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

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**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 June 30, 2019**  
**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: 000-55599**

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**Hines Global Income Trust, Inc.**

*(Exact name of registrant as specified in its charter)*

**Maryland**

*(State or other jurisdiction of incorporation or organization)*

**80-0947092**

*(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)*

Securities registered pursuant to Section 12(b) of the Exchange Act: None.

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, 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 August 1, 2019, approximately 19.0 million shares of the registrant's Class AX common stock, 20.0 million shares of the registrant's Class TX common stock, 0.1 million shares of the registrant's Class IX common stock, 21.0 million shares of the registrant's Class T common stock, 5.6 million shares of the registrant's Class D common stock and 3.7 million shares of the registrant's Class I common stock were outstanding.

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

**HINES GLOBAL INCOME TRUST, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

|  | June 30, 2019                            | December 31, 2018 |
|--|--|-------------------|
|  | (in thousands, except per share amounts) |                   |
| ASSETS   |  |                   |
| Investment property, net   | \$ 917,662                               | \$ 787,189        |
| Investments in real estate-related securities  | 19,833                                   | 9,599             |
| Cash and cash equivalents  | 34,353                                   | 27,138            |
| Restricted cash  | 7,026                                    | 9,848             |
| Derivative instruments   | 63                                       | 174               |
| Tenant and other receivables, net  | 11,007                                   | 8,995             |
| Intangible lease assets, net   | 54,086                                   | 90,697            |
| Right-of-use asset, net  | 33,691                                   | —                 |
| Deferred leasing costs, net  | 18,031                                   | 13,282            |
| Other assets   | 3,012                                    | 1,907             |
| Total assets   | \$ 1,098,764                             | \$ 948,829        |
| LIABILITIES AND EQUITY   |  |                   |
| Liabilities:   |  |                   |
| Accounts payable and accrued expenses  | \$ 21,183                                | \$ 26,186         |
| Due to affiliates  | 30,205                                   | 26,022            |
| Intangible lease liabilities, net  | 18,290                                   | 18,034            |
| Other liabilities  | 10,310                                   | 55,391            |
| Distributions payable  | 2,860                                    | 2,024             |
| Note payable to affiliate  | —  | 55,000            |
| Notes payable, net   | 596,812                                  | 487,439           |
| Total liabilities  | 679,660                                  | 670,096           |
| Commitments and contingencies (Note 11)  | —  | —                 |
| Equity:  |  |                   |
| Stockholders' equity:  |  |                   |
| Preferred shares, \$0.001 par value per share; 500,000 preferred shares authorized, none issued or outstanding as of June 30, 2019 and December 31, 2018 | —  | —                 |
| Common shares, \$0.001 par value per share (Note 6)  | 62                                       | 44                |
| Additional paid-in capital   | 533,778                                  | 371,274           |
| Accumulated distributions in excess of earnings  | (113,933)                                | (91,711)          |
| Accumulated other comprehensive income (loss)  | (803)                                    | (874)             |
| Total stockholders' equity   | 419,104                                  | 278,733           |
| Noncontrolling interests   | —  | —                 |
| Total equity   | 419,104                                  | 278,733           |
| Total liabilities and equity   | \$ 1,098,764                             | \$ 948,829        |

See notes to the condensed consolidated financial statements.

**HINES GLOBAL INCOME TRUST, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
**For the Three and Six Months Ended June 30, 2019 and 2018**  
**(UNAUDITED)**

|  | Three Months Ended June 30, |                   | Six Months Ended June 30, |                 |
|--|-----------------------------|-------------------|---------------------------|-----------------|
|  | 2019                        | 2018              | 2019                      | 2018            |
| (in thousands, except per share amounts)                               |                             |                   |                           |                 |
| <b>Revenues:</b>   |                             |                   |                           |                 |
| Rental revenue   | \$ 23,018                   | \$ 15,725         | \$ 44,468                 | \$ 32,168       |
| Other revenue  | 536                         | 249               | 823                       | 537             |
| Total revenues   | 23,554                      | 15,974            | 45,291                    | 32,705          |
| <b>Expenses:</b>   |                             |                   |                           |                 |
| Property operating expenses  | 5,170                       | 2,668             | 10,706                    | 5,494           |
| Real property taxes  | 2,699                       | 2,018             | 5,297                     | 4,099           |
| Property management fees   | 940                         | 344               | 1,644                     | 656             |
| Depreciation and amortization  | 9,741                       | 6,959             | 19,069                    | 14,300          |
| Acquisition related expenses   | 13                          | 10                | 17                        | 144             |
| Asset management fees  | 1,801                       | 1,214             | 3,288                     | 2,420           |
| Performance participation allocation                                   | 1,476                       | 1,185             | 2,597                     | 2,777           |
| General and administrative expenses                                    | 948                         | 659               | 1,795                     | 1,511           |
| Total expenses   | 22,788                      | 15,057            | 44,413                    | 31,401          |
| <b>Other income (expenses):</b>  |                             |                   |                           |                 |
| Gain (loss) on derivative instruments                                  | (77)                        | (45)              | (1,187)                   | (47)            |
| Gain (loss) on investments in real estate-related securities           | 161                         | —                 | 1,327                     | —               |
| Gain on sale of real estate  | —                           | —                 | —                         | 14,491          |
| Foreign currency gains (losses)  | (267)                       | (291)             | (336)                     | (316)           |
| Interest expense   | (4,317)                     | (2,677)           | (8,514)                   | (5,491)         |
| Interest income  | 244                         | 34                | 372                       | 47              |
| <b>Income (loss) before benefit (provision) for income taxes</b>       | <b>(3,490)</b>              | <b>(2,062)</b>    | <b>(7,460)</b>            | <b>9,988</b>    |
| Benefit (provision) for income taxes                                   | 40                          | 654               | 11                        | (20)            |
| <b>Net income (loss)</b>   | <b>(3,450)</b>              | <b>(1,408)</b>    | <b>(7,449)</b>            | <b>9,968</b>    |
| Net (income) loss attributable to noncontrolling interests             | (4)                         | (3)               | (7)                       | (6)             |
| <b>Net income (loss) attributable to common stockholders</b>           | <b>\$ (3,454)</b>           | <b>\$ (1,411)</b> | <b>\$ (7,456)</b>         | <b>\$ 9,962</b> |
| <b>Basic and diluted income (loss) per common share</b>                | <b>\$ (0.06)</b>            | <b>\$ (0.04)</b>  | <b>\$ (0.14)</b>          | <b>\$ 0.25</b>  |
| Weighted average number of common shares outstanding                   | 57,004                      | 39,489            | 52,049                    | 39,443          |
| <b>Comprehensive income (loss):</b>                                    |                             |                   |                           |                 |
| Net income (loss)  | \$ (3,450)                  | \$ (1,408)        | \$ (7,449)                | \$ 9,968        |
| <b>Other comprehensive income (loss):</b>                              |                             |                   |                           |                 |
| Foreign currency translation adjustment                                | 2,091                       | (5,515)           | 71                        | (2,799)         |
| <b>Comprehensive income (loss)</b>                                     | <b>\$ (1,359)</b>           | <b>\$ (6,923)</b> | <b>\$ (7,378)</b>         | <b>\$ 7,169</b> |
| Comprehensive (income) loss attributable to noncontrolling interests   | (4)                         | (3)               | (7)                       | (6)             |
| <b>Comprehensive income (loss) attributable to common stockholders</b> | <b>\$ (1,363)</b>           | <b>\$ (6,926)</b> | <b>\$ (7,385)</b>         | <b>\$ 7,163</b> |

See notes to the condensed consolidated financial statements.

**HINES GLOBAL INCOME TRUST, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**For the Six Months Ended June 30, 2019 and 2018**  
**(UNAUDITED)**  
**(In thousands)**

**Hines Global Income Trust, Inc. Stockholders**

|  | Common Shares |        | Additional<br>Paid-in<br>Capital | Accumulated<br>Distributions<br>in Excess of<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests |
|--|---------------|--------|----------------------------------|--|--|----------------------------------|-----------------------------|
|  | Shares        | Amount |                                  |  |  |                                  |                             |
| <b>Balance as of January 1, 2019</b>   | 43,584        | \$ 44  | \$ 371,274                       | \$ (91,711)  | \$ (874)   | \$ 278,733                       | \$ —                        |
| Issuance of common shares  | 6,109         | 7      | 62,886                           | —  | —  | 62,893                           | —                           |
| Distributions declared   | —             | —      | —                                | (6,704)  | —  | (6,704)                          | (3)                         |
| Redemption of common shares  | (362)         | —      | (4,014)                          | —  | —  | (4,014)                          | —                           |
| Selling commissions, dealer manager fees and distribution and stockholder servicing fees | —             | —      | (4,366)                          | —  | —  | (4,366)                          | —                           |
| Offering costs   | —             | —      | (1,240)                          | —  | —  | (1,240)                          | —                           |
| Net income (loss)  | —             | —      | —                                | (4,002)  | —  | (4,002)                          | 3                           |
| Foreign currency translation adjustment  | —             | —      | —                                | —  | (2,020)  | (2,020)                          | —                           |
| <b>Balance as of March 31, 2019</b>  | 49,331        | \$ 51  | \$ 424,540                       | \$ (102,417)   | \$ (2,894)   | \$ 319,280                       | \$ —                        |
| Issuance of common shares  | 11,785        | 11     | 121,908                          | —  | —  | 121,919                          | —                           |
| Distributions declared   | —             | —      | —                                | (8,062)  | —  | (8,062)                          | (4)                         |
| Redemption of common shares  | (402)         | —      | (3,111)                          | —  | —  | (3,111)                          | —                           |
| Selling commissions, dealer manager fees and distribution and stockholder servicing fees | —             | —      | (8,511)                          | —  | —  | (8,511)                          | —                           |
| Offering costs   | —             | —      | (1,048)                          | —  | —  | (1,048)                          | —                           |
| Net income (loss)  | —             | —      | —                                | (3,454)  | —  | (3,454)                          | 4                           |
| Foreign currency translation adjustment  | —             | —      | —                                | —  | 2,091  | 2,091                            | —                           |
| <b>Balance as of June 30, 2019</b>   | 60,714        | \$ 62  | \$ 533,778                       | \$ (113,933)   | \$ (803)   | \$ 419,104                       | \$ —                        |

**Hines Global Income Trust, Inc. Stockholders**

|  | Common Shares |        | Additional<br>Paid-in<br>Capital | Accumulated<br>Distributions<br>in Excess of<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests |
|--|---------------|--------|----------------------------------|--|--|----------------------------------|-----------------------------|
|  | Shares        | Amount |                                  |  |  |                                  |                             |
| <b>Balance as of January 1, 2018</b>   | 39,256        | \$ 39  | \$ 336,761                       | \$ (68,193)  | \$ 4,938   | \$ 273,545                       | \$ —                        |
| Issuance of common shares  | 308           | —      | 2,990                            | —  | —  | 2,990                            | —                           |
| Distributions declared   | —             | —      | —                                | (5,514)  | —  | (5,514)                          | (3)                         |
| Redemption of common shares  | (133)         | —      | (2,032)                          | —  | —  | (2,032)                          | —                           |
| Selling commissions, dealer manager fees and distribution and stockholder servicing fees | —             | —      | 4                                | —  | —  | 4                                | —                           |
| Offering costs   | —             | —      | (17)                             | —  | —  | (17)                             | —                           |
| Net income (loss)  | —             | —      | —                                | 11,373   | —  | 11,373                           | 3                           |
| Foreign currency translation adjustment  | —             | —      | —                                | —  | 2,716  | 2,716                            | —                           |
| <b>Balance as of March 31, 2018</b>  | 39,431        | \$ 39  | \$ 337,706                       | \$ (62,334)  | \$ 7,654   | \$ 283,065                       | \$ —                        |
| Issuance of common shares  | 464           | 1      | 4,598                            | —  | —  | 4,599                            | —                           |
| Distributions declared   | —             | —      | —                                | (5,528)  | —  | (5,528)                          | (3)                         |
| Redemption of common shares  | (395)         | —      | (4,212)                          | —  | —  | (4,212)                          | —                           |
| Selling commissions, dealer manager fees and distribution and stockholder servicing fees | —             | —      | (28)                             | —  | —  | (28)                             | —                           |
| Offering costs   | —             | —      | (1,627)                          | —  | —  | (1,627)                          | —                           |
| Net income (loss)  | —             | —      | —                                | (1,411)  | —  | (1,411)                          | 3                           |
| Foreign currency translation adjustment  | —             | —      | —                                | —  | (5,515)  | (5,515)                          | —                           |
| <b>Balance as of June 30, 2018</b>   | 39,500        | \$ 40  | \$ 336,437                       | \$ (69,273)  | \$ 2,139   | \$ 269,343                       | \$ —                        |

See notes to the condensed consolidated financial statements.

**HINES GLOBAL INCOME TRUST, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Six Months Ended June 30, 2019 and 2018**  
**(UNAUDITED)**

|   | 2019           | 2018      |
|---|----------------|-----------|
|   | (In thousands) |           |
| CASH FLOWS FROM OPERATING ACTIVITIES:   |                |           |
| Net income (loss)   | \$ (7,449)     | \$ 9,968  |
| Adjustments to reconcile net income (loss) to net cash from (used in) operating activities:         |                |           |
| Depreciation and amortization   | 19,673         | 14,307    |
| Gain on sale of real estate   | —              | (14,491)  |
| Foreign currency (gains) losses   | 336            | 316       |
| (Gain) loss on derivative instruments   | 1,187          | 47        |
| (Gain) loss on investments in real estate-related securities  | (1,327)        | —         |
| Changes in assets and liabilities:  |                |           |
| Change in other assets  | (683)          | 384       |
| Change in tenant and other receivables  | (2,032)        | 1,933     |
| Change in deferred leasing costs  | (5,616)        | (4,335)   |
| Change in accounts payable and accrued expenses   | (3,629)        | (198)     |
| Change in other liabilities   | (5,958)        | (2,947)   |
| Change in due to affiliates   | (2,680)        | 1,755     |
| Net cash from (used in) operating activities  | (8,178)        | 6,739     |
| CASH FLOWS FROM INVESTING ACTIVITIES:   |                |           |
| Investments in acquired properties and lease intangibles  | (182,714)      | —         |
| Capital expenditures at operating properties  | (3,886)        | (8,095)   |
| Proceeds from sale of real estate   | —              | 37,087    |
| Purchases of real estate-related securities   | (14,086)       | —         |
| Proceeds from settlement of real estate-related securities  | 5,180          | —         |
| Net cash from (used in) investing activities  | (195,506)      | 28,992    |
| CASH FLOWS FROM FINANCING ACTIVITIES:   |                |           |
| Proceeds from issuance of common shares   | 177,269        | 1,628     |
| Redemption of common shares   | (7,704)        | (5,174)   |
| Payment of offering costs   | (2,734)        | —         |
| Payment of selling commissions, dealer manager fees and distribution and stockholder servicing fees | (5,570)        | (1,322)   |
| Distributions paid to stockholders and noncontrolling interests                                     | (6,394)        | (5,111)   |
| Proceeds from notes payable   | 109,935        | —         |
| Payments on notes payable   | (957)          | (844)     |
| Proceeds from related party note payable  | 44,000         | 15,500    |
| Payments on related party note payable  | (99,000)       | (26,700)  |
| Change in security deposit liability  | 250            | 100       |
| Deferred financing costs paid   | (631)          | (127)     |
| Payments related to interest rate contracts   | (39)           | (10)      |
| Net cash from (used in) financing activities  | 208,425        | (22,060)  |
| Effect of exchange rate changes on cash, restricted cash and cash equivalents                       | (348)          | (1,087)   |
| Net change in cash, restricted cash and cash equivalents  | 4,393          | 12,584    |
| Cash, restricted cash and cash equivalents, beginning of period                                     | 36,986         | 24,553    |
| Cash, restricted cash and cash equivalents, end of period   | \$ 41,379      | \$ 37,137 |

See notes to the condensed consolidated financial statements.

**HINES GLOBAL INCOME TRUST INC, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Three and Six Months Ended June 30, 2019 and 2018**

## **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”). In the opinion of management, all adjustments and eliminations, consisting only of normal recurring adjustments, necessary to present fairly and in conformity with accounting principles generally accepted in the United States of America (“GAAP”) the financial position of Hines Global Income Trust, Inc. as of June 30, 2019 and December 31, 2018, the results of operations for the three and six months ended June 30, 2019 and 2018 and cash flows for the six months ended June 30, 2019 and 2018 have been included. The results of operations for such interim periods are not necessarily indicative of the results for the full year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted according to such rules and regulations. For further information, refer to the financial statements and footnotes included in Hines Global Income Trust, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2018.*

Hines Global Income Trust, Inc. (the “Company”), formerly known as Hines Global REIT II, Inc., was incorporated in Maryland on July 31, 2013, to invest in a diversified portfolio of quality commercial real estate properties and other real estate investments throughout the United States and internationally, and to a lesser extent, invest in real-estate related securities. The Company is sponsored by Hines Interests Limited Partnership (“Hines”), a fully integrated global real estate investment and management firm that has acquired, developed, owned, operated and sold real estate for over 60 years. The Company is managed by Hines Global REIT II Advisors LP (the “Advisor”), an affiliate of Hines. The Company conducts substantially all of its operations through Hines Global REIT II Properties, LP (the “Operating Partnership”). An affiliate of the Advisor, Hines Global REIT II Associates LP, owns less than a 1% limited partner interest in the Operating Partnership as of June 30, 2019 and the Advisor also owns the special limited partnership interest in the Operating Partnership. The Company has elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes beginning with its taxable year ended December 31, 2015.

As of June 30, 2019, the Company owned direct real estate investments in eleven properties totaling 7.3 million square feet that were 96% leased. The Company raises capital for its investments through public offerings of its common stock. The Company commenced its initial public offering of up to \$2.5 billion in shares of its common stock (the “Initial Offering”) in August 2014, and commenced its second public offering of up to \$2.5 billion in shares of common stock including \$500.0 million of shares offered under its distribution reinvestment plan (the “Follow-On Offering”) in December 2017. As of August 14, 2019, the Company had received gross offering proceeds of \$738.9 million from the sale of 73.8 million shares through its public offerings, including shares issued pursuant to its distribution reinvestment plan.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### *Basis of Presentation*

The condensed consolidated financial statements of the Company included in this Quarterly Report on Form 10-Q include the accounts of Hines Global Income Trust, Inc. and the Operating Partnership (over which the Company exercises financial and operating control). All intercompany balances and transactions have been eliminated in consolidation.

### *Investments in Real Estate-Related Securities*

In the fourth quarter of 2018, the Company made its initial investments in real estate-related securities and as of June 30, 2019 has \$20.0 million invested in these securities. These securities consist of common equities, preferred equities and debt investments of publicly traded REITs. The Company has elected to classify these investments as trading securities and carry such investments at fair value. These assets are valued on a recurring basis, which resulted in a realized gain of \$165,000 and an unrealized loss of \$4,000 for the three months ended June 30, 2019, and a realized gain of \$228,000 and an unrealized gain of \$1.1 million for the six months ended June 30, 2019, both of which are recorded in “gain (loss) on investments in real estate-related securities” in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). In July 2019, the Company made an additional \$15.0 million investment in real estate-related securities.

*Tenant and Other Receivables*

Tenant and other receivables consists primarily of receivables attributable to straight-line rent and receivables related to base rents and tenant reimbursements. 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. Straight-line rent receivables were \$7.3 million and \$5.8 million as of June 30, 2019 and December 31, 2018, respectively.

*Other Assets*

Other assets included the following (in thousands):

|                                    | June 30, 2019   | December 31, 2018 |
|------------------------------------|-----------------|-------------------|
| Prepaid insurance                  | \$ 806          | \$ 493            |
| Prepaid property taxes             | 347             | 80                |
| Deferred tax assets <sup>(1)</sup> | 979             | 844               |
| Other                              | 880             | 490               |
| Other assets                       | <u>\$ 3,012</u> | <u>\$ 1,907</u>   |

(1) Includes the effects of a valuation allowance of \$1.7 million and \$0.8 million as of June 30, 2019 and December 31, 2018, respectively.

*Recently Adopted Accounting Pronouncements*

In February 2016, the FASB issued ASU 2016-02 which requires companies that lease assets to recognize on the balance sheet the right-of-use assets and related lease liabilities ("ASC 842"). The accounting by companies that own the assets leased by the lessee (the lessor) remains largely unchanged from the adoption of ASC 842. The Company adopted ASC 842 beginning January 1, 2019 and is using the modified retrospective approach. No adjustment to opening retained earnings was required.

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. The new standard permits companies to recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption in lieu of restating prior periods and provides other optional practical expedients.

On January 1, 2019, the Company elected the following practical expedients:

- The transition method in which the application date of January 1, 2019 is the beginning of the reporting period that the Company first applied the new guidance.
- The practical expedient package which allows an entity not to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; (3) initial direct costs for any existing leases.
- As an accounting policy election, a lessor may choose not to separate the non-lease components, by class of underlying assets, from the lease components and instead account for both types of components as a single component under certain conditions.
- As an accounting policy election, a lessee may choose not to separate the non-lease components, by class of underlying assets, from the lease components and instead account for both types of components as a single component. The Company elected to apply the practical expedient for all of its leases to account for the lease and non-lease components as a single, combined operating lease component.



The Company completed its evaluation of the impact that the adoption of ASC 842 will have on the Company's consolidated financial statements relating to its leases from both the lessee and lessor perspective. Based on the Company's analysis, the Company identified the following changes to result from its adoption of ASC 842:

*Lessor Accounting*

- The Company is entitled to receive tenant reimbursements for operating expenses for common area maintenance. Based on guidance in these ASUs, such revenue is defined as a non-lease component, which would be accounted for in accordance with ASC 606. However, the Company elected to apply the practical expedient for all of its leases to account for the lease and non-lease components as a single, combined operating lease component.
- Capitalization of leasing costs is limited to initial direct costs. Initial direct costs have been defined as incremental costs of a lease that would not have been incurred if the lease had not been obtained. Legal costs are no longer capitalized, but expensed as incurred. There is no change in the Company's accounting for lease inducements and commissions.
- The Company's existing leases continue to be classified as operating leases, however, leases entered into or modified after January 1, 2019 may be classified as either operating or sales-type leases, based on specific classification criteria. The Company believes all of its leases will continue to be classified as operating leases, and all operating leases will continue to have a similar pattern of recognition as under current GAAP.

*Lessee Accounting*

- The Company has ground lease agreements in which the Company is the lessee for land underneath Bishop's Square that the Company accounts for as an operating lease. The Company previously recognized an amount related to this ground lease as part of the allocation of the purchase price of Bishop's Square, which was recorded to intangible lease assets, net. The lease has a remaining term of 763 years. Upon adoption of ASC 842 on January 1, 2019, the Company determined the lease liability is immaterial and reclassified approximately €29.7 million (approximately \$33.9 million assuming a rate of \$1.14 per EUR as of January 1, 2019, the date of adoption) from intangible lease assets, net to right-of-use asset, net in the Company's Condensed Consolidated Balance Sheets.

*New Accounting Pronouncements*

In August 2018, the FASB issued ASU No. 2018-13, "Changes to the Disclosure Requirements for Fair Value Measurement." This ASU amends and removes several disclosure requirements including the valuation processes for Level 3 fair value measurements. The ASU also modifies some disclosure requirements and requires additional disclosures for changes in unrealized gains and losses included in other comprehensive income for recurring Level 3 fair value measurements and requires the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The ASU is effective for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption is permitted for any eliminated or modified disclosures upon issuance of this ASU. The Company is currently assessing the impact the adoption of this guidance will have on its financial statements.

### 3. INVESTMENT PROPERTY

Investment property consisted of the following amounts as of June 30, 2019 and December 31, 2018 (in thousands):

|   | June 30, 2019     | December 31, 2018 |
|---|-------------------|-------------------|
| Buildings and improvements <sup>(1)</sup> | \$ 773,380        | \$ 693,834        |
| Less: accumulated depreciation            | (40,003)          | (30,574)          |
| Buildings and improvements, net           | 733,377           | 663,260           |
| Land                                      | 184,285           | 123,929           |
| Investment property, net                  | <u>\$ 917,662</u> | <u>\$ 787,189</u> |

- (1) In October 2017, the Company commenced construction at Bishop's Square to add an additional floor and make various upgrades to the property. The construction was completed in July 2019. Included in buildings and improvements is approximately \$16.7 million and \$14.5 million of construction-in-progress related to the expansion of Bishop's Square as of June 30, 2019 and December 31, 2018, respectively.

#### *Recent Acquisition of Investment Property*

In May 2019, the Company acquired ABC Westland, an industrial property located in The Hague, Netherlands. The net purchase price for ABC Westland was €116.4 million (approximately \$130.3 million assuming a rate of \$1.12 per EUR as of the acquisition date), exclusive of transaction costs and working capital reserves. The amount recognized for the asset acquisition as of the acquisition date was determined by allocating the net purchase price as follows (in thousands):

| Building and Improvements | Land     | In-place Lease Intangibles | Out-of-Market Lease Intangibles, Net | Total     |
|---------------------------|----------|----------------------------|--------------------------------------|-----------|
| \$74,059 <sup>(1)</sup>   | \$59,664 | \$6,902                    | \$(1,124)                            | \$139,501 |

- (1) Amount includes approximately €14.1 million (approximately \$15.8 million assuming a rate of \$1.12 per EUR as of the acquisition date) of solar panels at date of acquisition, which are to be depreciated using the straight-line method assuming a useful life of 25 years.

As of June 30, 2019, the cost basis and accumulated amortization related to lease intangibles are as follows (in thousands):

|                                | Lease Intangibles              |                            |                                 |
|--------------------------------|--------------------------------|----------------------------|---------------------------------|
|                                | In-Place Leases <sup>(1)</sup> | Out-of-Market Lease Assets | Out-of-Market Lease Liabilities |
| Cost                           | \$ 87,802                      | \$ 5,692                   | \$ (23,458)                     |
| Less: accumulated amortization | (36,950)                       | (2,458)                    | 5,168                           |
| Net                            | <u>\$ 50,852</u>               | <u>\$ 3,234</u>            | <u>\$ (18,290)</u>              |

- (1) The Company adopted ASC 842 beginning January 1, 2019 and reclassified certain assets from Intangible lease assets, net to Right-of-use asset, net in the Company's Condensed Consolidated Balance Sheets. See Note 2—Summary of Significant Accounting Policies for more information on the adoption of ASC 842.

As of December 31, 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                           | \$ 118,585        | \$ 5,558                   | \$ (22,318)                     |
| Less: accumulated amortization | (31,320)          | (2,126)                    | 4,284                           |
| Net                            | <u>\$ 87,265</u>  | <u>\$ 3,432</u>            | <u>\$ (18,034)</u>              |

Amortization expense of in-place leases was \$4.6 million and \$3.8 million for the three months ended June 30, 2019 and 2018, respectively. Net amortization of out-of-market leases resulted in an increase to rental revenue of \$0.5 million and \$0.2 million for the three months ended June 30, 2019 and 2018, respectively.

Amortization expense of in-place leases was \$9.3 million and \$7.8 million for the six months ended June 30, 2019 and 2018, respectively. Net amortization of out-of-market leases resulted in an increase to rental revenue of \$0.6 million and \$0.5 million for the six months ended June 30, 2019 and 2018, respectively.

Anticipated amortization of the Company's in-place leases and out-of-market leases, net for the period from July 1, 2019 through December 31, 2019 and for each of the years ending December 31, 2020 through December 31, 2023 are as follows (in thousands):

|  | <b>In-Place Lease</b> | <b>Out-of-Market Leases, Net</b> |
|--|-----------------------|----------------------------------|
| July 1, 2019 through December 31, 2019 | \$ 7,462              | \$ (1,026)                       |
| 2020                                   | \$ 11,770             | \$ (1,673)                       |
| 2021                                   | \$ 7,388              | \$ (1,495)                       |
| 2022                                   | \$ 4,741              | \$ (1,314)                       |
| 2023                                   | \$ 4,172              | \$ (988)                         |

### *Leases*

The Company's leases are generally for terms of 15 years or less and may include multiple options to extend the lease term upon tenant election. The Company's leases typically do not include an option to purchase. Generally, the Company does not expect the value of its real estate assets to be impacted materially at the end of any individual lease term, as the Company is typically able to re-lease the space and real estate assets tend to hold their value over a long period of time. Tenant terminations prior to the lease end date occasionally result in a one-time termination fee based on the remaining unpaid lease payments including variable payments and could be material to the tenant. Many of the Company's leases have increasing minimum rental rates during the terms of the leases through escalation provisions. In addition, the majority of the Company's leases provide for separate billings for variable rent, such as, reimbursements of real estate taxes, maintenance and insurance and may include an amount based on a percentage of the tenants' sales. Total billings related to expense reimbursements from tenants for the three and six months ended June 30, 2019, was \$2.8 million and \$5.7 million, respectively, which is included in Rental revenue on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

The Company has entered into non-cancelable lease agreements with tenants for space. As of June 30, 2019, the approximate fixed future minimum rentals for the period from July 1, 2019 through December 31, 2019, for each of the years ending December 31, 2020 through 2023 and thereafter related to the Company's commercial properties are as follows (in thousands):

|  | <b>Fixed Future Minimum Rentals</b> |
|--|-------------------------------------|
| July 1, 2019 through December 31, 2019 | \$ 31,699                           |
| 2020                                   | 58,037                              |
| 2021                                   | 50,520                              |
| 2022                                   | 42,001                              |
| 2023                                   | 39,174                              |
| Thereafter                             | 199,061                             |
| <b>Total</b>                           | <b>\$ 420,492</b>                   |

During the six months ended June 30, 2019 and 2018, the Company did not earn more than 10% of its revenue from any individual tenant.

