provisions of this Section 14 and solely to the extent closing under the German Sale Agreement has not occurred, if the applicable Conditions are not satisfied due to a default by the Sellers or the Purchaser hereunder, then each party shall be entitled to exercise their respective remedies, including pursuant to Section 3.7 of the German Sale Agreement. Following the closing under the German Sale Agreement, in the event the Closing and the consummation of the transactions contemplated herein do not occur as provided herein (time being of the essence) by reason of any material default of the Purchaser hereunder (a "**Purchaser Default**"), the Purchaser and the Sellers agree it would be impractical and extremely difficult to fix the damages which Seller may suffer. The Purchaser and the Sellers hereby agree that, in the event of a Purchaser Default, (i) an amount equal to the Deposit (the "**Purchaser Default Amount**") is a reasonable estimate of the total net detriment the Sellers would suffer in the event

of any such default and failure by the Purchaser to complete the purchase of the Enterprises, and (ii) provided that no Seller is in material default hereunder, the Purchaser Default Amount shall be paid to the Sellers and will be the full, agreed and liquidated damages for the default and failure of the Purchaser to complete the purchase of the Enterprises, and will be the Sellers' sole and exclusive remedy (whether at law or in equity) for any such default of the Purchaser resulting in the failure of consummation of the Closing hereunder, whereupon this Agreement will terminate, and the Sellers and the Purchaser will have no further rights or obligations hereunder, except with respect to obligations which expressly survive termination hereunder; provided, that, in the event the Purchaser Default Amount is paid other than directly from the Deposit, the Purchaser shall be entitled to a refund of the Deposit and the Sellers shall promptly at the request of the Purchaser deliver written notice to the Escrow Agent to effect such refund. The Purchaser hereby waives and releases any right to (and hereby covenant that they shall not) sue the Sellers or seek or claim a refund of the Purchaser Default Amount on the grounds it is unreasonable in amount and exceeds the actual damages of the Sellers.

- 14.9. Except as expressly provided herein, the Deposit and payment and release thereof shall be governed by the applicable provisions of the German Sale Agreement.
- 14.10. Notwithstanding the foregoing, nothing contained in this Section 14 will limit the Purchaser's or the Sellers' remedies at law, in equity or as herein provided in the event of a breach by other Party of any of its obligations hereunder which expressly survive Closing or under any of the Final Agreements, subject to the terms and provisions of this Agreement. The Sellers and the Purchaser each waive any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that the Sellers and the Purchaser each have waived the right to obtain incidental, special, exemplary or consequential damages in connection with any default of the Purchaser or the Sellers respectively, or otherwise).
- 14.11. Notwithstanding the foregoing provisions of this Section 14, (i) a default by Sellers under this Agreement shall constitute a default by the German Sellers under the German Sale Agreement; (ii) a default by the German Sellers under the German Sale Agreement shall constitute a default by Seller under this Agreement; (iii) a default by the Purchaser under this Agreement shall constitute a default by German Purchasers under the German Sale Agreement; (iv) a default by German Purchasers under the German Sale Agreement shall constitute a default by the Purchaser under this Agreement; and (v) the non-defaulting party to this Agreement or the German Sale Agreement shall exercise the same remedies under both this Agreement and the German Sale Agreement. By way of clarification of clause (v) above, if the Sellers or the German Sellers are the defaulting parties, the Purchaser and the German Purchasers must enforce the same remedies under both this Agreement and the German Sale Agreement (i.e., the Purchaser and the German Purchasers must either both elect to terminate this Agreement and the German Sale Agreement, or exercise specific performance under both this Agreement and the German Sale Agreement, and if specific performance is not available under either this Agreement or the German Sale Agreement, then the Purchaser and the German Purchasers may only exercise its right to terminate both this Agreement and the German Sale Agreement). This Section 14.11 shall be null and void and shall not apply to any Party from and after the closing under the German Sale Agreement.

15. MATERIAL ADVERSE CHANGE

- 15.1. If, prior to the Closing Date, any of the Properties is destroyed or damaged by fire or other casualty or a Significant Action occurs, the relevant Seller will promptly give the Purchaser notice thereof.
- 15.2. Where a Material Adverse Change occurs, the Purchaser will have the option to terminate this Agreement as to the related Enterprise and its relevant Seller upon notice to the relevant Seller given not later than fifteen (15) days after receipt of such Seller's notice delivered pursuant to

Section 15.1. In the event of the termination of this Agreement with respect to an Enterprise, the Price shall be reduced by the Allocated Enterprise Value applicable to such Enterprise.

