

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**
- ☐ **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: 000-55931

**Blackstone**

**Blackstone Real Estate Income Trust, Inc.**

(Exact name of Registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

81-0696966  
(IRS Employer  
Identification No.)

345 Park Avenue  
New York, New York 10154  
(Address of principal executive offices) (Zip Code)

(212) 583-5000  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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Securities registered pursuant to Section 12(g) of the Act:

**Title of Each Class**  
Class S Common Stock, \$0.01 par value per share  
Class I Common Stock, \$0.01 par value per share  
Class T Common Stock, \$0.01 par value per share  
Class D Common Stock, \$0.01 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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. Yes ☐ No ☐

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 March 24, 2020, the issuer had the following shares outstanding: 631,993,567 shares of Class S common stock, 801,713,070 shares of Class I common stock, 44,797,961 shares of Class T common stock, and 99,322,077 shares of Class D common stock.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III of this annual report on Form 10-K incorporates information by reference from the registrant's definitive proxy statement with respect to its 2020 annual meeting of stockholders to be filed with the Securities and Exchange Commission within 120 days after the close of the registrant's fiscal year.

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## PART I

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue” or other similar words or the negatives thereof. These may include our financial projections and estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, statements with respect to acquisitions and statements regarding future performance. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. We believe these factors also include but are not limited to those described under the section entitled “Risk Factors” in our prospectus and any such updated factors included in our periodic filings with the SEC, which are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this document (or our prospectus and other filings). Except as otherwise required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. You should carefully review Item 1A — “Risk Factors” section of this Annual Report on Form 10-K for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### ITEM 1. BUSINESS

References herein to “Blackstone Real Estate Income Trust,” the “Company,” “BREIT,” “we,” “us,” or “our” refer to Blackstone Real Estate Income Trust, Inc., a Maryland corporation, and its subsidiaries unless the context specifically requires otherwise.

##### General Description of Business and Operations

BREIT invests primarily in stabilized income-generating commercial real estate in the United States and, to a lesser extent, real estate debt. Our objective is to bring Blackstone’s leading institutional quality real estate investment platform to income focused investors. We are externally managed by BX REIT Advisors L.L.C. (the “Adviser”), a subsidiary of The Blackstone Group Inc. (“Blackstone”). We were incorporated in Maryland in 2015. We are the sole general partner of BREIT Operating Partnership L.P. (“BREIT OP”), a Delaware limited partnership, and we own substantially all of our assets through BREIT OP. We currently operate our business in eight reportable segments: Industrial, Multifamily, Net Lease, Hotel, Retail, Office and Other Properties, and real estate debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other Properties includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas (“Bellagio”).

BREIT is a non-exchange traded, perpetual life real estate investment trust (“REIT”). We qualified as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”) for U.S. federal income tax purposes and generally will not be subject to U.S. federal income taxes on our taxable income to the extent we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT.

We had registered with the Securities and Exchange Commission (the “SEC”) an offering of up to \$5.0 billion in shares of common stock (the “Initial Offering”) and accepted aggregate gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. We subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock (in any combination of purchases of Class S, Class I, Class T, and Class D shares of our common stock), consisting of up to \$10.0 billion in shares in our primary offering and up to \$2.0 billion in shares pursuant to our distribution reinvestment plan, which we began using to offer shares of our common stock in January 2019 (the “Current Offering” and with the Initial Offering, the “Offering”). The share classes have different upfront selling commissions and ongoing stockholder servicing fees.

As of March 24, 2020, we had received net proceeds of \$17.5 billion from selling an aggregate of 1,588,293,255 shares of our common stock (consisting of 643,054,511 Class S shares, 798,498,578 Class I shares, 46,710,253 Class T shares, and 100,029,913 Class D shares) in the Offering and otherwise. We have primarily used the net proceeds to make investments in real estate and real estate debt.

## Our Adviser

We are externally managed by our Adviser, and pursuant to the advisory agreement between us and the Adviser (the “Advisory Agreement”), we have delegated to the Adviser the authority to source, evaluate and monitor our investment opportunities and to make decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, as well as provide us with our executive management team. Our board of directors will at all times have oversight and policy-making authority over us, including responsibility for governance, financial controls, compliance and disclosure.

Our Adviser is a part of Blackstone, an alternative asset management business that includes the management of investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets, and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of \$571.1 billion as of December 31, 2019.

In connection with the performance of its duties, our Adviser benefits from the resources, relationships, and expertise of the 575 professionals in Blackstone’s global real estate group, which is one of the largest real estate investment managers in the world with \$163.2 billion of investor capital under management as of December 31, 2019. Blackstone’s real estate group (“Blackstone Real Estate”) has one centralized investment committee (the “Investment Committee”) that meets weekly to review large new investments around the world. The Investment Committee includes all Senior Managing Directors in Blackstone Real Estate, as well as select senior executives of Blackstone.

Our chief executive officer, chief financial officer, and other executive officers are senior Blackstone real estate professionals. Our Adviser, our executive officers, and other personnel supplied to us by our Adviser are each not obligated to dedicate any specific amount of time to our business. Our Adviser is subject to the supervision and oversight of our board of directors and has only such functions and authority as our board of directors delegates to it. Pursuant to the Advisory Agreement, our Adviser is entitled to receive a base management fee, and expense reimbursements. In addition, BREIT Special Limited Partner L.P. (the “Special Limited Partner”), a wholly-owned subsidiary of Blackstone, is entitled to receive a performance participation allocation. See Note 11 to our consolidated financial statements and Item 13 “Certain Relationships and Related Transactions, and Director Independence” in this Annual Report on Form 10-K for more detail on the terms of the Advisory Agreement.

## Investment Objectives

Our investment objectives are to invest in assets that will enable us to:

- provide attractive current income in the form of regular, stable cash distributions;
- preserve and protect invested capital;
- realize appreciation in net asset value (“NAV”) from proactive investment management and asset management; and
- provide an investment alternative for stockholders seeking to allocate a portion of their long-term investment portfolios to commercial real estate with lower volatility than listed public real estate companies.

## Investment Strategy

Our investment strategy is to acquire primarily stabilized, income-generating commercial real estate in the United States. To a lesser extent, we also invest in real estate debt to provide current income and, together with our lines of credit, a source of liquidity for our share repurchase plan, cash management and other purposes.

Our investment strategy capitalizes on Blackstone’s scale and the real-time information provided by its real estate holdings to identify and acquire our target investments at attractive pricing. We also benefit from Blackstone’s reputation and ability to transact in scale with speed and certainty, and its long-standing and extensive relationships in the real estate industry. After acquisition, we leverage Blackstone Real Estate’s established asset management team, which focuses on value creation through the oversight and improvement of the operating performance of Blackstone Real Estate’s portfolio holdings.

Our investments in primarily stabilized, income-generating U.S. commercial real estate focus on a range of asset types. These may include multifamily, industrial, net lease, hotel, retail, and office assets, as well as others, including, without limitation, healthcare, student housing, senior living, data centers, manufactured housing and storage properties. For a breakdown of our portfolio by asset type see the “Investments in Properties” section below.

Our real estate debt strategy is designed to generate current income. We also believe that our real estate debt will, in conjunction with our lines of credit, help maintain sufficient liquidity to satisfy monthly repurchase requests under our share repurchase plan and manage cash before investing subscription proceeds into real estate. We utilize the Blackstone Real Estate Debt Strategies (“BREDS”) team to assist with this portion of the portfolio. The BREDS team leverages the competitive advantages of the broader Blackstone Real Estate platform and its own proprietary investment models to seek attractive real estate debt investment opportunities throughout the capital structure.

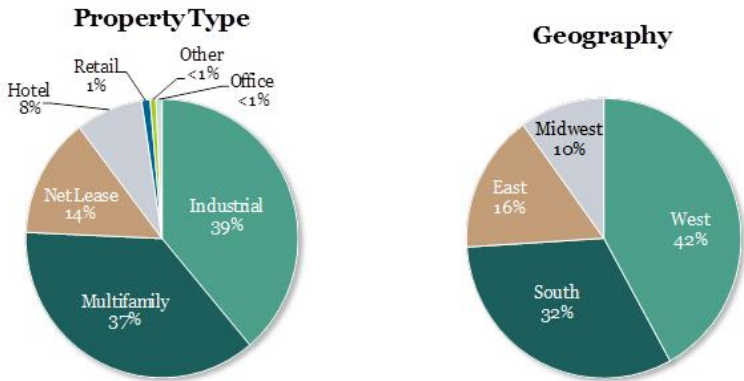
We believe that our structure as a perpetual-life REIT will allow us to acquire and manage our investment portfolio in a more flexible manner. We do not have a pre-determined operational period or the need to provide a “liquidity” event at the end of that period.