#### 4. DEBT FINANCING

As of June 30, 2019 and December 31, 2018, the Company had approximately \$600.5 million and \$545.8 million of debt outstanding, with weighted average years to maturity of 3.0 years and 2.9 years, respectively, and a weighted average interest rate of 2.49% and 2.85%, respectively. The following table provides additional information regarding the Company's debt outstanding at June 30, 2019 and December 31, 2018 (in thousands):

| Description                            | Origination or Assumption Date | Maturity Date | Maximum Capacity in Functional Currency | Interest Rate Description      | Interest Rate as of June 30, 2019 | Principal Outstanding at June 30, 2019 | Principal Outstanding at December 31, 2018 |
|--|--------------------------------|---------------|---|--------------------------------|-----------------------------------|--|--|
| <b>Secured Mortgage Debt</b>           |                                |               |   |                                |                                   |  |  |
| Bishop's Square                        | 3/3/2015                       | 3/2/2022      | € 55,200                                | Euribor + 1.30% <sup>(1)</sup> | 1.30%                             | \$ 62,740                              | \$ 63,171                                  |
| Domain Apartments                      | 1/29/2016                      | 1/29/2020     | \$ 34,300                               | Libor + 1.60%                  | 4.00%                             | 34,300                                 | 34,300                                     |
| Cottonwood Corporate Center            | 7/5/2016                       | 8/1/2023      | \$ 78,000                               | Fixed                          | 2.98%                             | 73,241                                 | 74,110                                     |
| Goodyear Crossing II                   | 8/18/2016                      | 8/18/2021     | \$ 29,000                               | Libor + 2.00%                  | 4.44%                             | 29,000                                 | 29,000                                     |
| Rookwood Commons                       | 1/6/2017                       | 7/1/2020      | \$ 67,000                               | Fixed                          | 3.13%                             | 67,000                                 | 67,000                                     |
| Rookwood Pavilion                      | 1/6/2017                       | 7/1/2020      | \$ 29,000                               | Fixed                          | 2.87%                             | 29,000                                 | 29,000                                     |
| Montrose Student Residences            | 3/24/2017                      | 3/23/2022     | € 22,605                                | Euribor + 1.85% <sup>(2)</sup> | 1.85%                             | 25,693                                 | 25,869                                     |
| Queen's Court Student Residences       | 12/18/2017                     | 12/18/2022    | £ 29,500                                | Libor + 2.00% <sup>(3)</sup>   | 2.88%                             | 37,436                                 | 37,565                                     |
| Venue Museum District                  | 9/21/2018                      | 10/9/2020     | \$ 45,000                               | Libor + 1.95% <sup>(4)</sup>   | 4.36%                             | 45,000                                 | 45,000                                     |
| Fresh Park Venlo                       | 10/3/2018                      | 8/15/2023     | € 75,000                                | Euribor + 1.50% <sup>(5)</sup> | 1.50%                             | 85,225                                 | 85,809                                     |
| Maintal Logistics                      | 2/21/2019                      | 2/28/2024     | € 23,500                                | Euribor + 1.10% <sup>(6)</sup> | 1.10%                             | 26,621                                 | —  |
| ABC Westland                           | 5/3/2019                       | 2/15/2024     | € 75,000                                | Euribor + 1.50% <sup>(7)</sup> | 1.50%                             | 85,245                                 | —  |
| <b>Notes Payable</b>                   |                                |               |   |                                |                                   | <b>\$ 600,501</b>                      | <b>\$ 490,824</b>                          |
| <b>Affiliate Note Payable</b>          |                                |               |   |                                |                                   |  |  |
| Credit Facility with Hines             | 10/2/2017                      | 12/31/2019    | \$ 75,000                               | Variable                       | N/A                               | —                                      | 55,000                                     |
| <b>Total Note Payable to Affiliate</b> |                                |               |   |                                |                                   | <b>\$ —</b>                            | <b>\$ 55,000</b>                           |
| <b>Total Principal Outstanding</b>     |                                |               |   |                                |                                   | <b>\$ 600,501</b>                      | <b>\$ 545,824</b>                          |
| Unamortized discount                   |                                |               |   |                                |                                   | (210)                                  | (316)                                      |
| Unamortized financing fees             |                                |               |   |                                |                                   | (3,479)                                | (3,069)                                    |
| <b>Total</b>                           |                                |               |   |                                |                                   | <b>\$ 596,812</b>                      | <b>\$ 542,439</b>                          |

- (1) On the loan origination date, the Company entered into a 2.00% Euribor interest rate cap agreement for the full amount borrowed as an economic hedge against the variability of future interest rates on this borrowing.
- (2) On the loan origination date, the Company entered into a 1.25% Euribor interest rate cap agreement for €17.0 million (approximately \$19.3 million assuming a rate of \$1.14 per EUR as of June 30, 2019) of the full amount borrowed as an economic hedge against the variability of future interest rates on this borrowing.
- (3) On the loan origination date, the Company entered into a 2.00% LIBOR interest rate cap agreement for £22.1 million (approximately \$28.1 million assuming a rate of \$1.27 per GBP as of June 30, 2019) of the full amount borrowed as an economic hedge against the variability of future interest rates on this borrowing.
- (4) On the loan origination date, the Company entered into a 3.50% LIBOR interest rate cap agreement for the full amount borrowed as an economic hedge against the variability of future interest rates on this borrowing.
- (5) On the loan origination date, the Company entered into a 2.00% Euribor interest rate cap agreement for €52.5 million (approximately \$59.7 million assuming a rate of \$1.14 per EUR as of June 30, 2019) as an economic hedge against the variability of future interest rates on this borrowing.
- (6) In February 2019, the Company entered into a secured mortgage loan to fund the acquisition of Maintal Logistics, which was acquired on December 31, 2018. Funding for the acquisition, which relates to the \$43.8 million recorded within other liabilities on the Condensed Consolidated Balance Sheet as of December 31, 2018, was not required until the loan closed in February 2019. On the loan origination date, the Company entered into a 2.00% Euribor interest rate cap agreement for €16.5 million (approximately \$18.7 million assuming a rate of \$1.14 per EUR as of June 30, 2019) as an economic hedge against the variability of future interest rates on this borrowing.
- (7) On the loan origination date, the Company entered into a 1.00% Euribor interest rate cap agreement for €52.5 million

(approximately \$58.8 million assuming a rate of \$1.12 per EUR as of June 30, 2019) as an economic hedge against the variability of future interest rates on this borrowing.

#### *Hines Credit Facility*

During the six months ended June 30, 2019, the Company made draws of \$44.0 million and made payments of \$99.0 million under its credit facility with Hines (the “Hines Credit Facility”). The Company had no outstanding balance on June 30, 2019. From July 1, 2019 through August 14, 2019, the Company made no draws or payments under the Hines Credit Facility.

#### *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, bankruptcy-related defaults, and customary covenants, including limitations on liens and indebtedness and maintenance of certain financial ratios. As of June 30, 2019, Goodyear Crossing II was out of compliance with a loan covenant related to its secured mortgage debt. In August 2019, the lender provided a waiver of the covenant that was out of compliance, as the property met certain conditions set forth by the lender. The Company is not aware of any other instances of noncompliance with financial covenants on any of its other loans as of June 30, 2019.

#### *Principal Payments on Debt*

The Company is required to make the following principal payments on its outstanding notes payable for the period from July 1, 2019 through December 31, 2019, for each of the years ending December 31, 2020 through December 31, 2023 and for the period thereafter (in thousands).

|                    | <b>Payments Due by Year</b>                       |             |             |             |             |                   |
|--------------------|---|-------------|-------------|-------------|-------------|-------------------|
|                    | <b>July 1, 2019 through<br/>December 31, 2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>Thereafter</b> |
| Principal payments | \$ 994  | \$ 177,388  | \$ 31,143   | \$ 128,068  | \$ 152,289  | \$ 110,619        |

As of August 14, 2019, the Company is required to make \$130.3 million in principal payments on its outstanding notes payable that mature through August 2020. The Company expects to be able to repay with cash on hand or proceeds raised from its current offering, or to be able to refinance the debt terms on the principal outstanding.

LIBOR is expected to be discontinued after 2021. As of June 30, 2019 the Company has one loan with a variable interest rate tied to LIBOR with a maturity beyond 2021. The loan agreement provides procedures for determining a replacement or alternative rate in the event that LIBOR is unavailable. However, there can be no assurances as to whether such replacement or alternative rate will be more or less favorable than LIBOR. The Company intends to monitor the developments with respect to the potential phasing out of LIBOR after 2021 and work with its lenders to ensure any transition away from LIBOR will have minimal impact on its financial condition, but can provide no assurances regarding the impact of the discontinuation of LIBOR.

## **5. DERIVATIVE INSTRUMENTS**

The Company has entered into several interest rate cap contracts in connection with certain of its secured mortgage loans in order to limit its exposure against the variability of future interest rates on its variable interest rate borrowings. The Company’s interest rate cap contracts have economically limited the interest rate on the loan to which they relate. The Company has not designated these derivatives as hedges for accounting purposes. The Company has not entered into a master netting arrangement with its third-party counterparty and does not offset on its Condensed Consolidated Balance Sheets the fair value amount recorded for its derivative instruments.

The Company has also entered into foreign currency forward contracts as economic hedges against the variability of foreign exchange rates related to certain cash flows of some of its international investments. These forward contracts fixed the currency exchange rates on each of the investments to which they related. The Company did not designate any of these contracts as fair value or cash flow hedges for accounting purposes. In December 2018, the Company entered into a €15.0 million foreign currency forward contract with an effective date of December 20, 2018 and a trade date of February 25, 2019, in connection with the funding of the Maintal Logistics acquisition. Additionally, in March 2019, the Company entered into an initial €46.0 million foreign currency forward contract with an effective date of March 1, 2019 and a trade date of March 20,

2019, in connection with the acquisition of ABC Westland. Upon settlement of the initial forward contract in March 2019, the Company entered into a new €46.0 million foreign currency forward contract in connection with the acquisition of ABC Westland with an effective date of March 31, 2019 and a trade date of April 3, 2019. See Note 3—Investment Property for additional information regarding the purchase of ABC Westland.

The table below provides additional information regarding the Company's interest rate contracts (in thousands, except percentages).

#### Interest Rate Cap Contracts

| Property                         | Effective Date     | Expiration Date   | Notional Amount <sup>(1)</sup> | Interest Rate Received | Pay Rate / Strike Rate |
|----------------------------------|--------------------|-------------------|--------------------------------|------------------------|------------------------|
| Bishop's Square                  | March 3, 2015      | April 25, 2020    | \$ 62,735                      | Euribor                | 2.00%                  |
| Montrose Student Residences      | March 24, 2017     | March 23, 2022    | \$ 19,268                      | Euribor                | 1.25%                  |
| Queen's Court Student Residences | December 20, 2017  | December 20, 2020 | \$ 28,077                      | LIBOR                  | 2.00%                  |
| Venue Museum District            | September 21, 2018 | October 9, 2020   | \$ 45,000                      | LIBOR                  | 3.50%                  |
| Fresh Park Venlo                 | October 8, 2018    | August 15, 2023   | \$ 59,652                      | Euribor                | 2.00%                  |
| Maintal Logistics                | February 28, 2019  | February 28, 2024 | \$ 18,695                      | Euribor                | 2.00%                  |
| ABC Westland                     | May 3, 2019        | February 15, 2024 | \$ 58,800                      | Euribor                | 1.00%                  |

(1) For notional amounts denominated in a foreign currency, amounts have been translated at a rate based on the rate in effect on June 30, 2019.

The table below presents the effects of the changes in fair value of the Company's derivative instruments in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and six months ended June 30, 2019 and 2018 (in thousands):

|  | Gain (Loss) Recorded on Derivative Instruments |                |                           |                |
|--|--|----------------|---------------------------|----------------|
|  | Three months ended June 30,                    |                | Six months ended June 30, |                |
|  | 2019   | 2018           | 2019                      | 2018           |
| Derivatives not designated as hedging instruments: |  |                |                           |                |
| Interest rate caps                                 | \$ (151)                                       | \$ (45)        | \$ (311)                  | \$ (47)        |
| Foreign currency forward contracts                 | 74   | —              | (876)                     | —              |
| Total gain (loss) on derivatives                   | <u>\$ (77)</u>                                 | <u>\$ (45)</u> | <u>\$ (1,187)</u>         | <u>\$ (47)</u> |

## 6. STOCKHOLDERS' EQUITY

### Public Offering

On November 30, 2017, the Company (i) redesignated its issued and outstanding Class A shares of common stock, Class T shares of common stock, Class I shares of common stock and Class J shares of common stock as "Class AX shares," "Class TX shares," "Class IX shares" and "Class JX shares," (collectively, the "IPO Shares") respectively, and (ii) reclassified the authorized but unissued portion of its common stock into four additional classes of shares of common stock: "Class T shares," "Class S shares," "Class D shares," and "Class I shares." The Company is offering its shares of common stock in the Follow-On Offering in any combination of Class T shares, Class S shares, Class D shares and Class I shares (collectively, the "Follow-On Offering Shares"). All shares of the Company's common stock have the same voting rights and rights upon liquidation, although distributions received by the Company's stockholders are expected to differ due to the distribution and stockholder servicing fees payable with respect to the applicable share classes, which reduce distributions.

The Company complies with the FASB ASC 480 "Distinguishing Liabilities from Equity" which requires, among other things, that financial instruments that represent a mandatory obligation of the Company to repurchase shares be classified as liabilities and reported at settlement value. When shares are tendered for redemption and approved (or not prohibited) by the board of directors, the Company will reclassify such obligations from equity to an accrued liability based upon their respective settlement values and redeem those shares in the subsequent month pursuant to the Company's current share redemption program.

### Common Stock

As of June 30, 2019 and December 31, 2018, the Company had the following classes of shares of common stock authorized, issued and outstanding (in thousands):

|  | June 30, 2019     |               |                    | December 31, 2018 |               |                    |
|--|-------------------|---------------|--------------------|-------------------|---------------|--------------------|
|  | Shares Authorized | Shares Issued | Shares Outstanding | Shares Authorized | Shares Issued | Shares Outstanding |
| Class AX common stock, \$0.001 par value per share | 40,000            | 18,960        | 18,960             | 40,000            | 19,123        | 19,123             |
| Class TX common stock, \$0.001 par value per share | 40,000            | 19,951        | 19,951             | 40,000            | 19,969        | 19,969             |
| Class IX common stock, \$0.001 par value per share | 10,000            | 98            | 98                 | 10,000            | 96            | 96                 |
| Class JX common stock, \$0.001 par value per share | 10,000            | —             | —                  | 10,000            | —             | —                  |
| Class T common stock, \$0.001 par value per share  | 350,000           | 15,021        | 15,021             | 350,000           | 2,858         | 2,858              |
| Class S common stock, \$0.001 par value per share  | 350,000           | —             | —                  | 350,000           | —             | —                  |
| Class D common stock, \$0.001 par value per share  | 350,000           | 4,497         | 4,497              | 350,000           | 1,479         | 1,479              |
| Class I common stock, \$0.001 par value per share  | 350,000           | 2,187         | 2,187              | 350,000           | 59            | 59                 |

The tables below provide information regarding the issuances and redemptions of each class of the Company's common stock during the six months ended June 30, 2019 and 2018 (in thousands). There were no Class JX and S shares issued, redeemed or outstanding during the six months ended June 30, 2019.

|                                      | Class AX |        | Class TX |        | Class IX |        | Class T |        | Class D |        | Class I |        | Total  |        |
|--------------------------------------|----------|--------|----------|--------|----------|--------|---------|--------|---------|--------|---------|--------|--------|--------|
|                                      | Shares   | Amount | Shares   | Amount | Shares   | Amount | Shares  | Amount | Shares  | Amount | Shares  | Amount | Shares | Amount |
| <b>Balance as of January 1, 2019</b> | 19,123   | \$ 19  | 19,969   | \$ 21  | 96       | \$ —   | 2,858   | \$ 3   | 1,479   | \$ 1   | 59      | \$ —   | 43,584 | \$ 44  |
| Issuance of common shares            | 136      | —      | 155      | 1      | 1        | —      | 4,011   | 4      | 1,198   | 1      | 608     | 1      | 6,109  | 7      |
| Redemption of common shares          | (163)    | —      | (195)    | —      | —        | —      | —       | —      | (4)     | —      | —       | —      | (362)  | —      |
| <b>Balance as of March 31, 2019</b>  | 19,096   | \$ 19  | 19,929   | \$ 22  | 97       | \$ —   | 6,869   | \$ 7   | 2,673   | \$ 2   | 667     | \$ 1   | 49,331 | \$ 51  |
| Issuance of common shares            | 134      | —      | 154      | —      | 1        | —      | 8,152   | 8      | 1,824   | 2      | 1,520   | 1      | 11,785 | 11     |
| Redemption of common shares          | (270)    | —      | (132)    | —      | —        | —      | —       | —      | —       | —      | —       | —      | (402)  | —      |
| <b>Balance as of June 30, 2019</b>   | 18,960   | \$ 19  | 19,951   | \$ 22  | 98       | \$ —   | 15,021  | \$ 15  | 4,497   | \$ 4   | 2,187   | \$ 2   | 60,714 | \$ 62  |

|                                      | Class AX |        | Class TX |        | Class IX |        | Class T |        | Class D |        | Total  |        |
|--------------------------------------|----------|--------|----------|--------|----------|--------|---------|--------|---------|--------|--------|--------|
|                                      | Shares   | Amount | Shares   | Amount | Shares   | Amount | Shares  | Amount | Shares  | Amount | Shares | Amount |
| <b>Balance as of January 1, 2018</b> | 19,206   | \$ 19  | 19,958   | \$ 20  | 92       | \$ —   | —       | \$ —   | —       | \$ —   | 39,256 | \$ 39  |
| Issuance of common shares            | 145      | —      | 162      | —      | 1        | —      | —       | —      | —       | —      | 308    | —      |
| Redemption of common shares          | (116)    | —      | (17)     | —      | —        | —      | —       | —      | —       | —      | (133)  | —      |
| <b>Balance as of March 31, 2018</b>  | 19,235   | \$ 19  | 20,103   | \$ 20  | 93       | \$ —   | —       | \$ —   | —       | \$ —   | 39,431 | \$ 39  |
| Issuance of common shares            | 143      | —      | 159      | 1      | 1        | —      | 123     | —      | 38      | —      | 464    | 1      |
| Redemption of common shares          | (136)    | —      | (259)    | —      | —        | —      | —       | —      | —       | —      | (395)  | —      |
| <b>Balance as of June 30, 2018</b>   | 19,242   | \$ 19  | 20,003   | \$ 21  | 94       | \$ —   | 123     | \$ —   | 38      | \$ —   | 39,500 | \$ 40  |

### Distributions

With the authorization of the Company's board of directors, the Company declared distributions monthly from January 2019 through July 2019 at a gross distribution rate of \$0.05208 per month for each share class (represents an annualized rate of \$0.625 per share per year if this rate is declared for an entire year), less any applicable distribution and stockholder servicing fees.

Distributions were made on all classes of the Company's common stock at the same time. All distributions were paid in cash or reinvested in shares of the Company's common stock for those participating in the Company's distribution reinvestment plan and have been paid or issued, respectively, on the first business day following the completion of the month to which they relate. Distributions reinvested pursuant to the Company's distribution reinvestment plan were reinvested in shares of the same class as the shares on which the distributions were made. Some or all of the cash distributions may be paid from sources other than cash flows from operations.



The following table outlines the Company's total cash distributions declared to stockholders for each of the quarters ended during 2019 and 2018, including the breakout between the distributions declared in cash and those reinvested pursuant to the Company's distribution reinvestment plan (in thousands).

| Distributions for the Three Months Ended | Stockholders       |                          |                  |
|--|--------------------|--------------------------|------------------|
|  | Cash Distributions | Distributions Reinvested | Total Declared   |
| <b>2019</b>                              |                    |                          |                  |
| June 30, 2019                            | \$ 3,647           | \$ 4,415                 | \$ 8,062         |
| March 31, 2019                           | 3,090              | 3,614                    | 6,704            |
| Total                                    | <u>\$ 6,737</u>    | <u>\$ 8,029</u>          | <u>\$ 14,766</u> |
| <b>2018</b>                              |                    |                          |                  |
| December 31, 2018                        | \$ 2,765           | \$ 3,168                 | \$ 5,933         |
| September 30, 2018                       | 2,617              | 3,034                    | 5,651            |
| June 30, 2018                            | 2,554              | 2,974                    | 5,528            |
| March 31, 2018                           | 2,544              | 2,970                    | 5,514            |
| Total                                    | <u>\$ 10,480</u>   | <u>\$ 12,146</u>         | <u>\$ 22,626</u> |

The table below outlines the net distributions declared for each class of shares for the three and six months ended June 30, 2019 and 2018. The net distributions presented below are representative of the gross distribution rate declared by the Company's board of directors, less any applicable ongoing distribution and stockholder servicing fees.

|  | Three Months Ended June 30, |         | Six Months Ended June 30, |         |
|--|-----------------------------|---------|---------------------------|---------|
|  | 2019                        | 2018    | 2019                      | 2018    |
| Distributions declared per Class AX share, net | \$ 0.16                     | \$ 0.15 | \$ 0.31                   | \$ 0.30 |
| Distributions declared per Class TX share, net | \$ 0.13                     | \$ 0.13 | \$ 0.26                   | \$ 0.26 |
| Distributions declared per Class IX share, net | \$ 0.15                     | \$ 0.15 | \$ 0.30                   | \$ 0.29 |
| Distributions declared per Class T share, net  | \$ 0.13                     | \$ 0.13 | \$ 0.26                   | \$ 0.26 |
| Distributions declared per Class S share, net  | \$ 0.13                     | \$ 0.13 | \$ 0.26                   | \$ 0.26 |
| Distributions declared per Class D share, net  | \$ 0.15                     | \$ 0.15 | \$ 0.30                   | \$ 0.29 |
| Distributions declared per Class I share, net  | \$ 0.16                     | \$ 0.15 | \$ 0.31                   | \$ 0.30 |



## 7. RELATED PARTY TRANSACTIONS

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

| Type and Recipient  | Incurred                    |                 |                           |                 | Unpaid as of     |                   |
|---|-----------------------------|-----------------|---------------------------|-----------------|------------------|-------------------|
|   | Three Months Ended June 30, |                 | Six Months Ended June 30, |                 |                  |                   |
|   | 2019                        | 2018            | 2019                      | 2018            | June 30, 2019    | December 31, 2018 |
| Selling Commissions- Dealer Manager <sup>(1)</sup>  | \$ 2,390                    | \$ 36           | \$ 3,560                  | \$ 36           | \$ 1             | \$ 4              |
| Dealer Manager Fee- Dealer Manager  | 422                         | 6               | 630                       | 6               | —                | 3                 |
| Distribution & Stockholder Servicing Fees- Dealer Manager   | 5,698                       | —               | 8,687                     | —               | 15,644           | 8,332             |
| Organization and Offering Costs- the Advisor  | 1,048                       | 998             | 2,288                     | 1,502           | 8,555            | 9,001             |
| Asset Management Fees- the Advisor  | 1,801                       | 1,214           | 3,288                     | 2,420           | 1,930            | 1,317             |
| Other- the Advisor <sup>(2)</sup>   | 730                         | 280             | 1,223                     | 672             | 509              | 691               |
| Performance Participation Allocation- the Advisor <sup>(3)</sup>  | 1,476                       | 1,185           | 2,597                     | 2,777           | 2,597            | 5,954             |
| Interest expense- Hines and its affiliates <sup>(4)</sup>   | 310                         | 11              | 747                       | 198             | —                | 151               |
| Property Management Fees- Hines and its affiliates  | 443                         | 248             | 815                       | 459             | 148              | 78                |
| Development and Construction Management Fees- Hines and its affiliates  | 223                         | 139             | 290                       | 251             | 191              | 28                |
| Leasing Fees- Hines and its affiliates  | 230                         | 26              | 337                       | 110             | 266              | 228               |
| Expense Reimbursement- Hines and its affiliates (with respect to management and operations of the Company's properties) | 983                         | 409             | 1,795                     | 885             | 364              | 235               |
| <b>Total</b>  | <b>\$15,754</b>             | <b>\$ 4,552</b> | <b>\$26,257</b>           | <b>\$ 9,316</b> | <b>\$ 30,205</b> | <b>\$ 26,022</b>  |

- (1) Some or all of these fees may be reallocated to participating broker dealers rather than being retained by the Dealer Manager.
- (2) Includes amounts the Advisor paid on behalf of the Company such as general and administrative expenses and acquisition-related expenses. These amounts are generally reimbursed to the Advisor during the month following the period in which they are incurred.
- (3) Through its ownership of the special limited partner interest in the Operating Partnership, the Advisor is entitled to an annual performance participation allocation of 12.5% of the Operating Partnership's total return. Total return is defined as distributions paid or accrued plus the change in net asset value of the Company's shares of common stock for the applicable period. This performance participation allocation is subject to the Company earning a 5% total return annually (as defined above), after considering the effect of any losses carried forward from the prior period (as defined in the Operating Partnership agreement). The performance participation allocation accrues monthly and is payable after the completion of each calendar year.
- (4) Includes amounts paid related to the Hines Credit Facility.

## 8. FAIR VALUE MEASUREMENTS

Fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access. Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In instances in which the inputs used to measure fair value may fall into different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

*Financial Instruments Measured on a Recurring Basis*

As described in “Note 5 — Derivative Instruments,” the Company entered into several interest rate contracts as economic hedges against the variability of future interest rates on its variable interest rate borrowings. The valuation of these derivative instruments is determined based on assumptions that management believes market participants would use in pricing, using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate contracts have been determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

Although the Company has determined the majority of the inputs used to value its interest rate contracts fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and its counterparties. In adjusting the fair values of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds and guarantees. However, as of June 30, 2019 and 2018, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuations of its derivatives. As a result, the Company has determined its derivative valuations are classified in Level 2 of the fair value hierarchy.

Additionally, as described in “Note 5 — Derivative Instruments,” the Company has entered into foreign currency forward contracts as economic hedges against the variability of foreign exchange rates. The valuation of these forward contracts is determined based on assumptions that management believes market participants would use in pricing, using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including currency exchange rate curves and implied volatilities. The Company has determined its foreign currency forward contracts valuations are classified in Level 2 of the fair value hierarchy, as they are based on observable inputs but are not traded in active markets.

In the fourth quarter of 2018, the Company made its initial investments in real estate-related securities and as of June 30, 2019 has \$20.0 million invested in these securities. These securities consist of common equities, preferred equities and debt investments of publicly traded REITs. The Company has elected to classify these investments as trading securities and carry such investments at fair value. In July 2019, the Company made an additional \$15.0 million investment in real estate-related securities. The following table summarizes activity for the Company’s real estate-related securities measured at fair value on a recurring basis, and excludes balances of uninvested cash in our managed account of \$1.3 million and \$62,000 as of June 30, 2019 and December 31, 2018, respectively.

| As of             | Description                                   | Basis of Fair Value Measurements |   |   |   |
|-------------------|---|----------------------------------|---|---|---|
|                   |   | Fair Value of Assets             | Quoted Prices In Active Markets for Identical Items (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| June 30, 2019     | Investments in real estate-related securities | \$ 19,833                        | \$ 19,833   | \$ —  | \$ —                                      |
| December 31, 2018 | Investments in real estate-related securities | \$ 9,599                         | \$ 9,599  | \$ —  | \$ —                                      |

*Financial Instruments Fair Value Disclosures*

As of June 30, 2019, the Company estimated that the fair value of its notes payable, excluding deferred financing costs, which had a book value of \$600.5 million, was \$596.7 million. As of December 31, 2018, the Company estimated that the fair value of its notes payable, excluding deferred financing costs, which had a book value of \$545.8 million, was \$540.3 million. Management has utilized available market information such as interest rate and spread assumptions of notes payable with similar terms and remaining maturities, to estimate the amounts required to be disclosed. Although the Company has determined that 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, the Company has assessed the significance of the impact of the credit quality adjustments on the overall valuations of the fair market value of its notes payable and has determined they are not significant. Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, restricted cash, 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 inputs are utilized to estimate the fair value of the cash and cash equivalents and restricted cash and Level 2 inputs are utilized to estimate the fair value of the remaining financial instruments.

## 9. REPORTABLE SEGMENTS

As described previously, the Company invests the net proceeds from its public offerings into its portfolio of quality commercial real estate properties and other real estate investments throughout the United States and internationally. The Company's current business consists of owning, operating, acquiring, developing, investing in, and disposing of real estate assets and all of the Company's consolidated revenues and property operating expenses are from these real estate properties.

Management evaluates the operating performance of each of its real estate properties at an individual investment level and considers each investment to be an operating segment. The Company has aggregated its operating segments into seven reportable segments: domestic office investments, domestic residential/living investments, domestic retail investments, domestic industrial investments, international industrial investments, international office investments, and international residential/living investments.