- 15.3. Termination of this Agreement as to an Enterprise and its relevant Seller according to the Section 15.2 or Section 10.4.2 shall not terminate this Agreement as to the remainder of the Enterprises not so terminated pursuant to such sections. Notwithstanding the foregoing or anything in this Agreement or the German Sale Agreement to the contrary, if the aggregate amount by which the aggregate price for the Enterprises and the German Portfolio is reduced as a result of: (i) termination of this Agreement in relation to one or more Enterprises and its relevant Seller pursuant to Section 15.2 or Section 10.4.2 of this Agreement or (ii) termination of the German Sale Agreement as to one or more of the Owners (as defined in the German Sale Agreement) equals or exceeds 20% of the aggregate price for the Enterprises and the German Portfolio (based on the aggregate Allocated Enterprise Values and the Allocated Asset Value (as defined in the German Sale Agreement), each Party shall have the option, by written notice delivered to the other Party within five (5) Business Days of the most recent termination of any Enterprise and its relevant Seller pursuant to Section 15.2 or Section 10.4.2 of this Agreement or any Owner (as defined in the German Sale Agreement) pursuant to the German Sale Agreement, to terminate this Agreement in its entirety, in which case the Party terminating this Agreement shall also cause the German Sale Agreement to be terminated and the Purchaser and its Affiliates shall be entitled to receive a refund of the German Deposit and the Deposit (and all accrued interest thereon, if any) and no Party shall have any further obligations hereunder, other than obligations that expressly survive termination hereof.
- 15.4. If (i) the Purchaser does not timely elect to terminate this Agreement as to an Enterprise that has suffered a Material Adverse Change or (ii) if the closing under the German Sale Agreement has occurred and a Material Adverse Change occurs thereafter, then the relevant Seller will not be obligated to repair such damage or destruction, but (a) at the Closing the relevant Seller shall assign and turn over to the Purchaser all of the insurance proceeds net of reasonable collection costs (or, if such have not been awarded, all of their respective right, title and interest therein) payable with respect to such damage or destruction or other casualty (excluding any proceeds of insurance that are payable on account of any business interruption, rental insurance or similar coverage intended to compensate the relevant Seller for loss of rental or other income from such Property attributable to periods prior to the Closing), and (b) the Parties will proceed to Closing pursuant to the terms hereof without abatement of the Price, except that the relevant Purchaser will receive a credit against cash due at Closing for the amount of the deductible on such insurance policy less any amounts expended by the relevant Seller to collect any such insurance proceeds or to make such repairs or to remedy any unsafe conditions at such Property, other than repairs which are the responsibility of Tenants under Leases.
- 15.5. If less than a Significant Portion of a Property is damaged as aforesaid, or if all or a Significant Portion of any Enterprise is so destroyed or damaged but such damage does not constitute a Material Adverse Change, then the Purchaser shall not have the right to terminate this Agreement as to the related Enterprise and the relevant Seller will not be obligated to repair such damage or destruction, but (a) the relevant Seller will assign and turn over to the Purchaser all of the insurance proceeds net of reasonable collection costs (or, if such have not been awarded, all of its right, title and interest therein) payable with respect to such damage or destruction or other casualty (excluding any proceeds of insurance that are payable on account of any business interruption, rental insurance or similar coverage intended to compensate the relevant Seller for loss of rental or other income from such Property attributable to periods prior to the Closing), and (b) the parties will proceed to Closing pursuant to the terms hereof without abatement of the Price, except that the relevant Purchaser will receive a credit against cash due at Closing for the amount of the deductible on such insurance policy less any amounts expended by the relevant

Seller to collect any such insurance proceeds or to make such repairs or to remedy any unsafe conditions at such Property, other than repairs which are the responsibility of Tenants under Leases.

- 15.6. Following the closing under the German Sale Agreement, Section 15.2 and Section 15.3 shall no longer apply to the Transaction and, for the avoidance of doubt, no Party shall be entitled to terminate this Agreement as to an Enterprise and its relevant Seller or in its entirety, in each case, as the result of one or more Material Adverse Changes.