**Investments in Real Estate**

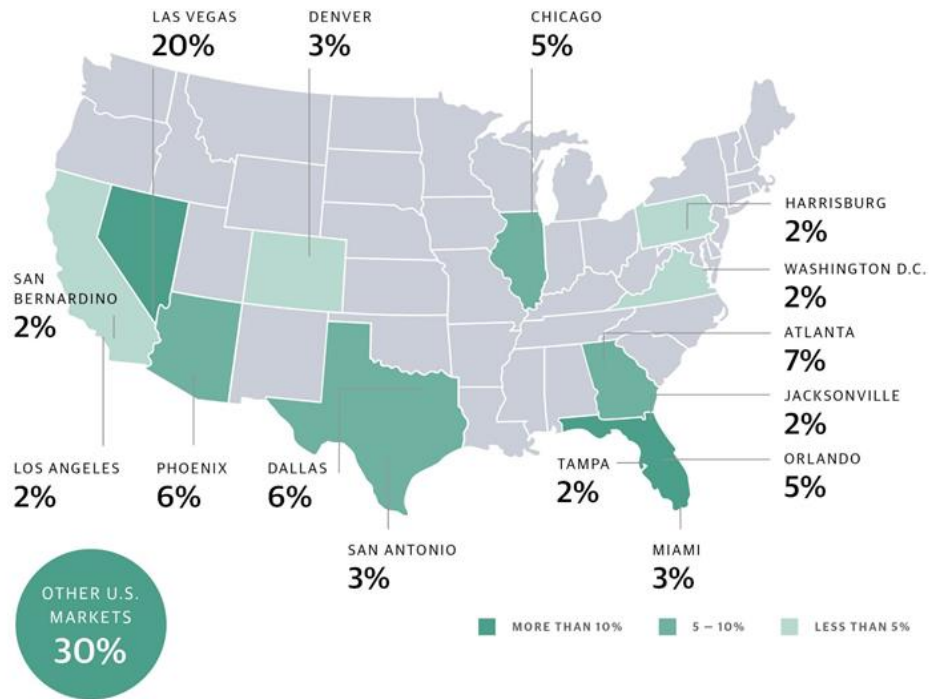
We invest primarily in stabilized, income-generating U.S. commercial real estate. We may invest to a lesser extent in Canadian and European cities and potentially elsewhere and opportunistically in equity of public and private real estate-related companies. As of December 31, 2019, our entire property portfolio is located in the United States. We may also acquire assets that require some amount of capital investment in order to be renovated or repositioned. We generally will limit investment in new developments on a standalone basis, but may consider development that is ancillary to an overall investment. As of December 31, 2019, our property portfolio did not contain any active development projects.

We do not designate specific geography or sector allocations for the portfolio; rather we invest in regions or asset classes where we see the best opportunities that support our investment objectives.

The following charts describe our portfolio composition in real properties based on fair value as of December 31, 2019:



The following map identifies the 15 top markets of our portfolio composition in real properties based on fair value as of December 31, 2019:



**Investments in Real Estate Debt**

Our real estate debt investments focus on non-distressed public and private real estate debt, including, but not limited to, commercial mortgage-backed securities (“CMBS”), real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including residential mortgage-backed securities (“RMBS”) and other residential credit), interests of collateralized debt obligation and collateralized loan obligation vehicles and equity interests in public and private entities that invest in real estate debt as one of their core businesses, and may also include preferred equity and derivatives. Our investments in real estate debt are focused in the United States, but may also include securities issued or backed by real estate in Europe and certain other countries.

**Borrowing Policies**

We use financial leverage to provide additional funds to support our investment activities. This allows us to make more investments than would otherwise be possible, resulting in a broader portfolio. Subject to the limitation on indebtedness for money borrowed in our charter described below, our target leverage ratio is in the range of 60%. Our leverage ratio is measured by dividing (i) consolidated property-level and entity-level debt net of cash and loan-related restricted cash, by (ii) the asset value of real estate investments (measured using the greater of fair market value and the cost) plus the equity in our settled real estate debt portfolio. Indebtedness incurred (i) in connection with funding a deposit in advance of the closing of an investment or (ii) as other working capital advances, will not be included as part of the calculation above. The leverage ratio excludes our pro rata share of indebtedness within our unconsolidated investments. Real estate investments include our direct property investments, unconsolidated investments, and equity in public and private real estate-related companies. Our real estate debt 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. During times of increased investment and capital market activity, but subject to the limitation on indebtedness for money borrowed in our charter described below, we may employ greater leverage in order to build a broader portfolio of assets. We may leverage our portfolio by assuming or incurring secured or unsecured property-level or entity-level debt.

Under our charter, we have a limitation that precludes us from borrowing in excess of 300% of the cost of our net assets, which approximates borrowing 75% of the cost of our investments (unless a majority of our independent directors approves any borrowing in excess of the limit and we disclose the justification for doing so to our stockholders), but such restriction does not restrict the amount of indebtedness we may incur with respect to any single investment.

For an overview of our borrowings, see Item 7 — “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.”

#### **Taxation of the Company**

We elected to be taxed as a REIT, under the Code commencing with our taxable year ended December 31, 2017, the year in which the proceeds from the Initial Offering were released from escrow. We generally must distribute annually at least 90% of our taxable net income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings that we distribute. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state, and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years.

Furthermore, we have one or more taxable REIT subsidiaries (“TRSs”) which pay federal, state, and local income tax on their net taxable income. See Item 1A—“Risk Factors—Risks Related to our REIT Status and Certain Other Tax Items” for additional tax status information.

#### **The Tax Cuts and Jobs Act**

##### *Enactment of the Tax Act*

On December 22, 2017, the federal tax legislation commonly known as the Tax Cuts and Jobs Act (the “Tax Act”), was signed into law. Since enactment, the IRS has issued several proposed regulations (the “Proposed Regs”), which interpret and clarify many salient changes contained in the Tax Act. The Tax Act and Proposed Regs have made fundamental changes to the taxation of REITs and their security holders. The most significant of these provisions are described below. The individual and collective impact of these changes on REITs such as the Company and their security holders is uncertain, and may not become evident for some period. Prospective investors should consult their tax advisors regarding the implications of the Tax Act on the Company and their investment.

##### *Pass-Through Business Income Tax Rate Lowered through Deduction*

Under the Tax Act, United States holders that are individuals, trusts or estates generally may deduct 20% of “qualified REIT dividends” (i.e., REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income eligible for capital gain tax rates). The overall deduction is limited to 20% of the sum of the taxpayer’s taxable income (less net capital gain) and certain cooperative dividends, subject to further limitations based on taxable income. The deduction, if allowed in full, equates to a reduction in the maximum effective United States federal income tax rate on ordinary REIT dividends from 37.0% to 29.6%. As with the other individual income tax changes, the deduction provisions are effective beginning in 2018. Without further legislation, the deduction will sunset and no longer apply after 2025.

##### *Maximum Corporate Tax Rate Lowered to 21%; Elimination of Corporate Alternative Minimum Tax*

The Tax Act reduces the 35% maximum federal corporate income tax rate to a maximum 21% corporate rate. The Tax Act also permanently eliminates the corporate alternative minimum tax. These provisions are effective beginning in 2018. As disclosed above,

we have one or more TRSs which would be subject to a maximum tax rate of 21% under the Tax Act, before giving effect to any applicable state and local taxes.

#### *Net Operating Loss Modifications*

Net operating loss ("NOL") provisions are modified by the Tax Act. The Tax Act limits the NOL deduction to 80% of taxable income (before the deduction). It also generally eliminates NOL carrybacks for individuals and non-REIT corporations (NOL carrybacks did not apply to REITs under prior law), but allows indefinite NOL carryforwards. The new NOL rules apply to losses arising in taxable years beginning in 2018. As disclosed above, we have one or more TRSs which would be subject to the NOL provisions under the Tax Act.

#### **Environmental Matters**

As an owner of real estate, we are subject to various environmental laws of federal, state and local governments. Compliance with federal, state and local environmental laws has not had a material, adverse effect on our business, assets, results of operations, financial condition and ability to pay distributions, and we do not believe that our existing portfolio will require us to incur material expenditures to comply with these laws and regulations.

#### **Competition**

We face competition from various entities for investment opportunities in properties, including other REITs, pension funds, insurance companies, investment funds and companies, partnerships and developers. In addition to third-party competitors, other programs sponsored by the Adviser and its affiliates, particularly those with investment strategies that overlap with ours, will seek investment opportunities under Blackstone's prevailing policies and procedures. Many of these entities may have greater access to capital to make investments than we have.

In the face of this competition, we have access to our Adviser's and Blackstone's professionals and their industry expertise and relationships, which we believe provide us with a competitive advantage and help us source, evaluate and compete for potential investments. We believe these relationships will enable us to compete more effectively for attractive investment opportunities. However, we may not be able to achieve our business goals or expectations due to the competitive risks that we face. For additional information concerning these competitive risks, see Item 1A—"Risk Factors—Risks Related to Our Investment Activities."

#### **Employees**

We have no employees. Our operations are conducted by the Adviser.

#### **Conflicts of Interest**

We are subject to conflicts of interest arising out of our relationship with Blackstone, including the Adviser and its affiliates. See Item 1A—"Risk Factors—Risks Related to Conflicts of Interest."

#### **Available Information**

Stockholders may obtain copies of our filings with the SEC, free of charge from the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or from our website at [www.breit.com](http://www.breit.com).

We are providing the address to our website solely for the information of investors. The information on our website is not a part of, nor is it incorporated by reference into, this report.