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

|  | Three Months Ended June 30, |                  | Six Months Ended June 30, |                  |
|--|-----------------------------|------------------|---------------------------|------------------|
|  | 2019                        | 2018             | 2019                      | 2018             |
| <b>Total Revenue</b>                         |                             |                  |                           |                  |
| Domestic office investments                  | \$ 4,128                    | \$ 4,110         | \$ 8,337                  | \$ 8,138         |
| Domestic residential/living investments      | 2,741                       | 1,229            | 5,473                     | 2,443            |
| Domestic retail investments                  | 4,903                       | 5,010            | 9,852                     | 10,054           |
| Domestic industrial investments              | 1,099                       | 1,312            | 2,185                     | 3,290            |
| International industrial investments         | 6,582                       | —                | 11,335                    | —                |
| International office investments             | 1,860                       | 1,963            | 3,791                     | 4,062            |
| International residential/living investments | 2,241                       | 2,350            | 4,318                     | 4,718            |
| <b>Total Revenue</b>                         | <u>\$ 23,554</u>            | <u>\$ 15,974</u> | <u>\$ 45,291</u>          | <u>\$ 32,705</u> |

For the three and six months ended June 30, 2019 and 2018, the Company's total revenue was attributable to the following countries:

|                      | Three Months Ended June 30, |      | Six Months Ended June 30, |      |
|----------------------|-----------------------------|------|---------------------------|------|
|                      | 2019                        | 2018 | 2019                      | 2018 |
| <b>Total Revenue</b> |                             |      |                           |      |
| United States        | 55%                         | 73%  | 57%                       | 73%  |
| The Netherlands      | 24%                         | —%   | 21%                       | —%   |
| Ireland              | 12%                         | 19%  | 13%                       | 18%  |
| United Kingdom       | 5%                          | 8%   | 5%                        | 9%   |
| Germany              | 4%                          | —%   | 4%                        | —%   |

For the three and six months ended June 30, 2019 and 2018, the Company's property revenues in excess of expenses by segment were as follows (in thousands):

|   | Three Months Ended June 30, |                  | Six Months Ended June 30, |                  |
|---|-----------------------------|------------------|---------------------------|------------------|
|   | 2019                        | 2018             | 2019                      | 2018             |
| <b>Property revenues in excess of expenses <sup>(1)</sup></b> |                             |                  |                           |                  |
| Domestic office investments                                   | \$ 2,813                    | \$ 2,852         | \$ 5,709                  | \$ 5,572         |
| Domestic residential/living investments                       | 1,340                       | 816              | 2,784                     | 1,590            |
| Domestic retail investments                                   | 2,816                       | 3,245            | 5,628                     | 6,407            |
| Domestic industrial investments                               | 958                         | 989              | 1,656                     | 2,519            |
| International industrial investments                          | 3,743                       | —                | 6,321                     | —                |
| International office investments                              | 1,533                       | 1,522            | 2,480                     | 3,124            |
| International residential/living investments                  | 1,542                       | 1,520            | 3,066                     | 3,244            |
| <b>Property revenues in excess of expenses</b>                | <b>\$ 14,745</b>            | <b>\$ 10,944</b> | <b>\$ 27,644</b>          | <b>\$ 22,456</b> |

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

As of June 30, 2019 and December 31, 2018, the Company's total assets by segment were as follows (in thousands):

|  | June 30, 2019       | December 31, 2018 |
|--|---------------------|-------------------|
| <b>Total Assets</b>                          |                     |                   |
| Domestic office investments                  | \$ 127,441          | \$ 130,021        |
| Domestic residential/living investments      | 121,579             | 126,175           |
| Domestic retail investments                  | 196,686             | 199,819           |
| Domestic industrial investments              | 51,821              | 51,103            |
| International industrial investments         | 336,747             | 190,001           |
| International office investments             | 121,466             | 122,471           |
| International residential/living investments | 108,385             | 111,803           |
| Corporate-level accounts                     | 34,639              | 17,436            |
| <b>Total Assets</b>                          | <b>\$ 1,098,764</b> | <b>\$ 948,829</b> |

As of June 30, 2019 and December 31, 2018, the Company's total assets were attributable to the following countries:

|                     | June 30, 2019 | December 31, 2018 |
|---------------------|---------------|-------------------|
| <b>Total Assets</b> |               |                   |
| United States       | 49%           | 55%               |
| Ireland             | 15%           | 18%               |
| The Netherlands     | 26%           | 15%               |
| United Kingdom      | 6%            | 7%                |
| Germany             | 4%            | 5%                |

For the three and six months ended June 30, 2019 and 2018 the Company's reconciliation of the Company's property revenues in excess of expenses to the Company's net income (loss) is as follows (in thousands):

|   | <b>Three Months Ended June 30,</b> |                  | <b>Six Months Ended June 30,</b> |                  |
|---|------------------------------------|------------------|----------------------------------|------------------|
|   | <b>2019</b>                        | <b>2018</b>      | <b>2019</b>                      | <b>2018</b>      |
| <b>Reconciliation to property revenue in excess of expenses</b> |                                    |                  |                                  |                  |
| Net income (loss)   | \$ (3,450)                         | \$ (1,408)       | \$ (7,449)                       | \$ 9,968         |
| Depreciation and amortization                                   | 9,741                              | 6,959            | 19,069                           | 14,300           |
| Acquisition related expenses                                    | 13                                 | 10               | 17                               | 144              |
| Asset management fees   | 1,801                              | 1,214            | 3,288                            | 2,420            |
| Performance participation allocation                            | 1,476                              | 1,185            | 2,597                            | 2,777            |
| General and administrative expenses                             | 948                                | 659              | 1,795                            | 1,511            |
| (Gain) loss on derivative instruments                           | 77                                 | 45               | 1,187                            | 47               |
| (Gain) loss on real estate-related securities                   | (161)                              | —                | (1,327)                          | —                |
| Gain on sale of real estate                                     | —                                  | —                | —                                | (14,491)         |
| Foreign currency (gains) losses                                 | 267                                | 291              | 336                              | 316              |
| Interest expense  | 4,317                              | 2,677            | 8,514                            | 5,491            |
| Interest income   | (244)                              | (34)             | (372)                            | (47)             |
| (Benefit) provision for income taxes                            | (40)                               | (654)            | (11)                             | 20               |
| Total property revenues in excess of expenses                   | <u>\$ 14,745</u>                   | <u>\$ 10,944</u> | <u>\$ 27,644</u>                 | <u>\$ 22,456</u> |

**10. SUPPLEMENTAL CASH FLOW DISCLOSURES**

Supplemental cash flow disclosures for the six months ended June 30, 2019 and 2018 (in thousands):

|   | <b>Six Months Ended June 30,</b> |             |
|---|----------------------------------|-------------|
|   | <b>2019</b>                      | <b>2018</b> |
| <b>Supplemental Disclosure of Cash Flow Information</b>                     |                                  |             |
| Cash paid for interest  | \$ 7,947                         | \$ 5,025    |
| <b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b> |                                  |             |
| Distributions declared and unpaid   | \$ 2,860                         | \$ 1,844    |
| Distributions reinvested  | \$ 7,543                         | \$ 5,961    |
| Shares tendered for redemption  | \$ 596                           | \$ 1,090    |
| Non-cash net liabilities assumed  | \$ 2,686                         | \$ —        |
| Offering costs payable to the Advisor                                       | \$ 2,288                         | \$ 1,502    |
| Distribution and stockholder servicing fees payable to the Dealer Manager   | \$ 8,687                         | \$ —        |
| Accrued capital additions   | \$ 2,282                         | \$ 2,636    |
| Accrued acquisition costs   | \$ 164                           | \$ —        |

**11. COMMITMENTS AND CONTINGENCIES**

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.

**12. SUBSEQUENT EVENTS***The Promenade Shops at Briargate*

In August 2019, the Company entered into a purchase and sale agreement to purchase The Promenade Shops at Briargate, a retail center located in Colorado Springs, Colorado. The contract purchase price for The Promenade Shops at Briargate is expected to be approximately \$93.2 million, exclusive of transaction costs and closing prorations. The Company expects to fund the acquisition using proceeds from the Follow-on Offering. The Company funded a \$2.0 million earnest money deposit in August 2019. There is no guarantee that this sale will be consummated and the Company's deposit may not be refunded in such event. The Company expects the closing of this acquisition to occur in September 2019, subject to a number of closing conditions. However, the Company can provide no assurance that this acquisition will close on the expected timeline or at all.

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## **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, 2018.*

### **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 (the "Securities Act"), as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as amended. Such statements include statements concerning future financial performance and distributions, future debt and financing levels, acquisitions and investment objectives, payments to Hines Global REIT II Advisors LP (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 have the opportunity to invest offering and distribution reinvestment plan proceeds to acquire properties or other investments or whether such proceeds will be needed to redeem shares or for other purposes, and if proceeds are available for investment, our ability to make such investments in a timely manner and at appropriate amounts that provide acceptable returns;
- Competition for tenants and real estate investment opportunities, including competition with other programs sponsored by or affiliated with Hines Interests Limited Partnership ("Hines");
- Our reliance on our Advisor, Hines and affiliates of Hines for our day-to-day operations and the selection of 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;
- Our ability to complete acquisitions of properties under contract;
- 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 offering, as well as cash from the waiver of fees by our Advisor, 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, cash resulting from a waiver or deferral of fees, borrowings and/or proceeds from the offering. When we pay distributions from 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; and
- Our ability to qualify as a real estate investment trust (“REIT”) for U.S. federal income tax purposes.

These risks are more fully discussed in, and all forward-looking statements should be read in light of, all of the risk factors under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 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.

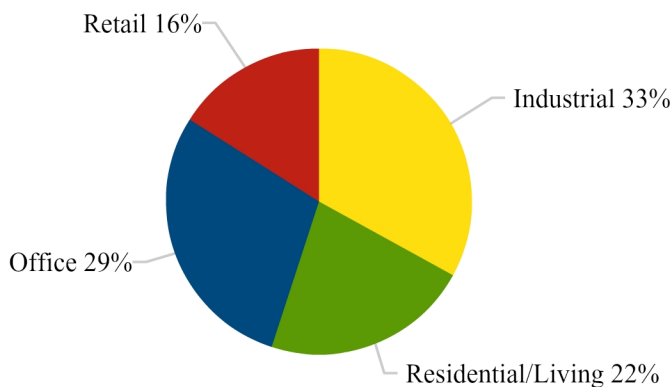
## **The Company**

Hines Global Income Trust, Inc. (“Hines Global”), formerly known as Hines Global REIT II, Inc., was formed as a Maryland corporation on July 31, 2013, 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. Hines Global is sponsored by Hines Interests Limited Partnership (“Hines”), a fully integrated global real estate investment and management firm that has acquired, developed, owned, operated and sold real estate for over 60 years. The Company has elected to be taxed as a REIT for U.S. federal income tax purposes beginning with its taxable year ended December 31, 2015.

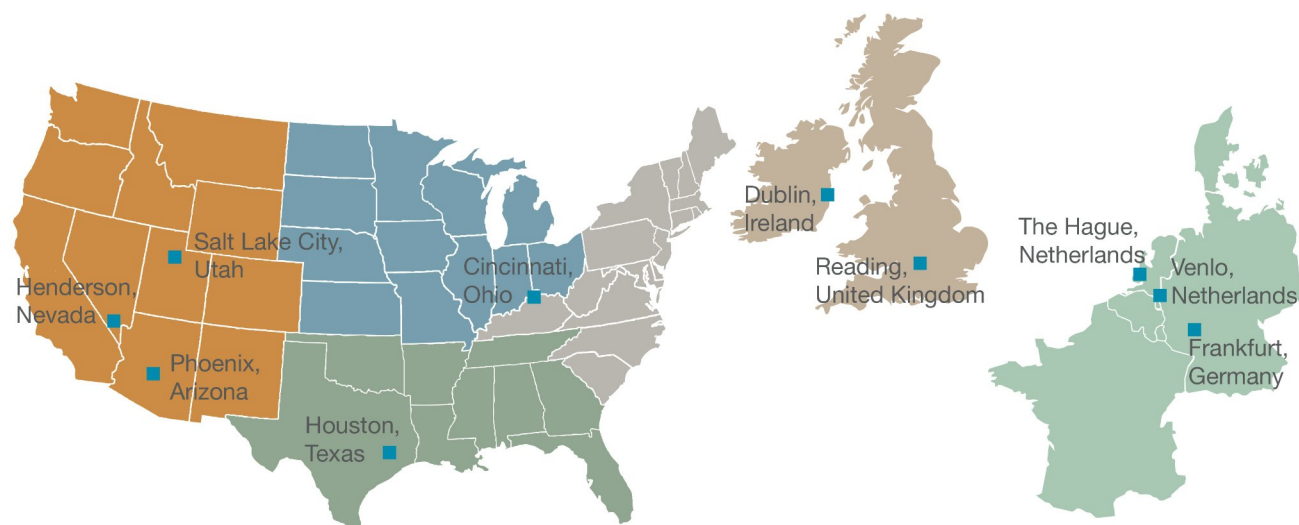
We raise capital for our investments through public offerings of our common stock. We commenced our initial public offering of up to \$2.5 billion in shares of our common stock (the “Initial Offering”) in August 2014 and commenced our second public offering of up to \$2.5 billion in shares of common stock including \$500.0 million of shares offered under our distribution reinvestment plan (the “Follow-On Offering”) in December 2017. It is our intention to conduct a continuous offering for an indefinite period of time by conducting additional offerings of our shares of common stock following the conclusion of the Follow-On Offering. As of August 14, 2019, we had received gross offering proceeds of \$738.9 million from the sale of 73.8 million shares through our public offerings, including shares issued pursuant to our distribution reinvestment plan.

## Portfolio Highlights

We intend to meet our primary investment objectives by investing in a portfolio of quality commercial real estate properties and other real estate investments that relate to properties that are generally diversified by geographic area, lease expirations and tenant industries. As of June 30, 2019, we owned eleven real estate investments consisting of 7.3 million square feet that were 96% leased. The following chart depicts the percentage of our portfolio's investment types based on the estimated value of each real estate investment as of June 30, 2019 ("Estimated Values"), which are consistent with the values used to determine our net asset value ("NAV") per share on that date.



The following charts depict the location of our real estate investments as of June 30, 2019. Approximately 46% of our portfolio is located throughout the United States and approximately 54% is located internationally, based on the Estimated Values.



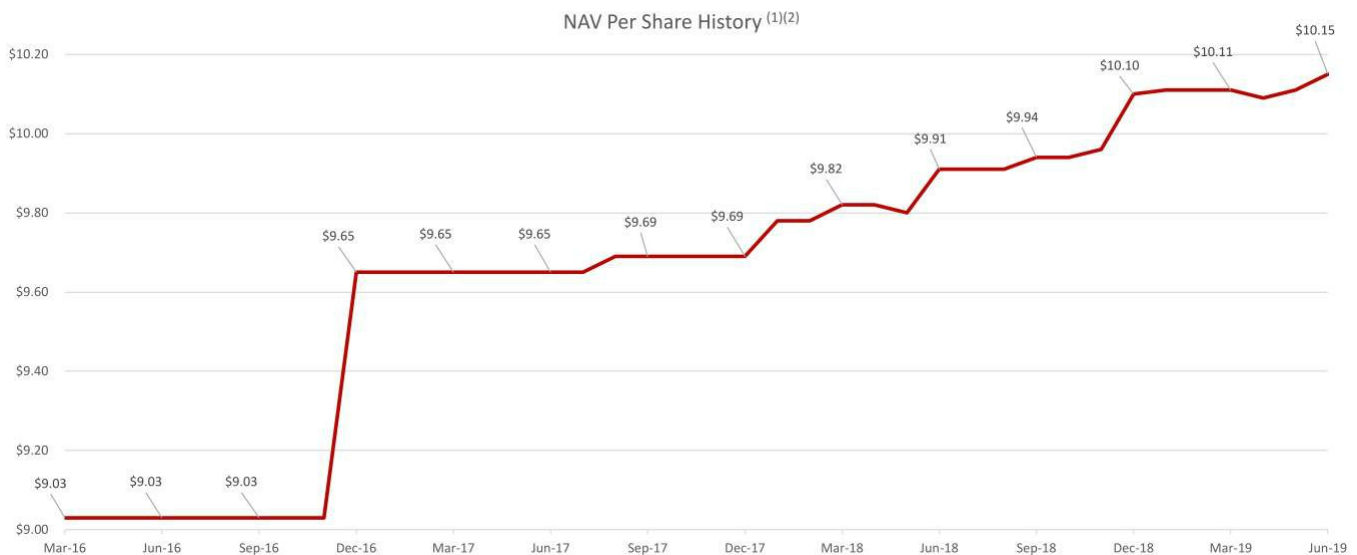
The following table provides additional information regarding each of our properties and is presented as of June 30, 2019.

| Property                         | Location                | Investment Type        | Date Acquired/ Net Purchase Price (in millions) <sup>(1)</sup> | Estimated Going-in Capitalization Rate <sup>(2)</sup> | Leasable Square Feet | Percent Leased      |
|----------------------------------|-------------------------|------------------------|--|---|----------------------|---------------------|
| Bishop's Square                  | Dublin, Ireland         | Office                 | 3/2015; \$103.2  | 6.1%  | 182,370              | 100%                |
| Domain Apartments                | Las Vegas, Nevada       | Residential/<br>Living | 1/2016; \$58.1   | 5.5%  | 331,038              | 96%                 |
| Cottonwood Corporate Center      | Salt Lake City, Utah    | Office                 | 7/2016; \$139.2  | 6.9%  | 487,283              | 97%                 |
| Goodyear Crossing II             | Phoenix, Arizona        | Industrial             | 8/2016; \$56.2   | 8.5%  | 820,384              | 100%                |
| Rookwood                         | Cincinnati, Ohio        | Retail                 | 1/2017; \$193.7  | 6.0%  | 567,335              | 96%                 |
| Montrose Student Residences      | Dublin, Ireland         | Residential/<br>Living | 3/2017; \$40.6   | 5.5%  | 53,835               | 100% <sup>(3)</sup> |
| Queen's Court Student Residences | Reading, United Kingdom | Residential/<br>Living | 10/2017; \$65.3  | 6.2%  | 79,115               | 91% <sup>(3)</sup>  |
| Venue Museum District            | Houston, Texas          | Residential/<br>Living | 9/2018; \$72.9   | 3.9%  | 294,964              | 93%                 |
| Fresh Park Venlo                 | Venlo, Netherlands      | Industrial             | 10/2018; \$136.3   | 6.7%  | 2,863,628            | 93%                 |
| Maintal Logistics                | Frankfurt, Germany      | Industrial             | 12/2018; \$43.8  | 5.7%  | 387,253              | 96%                 |
| ABC Westland                     | The Hague, Netherlands  | Industrial             | 5/2019; \$130.3  | 6.2%  | 1,268,515            | 97%                 |
| <b>Total for All Investments</b> |                         |                        |  |   | <b>7,335,720</b>     | <b>96%</b>          |

- (1) 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.
- (2) 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 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, including the assumption that the tenants will perform under their lease agreements during the 12 months following our acquisition of the properties and assumptions concerning estimates of timing and rental rates related to re-leasing vacant space.
- (3) For our student housing properties, percent leased as of June 30, 2019 reflects the leased percentage as of the most recent school year.

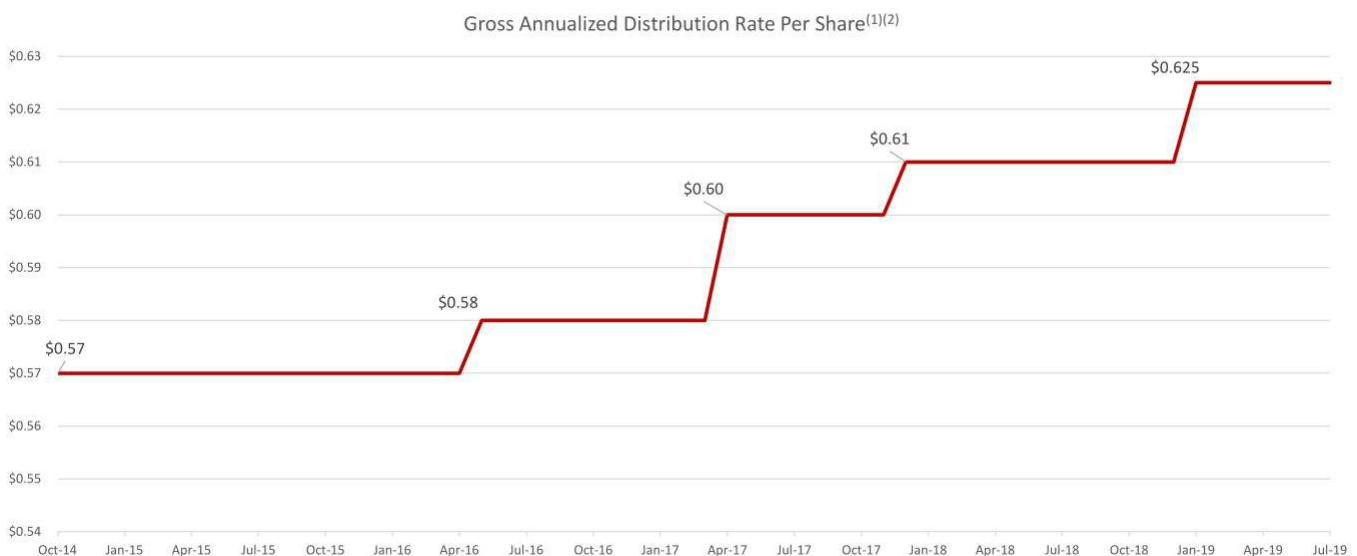
## NAV and Distributions

We began determining an NAV per share on a monthly basis as of the end of January 2018. Since that time, our NAV per share has increased from \$9.69 as of August 31, 2017 to \$10.15 as of June 30, 2019 as illustrated in the chart below. Set forth below is additional historical information regarding our NAV per share since February 29, 2016 (the date as of which our board of directors first determined an NAV per share).



1. Please see our Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on July 17, 2019 for additional information concerning the methodology used to determine, and the limitations of, the NAV per share as of June 30, 2019. Please see our Annual Reports on Form 10-K for the years ended December 31, 2018 and December 31, 2017 as well as our Current Reports on Form 8-K for additional information concerning the NAV per share determined as of prior dates.
2. Our board of directors determined an NAV per share of \$9.03 as of February 29, 2016. Prior thereto, \$8.92 was considered to be the “net investment value” per share of our common stocks, which was equal to the offering price per share of \$10.00 in effect at that time, as arbitrarily determined by our board of directors, net of the applicable selling commissions, dealer manager fees and issuer costs.

Set forth below is information regarding our gross annualized distribution rate, excluding any applicable distribution and stockholder servicing fees, since October 1, 2014 (the date our board first authorized distributions to be declared). As illustrated in the chart below, we increased our gross annualized distribution rate from \$0.61 per share to \$0.625 per share for the three and six months ended June 30, 2019.



1. With the authorization of our board of directors, we declared distributions as of daily record dates and paid them on a monthly basis through December 31, 2017. Beginning in January 2018, we began, and intend to continue, to declare distributions as of monthly record dates and pay them on a monthly basis.

2. We have not generated and we may continue to be unable to generate sufficient cash flows from operations to fully fund distributions. Therefore, some or all of our distributions have been and may continue to be paid, and during the offering phase, are likely to be paid at least partially from other sources, such as proceeds from the sales of assets, proceeds from our debt financings, proceeds from our public offerings, cash advances by our Advisor and/or cash resulting from a waiver or deferral of fees. See “— Financial Condition, Liquidity and Capital Resources” for additional information concerning our distributions.

### ***Performance Summary of Share Classes***

The table below discloses the total returns for the classes of shares that are no longer available for investment in our current public offering. The total returns shown reflect the percent change in the NAV per share from the beginning of the applicable period, plus the amount of any distribution per share declared during the period. The total returns shown are calculated assuming reinvestment of distributions pursuant to our DRP, are derived from unaudited financial information, and are net of all Hines expenses, including general and administrative expenses, transaction related expenses, management fees, the performance participation allocation, and share class specific fees, but exclude the impact of early redemption deductions on the redemption of shares that have been outstanding for less than one year. The inception dates for the Class AX Shares, Class TX Shares, and Class IX Shares are October 1, 2014, September 1, 2015, and May 1, 2017, respectively. The returns have been prepared using unaudited data and valuations of the underlying investments in our portfolio, which are estimates of fair value and form the basis for our NAV per share. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated.

#### **As of June 30, 2019**

| <b>Shares Class</b>               | <b>1-Year</b> | <b>3-Year</b> | <b>ITD</b> |
|-----------------------------------|---------------|---------------|------------|
| Class AX Shares (No Sales Load)   | 8.92%         | 11.82%        | 11.04%     |
| Class AX Shares (With Sales Load) | N/A           | 6.96%         | 7.57%      |
| Class TX Shares (No Sales Load)   | 7.84%         | 10.51%        | 10.23%     |
| Class TX Shares (With Sales Load) | N/A           | 8.08%         | 8.20%      |
| Class IX Shares (No Sales Load)   | 8.65%         | N/A           | 9.08%      |
| Class IX Shares (With Sales Load) | N/A           | N/A           | 8.62%      |

The table below discloses the total returns for the classes of shares that are available for investment in our current public offering. Class I Shares and Class D Shares are sold without an upfront sales load. The total returns shown reflect the percent change in the NAV per share from the beginning of the applicable period, plus the amount of any distribution per share declared during the period. The total returns shown are calculated assuming reinvestment of distributions pursuant to our DRP, are derived from unaudited financial information, and are net of all Hines Global expenses, including general and administrative expenses, transaction related expenses, management fees, the performance participation allocation, and share class specific fees, but exclude the impact of early redemption deductions on the redemption of shares that have been outstanding for less than one year. The inception date for Class I, Class D, Class S and Class T Shares is December 6, 2017. Class T Shares and Class S Shares listed as (With Sales Load) reflect the returns after the maximum up-front selling commission and dealer manager fees, which total 3.5% for both share classes. Class T Shares and Class S Shares listed as (No Sales Load) exclude up-front selling commissions and dealer manager fees. The returns have been prepared using unaudited data and valuations of the underlying investments in our portfolio, which are estimates of fair value and form the basis for our NAV per share. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated.

#### **As of June 30, 2019**

| <b>Shares Class</b>              | <b>1-Year</b> | <b>ITD</b> |
|----------------------------------|---------------|------------|
| Class I Shares                   | 8.92%         | 9.94%      |
| Class D Shares                   | 8.65%         | 9.65%      |
| Class S Shares (No Sales Load)   | 7.84%         | 8.81%      |
| Class S Shares (With Sales Load) | 4.07%         | 6.16%      |
| Class T Shares (No Sales Load)   | 7.84%         | 8.81%      |
| Class T Shares (With Sales Load) | 4.07%         | 6.16%      |

## Critical Accounting Policies

Each of our critical accounting policies involve 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 judgment regarding assumptions as to future uncertainties. Actual results could materially differ from these estimates. For a discussion of recent accounting pronouncements, see Note 2 — Summary of Significant Accounting Policies to the accompanying condensed consolidated financial statements. Also, a disclosure of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2018 under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” There have been no significant changes to our policies during 2019.

## Financial Condition, Liquidity and Capital Resources

Our principal demands for funds are to make real estate investments, including investments in real estate-related securities and capital expenditures, for the payment of operating expenses and distributions, and for the payment of principal and interest on any indebtedness we incur. Generally, we expect to meet operating cash needs from our cash flows from operating activities, and we expect to fund our investments using proceeds from our public offerings, debt proceeds and proceeds from the sales of real estate investments. As described above under the heading “—NAV and Distributions,” we may be required to continue to fund distributions from sources other than cash flows from operations.

We expect that once we have fully invested the proceeds of our public offerings and other potential subsequent offerings, our debt financing, including our pro rata share of the debt financing of entities in which we invest, will be in the range of approximately 40% to 60% of the aggregate value of our real estate investments and other assets. Financing for acquisitions and investments may be obtained at the time an asset is acquired or an investment is made or at such later time as determined to be appropriate. In addition, debt financing may be used from time to time for property improvements, lease inducements, tenant improvements, purchase of real estate-related securities and other working capital needs, including the payment of distributions and redemptions. Our real estate-related securities portfolio may have embedded leverage, including through the use of reverse repurchase agreements and derivatives, including, but not limited to, total return swaps, securities lending arrangements and credit default swaps. Additionally, the amount of debt placed on an individual property or related to a particular investment, including our pro rata share of the amount of debt incurred by an individual entity in which we invest, may be less than 40% or more than 60% of the value of such property/investment or the value of the assets owned by such entity, depending on market conditions and other factors. Our aggregate borrowings, secured and unsecured, must be reasonable in relation to our net assets and must be reviewed by our board of directors at least quarterly. Further, our charter limits our borrowing to 300% of our net assets (which approximates 75% of the cost of our assets) unless any excess borrowing is approved by a majority of our independent directors and is disclosed to our stockholders in our next quarterly report along with justification for the excess. As of June 30, 2019 our portfolio was approximately 49% leveraged, based on the Estimated Values of our real estate investments owned as of that date, with a weighted average interest rate of 2.49%.

Notwithstanding the above, depending on market conditions and other factors, we may choose not to place debt on our portfolio or our assets and may choose not to borrow to finance our operations or to acquire properties. Any indebtedness we do incur will likely be subject to continuing covenants, and we will likely be required to make continuing representations and warranties about our company in connection with such debt. Moreover, some or all of our debt may be secured by some or all of our assets. If we default in the payment of interest or principal on any such debt, breach any representation or warranty in connection with any borrowing or violate any covenant in any loan document, our lender may accelerate the maturity of such debt requiring us to immediately repay all outstanding principal. If we are unable to make such payment, our lender could foreclose on our assets that are pledged as collateral to such lender. The lender could also sue us or force us into bankruptcy. Any such event would have a material adverse effect on the value of an investment in our common shares.

The following discussions provide additional details regarding our cash flows.

### *Cash Flows from Operating Activities*

Our real estate properties generate cash flows in the form of rental revenues, which are used to pay direct leasing costs, property-level operating expenses and interest payments. Additionally, we incur corporate level costs and fees such as general and administrative expenses, asset management fees, and the performance participation allocation as well as interest expense on our credit facility with Hines.

Net cash from operating activities for the six months ended June 30, 2019 decreased by \$14.9 million as compared to the same period in the prior year. This change is primarily due to the payment of the performance participation allocation of \$6.0 million accrued as of December 31, 2018 related to the year then ended, which was paid to the Advisor during the six months ended June 30, 2019. This change is also attributable to an increase in costs associated with leasing activities, including tenant inducement payouts, during the six months ended June 30, 2019 as compared to the same period in the prior year, as well as other decreases explained in Results of Operations—Same Store Analysis.

### ***Cash Flows from Investing Activities***

Net cash used in investing activities for the six months ended June 30, 2019 and 2018 were primarily due to the following:

#### *Six months ended June 30, 2019*

- Payment of \$182.7 million, primarily related to the acquisition of Maintal Logistics and ABC Westland. Maintal Logistics was acquired in December 2018, but funding for the acquisition was not required until the debt closed in February 2019.
- Capital expenditures of approximately \$3.9 million, primarily related to development work at Bishop's Square and various capital improvements at our other properties. With respect to the development work at Bishop's Square, the Company commenced construction in October 2017 and the project was completed in July 2019.
- Payments of \$14.1 million to purchase real estate-related securities. We also received proceeds of \$5.2 million from the sales of real estate-related securities.

#### *Six months ended June 30, 2018*

- Capital expenditures of approximately \$8.1 million, primarily related to development work at Bishop's Square and various capital improvements at our other properties.
- We received proceeds of \$37.1 million from the sale of 2819 Loker Avenue East, a Class A industrial property located in Carlsbad, California, on March 30, 2018. We sold 2819 Loker Avenue East for a contract sales price of \$38.3 million and we acquired 2819 Loker Avenue East in December 2014 for a net purchase price of \$25.4 million.

### ***Cash Flows from Financing Activities***

#### *Public Offerings*

We raised gross proceeds of \$177.3 million from our Follow-On Offering during the six months ended June 30, 2019, excluding proceeds from the distribution reinvestment plan. We commenced our Follow-On Offering in December 2017, and during the six months ended June 30, 2018 had not yet raised any gross proceeds. In addition, during the six months ended June 30, 2019 and 2018, we redeemed \$7.7 million and \$5.2 million in shares of our common stock pursuant to our share redemption program, respectively.

In addition to the investing activities described previously, we have used proceeds from our public offerings to make certain payments to our Advisor, our Dealer Manager and Hines and their affiliates during the various phases of our organization and operation which include, without limitation, payments to our Dealer Manager for selling commissions, dealer manager fees, distribution and stockholder servicing fees and payments to our Advisor for reimbursement of organization and offering costs. During the six months ended June 30, 2019 and 2018, we made payments of \$5.6 million and \$1.3 million, respectively, for selling commissions, dealer manager fees and distribution and stockholder servicing fees related to our Follow-On Offering. The increase in selling commissions, dealer manager fees and distribution and stockholder servicing fees for the six months ended June 30, 2019 as compared to the same period in 2018 is due to the increase of capital raised since our restructuring and related modifications in our Follow-On Offering, which commenced in December 2017.

Until December 31, 2018, the Advisor advanced all of our organization and offering costs, consisting of issuer costs and certain underwriting costs (but excluding selling commissions, dealer manager fees and distribution and stockholder servicing fees) related to our public offerings, which totaled \$9.0 million. In January 2019, we began reimbursing the Advisor in ratable amounts over 60 months for all such advanced expenses, as well as any organization and offering costs incurred subsequent to December 31, 2018, to the extent cumulative organization and offering costs paid by the Company do not exceed an amount equal to 2.5% of gross offering proceeds from our public offerings. The total reimbursement related to organization and offering costs, selling commissions, dealer manager fees and distribution and stockholder servicing fees may not

exceed 15.0% of gross proceeds from our public offerings. For the six months ended June 30, 2019, we reimbursed the Advisor \$2.7 million for organization and offering costs.