16. INSURANCE AND INDEMNIFICATION

- 16.1. Subject to limitations set forth in Section 16.3, the Sellers unconditionally and irrevocably undertake to fully indemnify and hold harmless the Purchaser, on a euro per euro basis, against the Losses (*Polish: zwolni z odpowiedzialności oraz naprawi wszelkie szkody (w rozumieniu "Losses")*) incurred by the Purchaser as a result of a Breach of any of the Sellers' Warranties given in the Final Agreements. The liability of the Sellers for a Breach of any of the Sellers' Warranties shall be construed on the "**risk basis**", i.e. irrespective of whether or not a Breach of any of the Sellers' Warranties was caused by the Sellers' fault.
- 16.2. Once the Closing takes place:
- 16.2.1. the Sellers' liability for a Breach of the Title Warranties given in the Final Agreements shall be excluded, and
- 16.2.2. the Purchaser will be only entitled to raise any claims resulting from a Breach of any of the Title Warranties or the Other Warranties exclusively against the R&W Insurer or the Title Insurer.
- 16.3. Limitations of the Seller's liability shall be as follows:
- 16.3.1. Purchaser's Due Diligence.
1. The Purchaser is not aware of any Breach of any of the Sellers' Warranties. Subject to Section 16.3.1(b), the Sellers shall bear no liability, on whatever basis, for the Losses incurred by the Purchaser as a result of a Breach of any of the Sellers' Warranties, if such Breach was Fully and Fairly Disclosed to the Purchaser and/or to the Purchaser's advisors, as a part of the Due Diligence Materials.
 2. The Sellers shall not be able to exclude any liability arising from fraud or wilful misconduct.
- 16.3.2. Time limitations. The Seller shall not be liable in respect of any claim for a Breach of any of the Other Warranties, unless the Purchaser delivers a written notice of a Breach of any of such Other Warranties to the Sellers or R&W Insurer (setting out the matter which gives rise to its claim) on or before the date that falls 36 (thirty-six) months from the Closing Date.
- 16.3.3. Monetary limitations. The Sellers shall not be liable in respect of any Losses incurred by the Purchaser as a result of a Breach of any of the Warranties in any part exceeding the amount of **EUR 1.00 (one Euro)** or in relation to a Breach of any of the Other Warranties, provided that the overall liability of the Seller for one or more Breaches of any of the Sellers' Warranties shall not exceed in aggregate the amount of **EUR 1.00 (one Euro)**.
- 16.3.4. No limitations. No limitation of the Sellers' liability for the Breach of any of the Sellers' Warranties applies to liability of the Sellers for the Breaches resulting from concealment, fraud or an intentional fault of any Seller.

- 16.4. General provisions governing the liability. In the Final Agreements, pursuant to Article 558 of the Civil Code, the Sellers and Purchaser will exclude the liability of the Sellers under the statutory warranty for legal and physical defects of the Property and other assets to be acquired by the Purchaser pursuant to the Final Agreements.
- 16.5. Sellers' remedy.
- 16.5.1. The Sellers hereby agree that the Purchaser shall not be liable to indemnify and hold harmless the Sellers from and against all the Losses incurred by the Sellers as a result of a Breach of any of the Purchaser's Warranties given in the Final Agreements, unless the Sellers deliver a written notice of a Breach of any of the Purchaser's Warranties to the Purchaser (setting out the matter which gives rise to its claim) **on or before the date that falls 6 (six) months from the Closing Date**. The Purchaser's liability for the Losses incurred by the Sellers under the Final Agreements shall not exceed the amount corresponding to 10% of the Price of the relevant Enterprise.
- 16.5.2. The Purchaser will indemnify and hold the Sellers harmless against any claims in the scope in which any Tenant raises a claim against the Seller available thereto (if applicable) on the basis of Article 679 of the Civil Code after the Closing Date.
- 16.6. Mitigation of Losses. Each Party shall procure that all reasonable steps are taken to mitigate any Losses which might give rise to a claim against the other Party.
- 16.7. Specific performance. None of the provisions of this Section 16 shall be construed to limit any Party's right to seek specific performance (*Polish: złożenie oznaczonego oświadczenia woli*) of this Agreement.
- 16.8. Specific limitation of liability. Neither the Sellers nor the Purchaser shall be liable in respect of any Losses incurred by the other group resulting from illegal actions or illegal omissions of such other group (*i.e.*, the Sellers or Purchaser, as applicable).
- 16.9. Sellers' breach of covenants. With respect to any claim for indemnification of the Purchaser arising from the breach or inaccuracy of any covenant of the Sellers hereunder, the Purchaser shall, prior to pursuing such indemnification, seek any applicable recourse under the R&W Insurance and the Title Insurance.
- 16.10. Będzin Indemnity.
- 16.10.1. The Purchaser acknowledges that it is aware of fact that there are administrative proceedings pending in respect of issuance of the new environmental permit (file no. ERŚ.6220.32.2012) regarding the Enterprise Będzin ("**Permit**"). According to: (i) the sale agreement concluded on 29 March 2012 between legal predecessor of Seller 1 and Prologis Poland XXI sp. z o.o. and Prologis Poland XXIX sp. z o.o. (both companies shall be referred to as the "**Prologis Companies**") and (ii) indemnity agreement concluded on 12 December 2012 between the same parties (both agreements shall be referred to as the "**Agreements**"), the Prologis Companies are obliged to indemnify Seller 1 and hold it harmless on the risk basis against losses incurred by Seller 1 resulting from the events described in detail in the Agreements ("**Prologis Indemnity**").
- 16.10.2. Seller 1 undertakes to reimburse the Purchaser the costs of: (i) legal advisors being Dentons Dąbrowski and Wspólnicy sp. k. charged in connection with the Prologis Indemnity, (ii) administrative charges related to issuance of the Permit and (iii) implementation of solutions to be included in the final and non-appealable Permit, all incurred by the Purchaser due to: (i) refusal of the Prologis Companies to reimburse the costs incurred by the Purchaser and/or (ii) failure of the Prologis Companies to reimburse the costs incurred by the Purchaser within 90 days following delivery to the Prologis

Companies of a respective invoice; such costs shall be duly claimed by the Purchaser from the Prologis Companies based on the Agreements ("**Costs**").