## ITEM 1A. RISK FACTORS

*You should specifically consider the following material risks in addition to the other information contained in this Annual Report on Form 10-K. The occurrence of any of the following risks might have a material adverse effect on our business and financial condition. The risks and uncertainties discussed below are not the only ones we face, but do represent those risks and uncertainties that we believe are most significant to our business, operating results, financial condition, prospects and forward-looking statements. As used herein, the term “you” refers to our current stockholders or potential investors in our common stock, as applicable.*

### **Risks Related to Our Organizational Structure**

*We have held most of our current investments for only a limited period of time and you will not have the opportunity to evaluate our future investments before we make them, which makes your investment more speculative.*

We have held most of our current investments for a limited period of time and are not able to provide you with information to assist you in evaluating the merits of any specific properties or real estate debt that we may acquire, except for investments that may be described in one or more supplements to the prospectus for the Offering (the “Prospectus”). Because we have not held our current investments for a long period of time, it may be difficult for you to evaluate our success in achieving our investment objectives. We will continue to seek to invest substantially all of the future net offering proceeds from the Offering and certain private offerings, after the payment of fees and expenses, in the acquisition of or investment in interests in properties and real estate debt. However, because you will be unable to evaluate the economic merit of our future investments before we make them, you will have to rely entirely on the ability of the Adviser to select suitable and successful investment opportunities. Furthermore, the Adviser has broad discretion in selecting the types of properties we will invest in and the tenants of those properties, and you will not have the opportunity to evaluate potential investments. These factors increase the risk that your investment may not generate returns comparable to other real estate investment alternatives.

*The Adviser manages our portfolio pursuant to very broad investment guidelines and generally is not required to seek the approval of our board of directors for each investment, financing or asset allocation decision made by it, which may result in our making riskier investments and which could adversely affect our results of operations and financial condition.*

Our board of directors approved very broad investment guidelines that delegate to the Adviser the authority to execute acquisitions and dispositions of real estate and real estate debt on our behalf, in each case so long as such investments are consistent with the investment guidelines and our charter. The Adviser will implement on our behalf the strategies and discretionary approaches it believes from time to time may be best suited to prevailing market conditions in furtherance of that purpose, subject to the limitations under our investment guidelines and our charter. There can be no assurance that the Adviser will be successful in implementing any particular strategy or discretionary approach to our investment activities. Furthermore, the diversification and type of investments may differ substantially from our prior investments. For example, future investments may focus on different sectors of real estate or different geographic areas than is the case for our current investment portfolio. Our board of directors reviews our investment guidelines on an annual basis (or more often as it deems appropriate) and reviews our investment portfolio periodically. The prior approval of our board of directors or a committee of independent directors will be required only as set forth in our charter (including for transactions with affiliates of the Adviser) or for the acquisition or disposition of assets that are not in accordance with our investment guidelines. In addition, in conducting periodic reviews, our directors rely primarily on information provided to them by the Adviser. Furthermore, transactions entered into on our behalf by the Adviser may be costly, difficult or impossible to unwind when they are subsequently reviewed by our board of directors.

*There is no public trading market for shares of our common stock; therefore, your ability to dispose of your shares will likely be limited to repurchase by us. If you do sell your shares to us, you may receive less than the price you paid.*

There is no current public trading market for shares of our common stock, and we do not expect that such a market will ever develop. Therefore, repurchase of shares by us will likely be the only way for you to dispose of your shares. We expect to continue to repurchase shares at a price equal to the transaction price of the class of shares being repurchased on the date of repurchase (which will generally be equal to our prior month’s NAV per share) and not based on the price at which you initially purchased your shares. Subject to limited exceptions, shares repurchased within one year of the date of issuance will be repurchased at 95% of the transaction price. As a result, you may receive less than the price you paid for your shares when you sell them to us pursuant to our share repurchase plan. See Item 5—“Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Share Repurchases.”

*Your ability to have your shares repurchased through our share repurchase plan is limited. We may choose to repurchase fewer shares than have been requested to be repurchased, in our discretion at any time, and the amount of shares we may repurchase is*

***subject to caps. Further, our board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders.***

We may choose to repurchase fewer shares than have been requested in any particular month to be repurchased under our share repurchase plan, or none at all, in our discretion at any time. We may repurchase fewer shares than have been requested to be repurchased due to lack of readily available funds because of adverse market conditions beyond our control, the need to maintain liquidity for our operations or because we have determined that investing in real property or other illiquid investments is a better use of our capital than repurchasing our shares. In addition, the total amount of shares that we will repurchase is limited, in any calendar month, to shares whose aggregate value (based on the repurchase price per share on the date of the repurchase) is no more than 2% of our aggregate NAV as of the last day of the previous calendar month and, in any calendar quarter, to shares whose aggregate value is no more than 5% of our aggregate NAV as of the last day of the previous calendar quarter. Further, our board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. If the full amount of all shares of our common stock requested to be repurchased in any given month are not repurchased, funds will be allocated pro rata based on the total number of shares of common stock being repurchased without regard to class and subject to the volume limitation. All unsatisfied repurchase requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share repurchase plan, as applicable.

The vast majority of our assets consist of properties that cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. Therefore, we may not always have a sufficient amount of cash to immediately satisfy repurchase requests. Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Because we are not required to authorize the recommencement of the share repurchase plan within any specified period of time, we may effectively terminate the plan by suspending it indefinitely. As a result, your ability to have your shares repurchased by us may be limited and at times you may not be able to liquidate your investment. See Item 5—"Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Share Repurchases."

***Economic events that may cause our stockholders to request that we repurchase their shares may materially adversely affect our cash flow and our results of operations and financial condition.***

Economic events affecting the U.S. economy, such as the general negative performance of the real estate sector, could cause our stockholders to seek to sell their shares to us pursuant to our share repurchase plan at a time when such events are adversely affecting the performance of our assets. Even if we decide to satisfy all resulting repurchase requests, our cash flow could be materially adversely affected. In addition, if we determine to sell assets to satisfy repurchase requests, we may not be able to realize the return on such assets that we may have been able to achieve had we sold at a more favorable time, and our results of operations and financial condition, including, without limitation, breadth of our portfolio by property type and location, could be materially adversely affected.

***We face risks associated with the deployment of our capital.***

In light of the nature of our continuous public offering as well as ongoing and periodic private offerings in relation to our investment strategy and the need to be able to deploy potentially large amounts of capital quickly to capitalize on potential investment opportunities, if we have difficulty identifying and purchasing suitable properties on attractive terms, there could be a delay between the time we receive net proceeds from the sale of shares of our common stock in the Offering or any private offering and the time we invest the net proceeds. We may also from time to time hold cash pending deployment into investments or have less than our targeted leverage, which cash or shortfall in target leverage may at times be significant, particularly at times when we are receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. Such cash may be held in an account for the benefit of our stockholders that may be invested in money market accounts or other similar temporary investments, each of which are subject to the management fees.

In the event we are unable to find suitable investments such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect our ability to pay regular distributions of cash flow from operations to you. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary investments pending deployment into investments will generate significant interest, and investors should understand that such low interest payments on the temporarily invested cash may adversely affect overall returns. In the event we fail to timely invest the net proceeds of sales of our common stock or do not deploy sufficient capital to meet our targeted leverage, our results of operations and financial condition may be adversely affected.

***If we are unable to successfully integrate new investments and manage our growth, our results of operations and financial condition may suffer.***

We have in the past and may in the future significantly increase the size and/or change the types of investments in our portfolio. We may be unable to successfully and efficiently integrate newly acquired investments into our existing portfolio or otherwise effectively manage our assets or growth. In addition, increases in the size of our investment portfolio and/or changes in our investment focus may place significant demands on our Adviser's administrative, operational, asset management, financial and other resources which could lead to decreased efficiency. Any failure to effectively manage such growth or increase in scale could adversely affect our results of operations and financial condition.

***The amount and source of distributions we may make to our stockholders is uncertain, and we may be unable to generate sufficient cash flows from our operations to make distributions to our stockholders at any time in the future.***

We have not established a minimum distribution payment level, and our ability to make distributions to our stockholders may be adversely affected by a number of factors, including the risk factors described in the Prospectus. We have a limited track record and may not generate sufficient income to make distributions to our stockholders. Our board of directors (or a committee of our board of directors) will make determinations regarding distributions based upon, among other factors, our financial performance, debt service obligations, debt covenants, REIT qualification and tax requirements and capital expenditure requirements. Among the factors that could impair our ability to make distributions to our stockholders are:

- our inability to invest the proceeds from sales of our shares on a timely basis in income-producing properties;
- our inability to realize attractive risk-adjusted returns on our investments;
- high levels of expenses or reduced revenues that reduce our cash flow or non-cash earnings; and
- defaults in our investment portfolio or decreases in the value of our investments.

As a result, we may not be able to make distributions to our stockholders at any time in the future, and the level of any distributions we do make to our stockholders may not increase or even be maintained over time, any of which could materially and adversely affect the value of your investment.