### *Distributions*

In January 2018, we began and intend to continue to declare distributions as of monthly record dates and pay them on a monthly basis. With the authorization of our board of directors, we declared monthly distributions from January 2019 through July 2019 at a gross distribution rate of \$0.05208 per month for each share class less any applicable distribution and stockholder servicing fees. Distributions are made on all classes of the Company's common stock at the same time. All distributions were paid in cash or reinvested in shares of the Company's common stock for those stockholders participating in our distribution reinvestment plan and have been or will be paid or issued, respectively, on the first business day following the completion of the month to which they relate. Distributions reinvested pursuant to our distribution reinvestment plan were or will be reinvested in shares of the same class as the shares on which the distributions are made. Some or all of the cash distributions may be paid from sources other than cash flows from operations.

Distributions paid to stockholders during the six months ended June 30, 2019 and 2018 were \$13.9 million and \$11.1 million, respectively, including those reinvested in shares pursuant to our distribution reinvestment plan. We have not generated and we may continue to be unable to generate sufficient cash flows from operations to fully fund distributions paid. Therefore, some or all of our distributions have been and may continue to be paid and during the offering phase, are likely to be paid at least partially from other sources, such as proceeds from the sales of assets, proceeds from our debt financings, proceeds from our public offerings, cash advances by our Advisor and/or cash resulting from a waiver or deferral of fees. We have not placed a cap on the amount of distributions that may be paid from any of these sources. For example, for the six months ended June 30, 2019 and June 30, 2018, we funded 100% and 39% of total distributions with cash flows from other sources such as cash flows from investing activities, respectively, which may include proceeds from the sale of real estate and/or cash flows from financing activities, which may include offering proceeds.

The following table outlines our total distributions declared to stockholders for each quarter during 2019 and 2018, including the breakout between the distributions declared in cash and those reinvested pursuant to our distribution reinvestment plan (in thousands, except percentages).

| Distributions for the Three Months Ended | Stockholders       |                          |                  | Distributions Paid With Cash Flows From Operating Activities <sup>(1)</sup> |            |
|--|--------------------|--------------------------|------------------|---|------------|
|  | Cash Distributions | Distributions Reinvested | Total Declared   |   |            |
| <b>2019</b>                              |                    |                          |                  |   |            |
| June 30, 2019                            | \$ 3,647           | \$ 4,415                 | \$ 8,062         | \$ —  | —%         |
| March 31, 2019                           | 3,090              | 3,614                    | 6,704            | —   | —%         |
| Total                                    | <u>\$ 6,737</u>    | <u>\$ 8,029</u>          | <u>\$ 14,766</u> | <u>\$ —</u>   | <u>—%</u>  |
| <b>2018</b>                              |                    |                          |                  |   |            |
| December 31, 2018                        | \$ 2,765           | \$ 3,168                 | \$ 5,933         | \$ 3,091  | 52%        |
| September 30, 2018                       | 2,617              | 3,034                    | 5,651            | 5,654   | 100%       |
| June 30, 2018                            | 2,554              | 2,974                    | 5,528            | 2,065   | 37%        |
| March 31, 2018                           | 2,544              | 2,970                    | 5,514            | 4,674   | 85%        |
| Total                                    | <u>\$ 10,480</u>   | <u>\$ 12,146</u>         | <u>\$ 22,626</u> | <u>\$ 15,484</u>  | <u>68%</u> |

(1) Includes distributions paid to noncontrolling interests.

### *Debt Financings*

As mentioned above under “—Financial Condition, Liquidity and Capital Resources,” our portfolio was approximately 49% leveraged as of June 30, 2019 (based on the Estimated Values). Our total loan principal outstanding had a weighted average interest rate of 2.49% as of June 30, 2019. Below is additional information regarding our loan activity for the six months ended June 30, 2019 and 2018. See “Note 4 — Debt Financing” for additional information regarding our outstanding debt and our interest rate exposure.



Six months ended June 30, 2019

- We entered into \$109.9 million of permanent mortgage financing related to the acquisitions of Maintal Logistics, which was acquired on December 31, 2018, and ABC Westland, which was acquired on May 3, 2019. Funding for the Maintal Logistics acquisition was not required until the loan closed in February 2019.
- We borrowed \$44.0 million under the Hines Credit Facility primarily to provide cash for the acquisitions of Maintal Logistics and ABC Westland, and made payments of \$99.0 million on this facility. We had no outstanding balance under this facility as of June 30, 2019.
- We made payments of \$0.6 million in financing costs primarily related to our mortgage loans.

Six months ended June 30, 2018

- We borrowed \$15.5 million under the Hines Credit Facility primarily to provide cash for the Bishop's Square expansion and made payments of \$26.7 million on this facility in April 2018 using proceeds received from the sale of 2819 Loker Avenue East. We had no outstanding balance under this facility as of June 30, 2018.

**Results of Operations*****Same Store Analysis***

The following table presents the property-level revenues in excess of expenses for the three months ended June 30, 2019, as compared to the same period in 2018, by reportable segment. Same-store properties for the three months ended June 30, 2019 includes seven properties that were 98% leased as of June 30, 2019 and June 30, 2018. In total, property revenues in excess of expenses of the same-store properties decreased 4% for the three months ended June 30, 2019 as compared to the same period in 2018.

Below is additional information regarding our same-store results and other financial results with variances from the comparative period. All amounts are in thousands, except for percentages:

|  | <b>Three Months Ended June 30,</b> |                         | <b>Change</b>          |                    |
|--|------------------------------------|-------------------------|------------------------|--------------------|
|  | <b>2019</b>                        | <b>2018</b>             | <b>\$</b>              | <b>%</b>           |
| <b>Property revenues in excess of expenses<sup>(1)</sup></b> |                                    |                         |                        |                    |
| <i>Same-store properties</i>                                 |                                    |                         |                        |                    |
| Domestic office investments                                  | \$ 2,813                           | \$ 2,852                | \$ (39)                | (1)%               |
| Domestic residential/living investments                      | 838                                | 816                     | 22                     | 3 %                |
| Domestic retail investments                                  | 2,816                              | 3,245                   | (429) <sup>(2)</sup>   | (13)%              |
| Domestic industrial investments                              | 958                                | 1,009                   | (51)                   | (5)%               |
| International office investments                             | 1,533                              | 1,522                   | 11                     | 1 %                |
| International residential/living investments                 | 1,542                              | 1,520                   | 22                     | 1 %                |
| <i>Total same-store properties</i>                           | <u>\$ 10,500</u>                   | <u>\$ 10,964</u>        | <u>\$ (464)</u>        | <u>(4)%</u>        |
| <i>Recent acquisitions</i>                                   | 4,245                              | —                       | 4,245                  | 100 %              |
| <i>Disposed properties</i>                                   | —                                  | (20)                    | 20                     | (100)%             |
| <b>Total property revenues in excess of expenses</b>         | <u><u>\$ 14,745</u></u>            | <u><u>\$ 10,944</u></u> | <u><u>\$ 3,801</u></u> | <u><u>35 %</u></u> |

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

(2) The decrease is primarily due to a decline in revenue resulting from the early move-out of two tenants, as well as various increases in property operating expenses.

The following table presents the property-level revenues in excess of expenses for the six months ended June 30, 2019, as compared to the same period in 2018, by reportable segment. Same-store properties for the six months ended June 30, 2019 includes seven properties that were 98% leased as of June 30, 2019 and June 30, 2018. In total, property revenues in excess of expenses of the same-store properties decreased 8% for the six months ended June 30, 2019 as compared to the same period in 2018.

Below is additional information regarding our same-store results and other financial results with variances from the comparative period. All amounts are in thousands, except for percentages:

|  | Six Months Ended June 30, |                         | Change                 |                    |
|--|---------------------------|-------------------------|------------------------|--------------------|
|  | 2019                      | 2018                    | \$                     | %                  |
| <b>Property revenues in excess of expenses<sup>(1)</sup></b> |                           |                         |                        |                    |
| <i>Same-store properties</i>                                 |                           |                         |                        |                    |
| Domestic office investments                                  | \$ 5,710                  | \$ 5,572                | \$ 138                 | 2 %                |
| Domestic residential/living investments                      | 1,687                     | 1,590                   | 97                     | 6 %                |
| Domestic retail investments                                  | 5,628                     | 6,407                   | (779) <sup>(2)</sup>   | (12)%              |
| Domestic industrial investments                              | 1,656                     | 2,036                   | (380) <sup>(3)</sup>   | (19)%              |
| International office investments                             | 2,480                     | 3,124                   | (644) <sup>(4)</sup>   | (21)%              |
| International residential/living investments                 | 3,066                     | 3,244                   | (178)                  | (5)%               |
| <i>Total same-store properties</i>                           | <u>\$ 20,227</u>          | <u>\$ 21,973</u>        | <u>\$ (1,746)</u>      | <u>(8)%</u>        |
| <i>Recent acquisitions</i>                                   | 7,417                     | —                       | 7,417                  | 100 %              |
| <i>Disposed properties</i>                                   | —                         | 483                     | (483)                  | (100)%             |
| <b>Total property revenues in excess of expenses</b>         | <u><u>\$ 27,644</u></u>   | <u><u>\$ 22,456</u></u> | <u><u>\$ 5,188</u></u> | <u><u>23 %</u></u> |

- (1) Property revenues in excess of expenses include total revenues less property operating expenses, real property taxes and property management fees.
- (2) The decrease is primarily due to a decline in revenue resulting from the early move-out of two tenants, as well as various increases in property operating expenses.
- (3) The decrease is primarily due to a decline in revenue, primarily resulting from the free rent period of a tenant's amended lease. The lease was amended in the fourth quarter of 2018 and the free rent period expired in March 2019.
- (4) The decrease is primarily due to a decline in revenue at Bishop's Square as a result of the free rent period of a tenant's amended lease. The lease was amended in the fourth quarter of 2018 and the free rent period remains ongoing. Additionally, an increase in operating expenses resulted from the adoption of ASC 842 due to the Company no longer capitalizing legal fees as leasing costs, but instead expensing legal fees as incurred.

**Other Changes**

The table below includes additional information regarding changes in our results of operations for the three months ended June 30, 2019, including explanations for significant changes. All amounts are in thousands, except for percentages:

|                                      | Three Months Ended June 30, |          | Change   |       |
|--------------------------------------|-----------------------------|----------|----------|-------|
|                                      | 2019                        | 2018     | \$       | %     |
| <b>Other</b>                         |                             |          |          |       |
| Depreciation and amortization        | \$ 9,741                    | \$ 6,959 | \$ 2,782 | 40 %  |
| Acquisition related expenses         | \$ 13                       | \$ 10    | \$ 3     | 30 %  |
| Asset management fees                | \$ 1,801                    | \$ 1,214 | \$ 587   | 48 %  |
| Performance participation allocation | \$ 1,476                    | \$ 1,185 | \$ 291   | 25 %  |
| General and administrative expenses  | \$ 948                      | \$ 659   | \$ 289   | 44 %  |
| Interest expense                     | \$ 4,317                    | \$ 2,677 | \$ 1,640 | 61 %  |
| Benefit (provision) for income taxes | \$ 40                       | \$ 654   | \$ (614) | (94)% |

Depreciation and amortization: Depreciation and amortization expense increased for the three months ended June 30, 2019 compared to the three months ended June 30, 2018 primarily due to real estate investments acquired during the last six months of 2018 and first six months of 2019.

Asset management fees: Asset management fees increased for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018 primarily due to real estate investments acquired during the last six months of 2018 and first six months of 2019.

Performance participation allocation: Performance participation allocation increased for the three months ended June 30, 2019 compared to the three months ended June 30, 2018 primarily due to changes in our NAV per share as well as the increase in our distribution rate per share, which occurred in January 2019.

General and administrative expenses: General and administrative expenses increased for the three months ended June 30, 2019 compared to the three months ended June 30, 2018 primarily due to increased legal costs and shareholder costs. We generally expect our G&A costs to increase as we continue raising capital from our Follow-On Offering.

Interest expense: Interest expense increased for the three months ended June 30, 2019 due to an increase in our principal outstanding during the period resulting from real estate investments acquired during the last six months of 2018 and first six months of 2019.

Benefit (provision) for income taxes: Provision for income taxes changed from a \$654,000 benefit for the three months ended June 30, 2018 to a \$40,000 benefit for the three months ended June 30, 2019 as a result of changes in our deferred tax assets and liabilities related to book / tax timing differences at our international subsidiaries.

The table below includes additional information regarding changes in our results of operations for the six months ended June 30, 2019, including explanations for significant changes. All amounts are in thousands, except for percentages:

|                                      | Six Months Ended June 30, |           | Change      |        |
|--------------------------------------|---------------------------|-----------|-------------|--------|
|                                      | 2019                      | 2018      | \$          | %      |
| <b>Other</b>                         |                           |           |             |        |
| Depreciation and amortization        | \$ 19,069                 | \$ 14,300 | \$ 4,769    | 33 %   |
| Acquisition related expenses         | \$ 17                     | \$ 144    | \$ (127)    | (88)%  |
| Asset management fees                | \$ 3,288                  | \$ 2,420  | \$ 868      | 36 %   |
| Performance participation allocation | \$ 2,597                  | \$ 2,777  | \$ (180)    | (6)%   |
| General and administrative expenses  | \$ 1,795                  | \$ 1,511  | \$ 284      | 19 %   |
| Gain on sale of real estate          | \$ —                      | \$ 14,491 | \$ (14,491) | N/A*   |
| Interest expense                     | \$ 8,514                  | \$ 5,491  | \$ 3,023    | 55 %   |
| Benefit (provision) for income taxes | \$ 11                     | \$ (20)   | \$ 31       | (155)% |

\* Not a meaningful percentage

**Depreciation and amortization:** Depreciation and amortization expense increased for the six months ended June 30, 2019 compared to the six months ended June 30, 2018 primarily due to real estate investments acquired during the last six months of 2018 and first six months of 2019.

**Asset management fees:** Asset management fees increased for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018 primarily due to real estate investments acquired during the last six months of 2018 and first six months of 2019.

**Performance participation allocation:** Performance participation allocation decreased for the six months ended June 30, 2019 compared to the six months ended June 30, 2018 primarily due to changes in our NAV per share between the periods. NAV per share increased by only \$0.05 throughout the six months ended June 30, 2019, while a total increase of \$0.22 per share was seen during the six months ended June 30, 2018.

**General and administrative expenses:** General and administrative expenses increased for the six months ended June 30, 2019 compared to the six months ended June 30, 2018 primarily due to increased legal costs and shareholder costs. We generally expect our G&A costs to increase as we continue raising capital from our Follow-On Offering.

**Gain on sale of real estate:** We sold 2819 Loker Avenue East for a contract sales price of \$38.3 million on March 30, 2018 and we acquired 2819 Loker Avenue East in December 2014 for a net purchase price of \$25.4 million. We recognized a gain of \$14.5 million related to this sale. We had no property dispositions during the six months ended June 30, 2019.

**Interest expense:** Interest expense increased for the six months ended June 30, 2019 due to an increase in our principal outstanding during the period resulting from real estate investments acquired during the last six months of 2018 and first six months of 2019.

**Benefit (provision) for income taxes:** Provision for income taxes changed from a \$20,000 provision for the six months ended June 30, 2018 to a \$11,000 benefit for the six months ended June 30, 2019 as a result of changes in our deferred tax assets and liabilities related to book / tax timing differences at our international subsidiaries.

### ***Funds from Operations***

We believe funds from operations (“FFO”) is a meaningful supplemental non-GAAP operating metric. FFO is a non-GAAP financial performance measure defined by the National Association of Real Estate Investment Trusts (“NAREIT”) and is 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 we may not recover any impairment charges.

FFO 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 should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as an indication of our performance or as an alternative 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 is not intended to be used as a liquidity measure 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 FFO:

- Prior to January 1, 2018, FFO included costs related to our acquisitions, including acquisition fees payable to our Advisor. Although these amounts reduced net income for periods prior to January 1, 2018, we generally funded such costs with proceeds from our public offerings and/or acquisition-related indebtedness and did not consider these fees and expenses in the evaluation of our operating performance. In January 2018, we adopted ASU 2017-01 which clarified the definition of a business and added guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. We expect that most of our real estate transactions completed after that date will be accounted for using the asset acquisition guidance and, accordingly, the related acquisition-related expenses incurred will be capitalized and included in the allocated purchase price and will not be expensed. 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. Additionally, effective as of December 6, 2017, we no longer pay acquisition fees to our Advisor.
- We utilize the definition of FFO as set forth by NAREIT. Our FFO 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 FFO. Accordingly, the predictive nature of FFO is uncertain and past performance may not be indicative of future results.

Neither the SEC, NAREIT nor any regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO. 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.

The following section presents our calculation of FFO attributable to common stockholders and provides additional information related to our operations for the three and six months ended June 30, 2019 and 2018 and the period from inception through June 30, 2019 (in thousands, except per share amounts). As we are in the capital raising and acquisition phase of our operations, FFO may not be useful in comparing operations for the periods presented below. We expect revenues and expenses to increase in future periods as we raise additional offering proceeds and use them to make additional real estate investments.

|   | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |          | Period from July<br>31, 2013 (date of<br>inception)<br>through June 30,<br>2019 |
|---|--------------------------------|------------|------------------------------|----------|---|
|   | 2019                           | 2018       | 2019                         | 2018     |   |
| Net income (loss)   | \$ (3,450)                     | \$ (1,408) | \$ (7,449)                   | \$ 9,968 | \$ (43,821)   |
| Depreciation and amortization <sup>(1)</sup>                                  | 9,741                          | 6,959      | 19,069                       | 14,300   | 100,862   |
| Gain on sale of real estate   | —                              | —          | —                            | (14,491) | (14,491)  |
| Adjustments for noncontrolling interests <sup>(2)</sup>                       | (7)                            | (7)        | (15)                         | (6)      | 124   |
| Funds From Operations attributable to common stockholders                     | \$ 6,284                       | \$ 5,544   | \$ 11,605                    | \$ 9,771 | \$ 42,674   |
| Basic and diluted income (loss) per common share                              | \$ (0.06)                      | \$ (0.04)  | \$ (0.14)                    | \$ 0.25  | \$ (2.03)   |
| Funds From Operations attributable to common stockholders<br>per common share | \$ 0.11                        | \$ 0.14    | \$ 0.22                      | \$ 0.25  | \$ 1.98   |
| Weighted average shares outstanding   | 57,004                         | 39,489     | 52,049                       | 39,443   | 21,526  |

Notes to the table:

- (1) Represents the depreciation and amortization of 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) Includes income attributable to noncontrolling interests and all adjustments to eliminate the noncontrolling interests' share of the adjustments to convert our net loss to FFO.

Set forth below is additional information, which may be helpful in assessing our operating results:

- For the three and six months ended June 30, 2019, the Dealer Manager earned distribution and stockholder servicing fees of \$0.8 million and \$1.5 million, respectively, which are paid by Hines Global. For the three and six months ended June 30, 2018, the Dealer Manager earned distribution and stockholder servicing fees of \$0.5 million and \$1.0 million, respectively. Total distribution and stockholder servicing fees earned by the Dealer Manager from inception through June 30, 2019 were \$5.6 million.
- As of December 6, 2017, through its ownership of the special limited partner interest in the Operating Partnership, our Advisor is entitled to an annual performance participation allocation of 12.5% of the Operating Partnership's total return subject to the Company earning a 5% total return annually, after considering the effect of any losses carried forward from the prior year. The performance participation allocation accrues monthly and is payable after the completion of each calendar year. We do not consider the performance participation allocation in evaluating our operating performance. For the three and six months ended June 30, 2019, we incurred \$1.5 million and \$2.6 million in performance participation allocation fees, respectively. For the three and six months ended June 30, 2018, we incurred \$1.2 million and \$2.8 million in performance participation allocation fees, respectively. Total performance participation allocation fees incurred were \$8.8 million from inception through June 30, 2019. Refer to "Note 7—Related Party Transactions" for more information on the performance participation allocation.
- For the three and six months ended June 30, 2019, we recorded non-cash adjustments primarily related to amortization of out-of-market lease intangibles and lease incentives and straight-line rent adjustments, which resulted in a net increase to rental revenue of \$0.4 million and \$2.6 million, respectively. For the three and six months ended June 30, 2018 we recorded non-cash adjustments primarily related to amortization of out-of-market lease intangibles and lease incentives and straight-line rent adjustments, which resulted in a net increase to rental revenue of \$0.5 million and \$0.9 million, respectively.
- We recorded non-cash adjustments related to gains/losses on derivative instruments and/or foreign currencies and certain amounts related to deferred taxes, which reduced net income by approximately \$0.4 million and \$1.5 million for the three and six months ended June 30, 2019, respectively. Such amounts were insignificant in prior periods.

As noted previously, our cash flows from operations have been and may continue to be insufficient to fund distributions to stockholders. We may continue to choose to use proceeds from the sales of assets, proceeds from our debt financings, proceeds from our public offerings, cash advances by our Advisor and/or cash resulting from a waiver or deferral of fees to fund distributions to our stockholders. For example, we funded 100% and 39% of total distributions for the six months ended June 30, 2019 and 2018, respectively, with cash flows from other sources, such as cash flows from investing activities, which may include proceeds from the sale of real estate and/or cash flows from financing activities, which may include offering proceeds. We have not placed a cap on the amount of our distributions that may be paid from sources other than cash flows from operations, including proceeds from our debt financings, proceeds from our public offerings, cash advances by our Advisor and cash resulting from a waiver or deferral of fees.

From inception through June 30, 2019, we declared \$70.2 million of distributions to our stockholders, compared to our total aggregate FFO of \$42.7 million and our total aggregate net loss of \$43.8 million for that period. We incurred acquisition fees and expenses of \$23.3 million from inception through December 31, 2017 in connection with our real estate investments, which were recorded as reductions to net income (loss) and FFO. We adopted ASU 2017-01 on January 1, 2018, which allows us to capitalize acquisition-related costs and fees instead of treating them as operating expenses under GAAP. For the six months ended June 30, 2019, we declared \$14.8 million of distributions to our stockholders compared to our total aggregate FFO of \$11.6 million. For the six months ended June 30, 2018, we declared \$11.0 million of distributions to our stockholders compared to our total aggregate FFO of \$9.8 million.

### **Related Party Transactions and Agreements**

We have entered into agreements with our Advisor, our Dealer Manager and Hines and its affiliates, whereby we pay certain fees and reimbursements to these entities during the various phases of our organization and operation. Relating to organization and offering stage, these include payments to our Dealer Manager for selling commissions, the dealer manager fee, distribution and stockholder servicing fees, and payments to our Advisor for reimbursement of organization and offering costs. Relating to acquisition and operational stages, these include payments for certain services related to the management and performance of our investments and operations provided to us by our Advisor and Hines and its affiliates pursuant to various agreements we have entered into with these entities. See Note 7 — Related Party Transactions in Item 1 of this Quarterly Report on Form 10-Q, as well as Note 8 — Related Party Transactions in our Annual Report on Form 10-K for the year ended December 31, 2018 for additional information concerning our related party transactions and agreements.

### **Off-Balance Sheet Arrangements**

As of June 30, 2019 and December 31, 2018, 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**

#### *The Promenade Shops at Briargate*

In August 2019, we entered into a purchase and sale agreement to purchase The Promenade Shops at Briargate, a retail center located in Colorado Springs, Colorado. The net contract sales price for The Promenade Shops at Briargate is expected to be approximately \$93.2 million, exclusive of transaction costs and closing proration. We expect to fund the acquisition using proceeds from the Follow-on Offering. We funded a \$2.0 million earnest money deposit in August 2019. There is no guarantee that this sale will be consummated and our deposit may not be refunded in such event. We expect the closing of this acquisition to occur in September 2019, subject to a number of closing conditions. However, we can provide no assurance that this acquisition will close on the expected timeline or at all.

**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 and currency risk are the primary market risks to which we are exposed. As of June 30, 2019, we were exposed to the following market risks.

*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. As of June 30, 2019, we had \$431.3 million of variable-rate debt outstanding. If interest rates were to increase by 1% and everything else remained the same, we would incur an additional \$4.3 million in interest expense annually. Additionally, we have entered into interest rate cap agreements to limit our exposure to rising interest rates related to our mortgage loans secured by our investment properties. See Note 4 — Debt Financing in the Notes to the Condensed Consolidated Financial Statements for more information concerning our outstanding debt and our interest rate exposure.

*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 consolidated financial statements. 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 reduce 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 the net book value of our international real estate investments, including any foreign currency mortgage loans and their year-to-date net income (loss), by foreign currency (in thousands):

|     | <b>Reduction in Book Value<br/>as of June 30, 2019</b> | <b>Reduction in Net Income<br/>(Loss) for the Six Months<br/>Ended June 30, 2019</b> |
|-----|--|--|
| EUR | \$10,066   | \$98   |
| GBP | \$2,461  | \$116  |

**Item 4. Controls and Procedures****Disclosure Controls and Procedures**

In accordance with Exchange Act Rules 13a-15 and 15d-15, 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 June 30, 2019, 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 changes have occurred in our internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended June 30, 2019 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, we or our subsidiaries may become subject to legal proceedings, claims or disputes. As of August 14, 2019, neither we nor any of our subsidiaries were a party to any material pending legal proceedings.

### **Item 1A. *Risk Factors***

As of June 30, 2019, there have been no material changes to the risk factors previously disclosed in response to “Part I - Item 1A. ‘Risk Factors’” in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 29, 2019.

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

During the three months ended June 30, 2019, we did not sell or issue any equity securities that were not registered under the Securities Act of 1933, as amended.

#### *Issuer Redemptions of Equity Securities*

Our share redemption program may allow stockholders who have purchased shares from us or received their shares through a non-cash transaction, not in the secondary market, to have their shares redeemed subject to certain limitations and restrictions. Redemptions under our share redemption program will be made on a monthly basis. Subject to the limitations of and restrictions on our share redemption program, and subject to funds being available as described below, shares redeemed under our share redemption program will be redeemed at the transaction price in effect on the date of redemption, which generally will be a price equal to the NAV per share applicable to the class of shares being redeemed and most recently disclosed by us in a public filing with the SEC (subject to the 5% holding discount described below).

Under our share redemption program, we may redeem during any calendar month shares whose aggregate value (based on the redemption price per share in effect when the redemption is effected) is 2% of our aggregate NAV as of the last calendar day of the previous month (the “2% Monthly Limitation”) and during any calendar quarter whose aggregate value (based on the redemption price per share in effect when the redemption is effected) is up to 5% of our aggregate NAV as of the last calendar day of the prior calendar quarter (the “5% Quarterly Limitation”). During a given quarter, if in each of the first two months of such quarter the 2% Monthly Limitation is reached and stockholders’ redemptions are reduced pro rata for such months, then in the third and final month of that quarter, the applicable limit for such month will likely be less than 2% of our aggregate NAV as of the last calendar day of the previous month because the redemptions for that month, combined with the redemptions in the previous two months, cannot exceed the 5% Quarterly Limitation.

There is no minimum holding period for shares under our share redemption program and stockholders may request that we redeem their shares at any time. However, shares that have not been outstanding for at least one year will be redeemed at 95% of the transaction price (the “5% holding discount”) that would otherwise apply; provided, that, the period that a share was held prior to being converted into a share of another class pursuant to our charter will count toward the total hold period for such share, as converted. Upon request, we may waive the 5% holding discount in the case of death or disability of a stockholder. The 5% holding discount also will be waived with respect to shares issued pursuant to our distribution reinvestment plan and any shares that we issue as stock dividends.

Unless our board of directors determines otherwise, we intend to fund redemptions pursuant to our share redemption program from any available cash sources at our disposal, including available cash, cash flow from operations, the sale of real estate-related securities and other assets, borrowings or offering proceeds, without any limitation on the amounts we may pay from such sources. If during any consecutive 24-month period, we do not have at least one month in which we fully satisfy 100% of properly submitted redemption requests or accept all properly submitted tenders in a self-tender offer for our shares, we will not make any new investments (excluding short-term cash management investments under 30 days in duration) and we will use all available investable assets to satisfy redemption requests (subject to the limitations under this program) until all outstanding redemption requests, or “Unfulfilled Redemptions,” have been satisfied. For purposes of this policy, investable assets include net proceeds from new subscription agreements, unrestricted cash, working capital, proceeds from marketable securities, proceeds from our distribution reinvestment plan, and net operating cash flows. Notwithstanding this policy, investable assets may be used at any time to fund any of our operating cash needs (as well as to establish reserves to meet such needs), including, without limitation, the following: property operating expenses, taxes and insurance, debt service and repayment or refinancing of debt, debt financing expenses, funding commitments related to real estate, including without limitation, commitments to acquire new real estate investments

(provided such commitments were made at least twelve (12) months prior to the end of such 24-consecutive-month period), obligations imposed by law, courts, or arbitration, necessary capital improvements, lease-related expenditures, customary general and administrative expenses, asset management fees and other fees payable to our Advisor as described in the prospectus, or shareholder distributions. Our Advisor also will defer payment of the performance participation allocation until all Unfulfilled Redemptions are satisfied. Furthermore, our board of directors and management will consider additional ways to improve shareholder liquidity through our share redemption program or otherwise. Exceptions to the limitations of this paragraph may be made to complete like-kind exchanges under Section 1031 of the Code necessary to avoid adverse tax consequences, or to take actions necessary to maintain our qualification as a REIT under the Code.

Our board of directors has complete discretion to determine whether all available cash sources at our disposal will be applied to redemptions pursuant to the program, whether such funds are needed for other purposes or whether additional funds from other sources may be used for redemptions pursuant to the program.

If redemption requests, in the business judgment of our board of directors, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on stockholders whose shares are not redeemed, then our board of directors may terminate, suspend or amend the share redemption program at any time without stockholder approval, if it deems such action to be in the best interest of our stockholders. Further, our share redemption program will be terminated in the event that our shares ever become listed on a national securities exchange or in the event a secondary market for our common shares develops. In addition, our board of directors may determine to suspend the share redemption program due to regulatory changes, changes in law or if our board of directors becomes aware of undisclosed material information that it believes should be publicly disclosed before shares are redeemed. Material modifications, including any reduction to the monthly or quarterly limitations on redemptions, and suspensions of the program will be promptly disclosed to stockholders in a prospectus supplement (or post-effective amendment if required by the Securities Act) or current report on Form 8-K filed with the SEC. Any material modifications will also be disclosed on our website.

Any new transaction price may be higher or lower than the most recently disclosed transaction price. The transaction price is not a representation, warranty or guarantee that (i) a stockholder would be able to realize such per share amount if such stockholder attempts to sell his or her shares; (ii) a stockholder would ultimately realize distributions per share equal to such per share amount upon our liquidation or sale; (iii) shares of our common stock would trade at such per share amount on a national securities exchange; or (iv) a third party would offer such per share amount in an arm's-length transaction to purchase all or substantially all of our shares of common stock.