16.10.3. Based on the indemnity referred to in Section 16.10.2, the Purchaser undertakes to claim from Seller 1 the reimbursement of the Costs in an amount not exceeding in aggregate EUR 625,000 and Seller 1 shall not be obliged to reimburse the Purchaser the Costs in an amount exceeding that amount.

16.10.4. The indemnity referred to in Section 16.10.2 expires at the earlier of: (i) reimbursement by the Prologis Companies of EUR 20,000 or more as part of the Costs invoiced by the Purchaser after the Prologis Companies are notified about the sale of Bedzin Enterprise or (ii) delivery of explicit written acceptance of the assignment of the Prologis Indemnity from the Prologis Companies or (iii) 31 December 2019 or (iv) purchase of all rights and obligations in the partnership as referred to in Section 6.

16.10.5. If: (i) the Prologis Companies refused to reimburse the Costs, claimed by the Purchaser from Prologis Companies based on the Agreements and/or (ii) failed to make that payments in due time, and Seller 1 made the payment under this indemnity, the Purchaser undertakes to reassign to Seller 1 rights, claims and receivables under the Agreements within 5 days following Seller 1's request in order for Seller 1 to claim the same amount from the Prologis Companies.

16.10.6. Upon request of the Purchaser, Seller 1 will make available all documents and information in possession of Seller 1 allowing to conduct legal, tax, financial and commercial due diligence of Seller 1 within 5 weeks from the Purchaser's request. Upon request of the Purchaser, Seller 1 undertakes to procure that both shareholders of Seller 1 will transfer, each for EUR 1, all of their rights and obligations in the partnership (Seller 1) to the Purchaser and one of its Affiliates. The Purchaser's option to request the transfer expires with the lapse of the 6th month following the Closing Date.

16.10.7. The obligations of Seller 1 under the indemnity referred to in Section 16.10.2 and the obligations referred to in Section 16.10.6 shall be secured by a suretyship to be granted by one of Seller 1's Affiliates. The entity granting the suretyship as well as suretyship itself will be agreed by the Parties in good faith prior to the Closing Date. The entity granting the suretyship shall have financial covenant of no less than EUR 5,000,000 in assets.

17. NOTICES

17.1. All notices and other communications under this Agreement (the "**Notices**") shall be in writing and shall be duly and validly given or made if given or served by personal delivery, email or sent by registered or recorded delivery mail to the persons and addresses specified below or to such other person and/or address as a party may specify by written notice to the other party.

17.2. Notices given or served by personal delivery or email shall be deemed to be given or served on the date of delivery, unless not a Business Day or after business hours, in which case they shall be deemed to have been delivered on the next Business Day. Notices sent by registered or recorded delivery mail shall be deemed to be given or served on the 3rd (third) Business Day after the day of posting, unless they are proven to have been received later, in which case they shall be treated as given or served on receipt. Notices shall be addressed as follows:

17.2.1. **To the Sellers:**

[***].

ul. Prosta 68

00-838

Warsaw, Poland

Attention: Mieczysław Godzisz, Wojciech Rumian, Przemysław Iznerowicz

Email: Mietek.Godzisz@hines.com, Przemyslaw.Iznerowicz@hines.com,
Wojciech.Rumian@hines.com

With a copy to:

Dentons Europe Dąbrowski i Wspólnicy sp.k.

Rondo ONZ 1

00-124 Warsaw, Poland

Attention: Paweł Dębowski and Bartłomiej Kordeczka

Email: pawel.debowski@dentons.com and bartlomiej.kordeczka@dentons.com

17.2.2. To the Purchaser:

Gemini Poland Holdco S.à r.l.