***We may pay distributions from sources other than our cash flow from operations, including, without limitation, the sale of assets, borrowings or offering proceeds, and we have no limits on the amounts we may pay from such sources.***

We may not generate sufficient cash flow from operations to fully fund distributions to stockholders, particularly during the early stages of our operations. Therefore, we may fund distributions to our stockholders from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales from our common stock or Operating Partnership units). The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, the extent to which the Adviser elects to receive its management fee in Class I shares or Class I units and the Special Limited Partner elects to receive distributions on its performance participation interest in Class I units, how quickly we invest the proceeds from this and any future offering and the performance of our investments, including our real estate debt portfolio. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of the Offering will result in us having less funds available to acquire properties or other real estate-related investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your shares. We may be required to continue to fund our regular distributions from a combination of some of these sources if our investments fail to perform, if expenses are greater than our revenues or due to numerous other factors. We have not established a limit on the amount of our distributions that may be paid from any of these sources.

To the extent we borrow funds to pay distributions, we would incur borrowing costs and these borrowings would require a future repayment. The use of these sources for distributions and the ultimate repayment of any liabilities incurred could adversely impact our ability to pay distributions in future periods, decrease our NAV, decrease the amount of cash we have available for operations and new investments and adversely impact the value of your investment.

We may also defer operating expenses or pay expenses (including the fees of the Adviser or distributions to the Special Limited Partner) with shares of our common stock or Operating Partnership units in order to preserve cash flow for the payment of

distributions. The ultimate repayment of these deferred expenses could adversely affect our operations and reduce the future return on your investment. We may repurchase shares or redeem Operating Partnership units from the Adviser or the Special Limited Partner shortly after issuing such units or shares as compensation. The payment of expenses in shares of our common stock or with Operating Partnership units will dilute your ownership interest in our portfolio of assets. There is no guarantee any of our operating expenses will be deferred and the Adviser and Special Limited Partner are under no obligation to receive future fees or distributions in shares of our common stock or Operating Partnership units and may elect to receive such amounts in cash.

***Payments to the Adviser or the Special Limited Partner in the form of common stock or Operating Partnership units they elect to receive in lieu of fees or distributions will dilute future cash available for distribution to our stockholders.***

The Adviser or the Special Limited Partner may choose to receive, and have in the past received, our common stock or Operating Partnership units in lieu of certain fees or distributions. The holders of all Operating Partnership units are entitled to receive cash from operations pro rata with the distributions being paid to us and such distributions to the holder of the Operating Partnership units will reduce the cash available for distribution to us and to our stockholders. Furthermore, under certain circumstances the Operating Partnership units held by the Adviser or the Special Limited Partner are required to be repurchased, in cash at the holder's election, and there may not be sufficient cash to make such a repurchase payment; therefore, we may need to use cash from operations, borrowings, offering proceeds or other sources to make the payment, which will reduce cash available for distribution to you or for investment in our operations. Repurchases of our shares or Operating Partnership units from the Adviser paid to the Adviser as a management fee are not subject to the monthly and quarterly volume limitations or the Early Purchase Deduction, and such sales receive priority over other shares being put for repurchase during such period. Repurchases of our shares or Operating Partnership units from the Special Limited Partner distributed to the Special Limited Partner with respect to its performance participation interest are not subject to the Early Purchase Deduction, but, in the case of shares, such repurchases are subject to the monthly and quarterly volume limitations and do not receive priority over other shares being put for repurchase during such period.

***Purchases and repurchases of shares of our common stock are not made based on the current NAV per share of our common stock.***

Generally, our offering price per share and the price at which we make repurchases of our shares will equal the NAV per share of the applicable class as of the last calendar day of the prior month, plus, in the case of our offering price, applicable upfront selling commissions and dealer manager fees. The NAV per share, if calculated, as of the date on which you make your subscription request or repurchase request may be significantly different than the transaction price you pay or the repurchase price you receive. Certain of our investments or liabilities are subject to high levels of volatility from time to time and could change in value significantly between the end of the prior month as of which our NAV is determined and the date that you acquire or repurchase our shares, however the prior month's NAV per share will generally continue to be used as the transaction price per share and repurchase price per shares. In exceptional circumstances, we may in our sole discretion, but are not obligated to, offer and repurchase shares at a different price that we believe reflects the NAV per share of such stock more appropriately than the prior month's NAV per share, including by updating a previously disclosed transaction price, in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior month and we believe an updated price is appropriate. In such exceptional cases, the transaction price and the repurchase price will not equal our NAV per share as of any time.

***Valuations and appraisals of our properties and real estate debt are estimates of fair value and may not necessarily correspond to realizable value.***

For the purposes of calculating our monthly NAV, our properties will generally initially be valued at cost, which we expect to represent fair value at that time. Thereafter, valuations of properties will be determined by the Adviser based in part on appraisals of each of our properties by independent third-party appraisal firms reviewed by our independent valuation advisor at least once per year in accordance with valuation guidelines approved by our board of directors. The Adviser will also conduct a monthly valuation of our properties that will be reviewed and confirmed for reasonableness by our independent valuation advisor. Investments in real estate debt with readily available market quotations will be valued monthly at fair market value. Certain real estate debt investments, such as mortgages and mezzanine loans, are unlikely to have market quotations. In the case of loans acquired by us, such initial value will generally be the acquisition price of such loan. In the case of loans originated by us, such initial value will generally be the par value of such loan. Each such investment will then be valued by the Adviser within the first three full months after we invest in such investment and no less than quarterly thereafter. Additionally, the Adviser may in its discretion consider material market data and other information that becomes available after the end of the applicable month in valuing our assets and liabilities and calculation our NAV for a particular month. For more information regarding our valuation process, see "Net Asset Value Calculation and Valuation Guidelines" in the Prospectus.

Although monthly valuations of each of our real properties will be reviewed and confirmed for reasonableness by our independent valuation advisor, such valuations are based on asset- and portfolio-level information provided by the Adviser, including historical

operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned capital expenditures and any other information relevant to valuing the real estate property, which information will not be independently verified by our independent valuation advisor. Similarly, although our monthly valuations of our real estate debt and other securities for which market quotations are not readily available will be reviewed and confirmed for reasonableness by our independent valuation advisor, such valuations are based on information provided by the Adviser, which information will not be verified by our independent valuation advisor.

Within the parameters of our valuation guidelines, the valuation methodologies used to value our properties and certain of our real estate debt will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Valuations and appraisals of our properties and other investments will be only estimates of fair value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond our control and the control of the Adviser and our independent valuation advisor. Further, valuations do not necessarily represent the price at which an asset would sell, since market prices of assets can only be determined by negotiation between a willing buyer and seller. As such, the carrying value of an asset may not reflect the price at which the asset could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal. There will be no retroactive adjustment in the valuation of such assets, the offering price of our shares of common stock, the price we paid to repurchase shares of our common stock or NAV-based fees we paid to the Adviser and Blackstone Advisory Partners L.P. (the "Dealer Manager"), an affiliate of the Adviser, to the extent such valuations prove to not accurately reflect the realizable value of our assets. Because the price you will pay for shares of our common stock in the Offering, and the price at which your shares may be repurchased by us pursuant to our share repurchase plan are generally based on our prior month's NAV per share, you may pay more than realizable value or receive less than realizable value for your investment.

***Our NAV per share amounts may change materially if the appraised values of our properties materially change from prior appraisals or the actual operating results for a particular month differ from what we originally budgeted for that month.***

We anticipate that the annual appraisals of our properties will be conducted on a rolling basis, such that properties may be appraised at different times but each property would be appraised at least once per year. When these appraisals are considered by the Adviser for purposes of valuing the relevant property, there may be a material change in our NAV per share amounts for each class of our common stock from those previously reported. In addition, actual operating results for a given month may differ from what we originally budgeted for that month, which may cause a material increase or decrease in the NAV per share amounts. We will not retroactively adjust the NAV per share of each class reported for the previous month. Therefore, because a new annual appraisal may differ materially from the prior appraisal or the actual results from operations may be better or worse than what we previously budgeted for a particular month, the adjustment to take into consideration the new appraisal or actual operating results may cause the NAV per share for each class of our common stock to increase or decrease, and such increase or decrease will occur in the month the adjustment is made.

***It may be difficult to reflect, fully and accurately, material events that may impact our monthly NAV.***

The Adviser's determination of our monthly NAV per share will be based in part on appraisals of each of our properties provided annually by independent third-party appraisal firms in individual appraisal reports reviewed by our independent valuation advisor and quarterly valuations of our real estate debt and other securities for which market quotations are not readily available provided by the Adviser and reviewed by our independent valuation advisor, each in accordance with valuation guidelines approved by our board of directors. As a result, our published NAV per share in any given month may not fully reflect any or all changes in value that may have occurred since the most recent appraisal or valuation. The Adviser will review appraisal reports and monitor our properties and real estate debt, and is responsible for notifying the independent valuation advisor of the occurrence of any property-specific or market-driven event it believes may cause a material valuation change in the real estate valuation, but it may be difficult to reflect fully and accurately rapidly changing market conditions or material events that may impact the value of our properties and real estate debt or liabilities between valuations, or to obtain complete information regarding any such events in a timely manner. For example, an unexpected termination or renewal of a material lease, a material increase or decrease in vacancies or an unanticipated structural or environmental event at a property may cause the value of a property to change materially, yet obtaining sufficient relevant information after the occurrence has come to light and/or analyzing fully the financial impact of such an event may be difficult to do and may require some time. As a result, the NAV per share may not reflect a material event until such time as sufficient information is available and analyzed, and the financial impact is fully evaluated, such that our NAV may be appropriately adjusted in accordance with our valuation guidelines. Depending on the circumstance, the resulting potential disparity in our NAV may be in favor of or to the detriment of either stockholders who repurchase their shares, or stockholders who buy new shares, or existing stockholders.