The following table lists shares we redeemed under our share redemption program during the period covered by this report, including the average price paid per share, which represents all of the share repurchase requests received for the same period.

| Period                          | Total Number of Shares Redeemed | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans of Programs | Maximum Number of Shares that May Yet be Redeemed Under the Plans or Programs <sup>(1)</sup> |
|---------------------------------|---------------------------------|------------------------------|--|--|
| April 1, 2019 to April 30, 2019 | 153,701                         | \$ 10.11                     | 153,701  | 833,444  |
| May 1, 2019 to May 31, 2019     | 89,661                          | \$ 10.11                     | 89,661   | 972,987  |
| June 1, 2019 to June 30, 2019   | 159,459                         | \$ 10.09                     | 159,459  | 1,139,159  |
| Total                           | <u>402,821</u>                  |                              | <u>402,821</u>   |  |

- (1) Amount provided represents the 2% Monthly Limitation which can be further limited by the 5% Quarterly Limitation. See the description of the share redemption program above for a description of the limitations on the number of shares that may be redeemed pursuant to the share redemption program.

### **Item 3. Defaults Upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

Not applicable.

**Item 6. Exhibits**

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 3.1                | Articles of Amendment and Restatement of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.1 to Pre-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, File No. 333-191106 (the "IPO Registration Statement") on August 15, 2014 and incorporated by reference herein)  |
| 3.2                | Articles Supplementary of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.1 to Post-Effective Amendment No. 1 to the IPO Registration Statement on December 12, 2014 and incorporated by reference herein)  |
| 3.3                | Articles Supplementary of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.1 to Post-Effective Amendment No. 6 to the IPO Registration Statement on August 12, 2015 and incorporated by reference herein)  |
| 3.4                | Articles Supplementary of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.1 to Post-Effective Amendment No. 12 to the IPO Registration Statement on April 28, 2017 and incorporated by reference herein)  |
| 3.5                | Articles of Amendment to Articles of Amendment and Restatement of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on October 16, 2017 and incorporated by reference herein)  |
| 3.6                | Articles of Amendment to Articles of Amendment and Restatement of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.5 to Pre-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, File No. 333-220046 (the "Follow-On Registration Statement") on December 1, 2017 and incorporated by reference herein)  |
| 3.7                | Articles Supplementary of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.6 to Pre-Effective Amendment No. 1 to the Follow-On Registration Statement on December 1, 2017 and incorporated by reference herein)  |
| 3.8                | Articles of Amendment to Articles of Amendment and Restatement of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.7 to Pre-Effective Amendment No. 1 to the Follow-On Registration Statement on December 1, 2017 and incorporated by reference herein)  |
| 3.9                | Amended and Restated Bylaws of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.2 to Pre-Effective Amendment No. 5 to the IPO Registration Statement on August 15, 2014 and incorporated by reference herein)  |
| 3.10               | Amendment No. 1 to Amended and Restated Bylaws of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.), dated September 23, 2015 (filed as Exhibit 3.5 to Post-Effective Amendment No. 7 to the IPO Registration Statement on November 17, 2015 and incorporated by reference herein)  |
| 3.11               | Amendment No. 2 to Amended and Restated Bylaws of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on September 14, 2017 and incorporated by reference herein)  |
| 4.1                | Forms of Subscription Agreement (included as Appendix A-1 and Appendix A-2 to the Post-Effective Amendment No. 11 to the Follow-On Registration Statement on April 12, 2019 and incorporated by reference herein)  |
| 4.2                | Sixth Amended and Restated Distribution Reinvestment Plan, effective as of December 4, 2017 (included as Appendix B to the Prospectus included in Post-Effective Amendment No. 11 to the Follow-On Registration Statement on April 12, 2019 and incorporated by reference herein)  |
| 10.1               | Form of Indemnification Agreement entered into between Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) and each of the following persons as of August 15, 2014: Jeffrey C. Hines, Charles M. Baughn, Humberto Cabañas, Dougal A. Cameron, John O. Niemann, Jr., Sherri W. Schugart, Ryan T. Sims, David L. Steinbach, Kevin L. McMeans and J. Shea Morgenroth and each of the following persons as of June 30, 2019: Janice E. Walker, A. Gordon Findlay, Jason P. Maxwell, Omar H. Throwfeek, John. H Harrison and Eleni Vakali (filed as Exhibit 10.4 to the IPO Registration Statement on September 11, 2013 and incorporated by reference herein) |
| 10.2               | Amended and Restated Escrow Agreement, dated as of December 12, 2014, by and among Hines Securities Inc., Hines Global REIT II, Inc. and UMB Bank, N.A. (filed as Exhibit 10.3 to Post-Effective Amendment No. 1 to the IPO Registration Statement on December 12, 2014 and incorporated by reference herein)  |
| 10.3               | Open End Mortgage and Security Agreement dated as of April 1, 2015 by and between Nationwide Life Insurance Company, as Lender, and CLP-SPF Rookwood Commons, LLC, as Borrower (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on January 9, 2017 and incorporated by reference herein)  |
| 10.4               | Open End Mortgage and Security Agreement dated as of July 1, 2013 by and between Nationwide Life Insurance Company, as Lender, and CLP-SPF Rookwood Pavilion, LLC, as Borrower (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K on January 9, 2017 and incorporated by reference herein)  |
| 10.5               | Promissory Note, dated as of January 29, 2016 by and between Hines Global REIT II 891 Coronado LLC, as borrower, and Wells Fargo Bank, National Association, as lender (filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on February 4, 2016 and incorporated by reference herein)   |
| 10.6               | Loan Agreement, dated as of July 5, 2016 by and between Principal Life Insurance Company, as Lender and HGREIT II Cottonwood Center LLC, as Borrower (filed as Exhibit 10.26 to Post-Effective Amendment No. 10 to the IPO Registration Statement on October 5, 2016 and incorporated by reference herein)   |

|        |   |
|--------|---|
| 10.7   | Term Loan Agreement, dated as of August 18, 2016 by and between SunTrust Bank, as Lender and HGREIT II Goodyear Crossing LLC, as Borrower (filed as Exhibit 10.27 to Post-Effective Amendment No. 10 to the IPO Registration Statement on October 5, 2016 and incorporated by reference herein)   |
| 10.8   | Form of Property Management and Leasing Agreement between Subsidiary of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) and Hines Interests Limited Partnership (Domestic Multi-family and Industrial Properties) (filed as Exhibit 10.30 to Post-Effective Amendment No. 10 to the IPO Registration Statement on October 5, 2016 and incorporated by reference herein)  |
| 10.9   | Form of Property Management and Leasing Agreement between Subsidiary of Hines Global Income Trust, Inc. (formerly known as Hines Global REIT II, Inc.) and Hines Interests Limited Partnership (Domestic Office Properties) (filed as Exhibit 10.29 to Post-Effective Amendment No. 10 to the IPO Registration Statement on October 5, 2016 and incorporated by reference herein)   |
| 10.10  | Assumption and Modification Agreement dated as of January 6, 2017, by and between Nationwide Life Insurance Company, as Lender, CLP-SPF Rookwood Pavilion LLC, as Original Borrower, and HGREIT II Madison Road LLC, as Borrower (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K on January 9, 2017 and incorporated by reference herein)   |
| 10.11  | Assumption and Modification Agreement dated as of January 6, 2017, by and between Nationwide Life Insurance Company, as Lender, CLP-SPF Rookwood Commons LLC, as Original Borrower, and HGREIT II Edmondson Road LLC, as Borrower (filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K on January 9, 2017 and incorporated by reference herein)  |
| 10.12  | Uncommitted Loan Agreement, dated as of October 2, 2017, by and between Hines Global REIT II Properties, LP, as borrower, and Hines Interests Limited Partnership, as lender (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on October 3, 2017 and incorporated by reference herein)   |
| 10.13  | Form of Restricted Share Award Agreement (filed as Exhibit 99(a)(1)(G) to the Registrant's tender offer statement on Schedule TO on October 3, 2017 and incorporated by reference herein)   |
| 10.14  | First Amendment to Uncommitted Loan Agreement, dated as of November 30, 2017, by and between Hines Global REIT II Properties, LP, as borrower, and Hines Interests Limited Partnership, as lender (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on December 6, 2017 and incorporated by reference herein)   |
| 10.15  | Amended and Restated Advisory Agreement, dated as of December 6, 2017, by and among Hines Global REIT II Advisors LP, Hines Global REIT II Properties LP, and Hines Global Income Trust, Inc. (filed as Exhibit 10.2 to Post-Effective Amendment No. 1 to the Follow-On Registration Statement on December 6, 2017 and incorporated by reference herein)  |
| 10.16  | Fifth Amended and Restated Agreement of Limited Partnership of Hines Global REIT II Properties LP, dated as of March 6, 2018 (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on March 12, 2018 and incorporated by reference herein)  |
| 10.17  | Purchase and Sale Agreement, dated as of August 17, 2018, by and between Grayco Lui Museum Investment 2006 LP, Grayco Lui Museum Investment II LP, as sellers and HGIT 5353 Fannin LP and HGIT 5353 Fannin Lot Parcel, Inc. as purchasers (filed as Exhibit 10.26 to the Registrant's Quarterly Report on Form 10-Q on November 14, 2018 and incorporated by reference herein)  |
| 10.18  | Facility Agreement, dated as of October 3, 2018 by and between Deutsche Pfandbriefbank AG as the Original Lender, Agent and Security Agent and HGIT Venrayseweg 100 Venlo Coöperatief U. A., as Borrower, and HGIT Fresh Park Venlo Holdings LLC and HGIT Fresh Park Partner LLC as Guarantors (filed as Exhibit 10.28 to the Registrant's Post-Effective Amendment No. 16 to the Follow-On Registration Statement on December, 20 2018 and incorporated by reference herein) |
| 10.19  | Agreement regarding the Release of a Perpetual Right of Leasehold, dated as of October 5 2018, by and between Fresh Park Venlo B.V., as seller and HGIT Venrayseweg 100 Venlo Coöperatief U.A., as buyer (filed as Exhibit 10.27 to the Registrant's Post-Effective Amendment No. 16 to the Follow-On Registration Statement on December, 20 2018 and incorporated by reference herein)   |
| 10.20  | Investment Management Agreement, dated July 31, 2018 between Security Capital Research & Management Incorporated and Hines Global Investments, Inc. (filed as Exhibit 10.1 to the Registrant's Post-Effective Amendment No. 17 to the Follow-On Registration Statement on December 31, 2018 and incorporated by reference herein)   |
| 10.21  | Acknowledgment of Renewal and Extension of Advisory Agreement of Hines Global Income Trust, Inc., dated December 6, 2018, by and among Hines Global Income Trust, Inc., Hines Global REIT II Properties, LP and Hines Global REIT II Advisors LP (filed as Exhibit 10.32 to the Registrant's Post-Effective Amendment No. 16 to the Follow-On Registration Statement on December, 20 2018 and incorporated by reference herein)   |
| 10.22  | Selected Dealer Agreement, dated as of December 13, 2018, by and among Hines Global Income Trust, Inc., Hines Securities, Inc., Hines Global REIT II Advisors LP and Ameriprise Financial Services, Inc. (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on December 19, 2018 and incorporated by reference herein)   |
| 10.23  | Cost Reimbursement Agreement, dated as of December 13, 2018, by and among Hines Global Income Trust, Inc., Hines Securities, Inc., Hines Global REIT II Advisors LP, and American Enterprise Investment Services Inc. (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on December 19, 2018 and incorporated by reference herein)  |
| 10.24  | Second Amendment to Uncommitted Loan Agreement, dated as of December 13, 2018, by and between Hines Global REIT II Properties, LP, as borrower, and Hines Interests Limited Partnership, as lender (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K on December 19, 2018 and incorporated by reference herein)   |
| 10.25* | Asset Sale and Purchase Agreement between HGIT ABC Westland 200 Poeldijk Coöperatief U.A. as the Purchaser and ABC Westland Beheer B.V. (in its capacity as general partner of ABC Westland Beheer C.V.) and ABC Westland Beheer B.V. and Van Rijn Beheer Poeldijk B.V. and KMB Vastgoed B.V. and Windtmeulen Beheer B.V. as the Sellers relating to the agri logistics park located at ABC Westland 200 in Poeldijk, the Netherlands   |
| 31.1*  | Certification   |

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| 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     | Hines Global Income Trust, Inc. Amended and Restated Share Redemption Program, effective as of November 27, 2018 (filed as Exhibit 99.1 to Post-Effective Amendment No. 14 to the Follow-On Registration Statement on November 27, 2018 and incorporated by reference herein)                         |
| 99.2     | Valuation Policy and Procedures (filed as Exhibit 99.1 to the Registrant’s Current Report on Form 8-K on April 16, 2018 and incorporated by reference herein)   |
| 101.INS* | Instance Document—The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.  |
| 101.SCH* | <b>XBRL Taxonomy</b> Extension Schema Document  |
| 101.CAL* | <b>XBRL Taxonomy</b> Extension Calculation Linkbase Document  |
| 101.DEF* | <b>XBRL Taxonomy</b> Extension Definition Linkbase Document   |
| 101.LAB* | <b>XBRL Taxonomy</b> Extension Labels Linkbase Document   |
| 101.PRE* | <b>XBRL Taxonomy</b> Extension Presentation Linkbase Document   |
| *        | 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 INCOME TRUST, INC.

August 14, 2019

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

August 14, 2019

By: /s/ J. Shea Morgenroth  
J. Shea Morgenroth  
Chief Financial Officer

# Asset Sale and Purchase Agreement

between

HGIT ABC Westland 200 Poeldijk Coöperatief U.A.

as the Purchaser

and

ABC Westland Beheer B.V. (in its capacity as general partner (*beherend vennoot*) of ABC Westland Beheer C.V.)

and

ABC Westland Beheer B.V.

and

Van Rijn Beheer Poeldijk B.V.

and

KMB Vastgoed B.V.

and

Windtmeulen Beheer B.V.

as the Sellers

relating to

the agri logistics park located at ABC Westland 200 in Poeldijk, the Netherlands

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**THIS SALE AND PURCHASE AGREEMENT** is dated 3 May 2019 and made  
**BETWEEN:**

- (1) **HGIT ABC WESTLAND 200 POELDIJK COÖPERATIEF U.A.**, a cooperative with exclusion of liability (*coöperatie met uitgesloten aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in Amsterdam, its business address at Weesperstraat 61, 1018 VN Amsterdam, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 74261762 (the "Purchaser");
- (2) **ABC WESTLAND BEHEER B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in Poeldijk, the Netherlands, its business address at Westland 200, 2685 DC Poeldijk, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 27179675, in capacity as general partner (*beherend vennoot*) of **ABC WESTLAND BEHEER C.V.**, a limited partnership (*commanditaire vennootschap*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in Poeldijk, the Netherlands, its business address at Westland 200, 2685 DC Poeldijk, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 27179680;
- (3) **ABC WESTLAND BEHEER B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in Poeldijk, the Netherlands, its business address at ABC Westland 200, 2685 DC Poeldijk, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 27179675;
- (4) **VAN RIJN BEHEER POELDIJK B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in 's-Gravenzande, the Netherlands, its business address at ABC Westland 137, 2685 DB Poeldijk, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 12027029;
- (5) **KMB VASTGOED B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in Venlo, the Netherlands, its business address at Venrayseweg 122 a, 5928 RH Venlo, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 27179205; and
- (6) **WINDTMEULEN BEHEER B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in Poeldijk, the Netherlands, its business address at ABC Westland 137, 2685 DB Poeldijk, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 27272105.

Each of the parties listed under (2) through (6) is hereinafter also referred to as "Seller" and jointly they are referred to as the "Sellers". Each of the parties listed under (1) through (6) is hereinafter also referred to as "Party" and jointly they are referred to as the "Parties".

**BACKGROUND:**

- (A) the Parties entered into an exclusivity letter on 14 November 2018, following the non-binding offer on behalf of the Purchaser dated 24 September 2018, in relation to the acquisition of the agri logistics park ABC Westland ("ABC Westland"), located at ABC Westland 200 in Poeldijk, the Netherlands with current operations and including the 'current facilities' as well as the required infrastructure (at, above and below ground) that supports the park, but excluding the so-called 'ready to build area' and the 'undeveloped areas', details as further set out in Schedule 1 (Property) (the "Property");
- (B) the Sellers are the sole legal and beneficial owners and solely entitled to the Property and wish to sell and transfer the Property to the Purchaser, who, in its turn, wishes to purchase and accept the transfer of the Property on the Notarial Transfer Date (the "Transaction"), on the terms and subject to the conditions set out in this Agreement;
- ;
- (D) the Sellers provide certain management services, such as property development and property management, in relation to the Property and for which it holds certain assets and ABC Westland Beheer C.V. employs five employees and ABC Westland Beheer B.V. hires two consultants (the "Management Organization"), which Management Organization the Sellers wish to sell and transfer and Hines ABC Westland B.V. wishes to purchase and acquire on the basis of the terms and conditions laid down in the asset sale and purchase agreement (the "APA Business"), which is attached hereto as Schedule 11 (APA Business); and
- (E) ABC Westland Beheer C.V. holds membership rights (the "Membership Rights") in **VERENIGING VAN EIGENAREN ABC WESTLAND**, an association (*vereniging*), incorporated under the laws of the Netherlands, with its registered office (*zetel*) in Poeldijk, the Netherlands, its business address at ABC Westland 200, 2685 DC Poeldijk, the Netherlands, and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 27247800 (the "Association"). The Association is responsible for the management, maintenance, renovation and exploitation of the facilities intended for common use concerning ABC Westland. The Sellers wish to sell and transfer the Membership Rights in the Association to the Purchaser, who, in its turn, wishes to purchase and accept transfer of the Membership Rights on the Notarial Transfer Date, on the terms and subject to the conditions set out in the Deed of Transfer.

**AGREE AS FOLLOWS:**

## 1. **Definitions**

1.1 Unless explicitly stated otherwise, the following definitions in this Agreement shall have the following meaning:

|  |   |   |
|--|---|---|
| <u>"ABC Option Agreement"</u>              | : | has the meaning ascribed thereto in Clause 16 ( <i>ABC Option Agreement</i> );  |
| <u>"ABC Westland"</u>                      | : | has the meaning ascribed thereto in Recital (A);  |
| <u>"Affiliate"</u>                         | : | means, with respect to a specified person, all persons controlling, controlled by, or under common control with the specified person;   |
| <u>"Agreed Costs"</u>                      | : | means the costs as agreed between Parties and included in <u>Schedule 13</u> ( <i>Agreed Costs</i> );   |
| <u>"Agreement"</u>                         | : | ;   |
| <u>"APA Business"</u>                      | : | has the meaning ascribed thereto in Recital (D);  |
| <u>"APA Indemnities"</u>                   | : | the indemnities included in clause 8 of the APA Business;   |
| <u>"Association"</u>                       | : | has the meaning ascribed thereto in Recital (E);  |
| <u>"Blocked Person"</u>                    | : | has the meaning ascribed thereto in paragraph 15(C) of <u>Schedule 5</u> ( <i>Sellers' Warranties</i> );  |
| <u>"Breach"</u>                            | : | means a breach of any of the Warranties, the occurrence of an event that gives rise to a payment under the Indemnities and/or any other breach of this Agreement;   |
| <u>"Business Day"</u>                      | : | means a day (other than a Saturday or Sunday or a public holiday) on which banks are open for general business in the Netherlands;  |
| <u>"Clause"</u>                            | : | means a clause in this Agreement;   |
| <u>"Closing Payment"</u>                   | : | has the meaning given to such term in Clause 8.1;   |
| <u>"Commercial Warranties"</u>             | : | means the warranties included in paragraphs 5 up to and including 16 of <u>Schedule 5</u> ( <i>Sellers' Warranties</i> );   |
| <u>"Damage"</u>                            | : | ;   |
| <u>"Data Protection Laws"</u>              | : | means all applicable laws relating to data protection and privacy including: (i) the GDPR and all related national laws, regulations and secondary legislation amending or supplementing the GDPR, and (ii) the European ePrivacy Directive (2002/58/EC) and all applicable national laws, regulations and secondary legislation implementing the ePrivacy Directive, in each case as amended, replaced or updated from time to time and together with any subordinate or related legislation made under any of the foregoing;  |
| <u>"Data Room"</u>                         | : | means the documents contained in the virtual data room of which an USB stick is attached hereto as <u>Schedule 4</u> ( <i>Data Room USB</i> );  |
| <u>"DCC"</u>                               | : | means the Dutch Civil Code ( <i>Nederlands Burgerlijk Wetboek</i> );  |
| <u>"Deed of Contract Takeover Witkamp"</u> | : | has the meaning given to such term in Clause 18;  |
| <u>"Deed of Transfer"</u>                  | : | means the notarial deed of transfer for the transfer of the Property (including the Solar PV System), and the sale and transfer of the Membership Rights, which is attached hereto as <u>Schedule 2</u> ( <i>Deed of Transfer</i> );  |
| <u>"Development Activities"</u>            | : | ;   |
| <u>"Disclosed Information"</u>             | : | means all documents and written information in (i) this Agreement and the APA Business (both including all Schedules and Annexes thereto), (ii) the Data Room, (iii) the Q&A, (iv) the minutes of the expert sessions, (v) the PowerPoint presentation of the management presentation, (vi) the Information Memorandum, (vii) the Disclosure Letter and (viii) the following public registers: the land registry ( <i>kadaster</i> ), the trade register of the Chamber of Commerce ( <i>handelsregister</i> ) and the information publicly available on <a href="http://www.ruimtelijkeplannen.nl">www.ruimtelijkeplannen.nl</a> ; |

|                                  |  |
|----------------------------------|--|
| <u>“Disclosure Letter”</u>       | : the letter from the Sellers which is of the same date as this Agreement, which is attached hereto as <u>Schedule 14 (Disclosure Letter)</u> ;  |
| <u>“Employees”</u>               | : means the employees (i) Mr. Silvester, (ii) Mr. Duijnisveld, (iii) Ms. Kester, (iv) Ms. Van Ruijven and (v) Mr. Van Os;  |
| <u>“Encumbrance”</u>             | : means a pledge, mortgage, attachment, right of retention, or other security interest ( <i>zakelijk zekerheidsrecht</i> ) of any kind, or the commitment to create any of the foregoing;  |
| <u>“Energy Costs”</u>            | : means any contributions due by the Lessees under the Leases in relation to energy and any other utilities supplied by the landlord;  |
| <u>“Environmental Law”</u>       | : means any international, European, national, regional or local law (including technical standards imposed by law, i.a. European BREFs, REACH and PGS-standards ( <i>Publicatiereeks Gevaarlijke Stoffen</i> )) relating to the protection of human health and safety (internal and external safety, including fire), the environment or natural resources including, amongst others emissions, noise, air quality, odour, water, nature, flora and fauna, (hazardous) waste, waste transport, nuclear, mining, monuments, building, zoning, or discharges of Hazardous Substances; |
| <u>“EPC Contract”</u>            | : means the agreement between NRGsolar and ABC Westland Beheer CV dated 22 October 2015 and the agreement between NRGsolar and ABC Westland Beheer CV dated 14 June 2018 in connection with the development, design, engineering, procuring, constructing, installing, commissioning and testing of fully functioning photovoltaic systems at the Property with a total capacity of 4,5 MWe;   |
| <u>“Existing ROFR-plots”</u>     | : means the plots of land as indicated in schedule 2 to the ABC Option Agreement;  |
| <u>“Existing ROFR Rights”</u>    | : means the existing rights of first refusal with respect to the Existing ROFR-plots;  |
| <u>“Fairly Disclosed”</u>        | : ;  |
| <u>“Financing Bank”</u>          | : means Pfandbriefbank AG;   |
| <u>“Fundamental Warranties”</u>  | : means the warranties included in paragraphs 1 up to and including 4 of <u>Schedule 5 (Sellers’ Warranties)</u> ;   |
| <u>“GDPR”</u>                    | : the General Data Protection Regulation (EU) 2016/679;  |
| <u>“Hazardous Substance”</u>     | : means any wastes, pollutants, contaminants and any other natural or artificial substance (whether in the form of a solid, liquid, gas or vapour and in any case including asbestos) which is capable of causing harm or damage to the environment or the health of any person;   |
| <u>“HOTs A.3.2”</u>              | : means the binding heads of terms, which is attached hereto as <u>Schedule 10 (HOTs A.3.2)</u> , in relation to (re)development of a plot of land A.3.2., cadastrally known as: Municipality of Monster, Section K, Number 7940 (partially);  |
| <u>“Indemnities”</u>             | : means the indemnities specified in Clause 11 ( <i>Indemnities</i> ), and “ <u>Indemnity</u> ” means any of them;   |
| <u>“Independent Contractors”</u> | : means the independent contractors (i) Mr. Rijdsdijk and (ii) Mr. Bouwman;  |
| <u>“Information Memorandum”</u>  | : means the information memorandum of HSH Nordbank from July 2018 regarding Project Coast;   |

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| <u>“Intellectual Property Rights”</u>           | : means the intellectual property rights of the Sellers in relation to the Property, such as but not limited to (a) patents, trademarks, service marks, registered designs, trade, business and company names, internet domain names and e-mail addresses, unregistered trademarks and service marks, copyrights, database rights, know how, rights in designs and inventions and applications and rights to apply for any of those rights; (b) the rights to sue for past infringements of any of the foregoing rights, all as specified in <u>Schedule 8 (Intellectual Property Rights)</u> with the exception of the trade name ‘ABC Westland’; |
| <u>“IP Transfer Deed”</u>                       | : means the deed of transfer of the Intellectual Property Rights, attached hereto as <u>Schedule 8 (Intellectual Property Rights)</u> ;  |
| <u>“Land Registry”</u>                          | : means the public registers held by the Dutch Land Registry Office ( <i>de Dienst voor het Kadaster en de Openbare Registers</i> );   |
| <u>“Lease Overview”</u>                         | : means the lease overview with respect to the Property as set out in <u>Schedule 6 (Lease Overview)</u> ;   |
| <u>“Leases”</u>                                 | : ;  |
| <u>“Lessees”</u>                                | : means the lessees of the Property as appears from the Leases and the Lease Overview;   |
| <u>“Management Organization”</u>                | : has the meaning ascribed thereto in Recital (D);   |
| <u>“Membership Rights”</u>                      | : has the meaning ascribed thereto in Recital (E);   |
| <u>“Municipalities Preferential Rights Act”</u> | : means the Municipalities Preferential Rights Act ( <i>Wet voorkeursrecht gemeenten</i> );  |
| <u>“Municipality”</u>                           | : means the municipality of Westland ( <i>gemeente Westland</i> );   |
| <u>“Notarial Transfer Date”</u>                 | : has the meaning given to such term in Clause 7.1;  |
| <u>“Notarial Transfer”</u>                      | : ;  |
| <u>“Notary”</u>                                 | : means the civil law notary ( <i>notaris</i> ) O.W.J. Hoefnagels (or such civil law notary’s substitute or assigned civil law notary), associated with Simmons & Simmons LLP, Claude Debussylaan 247 in Amsterdam (the Netherlands);  |
| <u>“Notary Letter”</u>                          | : means the letter to be executed between inter alia the Notary, the Sellers, the Purchaser and the Financing Bank in accordance with Clause 7 ( <i>Notarial Transfer</i> ), attached as <u>Schedule 9 (Notary Letter)</u> ;   |
| <u>“Notice Period”</u>                          | : has the meaning ascribed thereto in Clause 13.8;   |
| <u>“OFAC List”</u>                              | : has the meaning ascribed thereto in paragraph 15(A) of Schedule 5 ( <i>Sellers’ Warranties</i> );  |
| <u>“Parties”</u>                                | : means the parties to this Agreement and <u>“Party”</u> means any of them;  |
| <u>“Personal Data”</u>                          | : has the meaning given to it in the GDPR;   |
| <u>“Processor”</u>                              | : has the meaning given to it in paragraph 13 of <u>Schedule 5 (Sellers’ Warranties)</u> ;   |
| <u>“Property”</u>                               | : has the meaning ascribed thereto in Recital (A);   |
| <u>“Purchase Price”</u>                         | : means the purchase price of the Property as set out in Clause 3 ( <i>Purchase Price</i> );   |

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| <u>“Purchaser Affiliate”</u> | : means:  |
|                              | (A) a person who is a member of the Hines Family;   |
|                              | (B) the trustee(s) of a trust of which all of the designated beneficiary(ies) are one or more members of the Hines Family;  |
|                              | (C) an entity the control of which is effectively vested, directly or indirectly, in one or more persons described in (A) or (B) above;   |
|                              | (D) an entity with a manager that is a member of the Hines Group; or  |
|                              | (E) an entity the control of which is effectively vested, directly or indirectly, in one or more past, present or future employees of any member of the Hines Group, provided that a manager of such entity is a member of the Hines Group.   |
|                              | For the purposes of this definition: (i) control means the possession by any person, directly or indirectly, of the power to direct or cause the direction of the management or policies of another person, whether through the ownership of voting securities, by contract or otherwise; provided, however that a manager shall be deemed to have control over the entity of which it is a manager, (ii) entity means any joint venture, partnership, corporation, limited liability company or other legal entity of any kind or jurisdiction, (iii) Hines Family means Gerald D. Hines and/ or Jeffrey C. Hines, their parents, brothers, sisters, respective spouses and children (including adopted children) or the descendants or estate of any of the foregoing persons, and (iv) manager means a general partner, managing member, director, officer, trustee, shareholder or other similar representative (whether a person or entity) with legal responsibility for the management of an entity; |
| <u>“Purchaser”</u>           | : has the meaning given to such term in the introduction of this Agreement;   |
| <u>“Rent”</u>                | : ;   |
| <u>“RETT”</u>                | : means real estate transfer tax ( <i>overdrachtsbelasting</i> ) pursuant to the RETTA;   |
| <u>“RETTA”</u>               | : means the Dutch Legal Transaction (Taxation) Act ( <i>Wet op belastingen van rechtsverkeer</i> );   |
| <u>“RVO”</u>                 | : has the meaning ascribed thereto in Clause 5.14;  |
| <u>“Schedules”</u>           | : means a schedule to this Agreement;   |
| <u>“SDE Grant”</u>           | : means the grant as provided by the Netherlands Enterprise Agency ( <i>Rijksdienst voor Ondernemend Nederland (RVO)</i> ) in connection with the Solar PV System with reference numbers SDE 1427429; SDE 1401028; SDE 1716763; SDE 1799501 as included in the Data Room;   |
| <u>“SDE Subsidy”</u>         | : means the subsidy made available annually by the Netherlands Enterprise Agency ( <i>Rijksdienst voor Ondernemend Nederland (RVO)</i> ) as stimulus for generating renewable energies in the Netherlands;  |
| <u>“SEC”</u>                 | : U.S. Securities and Exchange Commission;  |
| <u>“Sellers’ Group”</u>      | : means the Sellers and their Affiliates from time to time, or any one of them;   |
| <u>“Sellers’ Knowledge”</u>  | : ;   |
| <u>“Sellers”</u>             | : has the meaning given to such term in the introduction of this Agreement and “ <u>Seller</u> ” means any of them;   |
| <u>“Sellers’ Group I”</u>    | : KMB Vastgoed B.V., the Warrantor and ABC Westland Beheer B.V.;  |
| <u>“Service Charges”</u>     | : means any service charges under the Leases;   |
| <u>“Soil”</u>                | : means the soil and groundwater belonging to the Property;   |