2-4, rue Eugène Ruppert,

2453 Luxemburg

With a copy to:

Clifford Chance, Janicka, Krukowski, Namiotkiewicz i wspólnicy

spółka komandytowa

ul. Lwowska 19,

00-660 Warsaw

Poland

Attention: Daniel Kopania, Magdalena Łazewska

Email: daniel.kopania@cliffordchance.com, magdalena.lazewska@cliffordchance.com

With a copy to (such copy shall not be deemed as a notice under the Agreement):

The Blackstone Group International Partners LLP

40 Berkeley Square

London W1J 5AL

Attention: Farhad Karim

Telephone: +44 (0) 20-7451-4000

Email: realestateeuropeannotices@Blackstone.com

Simpson Thacher & Bartlett LLP
CityPoint
One Ropemaker Street
London EC2Y 9HU
England
Attention: Wheatly MacNamara
Telephone: +44 (0) 20-7275-6193
Email: wmacnamara@stblaw.com

18. MISCELLANEOUS

18.1. Successors and Assigns

- 18.1.1. This Agreement shall be binding upon and inure to the benefit of the Sellers and the Purchaser and their respective successors. No merger of the Sellers and no merger of the Purchaser shall release the Sellers or the Purchaser from any obligation or liability under this Agreement.
- 18.1.2. From and after the date that is 2 (two) months following the Closing Date, the Sellers will be entitled to assign any and all of their rights and obligations under the Final Agreements to their Affiliate(s) in order to complete liquidation of the Sellers; provided, that (i) the obligation of handing-over the Enterprises and the Documentation to the Purchaser shall be performed by the Sellers and (ii) the liquidation of any Seller shall not begin until the date that is 2 (two) months following the Closing Date.
- 18.1.3. The Purchaser may assign, charge, pledge or grant any other security interest in respect of this Agreement or any of their rights hereunder to any of its Affiliates, and its and/or its Affiliates' lenders or any other agent or other representative of any such lender. The Sellers agree that they will, promptly on request of the Purchaser, execute any acknowledgment of notice of assignment, charge, pledge or other security interest granted by the Purchaser in accordance with the terms of this Agreement and local law requirements.
- 18.1.4. Notwithstanding any other provision hereof, the Purchaser may at any time prior to the Closing, upon written notice to the Sellers, (i) assign all of its right and obligations under this Agreement to one or more of its controlled Affiliates or (ii) designate one or more of its controlled Affiliates to enter into each of the Final Agreements as the purchaser thereunder, in lieu of the Purchaser, and following any such assignment the Purchaser shall have no obligations, rights or liabilities hereunder or, in the event of a designation pursuant to (ii) of this sentence, the designee(s) of the Purchaser shall assume all obligations, rights or liabilities under such Final Agreements. In the event the Purchaser assigns this Agreement to two or more controlled Affiliates pursuant to the foregoing sentence, references in this Agreement to the Purchaser shall be read as the plural.

18.2. No Waiver

The failure by a Party to enforce at any time or for any period of time any provision of the Agreement shall not be construed as a waiver of that provision or of the right of the Party thereafter to enforce any such provision of this Agreement.

18.3. Entire Agreement; Amendments

18.3.1. This Agreement, all Schedules hereto, and all other agreements and instruments to be delivered by the Sellers and the Purchaser pursuant hereto represent the entire understanding and agreement between the Sellers and the Purchaser with respect to the subject matter hereof and supersede all prior oral, written and all contemporaneous oral negotiations, commitments and understandings between the Sellers and the Purchaser, their shareholders and other entities and persons acting on behalf of the Sellers and the Purchaser. The Sellers and the Purchaser may only amend or modify this Agreement, (to be valid), by a written instrument executed by them concerned in the form of a notarial deed.

18.3.2. If the provisions of any Schedule to this Agreement are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

18.4. Severability

Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction to which it is subject, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction. The Parties hereby undertake to replace any invalid or ineffective provision with a new provision, which is valid and effective and comes as close as possible to such invalid or ineffective provision.

18.5. Confidentiality

18.5.1. The Parties shall keep in confidence all knowledge and information of a secret or confidential nature with respect to the terms and conditions of this Agreement and the business of the other parties and shall not disclose, publish or make use of the same without the prior written consent of the other parties, except to the extent that: (a) disclosure is required by law or legal process (provided that the disclosing Party shall use its best efforts to notify the non-disclosing Party prior to such required disclosure and in any event as promptly as practicable), (b) such information shall have become public knowledge other than by breach of this Agreement by the disclosing Party, or (c) such information shall have been received by the disclosing party from a third person who has a legal right to make such disclosure without restriction. The foregoing undertaking as to confidentiality shall not apply to disclosure by either party to any of its investors, affiliates, lenders, advisers or agents and/or the advisers or agents of any lender of a party and/or utility providers (in the latter case, in order to provide an evidence to the utility providers that the invoices for delivery of utilities for the Closing Month shall be issued to the Purchaser), as well as to any disclosure by the Purchaser or its Affiliates in any customary communications to any funder or limited partner in the funds invested (directly or indirectly) in a Purchaser or any prospective funder or limited partner in any funds managed or advised by an Affiliate of the Purchaser, in each case so long as such disclosure is on a confidential basis, in the ordinary course of business, and is consistent with past business practice.