***NAV calculations are not governed by governmental or independent securities, financial or accounting rules or standards.***

The methods used by our Adviser and State Street to calculate our NAV, including the components used in calculating our NAV, is not prescribed by rules of the SEC or any other regulatory agency. Further, there are no accounting rules or standards that prescribe which components should be used in calculating NAV, and our NAV is not audited by our independent registered public accounting firm. We calculate and publish NAV solely for purposes of establishing the price at which we sell and repurchase shares of our common stock, and you should not view our NAV as a measure of our historical or future financial condition or performance. The components and methodology used in calculating our NAV may differ from those used by other companies now or in the future.

In addition, calculations of our NAV, to the extent that they incorporate valuations of our assets and liabilities, are not prepared in accordance with generally accepted accounting principles. These valuations may differ from liquidation values that could be realized in the event that we were forced to sell assets.

Additionally, errors may occur in calculating our NAV, which could impact the price at which we sell and repurchase shares of our common stock and the amount of the Adviser's management fee and the Special Limited Partner's performance participation interest. The Adviser has implemented certain policies and procedures to address such errors in NAV calculations. If such errors were to occur, the Adviser, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which shares of our common stock were sold or repurchased or on the amount of the Adviser's management fee or the Special Limited Partner's performance participation interest, may determine in its sole discretion to take certain corrective actions in response to such errors, including, subject to Blackstone's policies and procedures, making adjustments to prior NAV calculations. You should carefully review the disclosure of our valuation policies and how NAV will be calculated under "Net Asset Value Calculation and Valuation Guidelines" in the Prospectus.

***Our board of directors may, in the future, adopt certain measures under Maryland law without stockholder approval that may have the effect of making it less likely that a stockholder would receive a "control premium" for his or her shares.***

Corporations organized under Maryland law with a class of registered securities and at least three independent directors are permitted to elect to be subject, by a charter or bylaw provision or a board of directors resolution and notwithstanding any contrary charter or bylaw provision, to any or all of five provisions:

- staggering the board of directors into three classes;
- requiring a two-thirds vote of stockholders to remove directors;
- providing that only the board of directors can fix the size of the board;
- providing that all vacancies on the board, regardless of how the vacancy was created, may be filled only by the affirmative vote of a majority of the remaining directors in office and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- providing for a majority requirement for the calling of a special meeting of stockholders.

These provisions may discourage an extraordinary transaction, such as a merger, tender offer or sale of all or substantially all of our assets, all of which might provide a premium price for stockholders' shares. In our charter, we have elected that vacancies on our board of directors be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred. Through other provisions in our charter and bylaws, we vest in our board of directors the exclusive power to fix the number of directorships, provided that the number is not less than three. We have not elected to be subject to any of the other provisions described above, but our charter does not prohibit our board of directors from opting into any of these provisions in the future.

Further, under the Maryland Business Combination Act, we may not engage in any merger or other business combination with an "interested stockholder" (which is defined as (1) any person who beneficially owns, directly or indirectly, 10% or more of the voting power of our outstanding voting stock and (2) an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding stock) or any affiliate of that interested stockholder for a period of five years after the most recent date on which the interested stockholder became an interested stockholder. A person is not an interested stockholder if our board of directors approved in advance the transaction by which he would otherwise have become an interested stockholder. In approving a transaction, our board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms or conditions determined by our board of directors. After the five-year period ends, any merger or other business combination with the interested stockholder or any affiliate of the interested stockholder must be recommended by our board of directors and approved by the affirmative vote of at least:

- 80% of all votes entitled to be cast by holders of outstanding shares of our voting stock; and
- two-thirds of all of the votes entitled to be cast by holders of outstanding shares of our voting stock other than those shares owned or held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These supermajority voting provisions do not apply if, among other things, our stockholders receive a minimum payment for their common stock equal to the highest price paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by our board of directors prior to the time the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution exempting any business combination involving us and any person, including Blackstone, the Dealer Manager and the Adviser, from the provisions of this law, provided that such business combination is first approved by our board of directors.

***Our charter permits our board of directors to authorize us to issue preferred stock on terms that may subordinate the rights of the holders of our current common stock or discourage a third party from acquiring us.***

Our board of directors is permitted, subject to certain restrictions set forth in our charter, to authorize the issuance of shares of preferred stock without stockholder approval. Further, our board of directors may classify or reclassify any unissued shares of common or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms or conditions of redemption of the stock and may amend our charter from time to time to increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue without stockholder approval. Thus, our board of directors could authorize us to issue shares of preferred stock with terms and conditions that could subordinate the rights of the holders of our common stock or have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction such as a merger, tender offer or sale of all or substantially all of our assets, that might provide a premium price for holders of our common stock.

***Maryland law limits, in some cases, the ability of a third party to vote shares acquired in a “control share acquisition.”***

The Maryland Control Share Acquisition Act provides that “control shares” of a Maryland corporation acquired in a “control share acquisition” have no voting rights except to the extent approved by stockholders by a vote of two-thirds of the votes entitled to be cast on the matter. Shares of stock owned by the acquirer, by officers or by employees who are directors of the corporation, are excluded from shares entitled to vote on the matter. “Control shares” are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer can exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within specified ranges of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A “control share acquisition” means the acquisition of issued and outstanding control shares. The control share acquisition statute does not apply: (1) to shares acquired in a merger, consolidation or statutory share exchange if the Maryland corporation is a party to the transaction; or (2) to acquisitions approved or exempted by the charter or bylaws of the Maryland corporation. Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future. For a more detailed discussion on the Maryland laws governing control share acquisitions, see “Certain Provisions of Maryland Corporate Law and Our Charter and Bylaws—Control Share Acquisition” in the Prospectus.

***Maryland law and our organizational documents limit our rights and the rights of our stockholders to recover claims against our directors and officers, which could reduce your and our recovery against them if they cause us to incur losses.***

Maryland law provides that a director will not have any liability as a director so long as he or she performs his or her duties in accordance with the applicable standard of conduct. In addition, our charter generally limits the personal liability of our directors and officers for monetary damages subject to the limitations of the North American Securities Administrators Association’s Statement of Policy Regarding Real Estate Investment Trusts, as revised and adopted on May 7, 2007 (the “NASAA REIT Guidelines”) and Maryland law. Maryland law and our charter provide that no director or officer shall be liable to us or our stockholders for monetary damages unless the director or officer (1) actually received an improper benefit or profit in money, property or services or (2) was actively and deliberately dishonest as established by a final judgment as material to the cause of action. Moreover, our charter generally requires us to indemnify and advance expenses to our directors and officers for losses they may incur by reason of their service in those capacities unless their act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, they actually received an improper personal benefit in money, property or services or, in the case of any criminal proceeding, they had reasonable cause to believe the act or omission was unlawful. Further,

we have entered into separate indemnification agreements with each of our officers and directors. As a result, you and we may have more limited rights against our directors or officers than might otherwise exist under common law, which could reduce your and our recovery from these persons if they act in a manner that causes us to incur losses. In addition, we are obligated to fund the defense costs incurred by these persons in some cases. However, our charter provides that we may not indemnify our directors or officers, or the Adviser and its affiliates, for any liability or loss suffered by them or hold our directors or officers, the Adviser and its affiliates harmless for any liability or loss suffered by us, unless they have determined, in good faith, that the course of conduct that caused the loss or liability was in our best interests, they were acting on our behalf or performing services for us, the liability or loss was not the result of negligence or misconduct by our non-independent directors, the Adviser and its affiliates, or gross negligence or willful misconduct by our independent directors, and the indemnification or agreement to hold harmless is recoverable only out of our net assets or the proceeds of insurance and not from the stockholders. See “Management—Limited Liability and Indemnification of Directors, Officers, the Adviser and Other Agents” in the Prospectus.

***Maryland law and our organizational documents limit our stockholders’ ability to amend our charter or dissolve us without the approval of our board of directors.***

Although the NASAA REIT Guidelines indicate that stockholders are permitted to amend our charter or terminate us without the necessity for concurrence by our board of directors, we are required to comply with the Maryland General Corporation Law, which provides that any amendment to our charter or any dissolution of our company must first be declared advisable by our board of directors. Therefore, our stockholders may vote to authorize the amendment of our charter or the dissolution of our company, but only after such action has been declared advisable by our board of directors. Accordingly, the only proposals to amend our charter or to dissolve our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors and also require approval by our stockholders.