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| <u>“Solar PV System”</u>            | : means, but is not limited to, the substructure, the modules, mechanical and electrical connections including string combiner boxes, inverters, transformers, energy meters, a substation and wiring up to the grid connection point of the grid operator, auxiliary transformers, all associated equipment including mountings and means of regulating and/or modifying the electrical output and a remote monitoring system (including telecommunication), surveillance system (CCTV) and access roads, fences comprising the complete photovoltaic system;                        |
| <u>“Supervisory Authority”</u>      | : any local, national, supranational, state, governmental or quasi-governmental agency, body, department, board, official or entity exercising regulatory or supervisory authority pursuant to any Data Protection Laws;  |
| <u>“Surviving Provisions”</u>       | : means Clause 1 ( <i>Definitions</i> ), Clauses 2.5, 5.16 and 5.17, Clause 6.2, Clause 18 ( <i>Sellers’ Cooperation</i> ) Clause 20 ( <i>Confidentiality and public announcement</i> ), Clause 21 ( <i>Binding effect</i> ), Clause 22 ( <i>Assignment</i> ), Clause 23 ( <i>Partial invalidity</i> ), Clause 25 ( <i>Entire agreement</i> ), Clause 30 ( <i>The Notary</i> ), Clause 32 ( <i>Notices</i> ), Clause 34 ( <i>Governing law and jurisdiction</i> ) which shall survive any termination of this Agreement;  |
| <u>“TRS Election”</u>               | : has the meaning ascribed thereto in Clause 19.2;  |
| <u>“Tax Authority”</u>              | : means any taxing or other authority competent to impose any liability in respect of tax or responsible for the administration and/or collection of tax or enforcement of any law in relation to tax;  |
| <u>“Tax Effect”</u>                 | : means any Tax refund actually received by the Purchaser and any actual Tax reduction of owing by the Purchaser and any Tax liability to be levied or due by the Purchaser;  |
| <u>“Third Party Account”</u>        | : means the special account referred to in section 25 of the Dutch Notaries Act in the name of the Notary or the partnership or company in which the Notary practises with other civil-law notaries, IBAN NL19ABNA0585909318 in the name of Simmons & Simmons LLP kwaliteitsrekening notariaat in Amsterdam (the Netherlands);  |
| <u>“TOGC”</u>                       | : has the meaning ascribed thereto in Clause 4.4;   |
| <u>“Uninsured APA Claims”</u>       | : means any claim resulting from a breach under the warranties of the APA Business not covered under the W&I Insurance Policy as a result of such claim falling within the scope of any of the coverage exclusions of the W&I Insurance Policy as set out in clause 4.1.1 ( <i>Condition Defect</i> ), clause 4.1.2 ( <i>Environmental Remediation</i> ), clause 4.2 ( <i>Indemnities and Accounts</i> ) of the insurance schedule provided by the W&I Insurance Provider, and/or clause 5.1.4 ( <i>Asbestos</i> ) of the terms of conditions provided by the W&I Insurance Provider; |
| <u>“Uninsured Claims”</u>           | : means any claim resulting from a Breach not covered under the W&I Insurance Policy as a result of such claim falling within the scope of any of the coverage exclusions of the W&I Insurance Policy as set out in clause 4.1.1 ( <i>Condition Defect</i> ), clause 4.1.2 ( <i>Environmental Remediation</i> ), clause 4.2 ( <i>Indemnities</i> ) of the insurance schedule provided by the W&I Insurance Provider, and/or clause 5.1.4 ( <i>Asbestos</i> ) of the terms of conditions provided by the W&I Insurance Provider;   |
| <u>“U.S. Executive Orders”</u>      | : has the meaning ascribed thereto in paragraph 15(B), Schedule 5 ( <i>Sellers’ Warranties</i> );   |
| <u>“VAT”</u>                        | : means turnover tax pursuant to the VATA;  |
| <u>“VATA”</u>                       | : means the Dutch Turnover Tax Act 1968 ( <i>Wet op de omzetbelasting 1968</i> );   |
| <u>“W&amp;I Insurance Provider”</u> | : has the meaning given to such term in Clause 12.1;  |
| <u>“W&amp;I Insurance Policy”</u>   | : has the meaning given to such term in Clause 12.1; and  |



- “Warranties” : means the representations and warranties set forth in Schedule 5 (Sellers’ Warranties); and
- “Warrantor” : means ABC Westland Beheer C.V.

1.2 In this Agreement, a reference to:

- (A) a "subsidiary" is to be construed in accordance with section 2:24(a) of the Dutch Civil Code (*Burgerlijk Wetboek*);
- (B) a "group company" is to be construed in accordance with section 2:24(b) of the Dutch Civil Code;
- (C) singular words shall include the plural and vice versa and words in a particular gender shall include all genders, unless the context requires otherwise;
- (D) the words "hereof", "herein", "hereto" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision thereof;
- (E) a person includes a reference to a legal entity (*rechtspersoon*), body corporate, association or partnership;
- (F) a person or a Party includes a reference to that person's or Party's successor(s) by universal succession of title;
- (G) references to times, unless otherwise expressly stated, are references to Amsterdam times;
- (H) Clauses and Schedules are references to Clauses and Schedules to this Agreement and references to annexes are references to annexes of this Agreement and references to paragraphs are, unless otherwise stated, references to paragraphs of the schedule in which the reference appears;
- (I) "including" are to be treated as being without limitation to any specific matters stated as included; and
- (J) "€", "euro", "Eur", "EUR" or "cents" are to the currency introduced at the start of the third stage of the European economic or monetary union pursuant to the treaty establishing the European Community, as amended or any successor currency used in the Netherlands.

1.2 In this Agreement, clause headings are inserted for convenience purposes only. They do not affect the construction or interpretation of this Agreement.

1.3 In case of conflict between or inconsistency of the provisions of the actual agreement and the contents of the schedules and/or annexes, the provisions of the actual agreement shall prevail.

1.4 Any legal concepts expressed in the English language in this Agreement describe Dutch legal concepts only and the consequences of any such legal concepts, terms or expressions under English law or any other law shall be disregarded. In case of conflict between Dutch legal concepts mentioned between brackets and/or in italics in this Agreement and the English translation thereof as used in this Agreement, the Dutch text, and its meaning thereof under Dutch law, will prevail.

## **2. Sale and purchase of the Property**

2.1 Subject to the terms and conditions of this Agreement, each of the Sellers hereby sells and agrees to transfer to the Purchaser such part of the Property as set out in Schedule 1 (the Property) at the Notarial Transfer Date and the Purchaser hereby purchases and agrees to accept the transfer of the relevant part of the Property from each of the Sellers at the Notarial Transfer Date.

2.2 Subject to Notarial Transfer occurring, the Property will be for the Purchaser's risk and account as from the Notarial Transfer Date, meaning that (i) the Purchaser is entitled to the income and responsible for the expenses related to the Property as of the Notarial Transfer Date, and (ii) the Sellers are entitled respectively responsible for the income respectively expenses (with the exception of the Agreed Costs) related to the Property in connection with the period up to the Notarial Transfer Date.

2.3 The sale (and Notarial Transfer) of the Property includes all the buildings and further appurtenances erected thereon as well as the movable property which, according to generally accepted views, is intended to sustainably serve the Property within the meaning of Section 3:254 DCC, in so far as such movable property does not belong to any third party or parties.

2.4 The Parties hereby acknowledge and confirm that the rights and obligations of the Sellers under the Leases transfer to the Purchaser by operation of law in accordance with article 7:226 of the DCC.

2.5 If, prior to Notarial Transfer Date, the Purchaser learns that any of the Sellers is, becomes, or appears to be a Blocked Person, the Purchaser may delay the sale and Notarial Transfer contemplated by this Agreement pending its conclusion of its investigation into the matter of the relevant Seller's status as a Blocked Person. If the Purchaser determines that the relevant Seller is or becomes a Blocked Person, the Purchaser shall have the absolute right to immediately terminate this Agreement without any liability for the Purchaser to any of the Sellers and take all other actions necessary, or in the opinion of the Purchaser, appropriate to comply with applicable laws regarding such Blocked Person, in which event the Purchaser shall receive a return of any deposit paid if such return is acceptable under applicable U.S. law. The provisions of this Clause will survive termination of this Agreement.

## **3. Purchase Price**

The Purchase Price for the Property is EUR 116,500,000.00 (in words: one hundred sixteen million five hundred thousand euro) (excluding any applicable VAT and RETT) (the "Purchase Price").

## **4. RETT / VAT**

### ***RETT***

4.1 Any RETT due as a result of the acquisition of the Property by the Purchaser as is contemplated in this Agreement shall be for the account of the Purchaser.

4.2 In the event the RETT is for the Purchaser's account and if for the calculation of this tax a reduction of the base value for the computation of the RETT may be claimed because the Sellers acquired the Property, subject to RETT or non-deductible VAT, within six months before signing the Deed of Transfer of Title, the Purchaser will pay the Sellers on the Notarial Transfer Date and via the Third Party Account the difference between the amount of RETT that would have been due without the aforementioned reduction and the amount of RETT actually due. For the avoidance of doubt, the total sum of RETT (compensation) due by the

Purchaser to the Sellers and/or to the Tax Authorities, shall not exceed the amount of RETT that the Purchaser would have been due if Section 13 of the RETTA did not apply.

#### VAT

4.3 The Parties declare that they all individually qualify as an entrepreneur within the meaning of article 7 of the VATA in relation to the transfer of the Property.

4.4 The Parties are of the view that no VAT should be due on the transfer of the Property as the transfer qualifies as a 'transfer of a going concern' ("TOGC") for Dutch VAT purposes based on article 37d of the VATA. Purchaser declares and warrants that it is acting or intends to continue to exploit the Property as an entrepreneur within the meaning of article 37d of the VATA. The Sellers have informed the Purchaser that the Property consists of buildings for which the date of first use is more than two years prior to the Notarial Transfer Date.

4.5 Pursuant to article 37d of the Dutch VAT Act, the Purchaser will take over Sellers' VAT position with respect to the Property. As it is likely that the VAT revision information will not be relevant due to the nature and use of the Property, the VAT revision information was not provided prior to the Transaction. The Sellers will make available the VAT revision information with respect to the Property immediately upon request of the Purchaser in the future where the Purchaser (or any of its successors, as an irrevocable third-party stipulation (*derdenbeding*) stipulated by the Purchaser) would need such information to determine its obligations towards the Tax Authority.

4.6 In the interest of preservation of rights only, the Parties shall opt for a transfer of the Property subject to VAT. Any VAT due shall be for the account of the Purchaser. In that respect, the Purchaser warrants to the Sellers that:

(A) its financial year runs from 1 January to 31 December;

(B) also for the benefit of any of the Sellers' successors, the Purchaser will continuously use the Property for activities which entitle a 90% or more full deduction of VAT on costs on the basis of section 15 of the VATA;

(C) it will use the Property in the financial year in which the transfer of the Property to the Purchaser takes place. Such with due understanding that if the Purchaser is not able to use the Property in a timely manner, the Purchaser will inform the Sellers thereof within one week after the relevant financial year has lapsed, whereby the Parties intend to and shall reasonably take all steps to invoke the assent of the decree published by the State Secretary for Finance concerning "*Omzetbelasting levering en verhuur van onroerende zaken*" dated 19 September 2013 (BLKB2013/1686M).

4.7 In case article 37d of the VATA shall not be applicable and the Parties opt for a VAT taxable transfer, the Sellers will issue an invoice to the Purchaser on which the VAT is reverse charged based on Article 24ba of the Execution Decree VATA (*Uitvoeringsbesluit omzetbelasting 1968*).

4.8 Parties declare that if the Purchaser does not meet the criteria (anymore) for a VAT taxable transfer as stated in Clause 4.6, as a consequence the option for a VAT taxable transfer is not applicable (anymore), Purchaser is liable for the VAT damage of Seller (including all non-recoverable VAT on costs that are directly linked to the Property and fines or interest that are levied by the Tax Authority).

## **5. Charges, tenant payments and costs to be settled**

### *Charges, contributions and taxes*

5.1 The following charges shall be for the risk and account of the Warrantor, to the extent that they directly relate to the period up to the Notarial Transfer Date:

- (A) the real property tax (*onroerende zaak belasting*);
- (B) the water board charges (*waterschapslasten*);
- (C) the sewerage duties (*rioolrechten*), provided that they are owner's charges;
- (D) land consolidation interest (*ruilverkavelingsrente*);
- (E) the contributions to the Association;
- (F) municipal duties (*precario*); and
- (G) other periodic charges as far as related to the Property.

5.2 All costs (*kosten*), duties (*rechten*) and charges (*retributies en overige lasten*), including but not limited to the costs, duties and charges of Clause 5.1, due in connection with the Property as from the Notarial Transfer Date will be for the Purchaser's account.

5.3 The Warrantor shall timely pay any charges as referred to in Clause 5.1, whether due on or before the Notarial Transfer Date if and to the extent that these costs are charged to the Warrantor (or any of the other Sellers) before the Notarial Transfer Date, regardless of whether such charges relate in part or in whole to the period after the Notarial Transfer Date.

5.4 If at the Notarial Transfer Date an assessment of any of the charges as set out in Clause 5.1 has not yet been made, the amount of the relevant charges will be estimated by the Parties in line with the charges of the previous year(s). If the actual charges charged to the Warrantor (or any of the other Sellers) – evidenced by the Warrantor providing photocopies to the Purchaser - after the Notarial Transfer Date deviate from the assessment as aforementioned, a subsequent settlement will be made as follows:

(A) if the actual charges charged to the Warrantor (or any of the other Sellers) after the Notarial Transfer Date are higher than the estimated amount, the Purchaser shall pay to the Warrantor the difference between the actual charges and the estimated amount within thirty (30) Business Days after the first Business Day the Warrantor informed the Purchaser about the charges; and

(B) if the actual charges charged to the Warrantor (or any of the other Sellers) after the Notarial Transfer Date are lower than the estimated amount, the Warrantor shall pay to the Purchaser the difference between the estimated amount and the actual charges within thirty (30) Business Days after the first Business Day the Warrantor is familiar with the charges.

5.5 In the event referred to in Clause 5.4(A) it is to the Purchaser's sole discretion, acting reasonably, whether or not objections to the charges will be raised at the risk and for the account of the Purchaser. The Warrantor shall provide the Purchaser with a document appointing the Purchaser as a power of attorney ad litem (*proces-volmacht*) (if requested by the Purchaser in writing).

5.6 Any costs (*kosten*) relating to any instruction, order or assignment in respect of the Property given by any of the Sellers (or any other capital expenditures by the Sellers) before

the Notarial Transfer Date and any charges (*retributies en overige lasten*) relating to services provided before the Notarial Transfer Date shall be and remain for the account of the Warrantor, irrespective of when the works performed following the instruction, order or assignment are performed or when the services are being provided and irrespective of when these costs (*kosten*) and/or charges (*retributies en overige lasten*) (or any other capital expenditures by the Sellers) become due and payable, all with the exception of the Agreed Costs which shall be for the account of the Purchaser.

#### *Tenant payments*

5.7 Rents, Service Charges, Energy Costs, and other tenant related payments due in relation to the Leases, pertaining to the period up to and excluding the Notarial Transfer Date shall be for the risk and the account of the Warrantor. If such Rents, Service Charges, Energy Costs, and other tenant related payments have not been received by the Warrantor at the Notarial Transfer Date, the amounts due will be collected by the Purchaser in consultation with the Warrantor and provided that the Warrantor shall reimburse all reasonable out-of-pocket costs incurred by the Purchaser in connection with the collection of the Rents, Service Charges, Energy Costs, and other tenant related payments. The Warrantor shall – at its own cost – assist the Purchaser with the collection of such Rents, Service Charges, Energy Costs, and other tenant related payments after the Notarial Transfer Date. Any Rents, Service Charges, Energy Costs, and other tenant related payments paid to the Purchaser after the Notarial Transfer Date in connection with the Leases and in respect of the period up to the Notarial Transfer Date shall be paid by the Purchaser to the Warrantor within ten (10) Business Days after receipt thereof. Any arrears in Rents, Service Charges, Energy Costs, and other tenant related payments that cannot be recovered by the Purchaser from the tenants within 4 months as from the Notarial Transfer Date shall, to the election of the Purchaser be either reimbursed in full by the Purchaser to the Warrantor or the Warrantor shall be entitled to recover such amounts from the respective tenant(s).

5.8 Any Rents paid to the Warrantor (or any other Seller) or invoiced by the Warrantor in respect of the period after the Notarial Transfer Date will be settled between the Parties on the Notarial Transfer Date by payment by the Warrantor to the Purchaser. Any Rents paid to the Warrantor after the Notarial Transfer Date in respect of the period after the Notarial Transfer Date shall be paid by the Warrantor to the Purchaser within ten (10) Business Days after the first Business Day the Warrantor has received the Rents, insofar these have not been settled between Parties on the Notarial Transfer Date.

5.9 The balance of any Service Charges, Energy Costs and other tenant related payments paid to the Warrantor (or any other Seller) or invoiced by the Warrantor in relation to the Leases, and the actual expenses in this regard incurred by the Warrantor will be settled with the Purchaser as soon as practically possible after the Notarial Transfer Date on the basis of a calculation to be ascertained by the Parties in good faith, which shall mean shortly after 3 May 2019. Until the balance is ascertained and settled, costs in this regard charged to the Warrantor will be paid by the Warrantor (at the expense of the balance to be settled), and costs in this regard charged to the Purchaser will be advanced by the Warrantor (at the expense of the balance to be settled). Any Service Charges, Energy Costs, and other tenant related payments paid to the Warrantor after the settlement as referred to in the preceding sentence in respect of the period after the Notarial Transfer Date shall be paid by the Warrantor to the Purchaser within ten (10) Business Days after the first Business Day the Warrantor has received the relevant Service Charges, Energy Costs and/or other tenant related payments (insofar these have not been settled between Parties in accordance with this Clause 5.9).

5.10 The Sellers and the Purchaser shall jointly and timely inform the Lessees about the envisaged transfer of the Property and the Sellers shall assist the Purchaser by informing

the Lessees on the new bank account used for the collecting rents as soon as possible after the Notarial Transfer Date.

#### *Rental Securities*

5.11 Each of the Sellers shall fully cooperate with having any bank and/or corporate (parent company) guarantees or other rental securities registered in the name of the Purchaser.

5.12 In relation to Leases entered into by Best Fresh Trade B.V. and ABC Logistics B.V., the Sellers shall, and shall procure that the relevant parties shall, deliver ultimately at the Notarial Transfer to the Purchaser a market standard rental security satisfactory to the Purchaser, consisting of (parent) company guarantees in respect of such Leases.

5.13 Each of the Sellers shall, and shall procure that each of its Affiliates shall, not claim under any bank guarantee or other security provided by any of the Lessees or in relation to any of the Leases which have not yet been transferred to the Purchaser.

#### *SDE Grant*

5.14 Ultimately on the Notarial Transfer Date, the Parties shall jointly submit the online form on the website of the Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland (RVO)*) (the "RVO") for the transfer of the SDE Grant in the format as attached hereto as Schedule 15 (*SDE Grant forms*). The Sellers, as the current subsidy holder(s), shall waive their right to the SDE Grant on the Notarial Transfer Date and the Purchaser shall commit to the SDE Subsidy requirements. Any amounts under the SDE Grant which have been paid to the Sellers but relate to the period after the Notarial Transfer Date, will be settled between the Parties at Notarial Transfer. Parties acknowledge that the amounts paid under the SDE Grant are subject to possible correction (*bijstelling*) by the RVO. On the basis of the final calculation by the RVO of (final) amounts under the SDE Grant Parties shall settle such payments within ten (10) Business Days after receipt of the final calculation by the RVO (insofar these have not been settled between Parties in accordance with this Clause 5.14) and Parties will reasonably share relevant information amongst each other in this respect.

#### *Repayment Loan Association*

5.15 At the Notarial Transfer Date, the Sellers shall fully repay the EUR 1,000,000 loan granted by the Association (as lender) to ABC Westland Beheer C.V. (as borrower) including all interest due thereon in accordance with the Notary Letter.

#### *General costs*

5.16 The costs of any consultant engaged by any Party or other costs, rights and retributions made by any Party in respect of this Agreement and the transfer of the Property will be – to the extent that no other explicit agreements have been made in this respect – for the account of such Party.

5.17 All costs and fees due in connection with (the preparation of) the Deed of Transfer due to the Notary and (if applicable pursuant to Clause 7.13) the registration of an extract of this Agreement and the registration of the Deed of Transfer shall be for the account of the Purchaser, unless this Agreement is terminated prior to the Notarial Transfer due to a Breach of any of the Sellers.

5.18 No settlement will be made in respect of any rents, costs or charges, other than those referred to in this Clause 5 (*Charges, tenant payments and costs to be settled*).

## **6. Condition Subsequent**

6.1 This Agreement is entered into under the condition subsequent (*ontbindende voorwaarde*) that on the Notarial Transfer Date there is an obligation to offer the Property to the Municipality, province or the State of the Netherlands pursuant to the Municipalities Preferential Rights Act (*Wet voorkeursrecht gemeenten*).

6.2 If the condition subsequent as referred to in Clause 6.1 is satisfied, this Agreement terminates by operation of law in whole with immediate effect, with the exception of the Surviving Provisions. In the event of such termination no Party shall be liable towards any other Party except for any liability towards any other Party in respect of a breach of this Agreement that took place prior to the termination and without prejudice of any existing claims.

## **7. Notarial Transfer**

### *Date and place of the Notarial Transfer*

7.1 The Notarial Transfer shall take place on 3 May 2019 at the office of the Notary, or such earlier or later date as the Parties may agree upon in writing (the "Notarial Transfer Date").

### *Notarial Transfer actions*

7.2 On the Notarial Transfer Date but after the payment of the amounts set out in Clause 8.1 into the Third Party Account – as confirmed to the Parties by the Notary – the following actions shall be taken, each such action being conditional upon all actions having been taken in the sequence set out below:

(A) the Purchaser and each of the Sellers shall sign the Notary Letter, and the Purchaser shall use its best efforts to procure that the Financing Bank and all other relevant parties sign the Notary Letter;

(B) KMB Vastgoed B.V. shall deliver to the Purchaser a lease agreement and four riders, all duly executed by Best Fresh Trade B.V., ABC Logistics B.V. and Europe Retail Packing Poeldijk B.V. together with the rental security as referred to in as referred to in Clause 5.12, all attached hereto as Schedule 3 (Lease Agreement Valstar); which lease agreement and riders shall be duly executed by the Purchaser directly after the execution of the Transfer Deed;

(C) the Parties shall sign the IP Transfer Deed pursuant to which the Sellers shall transfer all its Intellectual Property Rights in relation to the Property to the Purchaser with the exception of the trade name 'ABC Westland' which shall remain with the Sellers, provided the Sellers shall grant for no fee to the Purchaser a perpetual license to use the trade name 'ABC Westland' in accordance with Clause 17 (*Perpetual License*);

(D) the Parties shall use their best efforts to procure that the parties to the HOTs A.3.2 shall sign the HOTs A.3.2;

(E) the Warrantor, ABC Westland Beheer B.V., the Purchaser shall sign the ABC Option Agreement and the Purchaser shall procure that Hines Netherlands B.V. shall sign the ABC Option Agreement;

(F) the Parties shall complete and submit the online form regarding the transfer of the SDE Grant, as referred to in Clause 5.14;

(G) the Purchaser shall enter into the W&I Insurance Policy with the W&I Insurer and shall issue a 'no loss declaration' to the W&I Insurer;

(H) the Sellers shall provide a release letter and a notarial deed of cancellation with respect to the release and cancellation of all existing financing arrangements with Rabobank and related securities in respect of the Property and the final settlement of the EUR 1,000,000 loan agreement entered into between ABC Westland Beheer C.V. (as borrower) and the Association (as lender);

(I) the Parties shall procure that the Deed of Transfer shall be executed before the Notary;

(J) the Sellers shall deliver to the Purchaser an Internal Revenue Service Form 8832, signed by the Association and in form and substance acceptable to the Purchaser, pursuant to which the Association will elect to be treated as an association taxable as a corporation for United States federal income tax purposes, with an effective date that is one day prior to the Notarial Transfer Date (the "U.S. Tax Entity Classification Election").

(K) the Sellers shall transfer possession (*bezit*) of the Property to the Purchaser; and

(L) the Sellers shall provide the relevant documentation for the resignation of their current representative serving on the management board of the Association.

7.3 As soon as possible and in any event within one (1) month after the Notarial Transfer, the Sellers shall provide access to and hand-over to the Purchaser: (i) all the originals of the following documents: the original Leases, riders to the Leases, the original bank guarantees of the Lessees (if any), all building warranties and guarantees and all original energy performance certificates ("*energieprestatiecertificaten*") or similar documents within the meaning of the Energy Performance (Buildings) Decree ("*Besluit energieprestatie gebouwen*") with respect to the Property, and (ii) all the original revision drawings, maintenance manuals and user manuals, structural drawings, drawings relating to the technical systems and all drawings related to the, as well as any licences and permits relating to the construction of the Property.

7.4 The Deed of Transfer required for the transfer of the Property will be executed at the latest on the date referred to in Clause 7.1 before the Notary, such with due observance of Clause 6 (*Condition Subsequent*).

7.5 The Parties shall instruct the Notary to (i) have a certified copy of the Deed of Transfer recorded in the Land Registry, and (ii) notify the Association about the transfer of the Membership Rights to the Purchaser, as soon as possible after the Notarial Transfer.

#### *Obligation to transfer title. Charges and restrictions*

7.6 The Sellers are obliged to deliver to the Purchaser the right of ownership of the Property, which:

(A) is unconditional and not subject to revocation, cancellation or annulment whatsoever; and

(B) is not subject to any Encumbrance or registrations thereof (other than the Encumbrances to be released in accordance with the Notary Letter at Notarial Transfer); and

(C) is not burdened by other limited rights or other special burdens and restrictions except insofar as otherwise apparent from this Agreement.



### *Transition / transfer of rights*

7.7 At Notarial Transfer, all gas and electricity supply contracts, the gas and electricity grid connection agreements, including the EPC offers (all as included in the Data Room), all transferable rights of indemnification and all other rights and claims that the Sellers have vis-à-vis its legal predecessors and/or third parties – including contractors, (sub)contractors, fitters and suppliers – in respect of the Property insofar as such rights and claims are transferable without any duty of indemnification, will be transferred to the Purchaser to the extent possible. In case the transfer referred to above in respect of one or more rights and claims – for any reason whatsoever – does not take place pursuant to the provisions of article 6:251 DCC:

(A) such right(s) and claims will be deemed to be included in the underlying purchase and sale of the Property; and

(B) the Sellers shall, at the Purchaser's first written request, reasonably cooperate to the assignment of the relevant right, warranty and/or guarantee. The Sellers and the Purchaser will after the Transfer Date in good faith and without delay discuss and take action to inform the contracting parties about the transfer of rights and – where necessary – will obtain the cooperation of those parties in this respect.

7.8 The Sellers shall effectuate the transfer of rights referred to in Clause 7.7 at the Notarial Transfer Date immediately after the execution of the Deed of Transfer. If and to the extent the effectuation of the transfer of rights is not possible, the Sellers will (i) on the Purchaser's own behalf and for its own risk and expenses grant an irrevocable power of attorney to the Purchaser to exercise the Sellers' remaining rights and will at the request of the Purchaser provide the Purchaser with a document appointing the Purchaser as a power of attorney *ad litem (proces-volmacht)*, (ii) provide all reasonably required cooperation to the Purchaser and its representatives and (iii) transfer to the Purchaser any payments made to the Sellers in such respect.

7.9 The rights referred to in Clause 7.7 include – if applicable and to the extent possible – any permits under public law (*publiekrechtelijke vergunningen*) that apply to the Property. If any change of the name in which such a permit is registered is desirable or required in respect of the transfer of the Property, the Sellers shall – to the extent possible – cooperate at the Purchaser's reasonable written request in such change of name. In so far rights as referred to above are transferred, these rights will be transferred unencumbered by pledges, attachments, real rights of enjoyments (*zakelijke genotsrechten*) and personal rights of enjoyment (*persoonlijke genotsrechten*). At the reasonable written request of the Sellers or the Purchaser, the Sellers will grant the Purchaser a power of attorney, and the Purchaser will accept the power of attorney from the Sellers, to implement the aforesaid transfer of rights or change of name.

7.10 The Purchaser may at any time after the Notarial Transfer notify the relevant debtor or authority of the aforesaid transition and transfer of rights. The Sellers shall provide the Purchaser with the relevant information required in respect of the aforesaid rights upon first written request in a timely manner.

7.11 If and insofar as after the Notarial Transfer Date, the Sellers have a reason for a claim against legal predecessor(s) and/or a third party or parties, the Purchaser hereby grants an irrevocable power of attorney to each of the Sellers to assert the claim against that or those legal predecessor(s) and/or a third party or parties on behalf of the Purchaser, in accordance with this Agreement, except for claims in relation to the Lease.

### *Post Notarial Transfer*

7.12 Notwithstanding Clause 7.2, the Sellers are required to provide, within a reasonable timeframe, but in any case within two weeks after the first written request from the Purchaser, all information in its possession in relation to the Property that is of material interest to the Purchaser, that is not already provided on the Notarial Transfer Date as set out above.

7.13 The Sellers and the Purchaser shall each, at the reasonable written request of the other, execute and/or cooperate with the execution of all notarial deeds and/or documents and do all other acts and things as may reasonably be deemed necessary to effectuate the Notarial Transfer.

## **8. Payment of the Purchase Price**

### *Payment on Third Party Account*

8.1 The payment of:

(A) the Purchase Price;

*plus or minus*

(B) the settlement amount pursuant to Clause 5 (*Charges, tenant payments and costs to be settled*);

*minus*

(C) 50% of the premium of the W&I Insurance Policy as referred to in Clause 12.3,

(the "Closing Payment"). The Closing Payment shall be made by the Purchaser into the Third Party Account in such a way that the Third Party Account has been credited by no later than 12.00 a.m. on the date referred to in Clause 7.1.

8.2 Until registration in the Land Registry of a certified copy of the executed Deed of Transfer as set out in Clause 7.5, the Notary shall hold the Closing Payment for and on behalf of the Purchaser in accordance with the Notary Letter. After the registration in the Land Registry of a certified copy of the Deed of Transfer as set out in Clause 7.5, the Notary shall hold the Closing Payment for and on behalf of the Sellers, all in accordance with the Notary Letter.