18.5.2. No announcement or other disclosure will be made concerning the contents of this Agreement or any ancillary matters (including sale of 100% of the interests in the German Owners), except for as required by law or any regulatory authority, to the Parties' respective advisors (subject to compliance with this Section 18.5) or with a prior written approval of the other Party. Each of the Parties shall be liable for any breach of this provision by its advisors as for its own breaches.

18.5.3. The Sellers and the Purchaser shall consult each other as to the contents of any announcement or press release to be made by either of them and any disclosure as to the Price must be agreed by the Sellers and the Purchaser, each acting reasonably.

18.5.4. Notwithstanding the foregoing, Hines (its affiliates, subsidiaries, and owners or any entity advised by Hines (including for the avoidance of doubt Hines Global REIT Inc ("**GREIT**") (being the ultimate owner of the Sellers)) shall be permitted to disclose the Transaction and any information relating to the Transaction in any document as may be necessary to comply with any applicable federal or state securities laws, rules or regulations or to comply with the requirements of the Securities and Exchange Commission ("**SEC**"), the New York Stock Exchange or any similar agency or body, "generally accepted accounting principles", or other accounting rules and procedures, or in accordance with REIT's prior custom, practice or procedure; provided, that a substantially final draft of any such document to be publicly disclosed or filed shall be provided to the Purchaser at least 1 (one) Business Day prior to such public disclosure or filing for the Purchaser's reasonable review and comment (provided that the acceptance of any such comments shall be in GREIT's sole discretion and that in no event shall the Purchaser's review delay such public disclosure or filing). The Sellers will be required to disclose the Transaction and file the contract and ancillary transaction documents with the SEC promptly after negotiation and execution of the same by the Parties.

18.6. OFAC/Patriot Act, Anti-Money Laundering and FCPA Representations and Warranties

18.6.1. As of the date of this Agreement and through and until the Closing Date, the Parties hereby represent and warrant that neither they nor any of their officers, managers or directors, nor any direct or indirect owner of 10% or more of the beneficial interests in the Parties, nor, to the Parties' knowledge, any other beneficial owner of the Parties:

- (a) is listed in the "*Alphabetical Listing of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers*" (the "**OFAC List**") published by the United States Office of Foreign Assets Control, as in effect from time to time, and as such list is located on the U.S. Department of Treasury's website: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>;
- (b) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in Executive Orders issued by the United States government pertaining to the OFAC List (the "**U.S. Executive Orders**") or, to the Parties' knowledge, is otherwise a person, entity or government with whom a United States person is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation and/or executive orders;
- (c) is owned or controlled by, or acts for or on behalf of, any person or entity on the OFAC List or any other person or entity who has been determined by a competent authority to be subject to the prohibitions contained in the U.S. Executive Orders pertaining to the OFAC List (any person referenced in this provision, or in provisions (a) and (b) above, is hereby referred to herein as a "**Blocked Person**"); or
- (d) has made any bribe or other financial inducement or provided anything else of value to a public official or governmental employee in the past in connection with the acquisition, financing, operation or otherwise pertaining to the Enterprises in violation of the Foreign Corrupt Practices Act of the United States of America

and the rules and regulations promulgated thereunder, or in violation of any other applicable anti-corruption or anti-bribery laws, including but not limited to analogous laws of Poland.

18.6.2. If any Seller learns that any Purchaser, or any Purchaser learns that any Seller, is, becomes, or appears to be a Blocked Person, such Seller or Purchaser may delay the Transaction pending its conclusion of its investigation into the matter of the relevant Purchaser's or Seller's status as a Blocked Person. If a Seller or Purchaser determines that the relevant Purchaser or Seller is or becomes a Blocked Person, such Seller or Purchaser shall have the absolute right to immediately terminate this Agreement and take all other actions necessary, or in the opinion of such Seller or Purchaser, appropriate to comply with applicable laws regarding such Blocked Person.

18.6.3. The Final Agreement shall contain provisions substantially in the form contained in this Section 18.6 (and also the preceding Section 18.5) amended as necessary to account for the requirements of Hines.

18.7. Disputes

All disputes arising out of or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by 3 (three) arbitrators appointed in accordance with the said Rules. The place of arbitration shall be Warsaw, Poland. The language to be used in the arbitral proceedings shall be English. The arbitrators' decision shall be in English.

18.8. Language version

The text of this Agreement in English, with the exception of the detailed description of the Properties marked as "[to be completed by the notary in the Polish version of the Agreement]" is attached as Schedule 18.8. The Parties agree that in the event of any discrepancies between the language versions, the English version prevails (as it better reflects the joint intent of the Parties) with the exception of the detailed Property description executed in Polish.