***Your interest in us will be diluted if we issue additional shares. Your interest in our assets will also be diluted if the Operating Partnership issues additional units.***

Holders of our common stock will not have preemptive rights to any shares we issue in the future. Our charter authorizes us to issue up to 3,100,000,000 shares of capital stock, of which 3,000,000,000 shares are classified as common stock, of which 500,000,000 shares are classified as Class T shares, 1,000,000,000 shares are classified as Class S shares, 500,000,000 shares are classified as Class D shares and 1,000,000,000 are classified as Class I shares, and 100,000,000 shares are classified as preferred stock. We have also issued shares in private offerings and Operating Partnership units to holders other than the Company, and expect to make more such issuances in the future. In addition, our board of directors may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of capital stock or the number of authorized shares of capital stock of any class or series without stockholder approval. After you purchase shares of our common stock in the Offering, our board of directors may elect, without stockholder approval, to: (1) sell additional shares in this or future public offerings; (2) issue shares of our common stock or units in our Operating Partnership in private offerings; (3) issue shares of our common stock or units in our Operating Partnership upon the exercise of the options we may grant to our independent directors or future employees; (4) issue shares of our common stock or units in our Operating Partnership to the Adviser or the Special Limited Partner, or their successors or assigns, in payment of an outstanding obligation to pay fees for services rendered to us or the performance participation allocation; (5) issue shares of our common stock or units in our Operating Partnership to sellers of properties we acquire, or (6) issue equity incentive compensation to certain employees of affiliated service providers or to third-parties as satisfaction of obligations under incentive compensation arrangements. To the extent we issue additional shares of common stock after your purchase in the Offering, your percentage ownership interest in us will be diluted. Because we hold all of our assets through the Operating Partnership, to the extent we issue additional units of our Operating Partnership after you purchase in the Offering, your percentage ownership interest in our assets will be diluted. Because certain classes of the units of our Operating Partnership may, in the discretion of our board of directors, be exchanged for shares of our common stock, any merger, exchange or conversion between our Operating Partnership and another entity ultimately could result in the issuance of a substantial number of shares of our common stock, thereby diluting the percentage ownership interest of other stockholders. Because of these and other reasons, our stockholders may experience substantial dilution in their percentage ownership of our shares or their interests in the underlying assets held by our Operating Partnership. Operating Partnership units may have different and preferential rights to the claims of common units of our Operating Partnership which correspond to the common stock held by our stockholders. Certain units in our Operating Partnership may have different and preferential rights to the terms of the common Operating Partnership units which correspond to the common stock held by our stockholders.

***We are not required to comply with certain reporting requirements, including those relating to auditor’s attestation reports on the effectiveness of our system of internal control over financial reporting, accounting standards and disclosure about our executive compensation, that apply to other public companies.***



So long as our shares of common stock are not traded on a securities exchange, we will be deemed to be a “non-accelerated filer” under the Exchange Act, and as a non-accelerated filer, we will be exempt from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. In addition, so long as we are externally managed by the Adviser and we do not directly compensate our executive officers, or reimburse the Adviser or its affiliates for salaries, bonuses, benefits and severance payments for persons who also serve as one of our executive officers or as an executive officer of the Adviser, we do not have any executive compensation.

***Our UPREIT structure may result in potential conflicts of interest with limited partners in our Operating Partnership whose interests may not be aligned with those of our stockholders.***

Our directors and officers have duties to our corporation and our stockholders under Maryland law and our charter in connection with their management of the corporation. At the same time, we, as general partner, have fiduciary duties under Delaware law to our Operating Partnership and to the limited partners in connection with the management of our Operating Partnership. Our duties as general partner of our Operating Partnership and its partners may come into conflict with the duties of our directors and officers to the corporation and our stockholders. Under Delaware law, a general partner of a Delaware limited partnership owes its limited partners the duties of good faith and fair dealing. Other duties, including fiduciary duties, may be modified or eliminated in the partnership’s partnership agreement. The partnership agreement of our Operating Partnership provides that, for so long as we own a controlling interest in our Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the limited partners may be resolved in favor of our stockholders.

Additionally, the partnership agreement expressly limits our liability by providing that we and our officers, directors, agents and employees will not be liable or accountable to our Operating Partnership for losses sustained, liabilities incurred or benefits not derived if we or our officers, directors, agents or employees acted in good faith. In addition, our Operating Partnership is required to indemnify us and our officers, directors, employees, agents and designees to the extent permitted by applicable law from and against any and all claims arising from operations of our Operating Partnership, unless it is established that: (1) the act or omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (2) the indemnified party received an improper personal benefit in money, property or services; or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful.

The provisions of Delaware law that allow the fiduciary duties of a general partner to be modified by a partnership agreement have not been tested in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement that purport to waive or restrict our fiduciary duties.

***Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.***

We intend to continue to conduct our operations so that neither we, nor our Operating Partnership nor the subsidiaries of our Operating Partnership are investment companies under the Investment Company Act of 1940, as amended (the “Investment Company Act”). However, there can be no assurance that we and our subsidiaries will be able to successfully avoid operating as an investment company.

A change in the value of any of our assets could negatively affect our ability to maintain our exemption from regulation under the Investment Company Act. To maintain compliance with the applicable exemption under the Investment Company Act, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

If we were required to register as an investment company but failed to do so, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration, and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan, which could materially adversely affect our NAV and our ability to pay distributions to our stockholders.

***We depend on the Adviser to develop appropriate systems and procedures to control operational risk.***

Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in our operations may cause us to suffer financial losses, the disruption

of our business, liability to third parties, regulatory intervention or damage to our reputation. We depend on the Adviser and its affiliates to develop the appropriate systems and procedures to control operational risk. We rely heavily on our financial, accounting and other data processing systems. The ability of our systems to accommodate transactions could also constrain our ability to properly manage our portfolio. Generally, the Adviser will not be liable for losses incurred due to the occurrence of any such errors.

We are subject to the risk that our trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failure or human error. As a result, we could be unable to achieve the market position selected by the Adviser or might incur a loss in liquidating our positions. Since some of the markets in which we may effect transactions are over-the-counter or interdealer markets, the participants in such markets are typically not subject to credit evaluation or regulatory oversight comparable to that which members of exchange-based markets are subject. We are also exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions, thereby causing us to suffer a loss.

***Cybersecurity risks could result in the loss of data, interruptions in our business, damage to our reputation, and subject us to regulatory actions, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations.***

Our operations are highly dependent on our information systems and technology and we rely heavily on our and Blackstone's financial, accounting, treasury, communications and other data processing systems. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks which may continue to increase in sophistication and frequency in the future. Attacks on Blackstone and its affiliates and their portfolio companies' and service providers' systems could involve, and in some instances have in the past involved, attempts that are intended to obtain unauthorized access to our proprietary information or personal identifying information of our stockholders, destroy data or disable, degrade or sabotage our systems, or divert or otherwise steal funds, including through the introduction of computer viruses and other malicious code.

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Our information and technology systems as well as those of Blackstone, its portfolio entities and other related parties, such as service providers, may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, "phishing" attempts and other forms of social engineering, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as employees, or third-party agents and consultants of the Company. There has been an increase in the frequency and sophistication of the cyber and security threats Blackstone faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target Blackstone because Blackstone holds a significant amount of confidential and sensitive information about its investors, its portfolio companies and potential investments. As a result, Blackstone may face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures Blackstone takes to ensure the integrity of its systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful.

If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to shareholders (and their beneficial owners) and material nonpublic information. Although Blackstone has implemented, and its portfolio entities and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Blackstone does not control the cyber security plans and systems put in place by third party service providers, and such third party service providers may have limited indemnification obligations to Blackstone, its portfolio entities and us, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Blackstone's, its affiliates', their portfolio entities' or our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to shareholders, material nonpublic information and the intellectual property and trade secrets and other sensitive information in the possession of Blackstone and portfolio entities. We, Blackstone or a portfolio entity could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity and other events that may affect their business and financial performance.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, we could also suffer losses in connection with updates to, or the failure to timely update, our information systems and technology. In addition, we have become increasingly reliant on third-party service providers for certain aspects of our business, including for our administration, as well as for certain information systems and technology, including cloud-based services. These third-party service providers could also face ongoing cyber security threats and compromises of their systems and as a result, unauthorized individuals could gain access to certain confidential data.

Cybersecurity has become a top priority for regulators around the world. Many jurisdictions in which Blackstone operates have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, as examples the General Data Protection Regulation in the European Union that went into effect in May 2018 and the California Consumer Privacy Act that went into effect in January 2020. Some jurisdictions have also enacted laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data. Breaches in security, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize Blackstone, its employees' or our investors' or counterparties' confidential, proprietary and other information processed and stored in, and transmitted through Blackstone's computer systems and networks, or otherwise cause interruptions or malfunctions in its, its employees', our investors', our counterparties' or third parties' business and operations, which could result in significant financial losses, increased costs, liability to our investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if Blackstone fails to comply with the relevant laws and regulations or fail to provide the appropriate regulatory or other notifications of breach in a timely manner, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm and may cause our investors or Blackstone fund investors and clients to lose confidence in the effectiveness of our or Blackstone's security measures.

Furthermore, Blackstone's portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses.