### *Repayment and payment to the Sellers*

8.3 The Sellers shall procure that the Notary will pay (i) the creditors who at the time of registration of the Deed of Transfer hold a mortgage over the Property or who have imposed any charge in execution (*beslag*) against the Property and (ii) the Association for the final settlement of the EUR 1,000,000 loan agreement entered into between ABC Westland Beheer C.V. (as borrower) and the Association (as lender), all via the Third Party Account in accordance with the Notary Letter.

8.4 The Sellers shall procure that the Notary shall not arrange for payment to or on behalf of the Sellers until he has investigated and established that the Sellers have fulfilled the obligation to transfer the Property in accordance with this Agreement and the Deed of Transfer and all with due observance of the applicable policy guidelines of the Notary in this respect. The Sellers are aware and accept that one or two Business Days may pass between the Notarial Transfer Date and the transfer of those payments due to the investigation to be performed by the Notary.

## 9. **Discrepancies in dimensions/description**

9.1 If the measurement or dimension of the Property is incorrect or incomplete, neither the Purchaser nor the Sellers shall derive any right from this, with the same applying to other discrepancies in the description of the Property.

9.2 Clause 9.1 shall also apply to any boundary-exceeding constructions, incorrect indication of the number of square meters of gross floor area/lettable floor area in the Leases and/or Lease Overview, deviations from zoning plans and/or other official regulations, deviations from specifications, or deviations from limitations stipulated in the notarial deeds of the number of square meters to be constructed.

## 10. **Sellers' representations and warranties**

### *General*

10.1 Subject to the provisions included in Clauses 12 (*W&I Insurance*) and 13 (*Liability of Sellers*), the Sellers hereby represents and warrants to the Purchaser that each of the Warranties are true, accurate and not misleading on the Notarial Transfer Date.

10.2 The Sellers acknowledge that the Purchaser has entered into this Agreement in full reliance on the Warranties, the Indemnities and other covenants contained herein.

10.3 Each of the Warranties shall be construed separately and shall not be limited or restricted by reference to or inference from the terms of any other of the Warranties or any other terms of this Agreement.

10.4 The Purchaser acknowledges that, save to the extent covered by a Warranty, Indemnity and Clause 7.2, no warranty, guarantee or any other form of comfort, whether express or implied is given to the Purchaser or its advisors concerning the Property or any aspect of the transactions contemplated by this Agreement.

## 11. **Indemnities**

11.1 Notwithstanding Clauses 12 (*W&I Insurance*) and 13 (*Liability of Sellers*), the Sellers undertake to indemnify and hold the Purchaser harmless (*vrijwaren en schadeloosstellen*) against all Damage in respect of each of the following matters:

(A) (non) eviction and/or presence of tenant Lubrior SA at the leased premises and/or otherwise in connection with the termination of the lease agreement of tenant Lubrior SA by or on behalf of the Sellers (which termination shall be effective as per 1 November 2019);

(B) any person other than the Employees claiming that they have transferred to the Purchaser on the basis of a transfer of undertaking (*overgang van onderneming*) or otherwise in connection with the transactions contemplated in the APA Business or this Agreement;

(C) Dutch energy Taxes and VAT due in connection with the Solar PV System relating to the period up to and including the Notarial Transfer Date;

(D) Lessee Van der Hoeven invoking its statutory right with regards to eviction protection;

(E) the current excess of noise produced by Europe Retail Packing Poeldijk B.V. and to the extent applicable N.J. Witkamp, resulting in any (legal) actions/measures to be made by the Purchaser as the owner of the Properties (such as a noise barrier or other noise reduction measures), in relation with the three existing houses adjacent to the Property (being Paul

Captijnlaan 10, 12 and 14 Poeldijk) under the current laws and regulations applicable as per Notarial Transfer;

(F) the taking of any noise reducing measurements which the Purchaser as the owner of the Properties will be required to take and any (legal) actions towards and from the Purchaser – pursuant to the current laws and regulations applicable as per Notarial Transfer or, if stricter, the zoning plan as adopted on 22 January 2019 (but not yet published) regarding ‘De Kreken fase 2’ (known as NL.IMRO.1783.OWZKrekenf2opb-ON01) – in connection with (i) the current levels of noise produced by each of the Lessees, including but not limited to Europe Retail Packing Poeldijk B.V. and to the extent applicable N.J. Witkamp B.V and (ii) with the development (as currently envisaged) of the residential area “De Kreken” adjacent to the Property; and

(G) any missing rental guarantees and deposits in respect of the Leases as indicated in Schedule 16 (Outstanding Lease Items) if such results in the Purchaser not being able to recover / collect – within twenty (20) Business Days - any non-paid amounts or other amounts due by a tenant under the relevant Lease to the extent such could have been recovered / collected if the relevant security had been in place, whereby the Damage shall include any reasonable out-of-pocket costs which the Purchaser has incurred in connection with the recovery/collection of any amount overdue to the extent these costs would not have been incurred if the relevant security had been in place, in which event the Purchaser, at the first request of the Sellers, shall assign the relevant claim on such tenant under the relevant Lease to the Sellers,

each an “Indemnity”, and collectively “Indemnities”.

11.2 Subject to Clause 13.6, Clause 13.11 (only with respect to Clause 11.1(F)), Clause 13.13, Clause 13.14 (only with respect to Clause 11.1(F)), Clause 13.15, Clause 13.18, Clause 13.19 and Clause 13.20, the Indemnities shall be unlimited and not be subject to any threshold.

11.3 The Sellers shall (at their own costs) be allowed to initiate any discussions and (legal) actions relating to the application for the permit and/or relating to the discussions with the Municipality Westland in respect of the development of the residential area “De Kreken” (as referred to under Clauses 11.1(E) and 11.1(F)) and represent the Purchaser in this respect and to take any (legal) actions on behalf of the Purchaser towards Europe Retail Packing Poeldijk B.V. and the Association, provided that the Sellers shall consult with the Purchaser and keep the Purchaser fully informed on the progress of the application and relating discussions and actions and shall not make any admission of liability or enter into any settlement or compromise in relation to the issues as referred to under Clauses 11.1(E) and 11.1(F)) without the prior written consent of the Purchaser.

11.4 Immediately after the Notarial Transfer Date, the Purchaser and the Warrantor shall jointly (continue to) take all reasonable actions necessary to put in place and/or collect any missing rental guarantees and deposits in respect of the Leases as indicated in Schedule 16 (Outstanding Lease Items).

## 12. W&I insurance

### *W&I insurance*

12.1 The Purchaser has (in consultation with the Sellers) arranged for a warranty and indemnity insurance (the “W&I Insurance Policy”) in the name of the Purchaser with Acquinex Limited (the “W&I Insurance Provider”) in order to provide additional recourse for claims by the Purchaser under this Agreement.

12.2 Subject to the limitations of liability contained in Clause 13 (*Liability of Sellers*), the Warrantor (and, with respect to the Indemnities, also the other Sellers) will remain liable for any Uninsured Claims.

12.3 The premium of the W&I Policy and the costs and expenses in relation to entering into the W&I Insurance Policy (including the underwriting fee), shall for 50% be borne by the Sellers and for 50% be borne by the Purchaser. The premium of the W&I Insurance Policy and the aforementioned costs and expenses will be settled between the Parties at Notarial Transfer through the financial statement of costs as drafted by the Notary in accordance with the Notary Letter.

12.4 The Purchaser has procured that the W&I Insurance Policy includes a binding and irrevocable third-party stipulation for no consideration (*onherroepelijk derdenbeding om niet*) for the benefit of the Sellers and its managers that the W&I Insurance shall not claim from any Seller and its management in connection with any claim for breach of the Warranties, except in the event of fraud (*bedrog*) or wilful misconduct by the relevant Seller or its management.

12.5 The Purchaser shall be responsible for the actual and timely payment of the W&I Insurance premium to the W&I Insurance Provider and the timely performance of all other actions and requirements under or pursuant to the W&I Insurance. The Purchaser shall provide the Sellers (i) evidence of the actual and timely payment of the W&I Insurance premium to the W&I Insurance Provider and (ii) a copy of the executed W&I Insurance Policy, as soon as possible after the Notarial Transfer.

### 13. **Liability of Sellers**

#### *General*

13.1 Without prejudice and subject to Clause 12.2 and this Clause 13 (*Liability of Sellers*), the Sellers shall be liable to the Purchaser for the Damage in the event that one or more of the Warranties shall be incorrect, or in the event any of the Sellers acts in breach of the Indemnities or any of their other obligations pursuant to this Agreement.

13.2 Any payment made, or to be made by any of the Sellers to the Purchaser pursuant to this Agreement in respect of a Breach or otherwise shall be treated as a reduction of the Purchase Price to the extent allowed.

#### *Recourse*

13.3 The Purchaser's primary recourse in respect of claims under the Fundamental Warranties shall be against the W&I Insurance Provider under the W&I Insurance Policy. To the extent any such claim(s) under the Fundamental Warranties exceeds the limit of liability insured under the W&I Insurance (being EUR 32,500,000), the Sellers shall be liable for the Damage in excess of EUR 32,500,000, subject to the provisions of this Clause 13 (*Liability of the Sellers*).

13.4 The Purchaser's sole recourse in respect of claims under the Commercial Warranties, other than for any Uninsured Claims, shall be against the W&I Insurance Provider under the W&I Insurance Policy. The Sellers shall not be liable for any of the Damage incurred by the Purchaser or otherwise in respect of any claims under the Commercial Warranties, except for any of the Uninsured Claims, regardless of whether any such claim is actually recovered under the W&I Insurance Policy.

13.5 The Purchaser's sole recourse in respect of the Uninsured Claims (except for any claim under the Indemnities) shall be against the Warrantor.

13.6 The Purchaser's sole recourse in respect of (i) any claims under the Indemnities and (ii) any claims under the Fundamental Warranties for Damage in excess of EUR 32,500,000, and (iii) any other claims under this Agreement not covered by Clauses 13.3 up through 13.5 (except for any claim under Clauses 15 (*Non-compete and non-solicit*), 16 (*ABC Option Agreement*), 17 (*Perpetual License*), 18 (*Sellers' Cooperation*), 20 (*Confidentiality and public announcement*)) shall be:

- (A) for 70% against Sellers' Group I;
- (B) for 21% against Van Rijn Beheer Poeldijk B.V.; and
- (C) for 9% against Windtmeulen Beheer B.V.

13.7 The Purchaser's sole recourse in respect of any claims under Clauses 15 (*Non-compete and non-solicit*), 16 (*ABC Option Agreement*), 17 (*Perpetual License*), 18 (*Sellers' Cooperation*), 20 (*Confidentiality and public announcement*) shall be exclusively against the Seller(s) which acted in breach of the relevant Clause.

#### *Notice*

13.8 If the Purchaser becomes aware of a Breach, it shall inform the Sellers hereof in writing as soon as practicable upon actually becoming aware of such Breach but in any event within 20 Business Days (the "Notice Period"), stating, to the extent reasonably possible, the facts and circumstances that have led to such alleged Breach and the amount of Damage expected or suffered.

13.9 The failure of the Purchaser to notify the Sellers pursuant to Clause 13.8 after it becoming aware of a claim shall not in any way affect the Purchaser's ability or right to make a claim under this Clause 13 (*Liability of Sellers*), provided that the Sellers shall not be liable to the extent that the Damage was caused or aggravated as a result of any failure to notify.

13.10 Each of the Parties hereby declares that it is not aware of any breach of the Warranties, which declaration the Purchaser may share with the W&I Insurance Provider.

#### *Aggregate liability*

13.11 The aggregate liability of the Warrantor and – in relation to the Indemnity included under Clause 11.1(F) only – the other Sellers in respect of any and all (i) Uninsured Claims and Uninsured APA Claims (except for the Indemnities and the APA Indemnities), and (ii) the Indemnity included under Clause 11.1(F) shall not exceed EUR 5,000,000 (in words: five million euro).

13.12 The aggregate liability of the Sellers in respect of any and all claims under or otherwise in connection with this Agreement and the APA Business, including but not limited to the Uninsured Claims and Uninsured APA Claims but excluding the Indemnities and the APA Indemnities, shall not exceed an amount equal to 50% of the Purchase Price (irrespective of any other arrangements included this Agreement and the APA Business).

13.13 The aggregate liability of the Sellers in respect of any and all claims under or otherwise in connection with this Agreement and the APA Business (including for any and all claims under or otherwise in connection with the Indemnities and the APA Indemnities) shall never exceed 100% of the Purchase Price (irrespective of any other arrangements included this Agreement and the APA Business).

#### *Basket*

13.14 Irrespective of any other limitations set out in this Agreement and the APA Business, no liability with respect to the Uninsured Claims and Uninsured APA Claims (except for claims under the Indemnities and the APA Indemnities) shall attach to any Seller in the event that the total amount of any and all of the claims with respect to the Uninsured Claims, the Uninsured APA Claims (under this Agreement and the APA Business (collectively)) does not exceed EUR 500,000 (in words: five hundred thousand euro). In case the aforesaid threshold is exceeded, the Sellers shall be liable for the full amount (subject to Clause 13.11) and not only for the excess. No liability with respect the Indemnity included under Clause 11.1(F) shall attach to the Sellers in the event that the total amount of any and all of the claims with respect the Indemnity included under Clause 11.1(F) does not exceed EUR 100,000 (in words: one hundred thousand euro). In case the aforesaid threshold is exceeded, the Sellers shall be liable for the full amount (subject to Clause 13.11) and not only for the excess.

#### *Time limitation*

13.15 With due observance of the terms and conditions of the W&I Insurance Policy, the Purchaser's right to claim compensation for Damage arising out of or in connection with any Fundamental Warranties and the Indemnities lapses seven (7) years after the Notarial Transfer Date provided that (i) the Purchaser's right to claim compensation for Damage arising out of or in connection with any Commercial Warranties (for the avoidance of doubt: including the Uninsured Claims) lapses twenty four (24) months after the Notarial Transfer Date and (ii) the Indemnity included under Clause 11.1(G) lapses upon the moment all missing rental guarantees and deposits in respect of the Leases have been put in place and/or are collected by the Warrantor and the Purchaser jointly (acting in good faith) and/or are no longer outstanding (for the avoidance of doubt: the Indemnity included under Clause 11.1(G) lapses partially and solely in respect in any individual missing rental guarantee and/or deposit in respect of the relevant Lease upon the moment these have been put in place and/or are collected by the Purchaser in cooperation with the Warrantor (acting in good faith) and/or are no longer outstanding in respect of such Lease), unless prior to the expiry date notice of a claim has been given in accordance with Clause 13.8 in which case the right to claim compensation will be extended until the relevant claim has been fully and finally settled. For the avoidance of doubt, in such event the W&I Insurance Policy as mentioned in Clause 12 and all related other security arrangements shall remain in place until the relevant claim has been fully and finally settled.

13.16 The limitations set out in this Clause 13 (*Liability of Sellers*), shall not apply in the events of fraud (*bedrog*) or wilful misconduct by any of the Sellers.

#### *Breach of transfer obligation*

13.17 If any of the Sellers is in default of fulfilment of its transfer obligation referred to in Clause 7 (*Notarial Transfer*) and these obligations are not fulfilled after the Sellers have been given notice of default, the Purchaser shall be entitled to seek to claim specific performance or dissolution of this Agreement and/or a claim for any Damage, on the understanding that if the Deed of Transfer has been executed, neither Party will have the right to dissolve or cause the dissolution of this Agreement.

#### *Exclusions*

13.18 The Sellers shall not be liable and obliged to pay any Damage to the Purchaser under this Agreement in relation to any Breach (or any such amount shall be reduced accordingly) if and to the extent that the Damage giving rise to the claim:

- (A) has actually been recovered under any policy of insurance (including but not limited to the W&I Insurance Policy);
- (B) has actually been recovered from any third-party (including any of the tenants and the Association);
- (C) is attributable to anything arising from any matter as listed in Schedule 12 (Due Diligence Findings);
- (D) is attributable to anything arising from any matter, act, omission, or circumstance (or any combination thereof) that was Fairly Disclosed, provided that no disclosure can be made against (i) Warranty 9.1(A) (*Lease – Lease Overview*), or (ii) the cold storage overview included in the Data Room;
- (E) is attributable to changes in the law, rule or regulation which became effective after the Notarial Transfer Date and such changes were not announced or otherwise reasonably foreseeable prior to the Notarial Transfer Date; or
- (F) results from an intentional act or omission of the Purchaser on or after the Notarial Transfer Date other than any act to be in compliance with any law, rule or regulation.

*Third party recovery*

13.19 The Purchaser shall use reasonable commercial efforts to recover under any policy of insurance or from any third-party (including any of the tenants and the Association). If any compensation is paid to the Purchaser for which any of the Sellers have compensated the Purchaser, the Purchaser shall reimburse the relevant Seller(s) up to the amount it has received (after deduction of reasonably incurred out of pocket costs).

*Positive Tax Effects*

13.20 In assessing any liabilities, damages or other amounts recoverable by the Purchaser as a result of liability in respect of a Breach any Tax Effect obtained directly in consequence of the matter which gives rise to such liability by the Purchaser shall be taken into account.

**14. Board Association**

The Purchaser shall use its best endeavours to arrange that an additional board position in the management board of the Association shall be established for the benefit of the Best Fresh Group and the Purchaser hereby confirms that it shall vote in favour of any proposal that is put on the agenda of the Association and shall do all other acts and things as may reasonably be deemed necessary to effectuate the additional board position as soon as possible.

**15. Non-compete and non-solicit**

15.1 Each of the Sellers and each of their managing directors (excluding Mr. H.W. Rijdsdijk) undertake vis-à-vis the Purchaser, that it shall, and shall procure that each of their Affiliates shall, refrain without the prior written approval of the Purchaser (which approval shall not be unreasonably withheld or delayed), during a period of eighteen (18) months from the Notarial Transfer Date, as shareholder, partner, financier, employee or consultant or in any other capacity, both directly and indirectly, within seventy-five (75) kilometres from the Property, from any business activities, which are in competition with or comparable to the activities



performed by the Sellers up to the Notarial Transfer Date in connection with the Property, which business activities include but are not limited to providing and leasing out real estate facilities, infrastructure and services for tenants for, among others, storing, cooling, ripening and packaging, establishing or creating any logistic centre or other business in the agri/fresh food sector and land development both 'ready to build' and undeveloped areas, provided the following activities are explicitly permitted:

- (A) any and all of the Development Activities;
- (B) any and all of the current activities for the occupational business of the Best Fresh Group B.V. and its affiliates and KMB Vastgoed B.V.; and
- (C) any investment activities of any of the Sellers or their managing directors as a passive non-strategic investor with an effective interest of less than 25% (whether directly or through any investment- or other fund).

15.2 In the event of a breach by any of the Sellers, any of their managing directors (excluding Mr. H.W. Rijdsdijk) and/or its Affiliates of its obligations pursuant to this Clause 15 (*Non-Compete*), the defaulting party shall forfeit to the Purchaser, without any further notice or demand being required, an immediately payable penalty in the amount of € 200,000 (in words: two hundred thousand euro) for each violation and € 2,000 (in words: two thousand euro) for each day that such violation took place or continues, without limiting or precluding the right of the Purchaser to claim specific performance or actual Damage which the Purchaser has incurred.

15.3 The Sellers undertake that it shall not, and shall procure that none of its Affiliates shall, directly or indirectly, at any time for a period of two (2) years from the Notarial Transfer Date, (i) solicit or entice away (or any attempts thereto) any of the Lessees, and (ii) offer employment or other position to any of the Employees and/or the Independent Contractors or solicit such person to terminate such employment, provided however that this provision shall not apply to general mass solicitations of employment not specifically directed towards any of the Employees and/or the Independent Contractors (including but not limited to the use of independent employment agencies and advertisements in publications or via the internet), nor to the hiring as a result thereof.

## 16. **ABC Option Agreement**

The relevant Parties shall on the Notarial Transfer Date enter into the an option agreement, attached hereto as Schedule 7 (ABC Option Agreement) (the "ABC Option Agreement"), pursuant to which the Warrantor and ABC Westland Beheer B.V. grant amongst others option rights to the Purchaser in respect of certain individual land plots of various sizes and stages of development. For the avoidance of doubt, the limitation of liability included in Clause 13 (*Liability of the Sellers*) shall not apply in respect of the ABC Option Agreement, and the parties to the ABC Option Agreement agree that this Agreement does not in any way (adversely) impact the rights or position of the Purchaser and/or its Affiliate thereunder.

## 17. **Perpetual License**

Subject to the Notarial Transfer, the Warrantor and/or ABC Westland Beheer B.V. hereby grant the Purchaser an exclusive and perpetual license to use the trade name 'ABC Westland' free of charge. ABC Westland Beheer B.V. and the Warrantor shall be allowed to continue to use the trade name 'ABC Westland' as part of the name 'ABC Westland Development' for the purpose of the Development Activities.

**18. Deed of Contract Takeover Witkamp**

The Sellers shall use their best endeavours to procure that the deed of contract takeover between the Warrantor, N.J. Witkamp B.V., Witkamp Holding B.V. and Purchaser ("Deed of Contract Takeover Witkamp") as attached hereto as Schedule 17 (Deed of Contract Takeover Witkamp) shall be signed by N.J. Witkamp B.V. and Witkamp Holding B.V. as soon as practically possible after the Notarial Transfer and in any case within 10 Business Days after the Notarial Transfer.

**19. Sellers' Cooperation**

*Cooperation with Purchaser's Auditors and SEC Filing Requirements*

19.1 The Sellers shall provide to the Purchaser (at the Purchaser's expense) copies of, or shall provide the Purchaser access to, such factual information as may be reasonably requested in writing by the Purchaser, and in the possession or control of the Sellers, or its property manager or accountants, to enable the Purchaser's auditor (Deloitte & Touche LLP or any successor auditor selected by the Purchaser) to conduct an audit of the income statements of the Property for the year 2019 plus up to the three prior calendar years. The Purchaser shall be responsible for all out-of-pocket costs associated with this audit. The Sellers shall cooperate (at no cost to the Sellers) with the Purchaser's auditor in the conduct of such audit. In addition, the Sellers agree to provide to the Purchaser's auditor, if requested by such auditor, historical financial statements for the Property, including income and balance sheet data for the Property, whether required before or after the Notarial Transfer Date. Without limiting the foregoing, (i) the Purchaser or its designated independent or other auditor may audit the Sellers' operating statements of the Property, at the Purchaser's expense, and the Sellers shall provide such documentation as the Purchaser or its auditor may reasonably request in writing in order to complete such audit, and (ii) the Sellers shall furnish to the Purchaser such financial and other information as may be reasonably required by the Purchaser or the Purchaser Affiliate to make any required filings with the Securities and Exchange Commission ("SEC") or other governmental authority; provided, however, that the foregoing obligations of the Sellers shall be limited to providing such information or documentation as may be in the possession of, or reasonably obtainable by, the Sellers, its property manager or accountants, at no material cost to the Sellers, and in the format that the Sellers (or its property manager or accountants) have maintained such information.

*Cooperation regarding U.S. federal income tax elections*

19.2 The Sellers agree that, following the Notarial Transfer Date, the Association shall make an election on Internal Revenue Service Form 8875 to treat the Association as a "taxable REIT subsidiary" within the meaning of Internal Revenue Code Section 856(l) (the "TRS Election").

19.3 Following the Notarial Transfer Date, Sellers shall:

(A) (at the Purchaser's expense) take (or cause their Affiliates to take) any action that may be reasonably requested by the Purchaser or its Affiliates in connection with making the TRS Election and the U.S. Tax Entity Classification Election; and

(B) not take (and cause their Affiliates not to take), unless otherwise notified in writing by the Purchaser, any position on any tax or information return or in any tax audit or other tax contest that is inconsistent with the TRS Election or the U.S. Tax Entity Classification Election.

19.4 The Sellers hereby represent and warrant that:

(A) each Seller is not a, and is not directly or indirectly owned by any, United States persons (as defined for U.S. federal income tax purposes);

(B) to the knowledge of the Sellers (without inquiring the members of the Association to that respect), no other current member of the Association is, or is directly or indirectly owned by, a United States person (as defined for U.S. federal income tax purposes); and

(C) no election has ever been made under U.S. Treasury Regulation Section 301.7701-3 with respect to the Association's entity classification for U.S. federal income tax purposes.

19.5 The Purchaser undertakes to indemnify and hold each of the Sellers, the Association and the other current members of the Association harmless against all Damage in respect of any incremental US federal income taxes imposed on such persons solely as a result of the U.S. Tax Entity Classification Election and the TRS election. The indemnity in this Clause 19.5 shall not apply if any part of Clause 19.4 is not correct.

## **20. Confidentiality and public announcement**

20.1 Except to the extent required by Law or applicable stock exchange regulations and in case of such requirement only after prior consultation with the other Party, the Parties will not, disclose or use any information relating to the other Party, the Property or the transaction which is the subject of this Agreement that is of a confidential nature, subject to Clause 20.3.

20.2 No announcement or press release regarding this Agreement or any element thereof will be made or issued other than with the prior approval of each of the Parties.

20.3 The Purchaser and its representatives shall be entitled to retain one copy of the "Confidential Information" to the extent necessary in order to comply with any applicable laws or regulations and document retention policies, and shall only be required to use commercially reasonable efforts to return or destroy any materials stored electronically, and the Purchaser and its representatives shall not be required to return or destroy any electronic copy of the "Confidential Information" created pursuant to their standard electronic backup and archival procedures. Notwithstanding anything to the contrary herein, the Purchaser or Purchaser Affiliate or any entity advised by the Purchaser Affiliate) shall be permitted to disclose in press releases, SEC and other filings with governmental authorities, financial statements and/or other communications such information regarding the transaction contemplated by this Agreement and/or the terms of this Agreement and any such information relating to the property as may be necessary or advisable to comply with any applicable federal or state securities laws, rules, or regulations (including SEC rules and regulations), "generally accepted accounting principles," or other accounting rules or procedures or in accordance with Hines Global Income Trust Inc.'s prior custom, practice, or procedure. Without limiting the foregoing, Hines Global Income Trust Inc. may file this Agreement with the SEC after the execution of the same and may file a form "8-K" and/or prospectus supplement to which this Agreement may be attached.

## **21. Binding effect**

All the terms, provisions, representations, warranties, covenants and conditions of this Agreement shall only be binding upon and be enforceable by the Parties hereto after this Agreement has been signed by all Parties.

## **22. Assignment**

No Party may assign, transfer (whether directly or indirectly), charge, delegate, sub-contract, Encumbrance or otherwise deal with all or any rights or obligations under this Agreement without the approval of the other Party, which approval shall not be withheld or delayed

unreasonably, other than the Purchaser who may freely assign, transfer (whether directly or indirectly), charge, delegate, sub-contract, Encumbrance (or otherwise deal with all or) any rights or obligations under this Agreement to a Purchaser Affiliate and/or the Financing Bank.

23. **Partial invalidity**

In the event that one or more clauses of this Agreement is or is held invalid or unenforceable, the other clauses of this Agreement will continue to be effective. The Parties undertake that they will use all their reasonable endeavours to replace any invalid or unenforceable provision by a valid provision, the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision, taking into account the object and the purpose of this Agreement.

24. **Exclusion**

The Parties acknowledge and agree that the provisions of this Agreement shall derogate from, and exclude the applicability of, the provisions of title 1, chapters 1 up to and including 11 of book 7 of the Dutch Civil Code and section 6:89 of the Dutch Civil Code.

25. **Entire agreement**

This Agreement contains all of the agreements between the Parties hereto with respect to the transactions contemplated by this Agreement and supersedes all earlier written and/or oral agreements with respect to the subject matter(s) hereof.

26. **Counterparts**

This Agreement may be executed in any number of counterparts by the Parties to it, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

27. **Expenses**

Each Party hereto shall pay its own expenses incurred or to be incurred in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated by it.

28. **Interest**

If any Party becomes liable to pay any sum pursuant to this Agreement, whether a fixed sum or by way of Damage or otherwise, this Party will be liable to pay interest on such sum from the due date for payment at the annual rate of 4% accruing on a daily basis until payment is made, whether before or after any judgment.

29. **Dissolution and annulment**

Subject to the Notarial Transfer and to the extent permitted by law, as from the moment of the execution of the Deed of Transfer, each of the Parties, waives its rights, if any, to:

(A) in whole or in part annul (*vernietigen*) or dissolve (*ontbinden*) this Agreement; or

(B) invoke section 6:228 of the Dutch Civil Code in the sense that an error (*dwalings*) shall remain for the risk and account of the Party in error as referred to in section 6:228, subsection 2 of the Dutch Civil Code; or

(C) alter the nature of this Agreement on the basis of unforeseen circumstances (*onvoorziene omstandigheden*) or suspend (*opschorten*) any of the obligations assumed hereunder; or

(D) instigate any action to do the same.

### 30. **The Notary**

30.1 The Parties declare to be aware of the fact that the Notary works with Simmons & Simmons LLP, which firm is the advisor of the Purchaser in relation to this Agreement and the transactions contemplated therein.

30.2 With reference to the rules of the Code of Conduct 2011 (*Verordening Beroeps- en Gedragsregels 2011*) as established by the board of the Royal Notarial Professional Organisation (*Koninklijke Notariële Beroepsorganisatie*), the Parties hereby grant their explicit consent to:

(A) the Notary executing the Deed of Transfer; and

(B) the Purchaser being advised and represented by Simmons & Simmons LLP in relation to this Agreement, the Deed of Transfer and any agreement that may be concluded, or any dispute that may arise, in connection therewith.

### 31. **No implied waiver**

31.1 No delay or omission of any Party in exercising any right, power or privilege under this Agreement shall operate to impair such right, power or privilege or be construed as a waiver thereof and any single or partial exercise of such right, power or privilege shall not preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and non-exclusive of any rights or remedies provided by law, unless the Parties expressly agree otherwise.

31.2 Neither Party be entitled to set off (*verrekenen*) or suspend (*opschorten*) any payment pursuant to this Agreement.