19. INSTRUCTIONS

The Notary informed the parties of:

[described in the Polish version of the Agreement]

20. APPLICATION TO THE COURT

[described in the Polish version of the Agreement]

21. COSTS

21.1. Costs of the Agreement

Each Party shall bear its own costs in connection with the preparation and negotiation of this Agreement and in connection with any other actions contemplated by this Agreement.

21.2. Costs of Counsel

Each Party shall retain its own counsel in connection with the negotiation and execution of this Agreement and each Party shall bear the costs of its own counsel.

21.3. Notarial Fees

The notarial fees (including VAT) and court fees payable in connection with this Agreement and any annexes hereto shall be paid by the Purchaser by bank transfer to the specified bank account of the Notarial Office.

21.4. TCLT

The TCLT, payable as a result of the conclusion of the Final Agreements shall be paid by the Purchaser.

21.5. For the purpose of collecting the fees due under this deed, the average exchange rate of EUR into PLN published by the National Bank of Poland on [***] 2018 (Table of Exchange Rates No. [**]/A/NBP/2018) and amounting to EUR 1 = PLN 4.[**] has been adopted and, consequently, the amount of EUR [**] is the equivalent of PLN [**].

21.6. The fees are as follows:

[described in the Polish version of the Agreement]

This deed was read, approved and signed.

Schedule 1.55
German Owners and German Portfolio

- (1) Hines Global REIT Sulzenbrucker Strasse 7 LLC, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA;

| | |
|---------------|---|
| Owner | Hines Global REIT Sulzenbrucker Strasse (Owner A) |
| Property Name | LOGISTIC CENTRE ERFURT |
| Address | Sulzenbrucker Str. 7, Apfelstädt |
| Buildings | one warehouse |

- (2) Hines Global REIT Forchheim LLC, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA;

| | |
|---------------|---|
| Owner | Hines Global REIT Forchheim Logistics LLC (Owner B) |
| Property Name | LOGISTIC CENTRE NUREMBERG-FORCHHEIM |
| Address | Rittigfeld 1-2, Forchheim |
| Buildings | one warehouse |

- (3) Hines Global REIT Karlsdorf LLC, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA;

| | |
|---------------|---|
| Owner | Hines Global REIT Karlsdorf LLC (Owner C) |
| Property Name | LOGISTIC CENTRE KARLSDORF |
| Address | Simon-Hegele-Str. 3, Karlsdorf-Neuthard |
| Buildings | one warehouse |

- (4) Hines Global REIT Nueremberg LLC, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA;

| | |
|---------------|---|
| Owner | Hines Global REIT Nuremberg LLC (Owner D) |
| Property Name | LOGISTIC CENTRE NUREMBERG |
| Address | Thomas-Dachser-Straße1, Nuremberg-Feucht |
| Buildings | one warehouse |

- (5) Hines Global REIT Duisburg LLC, c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801/USA.

| | |
|---------------|--|
| Owner | Hines Global REIT Duisburg LLC (Owner E) |
| Property Name | LOGISTIC CENTRE DUISBURG |
| Address | Bliersheimer Str. 22-34, Duisburg |
| Buildings | one warehouse |

NOTARIAL DEED

On this [***] day of [***] two thousand and eighteen ([***].[***].2018), the following persons appeared before [***], Notary in Warsaw, whose Notarial Office is located in Warsaw at [***] and who arrived to the office building located at Rondo ONZ 1 in Warsaw:

- (6) [***], acting in the name and on behalf of the company **Piran Investments spółka z ograniczoną odpowiedzialnością GENEVA spółka jawna** with its registered office in Warsaw (address: Prosta 68 Street, 00-838 Warsaw), entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under the number KRS 494124, duly represented by its partner Piran Investments sp. z o.o. (hereinafter referred to as "**Seller 1**"), in line with the information presented at this notarial deed, corresponding to the current excerpt from the Register of Entrepreneurs collected on [***] on the basis of article 4 Section 4aa of the Law of 20 August 1997 on the National Court Register (consolidated text: Journal of Laws of 2007, No. 168, item 1186, as amended), print-out identifier RP/[***], who also represent that the company represented by him has not been made subject to liquidation, that no composition, bankruptcy of recovery proceedings is pending against it, and no actions have been taken with the aim to instigate the above-mentioned proceedings, and that his authority to represent the above company has not expired and has not changed, and in particular he has not been recalled from his position.
- (7) [***], acting in the name and on behalf of the company **Piran Investments spółka z ograniczoną odpowiedzialnością HADRIAN spółka jawna** with its registered office in Warsaw (address: Prosta 68 Street, 00-838 Warsaw), entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under the number KRS 493226, duly represented by its partner Piran Investments sp. z o.o. (hereinafter referred to as "**Seller 2**"), in line with the information presented at this notarial deed, corresponding to the current excerpt from the Register of Entrepreneurs collected on [***] on the basis of article 4 Section 4aa of the Law of 20 August 1997 on the National Court Register (consolidated text: Journal of Laws of 2007, No. 168, item 1186, as amended), print-out identifier RP/[***], who also represent that the company represented by him has not been made subject to liquidation, that no composition, bankruptcy of recovery proceedings is pending against it, and no actions have been taken with the aim to instigate the above-mentioned proceedings, and that his authority to represent the above company has not expired and has not changed, and in particular he has not been recalled from his position.
- (8) [***], acting in the name and on behalf of the company **Piran Investments spółka z ograniczoną odpowiedzialnością KLAUDIO spółka jawna** with its registered office in Warsaw (address: Prosta 68 Street, 00-838 Warsaw), entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under the number KRS 500190, duly represented by its partner Piran Investments sp. z o.o. (hereinafter referred to as "**Seller 3**"), in line with the information presented at this notarial deed, corresponding to the current excerpt from the Register of Entrepreneurs collected on [***] on the basis of article 4 Section 4aa of the Law of 20 August 1997 on the National Court Register (consolidated text: Journal of Laws of 2007, No. 168, item 1186, as amended), print-out identifier RP/[***], who also represent that the company represented by him has not been made subject

to liquidation, that no composition, bankruptcy of recovery proceedings is pending against it, and no actions have been taken with the aim to instigate the above-mentioned proceedings, and that his authority to represent the above company has not expired and has not changed, and in particular he has not been recalled from his position.

- (9) *******, acting in the name and on behalf of the company **Piran Investments spółka z ograniczoną odpowiedzialnością TRAJAN spółka jawna** with its registered office in Warsaw (address: Prosta 68 Street, 00-838 Warsaw), entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under the number KRS 493312, duly represented by its partner Piran Investments sp. z o.o. (hereinafter referred to as "**Seller 4**"), in line with the information presented at this notarial deed, corresponding to the current excerpt from the Register of Entrepreneurs collected on ******* on the basis of article 4 Section 4aa of the Law of 20 August 1997 on the National Court Register (consolidated text: Journal of Laws of 2007, No. 168, item 1186, as amended), print-out identifier RP/*******, who also represent that the company represented by him has not been made subject to liquidation, that no composition, bankruptcy of recovery proceedings is pending against it, and no actions have been taken with the aim to instigate the above-mentioned proceedings, and that his authority to represent the above company has not expired and has not changed, and in particular he has not been recalled from his position.
- (10) *******, acting in the name and on behalf of the company **Piran Investments spółka z ograniczoną odpowiedzialnością TITUS spółka jawna** with its registered office in Warsaw (address: Prosta 68 Street, 00-838 Warsaw), entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under the number KRS 493366, duly represented by its partner Piran Investments sp. z o.o. (hereinafter referred to as "**Seller 5**"), in line with the information presented at this notarial deed, corresponding to the current excerpt from the Register of Entrepreneurs collected on ******* on the basis of article 4 Section 4aa of the Law of 20 August 1997 on the National Court Register (consolidated text: Journal of Laws of 2007, No. 168, item 1186, as amended), print-out identifier RP/*******, who also represent that the company represented by him has not been made subject to liquidation, that no composition, bankruptcy of recovery proceedings is pending against it, and no actions have been taken with the aim to instigate the above-mentioned proceedings, and that his authority to represent the above company has not expired and has not changed, and in particular he has not been recalled from his position.

Seller 1, Seller 2, Seller 3, Seller 4 and Seller 5 are hereinafter referred to as the "**Sellers**".

*******, acting in the name and on behalf of the company *******, hereinafter be referred to as "**Purchaser**", as ******* authorised to the sole representation of Purchaser, in line with the information presented at this notarial deed, corresponding to the current excerpt from the Register of Entrepreneurs collected on ******* on the basis of article 4 Section 4aa of the Law of 20 August 1997 on the National Court Register (consolidated text: Journal of Laws of 2007, No. 168, item 1186, as amended), print-out identifier RP/*******, who also represent that the company represented by him has not been made subject to liquidation, that no composition, bankruptcy of recovery proceedings is pending against it, and no actions have been taken with the aim to instigate the above-mentioned proceedings, and that his authority to represent the above company has not expired and has not changed, and in particular he has not been recalled from his position.

The Sellers and the Purchaser are hereinafter referred to as the "**Parties**".

The identity of the appearing parties was ascertained by the Notary on the basis of the identity documents presented and cited above and data not evidenced by such documents, pursuant to the presented declarations.