Finally, Blackstone's technology, data and intellectual property and the technology, data and intellectual property of its portfolio companies are also subject to a heightened risk of theft or compromise to the extent Blackstone and its portfolio companies engage in operations outside the United States, in particular in those jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. In addition, Blackstone and its portfolio companies may be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in a foreign jurisdiction. Any such direct or indirect compromise of these assets could have a material adverse impact on such businesses.

#### **General Risks Related to Investments in Real Estate**

***Our operating results will be affected by economic and regulatory changes that impact the real estate market in general.***

We are subject to risks generally attributable to the ownership of real property, including:

- changes in global, national, regional or local economic, demographic or capital market conditions;
- future adverse national real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions;
- changes in supply of or demand for similar properties in a given market or metropolitan area, which could result in rising vacancy rates or decreasing market rental rates;
- vacancies, fluctuations in the average occupancy and room rates for hotel properties or inability to lease space on favorable terms;
- increased competition for properties targeted by our investment strategy;
- bankruptcies, financial difficulties or lease defaults by our tenants, particularly for our tenants with net leases for large properties;
- increases in interest rates and lack of availability of financing; and

- changes in government rules, regulations and fiscal policies, including increases in property taxes, changes in zoning laws, limitations on rental rates, and increasing costs to comply with environmental laws.

All of these factors are beyond our control. Any negative changes in these factors could affect our performance and our ability to meet our obligations and make distributions to stockholders.

***Our success is dependent on general market and economic conditions.***

The real estate industry generally and the success of our investment activities in particular will both be affected by global and national economic and market conditions generally and by the local economic conditions where our properties are located. These factors may affect the level and volatility of real estate prices, which could impair our profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect our investment opportunities and the value of our investments. Blackstone's financial condition may be adversely affected by a significant economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Blackstone's businesses and operations (including the Adviser).

A depression, recession or slowdown in the U.S. real estate market or one or more regional real estate markets, and to a lesser extent, the global economy (or any particular segment thereof) would have a pronounced impact on us, the value of our assets and our profitability, impede the ability of our assets to perform under or refinance their existing obligations, and impair our ability to effectively deploy our capital or realize upon investments on favorable terms. We would also be affected by any overall weakening of, or disruptions in, the financial markets. Any of the foregoing events could result in substantial losses to our business, which losses will likely be exacerbated by the presence of leverage in our capital structure or our investments' capital structures.

Market disruptions in a single country could cause a worsening of conditions on a regional and even global level, and economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. For example, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. The occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

Additionally, political leaders in the U.S. and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect our performance.

For example, as a result of the recent financial crisis, the availability of debt financing secured by commercial real estate had been significantly restricted as a result of tightened lending standards for a prolonged period. As a result of the uncertainties in the credit market, real estate investors were unable to obtain debt financing on attractive terms, which adversely affected investment returns on acquisitions or their ability to make acquisitions or property improvements. Any future financial market disruptions may force us to use a greater proportion of our offering proceeds to finance our acquisitions and fund property improvements, reducing the cash available to pay distributions or satisfy repurchase requests and reducing the number of acquisitions we would otherwise make.

Certain countries have been susceptible to epidemics, most recently Covid-19, which has been designated as a pandemic by the World Health Organization. The outbreak of such epidemics, together with the resulting restrictions on travel or quarantines imposed, have had a negative impact on the economy and business activity globally (including in the markets in which we invest), and thereby could adversely affect the performance of our investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. These epidemics could have particularly adverse impacts on certain industries, such as the hospitality and leisure industries, and may also have particular negative effects on certain regions in which we own investments.

***We are subject to additional risks from our non-U.S. investments.***

We have in the past and may in the future invest in real estate located outside of the United States and real estate debt issued in, and/or backed by real estate in, countries outside the United States, including Canada, Europe and potentially elsewhere. Non-U.S. real estate

and real estate-related investments involve certain factors not typically associated with investing in real estate and real estate-related investments in the U.S., including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which such investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iii) differences between U.S. and non-U.S. real estate markets, including potential price volatility in and relative illiquidity of some non-U.S. markets; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (v) certain economic, social and political risks, including potential exchange-control regulations, potential restrictions on non-U.S. investment and repatriation of capital, the risks associated with political, economic or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, and adverse economic and political developments; (vi) the possible imposition of non-U.S. taxes on income and gains and gross sales or other proceeds recognized with respect to such investments; (vii) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (viii) different laws and regulations including differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (ix) political hostility to investments by foreign investors; and (x) less publicly available information. Furthermore, while we may have the capacity, but not the obligation, to mitigate such additional risks, including through the utilization of certain foreign exchange hedging instruments, there is no guarantee that we will be successful in mitigating such risks and in turn may introduce additional risks and expenses linked to such efforts.

***Our portfolio is currently concentrated in certain industries and geographies and may in the future be concentrated in a limited number of industries, geographies or investments.***

Our portfolio may be heavily concentrated at any time in only a limited number of industries, geographies or investments, and, as a consequence, our aggregate return may be substantially affected by the unfavorable performance of even a single investment. Currently, our portfolio is heavily concentrated in multifamily and industrial assets and geographically concentrated in the southern and western regions of the U.S., and in particular Las Vegas, Nevada. Concentration of our investments in a particular type of asset or geography, our portfolio makes us more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular type of asset or geography. Our concentration in Las Vegas exposes us to risks related to the economic health and other factors unique to that city, which is in turn largely reliant on the gaming and tourist industries. See “—Our investments in real estate associated with gaming facilities will be impacted by the risks associated with the gaming industry.” For investments that the Adviser intends to finance (directly or by selling assets), there is a risk that such financing may not be completed, which could result in us holding a larger percentage of our assets in a single investment and asset type than desired. Investors have no assurance as to the degree of diversification in our investments, either by geographic region or asset type.

***We may change our investment and operational policies without stockholder consent.***

Except for changes to the investment restrictions contained in our charter, which require stockholder consent to amend, we may change our investment and operational policies, including our policies with respect to investments, operations, indebtedness, capitalization and distributions, at any time without the consent of our stockholders, which could result in our making investments that are different from, and possibly riskier or more highly leveraged than, the types of investments described in the Prospectus. Our board of directors also approved very broad investment guidelines with which we must comply, but these guidelines provide the Adviser with broad discretion and can be changed by our board of directors. A change in our investment strategy may, among other things, increase our exposure to real estate market fluctuations, default risk and interest rate risk, all of which could materially affect our results of operations and financial condition.

***We may have difficulty selling our properties, which may limit our flexibility and ability to pay distributions.***

Because real estate investments are relatively illiquid, it could be difficult for us to promptly sell one or more of our properties on favorable terms. Additionally, we have in the past and may in the future agree to lock-out or other provisions when we acquire a property that materially restrict us from selling such property or our interest in such property for a period of time. This may limit our ability to change our portfolio quickly in response to adverse changes in the performance of any such property or economic or market trends. In addition, U.S. federal tax laws that impose a 100% excise tax on gains from sales of dealer property by a REIT (generally, property held for sale, rather than investment) could limit our ability to sell properties and may affect our ability to sell properties without adversely affecting returns to our stockholders. These restrictions could adversely affect our results of operations and financial condition.

***We face risks associated with property acquisitions.***

We acquire properties and portfolios of properties, including large portfolios that could result in changes to our capital structure. Our acquisition activities and their success are subject to the following risks:

- we may be unable to complete an acquisition after making a non-refundable deposit or guarantee and incurring certain other acquisition-related costs;
- we may be unable to obtain financing for acquisitions on commercially reasonable terms or at all;
- acquired properties may fail to perform as expected;
- acquired properties may be located in new markets in which we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures; and
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations.

In addition, while we will invest primarily in stabilized income-generating real estate, we may also acquire assets that require some amount of capital investment in order to be renovated or repositioned. These investments are generally subject to higher risk of loss than investments in stabilized real estate and there is no guarantee that any renovation or repositioning will be successful, or that the actual costs will not be greater than our estimates.

***The sale and disposition of real properties carry certain litigation risks at the property level that may reduce our profitability and the return on your investment.***

The acquisition, ownership and disposition of real properties carry certain specific litigation risks. Litigation may be commenced with respect to a property acquired by us in relation to activities that took place prior to our acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made, if such buyer is passed over in favor of another as part of our efforts to maximize sale proceeds. Similarly, successful buyers may later sue us under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

***Competition for investment opportunities may reduce our profitability and the return on your investment.***

We face competition from various entities for investment opportunities in properties, including other REITs, real estate operating companies, pension funds, insurance companies, investment funds and companies, partnerships and developers. In addition to third-party competitors, other programs sponsored by the Adviser and its affiliates, particularly those with investment strategies that overlap with ours, may seek investment opportunities in accordance with Blackstone's prevailing policies and procedures. Some of these entities may have greater access to capital to acquire properties than we have. Competition from these entities may reduce the number of suitable investment opportunities offered to us or increase the bargaining power of property owners seeking to sell. Additionally, disruptions and dislocations in the credit markets could have a material impact on the cost and availability of debt to finance real estate acquisitions, which is a key component of our acquisition strategy. The lack of available debt on reasonable terms or at all could result in a further reduction of suitable investment opportunities and create a competitive advantage for other entities that have greater financial resources than we do. In addition, over the past several years, a number of real estate funds and publicly traded and non-traded REITs have been formed and others have been consolidated (and many such existing funds have grown in size) for the purpose of investing in real estate and/or real estate-related assets. Additional real estate funds, vehicles and REITs with similar investment objectives are expected to be formed in the future by other unrelated parties and further consolidations may occur (resulting in larger funds and vehicles). Consequently, it is expected that competition for appropriate investment opportunities would reduce the number of investment opportunities available to us and adversely affect the terms, including price, upon which investments can be made. This competition may cause us to acquire properties and other investments at higher prices or by using less-than-ideal capital structures, and in such case our returns will be lower and the value of our assets may not appreciate or may decrease significantly below the amount we paid for such assets. If such events occur, you may experience a lower return on your investment.