### 32. **Notices**

32.1 Except as otherwise required by law, all notices, announcements, summons and communications pursuant to this Agreement shall be delivered to the addresses stated hereunder (or to such other address as a Party has communicated to the other Party(ies) in accordance with this clause) by registered mail with return receipt or by courier and always accompanied by an email:

(A) if directed to the Purchaser:

Hines Fresh Park Venlo B.V.  
Attn: A. Smith  
Address: Venrayseweg 102  
5928 RH Venlo  
the Netherlands

With a required copy to:

Simmons & Simmons at (1082 MC) Amsterdam, Claude Debussylaan 247, to the attention of Messrs. Rob Hendriks and Martijn Stuart, e-mail rob.hendriks@simmons-simmons.com and martijn.stuart@simmons-simmons.com,

(B) if directed to the Sellers:

ABC Westland Beheer B.V. and ABC Westland Beheer C.V.  
Attn: H. Rijdsdijk  
Address: ABC Westland 200  
2685 DC Poeldijk  
the Netherlands

Van Rijn Beheer Poeldijk B.V. and Windtmeulen Beheer B.V.  
Attn: A. van der Windt and D. Vermeulen  
Address: ABC Westland 137  
2685 DB Poeldijk  
the Netherlands

KMB Vastgoed B.V.  
Attn: M. Valstar  
Address: ABC Westland 104  
2685 DB Poeldijk  
the Netherlands

With a required copy to:

Buren N.V. at (2517 JR) The Hague, Johan de Wittlaan 15, to the attention of Mr. Pieter van den Berg, e-mail p.vandenberg@burenlegal.com and

Eveda Capital at (3621 TB) Breukelen, Winterakoniet 9, to the attention of Mr. Olivier Takx, e-mail otakx@evedacapital.nl.

32.2 Notices and announcements delivered in accordance with the provisions of, and pursuant to, this Agreement shall be deemed to have been received at the following moments:

(A) if sent by registered letter or courier: at the date of delivery evidenced by the return receipt; and

(B) if sent via email: at the date and time of sending to the recipient.

32.3 The delivery of the copy of any announcements, communications or notices in accordance with this Agreement shall not constitute or deem to constitute notices or announcements delivered to a Party in accordance with this Agreement until such notice or communication has been delivered in accordance with this Agreement to that Party as well.

### 33. **Amendment and embodiment**

This Agreement shall not be amended or modified except in writing when duly signed by authorised signatories of each Party.

### 34. **Governing law and jurisdiction**

34.1 This Agreement and any contractual and non-contractual obligations arising there from shall be governed exclusively by Dutch law.

34.2 Unless otherwise stipulated in this Agreement, disputes arising out of or in connection with this Agreement or further agreements resulting thereof shall in first instance be settled by the competent court in Amsterdam, the Netherlands, subject to appeal and appeal in the second instance. The Parties irrevocably waive any rights that they may have or acquire to object to the jurisdiction of these courts.

*Remainder of page intentionally left blank*

*Signature page(s) follow*

## SIGNATURE PAGE

This Agreement is signed in duplicate.

### Sellers

ABC WESTLAND BEHEER B.V. as general partner (*beherend vennoot*) on behalf of ABC WESTLAND BEHEER C.V.

/s/ H.W. Rijsdijk

By: H.W. Rijsdijk

Date: 3/5/2019

Place: Amsterdam

ABC WESTLAND BEHEER B.V.

VAN RIJN BEHEER POELDIJK B.V.

/s/ H.W. Rijsdijk

By: H.W. Rijsdijk

Date: 3/5/2019

Place: Amsterdam

/s/ A.E. van der Windt

By: A.E. van der Windt

Date: 3/5/2019

Place: Amsterdam

KMB VASTGOED B.V.

WINDTMEULEN BEHEER B.V.

/s/ O. Takx

By: O. Takx

Date: 3/5/2019

Place: Amsterdam

/s/ A.E. van der Windt

By: A.E. van der Windt

Date: 3/5/2019

Place: Amsterdam



**Purchaser**

HGIT ABC WESTLAND 200 POELDIJK COOPERATIVE U.A.

/s/ Andy N. Smith

By: Andy N. Smith

Date: 3/5/2019

Place: Amsterdam

/s/ A.F. uit de Bos

By: A.F. uit de Bos

Date: 3/5/2019

Place: Houston

## Schedule 1 – PROPERTY

| Plots owned by the Sellers which will be transferred to the Purchaser |                 |  |  |   |
|---|-----------------|--|--|---|
| Nr.   | Cadastral plots | Legal owner / Seller(s)  | Address  | Designated use and plot size  |
| 1.  | Monster K 5544  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Water;</li> <li>6,110 sq. m.</li> </ul>                                    |
| 2.  | Monster K 5819  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Land;</li> <li>125 sq. m.</li> </ul>                                       |
| 3.  | Monster K 6448  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul>  | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Roads;</li> <li>165 sq. m.</li> </ul>                                      |
| 4.  | Monster K 6480  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Land;</li> <li>137 sq. m.</li> </ul>                                       |
| 5.  | Monster K 6610  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Land (new development business location);</li> <li>2,830 sq. m.</li> </ul> |
| 6.  | Monster K 6612  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Water;</li> <li>25 sq. m.</li> </ul>                                       |
| 7.  | Monster K 6614  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Water;</li> <li>325 sq. m.</li> </ul>                                      |
| 8.  | Monster K 6616  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul>  | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Land (new development business location);</li> <li>365 sq. m.</li> </ul>   |
| 9.  | Monster K 7944  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V.</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified;</li> <li>8,347 sq. m. (provisional).</li> </ul>     |
| 10.   | Monster K 6679  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>ABC Westland 467 (2685 DE) Poeldijk;</li> <li>ABC Westland 468 (2685 DE) Poeldijk;</li> <li>ABC Westland 469 (2685 DE) Poeldijk.</li> </ul> | <ul style="list-style-type: none"> <li>Business location (industrial) and land;</li> <li>18,371 sq. m.</li> </ul> |
| 11.   | Monster K 6716  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Roads;</li> <li>75 sq. m.</li> </ul>                                       |
| 12.   | Monster K 6720  | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V.</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>   | <ul style="list-style-type: none"> <li>Land;</li> <li>20 sq. m.</li> </ul>  |

| Plots owned by the Sellers which will be transferred to the Purchaser |                |  |   |   |
|---|----------------|--|---|---|
| 13.   | Monster K 6747 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Roads;</li> <li>3,699 sq. m.</li> </ul>                                  |
| 14.   | Monster K 7945 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Not further specified;</li> <li>2,479 sq. m. (provisional).</li> </ul>   |
| 15.   | Monster K 6768 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V.</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Land (grassland);</li> <li>120 sq. m.</li> </ul>                         |
| 16.   | Monster K 6800 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V.</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Water;</li> <li>80 sq. m.</li> </ul>                                     |
| 17.   | Monster K 6801 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Business location (mains services);</li> <li>8 sq. m.</li> </ul>         |
| 18.   | Monster K 6802 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Roads;</li> <li>1,452 sq. m.</li> </ul>                                  |
| 19.   | Monster K 7940 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>ABC Westland 100 (2685 DB) Poeldijk;</li> <li>ABC Westland 108 (2685 DB) Poeldijk;</li> <li>ABC Westland 120 (2685 DB) Poeldijk;</li> <li>ABC Westland 150 (2685 DB) Poeldijk;</li> <li>ABC Westland 200 (2685 DC) Poeldijk;</li> <li>ABC Westland 206 (2685 DC) Poeldijk;</li> <li>ABC Westland 208 (2685 DC) Poeldijk;</li> <li>ABC Westland 210 (2685 DC) Poeldijk;</li> <li>ABC Westland 242 (2685 DC) Poeldijk;</li> <li>ABC Westland 242 A1 (2685 DC) Poeldijk.</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified;</li> <li>199,426 sq. m. (provisional).</li> </ul> |
| 20.   | Monster K 7289 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Residential and land;</li> <li>1,288 sq. m. (provisional).</li> </ul>    |
| 21.   | Monster K 7591 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Residential and land;</li> <li>38,724 sq. m. (provisional).</li> </ul>   |
| 22.   | Monster K 7593 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul>  | <ul style="list-style-type: none"> <li>Residential and land;</li> <li>1,786 sq. m. (provisional).</li> </ul>    |

| Plots owned by the Sellers which will be transferred to the Purchaser |                |  |  |   |
|---|----------------|--|--|---|
| 23.   | Monster K 7743 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul> | <ul style="list-style-type: none"> <li>Residential;</li> <li>898 sq. m. (provisional).</li> </ul>             |
| 24.   | Monster K 7745 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul> | <ul style="list-style-type: none"> <li>Residential and land;</li> <li>2,761 sq. m. (provisional).</li> </ul>  |
| 25.   | Monster K 7823 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul> | <ul style="list-style-type: none"> <li>Residential and land;</li> <li>1,035 sq. m. (provisional).</li> </ul>  |
| 26.   | Monster K 7824 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul> | <ul style="list-style-type: none"> <li>Residential;</li> <li>330 sq. m. (provisional).</li> </ul>             |
| 27.   | Monster K 7937 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified;</li> <li>1,701 sq. m. (provisional).</li> </ul> |
| 28.   | Monster K 7938 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (25/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Van Rijn Beheer Poeldijk B.V. (21/100) (involved partnership: ABC Westland Beheer C.V.);</li> <li>Kmb Vastgoed B.V. (45/100);</li> <li>Windtmeulen Beheer B.V. (9/100).</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul> | <ul style="list-style-type: none"> <li>Not further specified;</li> <li>161 sq. m. (provisional).</li> </ul>   |
| 29.   | Monster K 7827 | <ul style="list-style-type: none"> <li>ABC Westland Beheer B.V. (involved partnership: ABC Westland Beheer C.V.).</li> </ul>   | <ul style="list-style-type: none"> <li>Not further specified.</li> </ul> | <ul style="list-style-type: none"> <li>Residential;</li> <li>63 sq. m. (provisional).</li> </ul>              |

**Schedule 2 – DEED OF TRANSFER**

**Schedule 3 – LEASE AGREEMENT VALSTAR**

## **Schedule 4 – DATA ROOM USB**

## **Schedule 5 – SELLERS' WARRANTIES**

### **1. Power and authority**

1.1 The Sellers warrant that each of them have the power to enter into, perform and deliver, and has taken all necessary action to authorise entry into, performance and delivery of, this Agreement, and the transactions contemplated in this Agreement.

1.2 Each of the Sellers has obtained all consents, approvals and permits whether governmental, regulatory, corporate or otherwise relating to the transactions contemplated by this Agreement.

1.3 On the Notarial Transfer Date:

- (A) the Sellers have the sole legal and beneficial ownership of the Property;
- (B) the Sellers are duly authorised to transfer the Property;
- (C) no party is exercising any right of retention in respect of the Property; and
- (D) the Property is not subject to any claims regarding (the title to) the Property.

### *Non-conflict with other obligations*

1.4 Neither the execution of this Agreement or any other transaction document nor the consummation of the transaction contemplated thereby performed by each of the Sellers or any other member of the Sellers' Group does or will constitute a violation of any agreement or obligation binding on any of the Sellers or any other member of the Sellers' Group nor is there any pending or threatened action, nor is there any basis for such action, which might jeopardise the validity of this Agreement or any other transaction document or challenge the transactions contemplated thereby neither does it infringes with any third party rights nor does it breach any other kind of obligation.

1.5 Entering into this Agreement and performance by each of the Sellers of this Agreement and the transactions contemplated by this Agreement, do not and will not conflict with its constitutional documents.

1.6 Entering into and performance by each of the Sellers of and the transactions contemplated by this Agreement do not conflict with any law or regulation applicable to it on the Notarial Transfer Date.

1.7 No insolvency or similar proceedings have been applied for or instituted against the assets (including but not limited to the Property) of any of the Sellers. There are no circumstances which would justify the institution of such proceedings or measures or any actions seeking to void or challenge this Agreement under insolvency Law. None of the Sellers are unable to pay its debts as they fall due, nor is a negative net worth or illiquidity imminent. None of the Sellers have ceased or suspended its payments or entered into or offered any debt settlement agreements or similar arrangements with creditors.

1.8 This Agreement and the obligations undertaken in connection with the transaction contemplated herein constitute or will constitute, following the execution thereof, the valid and legally binding obligations of the Sellers, enforceable against it in accordance with their respective terms.

## **2. The Membership Rights**

2.1 Each of the Sellers has full, sole and unassailable (*onaantastbaar*) legal and beneficial title to and ownership of the Membership Rights.

2.2 The Membership Rights have been validly acquired and are free and clear of any Encumbrances. All due contributions to the Association in connection with the Membership Rights have been paid in full.

2.3 None of the Sellers nor the Association have granted any rights to acquire membership rights in the Association through subscription, option, conversion or otherwise.

2.4 None of the Sellers nor the Association have an actual or contingent obligation to sell or transfer any of the Membership Rights to a third party or to create any Encumbrance in respect of the Membership Rights, with the exception of the obligations of the Sellers to the Purchaser arising out of this Agreement and the Deed of Transfer.

2.5 Each of the Sellers has full right, power and authority to sell, transfer and deliver the Membership Rights on the terms of the Agreement without co-operation, approval or authorisation of others including any judicial authority.

2.6 Each of the Sellers has acquired title to the Membership Rights by deeds of transfer or issue which have been duly executed and authorised and neither the transfer nor the title underlying any of the aforementioned transfers or issues can be dissolved, annulled or declared null and void.

2.7 No resolution has been adopted within the Association which still needs to be effected after the Notarial Transfer Date.

## **3. Existing ROFR Rights**

3.1 The Sellers have full, sole and unassailable (*onaantastbaar*) legal and beneficial title to and ownership of the Existing ROFR Rights and the Sellers have not granted any rights to any third party to acquire the Existing ROFR Rights.

3.2 The Existing ROFR Rights have been validly acquired, are enforceable within their terms and are free and clear of any Encumbrances.

3.3 The Existing ROFR Rights are freely transferrable and no assignment or transfer restrictions apply in respect of the Existing ROFR Rights nor are included in the underlying documentation pursuant to which the Existing ROFR Rights have been acquired or transferred to the Sellers.

3.4 The Sellers have full right, power and authority to sell, transfer and deliver the Existing ROFR Rights on the terms of the Agreement without co-operation, approval or authorisation of others including any judicial authority.

3.5 The Sellers have acquired title to the Existing ROFR Rights by deeds of transfer which have been duly executed and authorised and neither the transfer nor the title underlying any of the aforementioned transfers can be dissolved, annulled or declared null and void.



#### **4. Rights in rem, qualitative obligations, attachments**

4.1 On the Notarial Transfer Date the Property will be free of Encumbrances or any registration (*inschrijving*) thereof.

4.2 Other than as set out in the Deed of Transfer or this Agreement, there are no:

(A) obligations entailed by a particular title within the meaning of article 6:252 DCC (*kwalitatieve verplichtingen*);

(B) easements or servitudes;

(C) covenants or perpetual clauses in any subsequent transfer that need to be imposed upon the Purchaser;

(D) claims by a local authority (*ongevorderd*) with respect to the Property and no third Party is using the Property without any right or title; and

(E) priority, option, preferential and/or pre-emption rights granted to third parties with respect to the Property which have not been waived by the relevant third parties.

#### **5. Charges and costs**

The charges as mentioned in Clause 5.1 have been paid, in so far as the relevant assessments have been imposed.

#### **6. State of the Property**

6.1 The Property has been built, used and maintained in accordance with all relevant contracts, standards, permits and regulations. The Property is in good condition, there are no maintenance backlogs, no contaminations, no defects known by the Sellers or announced by a Lessee which have not been remedied and no non-operating capital expenditures which may arise or have been or will be accelerated due to the failure to have had performed preventive maintenance on any of the buildings and other improvements on the Property by the Sellers.

6.2 The environmental quality of the soil does not prevent the intended use of the Property and shall not have an adverse effect on the Property.

6.3 The Sellers have obtained all usual guarantees, (building) warranties, reports and clearances issued by architects, builders, designers and consultants, which have been involved in the restructuring, construction and/or design of the Property, and all of these are transferrable.

6.4 The Sellers have not received any written notification with respect to pending proceedings concerning the expropriation or re-classification as public interest property of the Property or restitution claims to the Property or any part thereof by any governmental authority which might have an adverse effect on the Property or the use and enjoyment thereof at any time by the Purchaser.

6.5 The Property has legally enforceable rights to water, sewerage, electric, telephone and internet utility services adequate to fully serve the Property as currently operated and all such services reach the Property by using valid and irrevocable easements.

## **7. Environment and Permits**

7.1 For all structures on the Property, if and when required by law, all integrated environmental permits and notifications pursuant to the Activities Decree (*Activiteitenbesluit*) and the Building Decree 2012 (*Bouwbesluit 2012*) and all required energy labels have been issued and/or obtained and have become final and conclusive. The Property complies with all zoning regulations, issued integrated environmental permits and all applicable (general) rules pursuant to the Activities Decree. Furthermore, all notifications pursuant to the Building Decree 2012 have been issued.

7.2 No revocation nor, where a permit applicable to the Property may need to be renewed, non-renewal of any permit is threatened, nor are the Sellers aware of any fact or circumstance which might give rise to revocation or non-renewal of any permit applicable to the Property.

7.3 The permitted use under the Leases is in accordance with the zoning plan.

7.4 No (additional) environmental (building) permit is required for the interior of the building.

7.5 No material complaints from the neighbours have been received regarding on subjects of nuisance such as noise, air or odour pollution which could potentially result in legal proceedings.

7.6 The Sellers have fully and timely complied with the Environmental Laws and all environmental and planning requirements under public law. No municipal, federal, provincial, governmental, local or other competent (semi) governmental authority has given any directive or order to the Sellers in connection with any (possible) pollution of the environment or non-compliance with Environmental Laws nor have the Sellers taken any action or failed to take any action that would give rise to any liability of the Sellers under any Environment Laws.

7.7 The Property is free from any Hazardous Substance and the quality and status of the soil, ground water and waste water will not give rise to any audits, investigations, orders or remedial measures under any Environmental Laws.

## **8. Public and civil law**

8.1 There are no administrative or criminal enforcement actions pending, announced or expected.

8.2 The Property has not been included in (pending applications for) a designation order or any entry of the Property in a register:

(A) as protected monument within the meaning of the Dutch Monuments and Historic Buildings Act 1988 (*Monumentenwet 1988*);

(B) as an urban or village conservation area or proposal thereto in the sense of the Dutch Monuments and Historic Buildings Act (*Monumentenwet 1988*);

(C) as a protected monument by the municipal or provincial authorities, except for preparations by the Municipality to designate the Property as a municipal monument.

8.3 The Sellers are not aware that the municipality has adopted any urban renewal plan (*stadvernieuwingsplan*) or environmental order (*leefmilieuverordening*) within the meaning of the former Urban and Rural Regeneration Act (*Wet op de stads- en dorpsvernieuwing*) involving the Property;

8.4 The Sellers are not aware that the Property has been included in any designation, listing order or registration as an urban or village conservation area ("*beschermde stads- of dorpsgezicht*") or in a pending request for an advice on such matters.

8.5 The use of the Property by the Lessee does not violate public or private law. The Property complies with all national and local norms, especially regarding fire and life safety.

8.6 There are neither qualified rights (tolerance obligations) registered in relation to the Property as defined in the Public Works (Removal of the Impediments in Private Law) Act (*Belemmeringenwet Privaatrecht*), nor have the Sellers received any notices as defined in sections 2 or 8a of that Act.

8.7 No restrictions under public law in relation to the Property have been entered in the municipal register of restrictions of the Land Registry.

8.8 All requisite approvals necessary to own, develop, operate, maintain and use the Property have been issued and are in full force and effect.

8.9 The Sellers have all permits (including but not limited to all-in-one permits (*omgevingsvergunningen*)), licenses, consents, permissions, approvals and exemptions required for the Property and to operate and to carry on ABC Westland in the ordinary course and the Sellers have complied with the conditions of such permits, licenses, consents, permissions, approvals and exemptions and none of the Sellers have received written notice that it is in default under any such permits, licenses, consents, permissions, approvals and exemptions and, to Sellers' best knowledge, there are no circumstances likely to give rise to any such material default.

## 9. **Leases**

9.1 On the Notarial Transfer Date:

(A) the Property is leased out in accordance with the Lease Overview and all of the information set forth in the Lease Overview including but not limited to the names of the tenants, date of the Leases and rental incomes, is true correct and accurate and the Lease Overview contains all Leases;

(B) the Property has no defect within the meaning of article 7:204 DCC and the current state of the leased premises is good and well maintained;

(C) the Sellers do not lack any necessary permits to lease out respectively to rent the Property;

(D) the Sellers have fulfilled all their obligations under the Leases;

(E) the Lessees have performed all their materially (payment of rent) obligations due under the Leases;

(F) none of the Lessees have given any written notice of default or breach under its Lease on the part of the Sellers as landlord, nor any written notice of such Lessee's intention to terminate its Lessee or to dispute or challenge the binding effect of any of the provisions thereof or to change materially the terms on which it does business with the Sellers;

(G) the Leases are valid, enforceable and in full force and in effect. The Leases constitute the entire agreement between the (relevant) Seller(s) and the Lessees and there are no other (verbal) agreements with the Lessees in place which will be transferred to the Purchaser, there are no undisclosed free rent periods, rent reductions and rebates and the Leases do

not include any break option or early termination rights of the Lessees, other than those listed in the Lease Overview;

(H) none of the Leases, nor any of the rents or other amounts payable thereunder, have been assigned, pledged or Encumbered;

(I) no rent-free periods or any other (lease) incentives have been granted to the Lessees other than as apparent from the Lease Overview;

(J) there are no disputes with any of the Lessees, nor are any disputes to be expected;

(K) the permitted use as described in the Leases is in accordance with the use as stipulated by any of the authorities and the Sellers have at all times ensured that the activities performed in the leased premises by the Lessees were regularly monitored and, in the event of clear signals of any illegal activity, was being duly acted upon by or on behalf of the Sellers;

(L) the Lessees do not perform nor have performed any soil polluting activities at the leased premises;

(M) each of the leased premises under the Leases shall be delivered by the Lessee to the landlord at the end of the term of the Lease as described in the delivery report (if any), however, at least in a well-maintained state and good condition, without any defects and free from any damages, at least in accordance with the standards prescribed by the Dutch Council for Real Estate Matters (*Raad voor Onroerende Zaken*) and/or Dutch law. There are no delivery reports drawn up in relation to the Leases which prescribe reinstatement of the leased premises by the Lessee on less favourable terms (from a landlord's perspective), other than Fairly Disclosed; and

(N) the rental securities provided by the Lessees are the full amounts required under the Leases and are not invoked by the Sellers nor will be invoked before or on the Notarial Transfer Date.

## **10. Solar Warranties**

10.1 The Sellers are the sole and exclusive legal and beneficiary owners of all right, title and interest in all of the Solar PV System and such Solar PV System is not subject to any Encumbrance or any other right of any other third party.

10.2 The Solar PV System comprises all assets that will be required or used to operate the Solar PV System.

10.3 The Solar PV System is free from any visible or invisible defects, is in a good state of maintenance and repair and fit for use.

10.4 The Solar PV System has been built in conformity with the EPC Contract including all technical specifications especially the technical specifications and other specifications relevant to the guarantees as granted under the EPC Contract including but not limited to the manufacturers guarantees.

10.5 The Solar PV System has after commissioning not been subject to any material defect and the Solar PV System is being operated and maintained by the Sellers in accordance with (i) all product guarantees under the EPC Contract; and (ii) current industry standards as applied by top tier O&M parties in the Netherlands.

10.6 The Sellers are the sole holder of the SDE Grant granted in connection with the Solar PV System and the underlying subsidy request has been duly drafted and submitted by the Sellers.

10.7 The Solar PV System has been operated in compliance with the SDE Grant and the SDE Subsidy and the Sellers are in full compliance with their obligations under the SDE Grant and the SDE Subsidy.

10.8 The Lease with the Lessee Witkamp in connection with the Solar PV System has been structured as a lease agreement. This Lease excludes any possibility that the use of the Solar PV System by the Lessee Witkamp would constitute a supply of electricity subject to energy tax (*Energiebelasting*), VAT and Surcharge for Sustainable Energy due under the '*Wet Opslag Duurzame Energieopwek (ODE)*'.

10.9 No other agreements, whether verbal or in writing, pertaining to the Solar PV System exist other than the agreements included in Annex 1 and no obligations are in place other than those which appear from such agreements.

10.10 All obligations pursuant to the agreements entered into in relation to the Solar PV System which have become due have been complied with.

10.11 All agreements in respect of the Solar PV System as included in Annex 1 are in full force and will not be terminated as a result of the transactions contemplated by this Agreement.

10.12 The Sellers have observed and performed all the terms and conditions arising from the agreements in respect of the Solar PV System to which it is a party.

10.13 The Sellers are party to all contracts and arrangements which are necessary to operate and maintain the Solar PV System, and all of these agreements are transferable.

10.14 There has been no violation by the Sellers of any law or regulation in connection with the Solar PV System.

## 11. **Insurance**

The Sellers are, and have been in the past, properly and adequately insured to a standard and against those risks as is customary for being the owner of the Property.

## 12. **Intellectual Property Rights**

12.1 Schedule 8 (Intellectual Property Rights) contains a complete and accurate list of all Intellectual Property Rights used by the Sellers in relation to the Property.

12.2 The Sellers are the sole legal and beneficial owner free from Encumbrances of the Intellectual Property Rights and (where such property is capable of registration) the registered proprietor or authorised user thereof.

12.3 The Sellers are not aware of any infringement of the Intellectual Property Rights or of any rights relating to them by any person.

12.4 On the Notarial Transfer Date, the Sellers shall transfer all its Intellectual Property Rights in relation to the Property to the Purchaser.

13. **Disputes and litigation**

On the Notarial Transfer Date there are no ongoing, pending or expected disputes or litigation in relation to the Property.

14. **GDPR**

14.1 With respect to all the Personal Data belonging to, and/or processed in connection with, the Property, the Leases and/or the Lessees, such Personal Data has at all times been in compliance with the Data Protections Laws in all respects.

14.2 The Sellers have with respect to all the Personal Data belonging to, and/or processed in connection with, the Property the Leases and/or the Lessees:

(A) undertaken appropriate due diligence on any third parties appointed to process Personal Data ("Processors"); and

(B) an agreement in place with each Processor which complies with all applicable requirements of the Data Protection Laws including, in relation to Processor contracts within the scope of the GDPR, incorporating the terms stipulated by Article 28 of the GDPR.

14.3 The Sellers have not in the period of 24 months preceding the date of this Agreement received any:

(A) notice, request, letter or other communication from any Supervisory Authority, or been subject to any enforcement action (including any fines or other sanctions), in each case relating to a breach or alleged breach of its obligations under the Data Protection Laws; or

(B) claim, complaint, letter or other communication from a data subject or any other person claiming a right to compensation under the Data Protection Laws, or alleging any breach of the Data Protection Laws,

and there is no fact or circumstance that may lead to any such notice, request, letter, communication, claim, complaint or enforcement action.

15. **OFAC/Patriot Act AML and FCPA**

Neither the Sellers, nor any of their officers, managers nor directors, nor any direct or indirect owner of 10% or more of the beneficial interests in any of the Sellers, nor, to the Sellers' Knowledge, any other beneficial owner of any of the Sellers:

(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 a 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 Sellers' 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 List (any person referenced in this provision, or in provisions (A)-(B) above, is hereby referred to herein as a "Blocked Person"); and/or

(D) has made any bribe or other financial inducement to a public official or governmental employee in the past in connection with the acquisition, financing, operation or otherwise pertaining to the Property in violation of the Foreign Corrupt Practices Act of the United States of America and the rules and regulations promulgated thereunder.

16. **Information**

16.1 All information contained in the Agreement and all information and documentation provided by the Sellers to the Purchaser and its advisers relating to the Property and the transactions contemplated by this Agreement, are accurate and correct and do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

16.2 The Sellers have not withheld any information from the Purchaser which if such information had been known to the Purchaser would have caused the Purchaser not to enter into this Agreement or to have entered it on different terms.

## ANNEX - 1

### EPC

- **DR 6.18.3.2.1 (opdrachtbevestiging Solarnrg 151022) and DR 6.2.54 qa46b (opdracht 2250 zonnepanelen solar nrg 180614)**

EPC SOLAR NRG dated 22 June 2015 (DR 6.18.3.2.1) and 14 June 2018 (6.2.54 qa46b) are including guarantees provided in connection with the leased premises located Hal A1, Hal A3, Hal A5, Hal B, Hal C and Hal D4.

### Energy agreements

- **DR 1.2.3.7 (Westland energie levering gas)**

The Grid Connection Agreement Gas dated 22 January 2014 with Westland Infra Netbeheer B.V. (local grid manager).

- **DR 1.2.3.6 (Westland energie levering elektriciteit)**

Connection agreement electricity dated 16 January 2014 with Westland Infra Netbeheer B.V. (manager grid manager).

- **DR 1.2.3.4 (Nuon gasleverantie)**

Energy supply agreement gas dated 26 February 2018 with N.V. Nuon Sales Nederland.

- **DR 1.2.3.2 (Essent elektraleverantie)**

Energy supply agreement electricity dated 7 October 2015 and 29 September 2017 with E.ON.

16.3



## **Schedule 6 – LEASE OVERVIEW**

**Schedule 7 – ABC OPTION AGREEMENT**

## **Schedule 8 – INTELLECTUAL PROPERTY RIGHTS**

URL: [www.abctestland.nl](http://www.abctestland.nl) and [www.abctestland.com](http://www.abctestland.com) (domain name holder is ABC Westland Beheer), including all email addresses “@abctestland.nl”

Drawings and/or sketches of the newly build property in own management: A3.1, A5.1, D4 en D6.2

**Schedule 9 – NOTARY LETTER**

## **Schedule 10 – HOTS A.3.2**

## **Schedule 11 – APA BUSINESS**

## Schedule 12 – DUE DILIGENCE FINDINGS

Compensation for the following Due Diligence Findings have been included in the adjusted Purchase Price:

|    |  |
|----|--|
| 1. | <b>Lease Incentives</b><br>Any and all (lease) incentives granted to the Lessees, to the extent Fairly Disclosed.  |
| 2. | <b>Solar Energy</b><br>Any fluctuations in the income of the solar panels, to the extent Fairly Disclosed.   |
| 3. | <b>ABC Settlement Letter</b><br>All due diligence items included in the document “ABC Westland: Summary of Due Diligence Findings” prepared by Hines Netherlands of 10 February 2019, as attached hereto as <u>Annex 1</u> . |

**Annex 1 to Schedule 12 – ABC Westland: Summary of Due Diligence Findings**



## **Schedule 13 – AGREED COSTS**

## **Schedule 14 – DISCLOSURE LETTER**

## **Schedule 15 – SDE GRANT FORMS**

## **Schedule 16 – OUTSTANDING LEASE ITEMS**

**Schedule 17 – DEED OF CONTRACT TAKEOVER WITKAMP**

**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 Income Trust, 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.

August 14, 2019

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

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

Pursuant to 18 U.S.C. Section 1350, as adopted 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 Income Trust, 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 quarter ended June 30, 2019 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) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2019

/s/ Sherri W. Schugart

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Sherri W. Schugart

President and Chief Executive Officer

Date: August 14, 2019

/s/ J. Shea Morgenroth

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J. Shea Morgenroth

Chief Financial Officer

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

I, J. Shea Morgenroth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hines Global Income Trust, 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.

August 14, 2019

By: /s/ J. Shea Morgenroth

J. Shea Morgenroth

Chief Financial Officer