***We may make a substantial amount of joint venture investments, including with Blackstone affiliates. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.***

We have made joint venture investments with third parties and we may, subject to the requirements in our charter, continue to co-invest in the future with Blackstone affiliates or third parties in partnerships or other entities that own real properties. We have entered into, and expect to continue to enter into, joint ventures as part of an acquisition with the seller of the properties. We may acquire non-controlling interests in joint ventures. Even if we have some control in a joint venture, we would not be in a position to exercise sole decision-making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were another party not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their required capital contributions. Joint venture partners may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the joint venture partner would have full control over the joint venture. Disputes between us and joint venture partners may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with joint venture partners might result in subjecting properties owned by the joint venture to additional risk. In some cases, our joint venture partner may be entitled to property management fees, promote or other incentive fee payments as part of the arrangement of the joint venture. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

In addition, in connection with any investments in which we participate alongside any Other Blackstone Accounts, the Adviser may decline to exercise, or delegate to a third party, certain control, foreclosure and similar governance rights relating to such shared investments for legal, tax, regulatory or other reasons. There is no guarantee that we will be able to co-invest with any Other Blackstone Account. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts.

If we have a right of first refusal to buy out a joint venture partner, we may be unable to finance such a buy-out if it becomes exercisable or we are required to purchase such interest at a time when it would not otherwise be in our best interest to do so. If our interest is subject to a buy/sell right, we may not have sufficient cash, available borrowing capacity or other capital resources to allow us to elect to purchase an interest of a joint venture partner subject to the buy/sell right, in which case we may be forced to sell our interest as the result of the exercise of such right when we would otherwise prefer to keep our interest. In some joint ventures we may be obligated to buy all or a portion of our joint venture partner's interest in connection with a crystallization event, and we may be unable to finance such a buy-out when such crystallization event occurs, which may result in interest or other penalties accruing on the purchase price. If we buy our joint venture partner's interest we will have increased exposure in the underlying investment. The price we use to buy our joint venture partner's interest or sell our interest is typically determined by negotiations between us and our joint venture partner and there is no assurance that such price will be representative of the value of the underlying property or equal to our then-current valuation of our interest in the joint venture that is used to calculate our NAV. Finally, we may not be able to sell our interest in a joint venture if we desire to exit the venture for any reason or if our interest is likewise subject to a right of first refusal of our joint venture partner, our ability to sell such interest may be adversely impacted by such right. Joint ownership arrangements with Blackstone affiliates may also entail further conflicts of interest. Joint venture partners may receive ongoing fees in connection with providing service to the joint venture or its properties, including promote fees, beyond their equity investment, which would reduce the amount of our economic interest.

Some additional risks and conflicts related to our joint venture investments (including joint venture investments with Blackstone affiliates) include:

- the joint venture partner may have economic or other interests that are inconsistent with our interests, including interests relating to the financing, management, operation, leasing or sale of the assets purchased by such joint venture;
- our joint venture partners may receive ongoing fees from our joint ventures, including promote payments and potential buyouts of their equity investments, all of which may reduce amounts otherwise payable to us;
- tax, Investment Company Act and other regulatory requirements applicable to the joint venture partner may cause it to want to take actions contrary to our interests;
- the joint venture partner may have joint control of the joint venture even in cases where its economic stake in the joint venture is significantly less than ours;
- under the joint venture arrangement, neither we nor the joint venture partner will be in a position to unilaterally control the joint venture, and deadlocks may occur. Such deadlocks could adversely impact the operations and profitability of the joint venture, including as a result of the inability of the joint venture to act quickly in connection with a potential acquisition or

disposition. In addition, depending on the governance structure of such joint venture partner, decisions of such vehicle may be subject to approval by individuals who are independent of Blackstone;

- under the joint venture arrangement, we and the joint venture partner may have a buy/sell right and, as a result of an impasse that triggers the exercise of such right, we may be forced to sell our investment in the joint venture, or buy the joint venture partner's share of the joint venture at a time when it would not otherwise be in our best interest to do so; and
- our participation in investments in which a joint venture partner participates will be less than what our participation would have been had such joint venture partner not participated, and because there may be no limit on the amount of capital that such joint venture partner can raise, the degree of our participation in such investments may decrease over time.

Furthermore, we may have conflicting fiduciary obligations if we acquire properties with our affiliates or other related entities; as a result, in any such transaction we may not have the benefit of arm's-length negotiations of the type normally conducted between unrelated parties.

"Other Blackstone Accounts" means investment funds, REITs, vehicles, accounts, products and/or other similar arrangements sponsored, advised, and/or managed by Blackstone or its affiliates, whether currently in existence or subsequently established (in each case, including any related successor funds, alternative vehicles, supplemental capital vehicles, surge funds, over-flow funds, co-investment vehicles and other entities formed in connection with Blackstone or its affiliates side-by-side or additional general partner investments with respect thereto).

***Acquiring or attempting to acquire multiple properties in a single transaction may adversely affect our operations.***

We have in the past and may in the future acquire multiple properties in a single transaction. Portfolio acquisitions typically are more complex and expensive than single-property acquisitions, and the risk that a multiple-property acquisition does not close may be greater than in a single-property acquisition. Portfolio acquisitions may also result in us owning investments in geographically dispersed markets, placing additional demands on the Adviser in managing the properties in the portfolio. In addition, a seller may require that a group of properties be purchased as a package and/or also include certain additional investments or transactions even though, were it not part of the overall transaction, we may not want to purchase one or more properties included in such portfolio or participate in additional investments or transactions. In these situations, if we are unable to identify another person or entity to acquire the unwanted properties or investments, or if the seller imposes a lock-out period or other restriction on a subsequent sale, we may be required to operate such properties or attempt to dispose of such properties or investments (if not subject to a lock-out period). We may also share the acquisition of large portfolios of properties with our affiliates, which can result in conflicts of interest, including as to the allocation of properties within the portfolio and the prices attributable to such properties. See "Risks Related to Conflicts of Interest—We may invest in joint ventures with Other Blackstone Accounts or divide a pool of investments among us and Other Blackstone Accounts." It may also be difficult for the Adviser to fully analyze each property in a large portfolio, increasing the risk that properties do not perform as anticipated. We also may be required to accumulate a large amount of cash to fund such acquisitions. We would expect the returns that we earn on such cash to be less than the returns on investments in real property. Therefore, acquiring multiple properties in a single transaction may reduce the overall yield on our portfolio.

***In the event we obtain options to acquire properties, we may lose the amount paid for such options whether or not the underlying property is purchased.***

We may obtain options to acquire certain properties. The amount paid for an option, if any, is normally surrendered if the property is not purchased and may or may not be credited against the purchase price if the property is purchased. Any unreturned option payments will reduce the amount of cash available for further investments or distributions to our stockholders.

***In our due diligence review of potential investments, we may rely on third-party consultants and advisors and representations made by sellers of potential portfolio properties, and we may not identify all relevant facts that may be necessary or helpful in evaluating potential investments.***

Before making investments, due diligence will typically be conducted in a manner that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, appraisers, accountants, investment banks and other third parties, including affiliates of the Adviser or Blackstone, may be involved in the due diligence process to varying degrees depending on the type of investment, the costs of which will be borne by us. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the Adviser's reduced control of the functions that are outsourced. Where affiliates of Blackstone are utilized, the Adviser's management fee will not be offset for the fees paid or expenses reimbursed.



to such affiliates. In addition, if the Adviser is unable to timely engage third-party providers, the ability to evaluate and acquire more complex targets could be adversely affected. In the due diligence process and making an assessment regarding a potential investment, the Adviser will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, particularly for large portfolio investments. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments, including pursuant to risk management procedures described in the Prospectus, will achieve their desired effect and potential investors should regard an investment in us as being speculative and having a high degree of risk.

***There can be no assurance that the Adviser will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices or material misstatements or omissions during the due diligence phase or during our efforts to monitor and disclose information about the investment on an ongoing basis or that any risk management procedures implemented by us will be adequate.***

When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources available to it, including information provided or reported by the seller of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at the portfolio property, even activities that occurred prior to our investment therein, could have an adverse impact on us.

In the event of fraud by the seller of any portfolio property, we may suffer a partial or total loss of capital invested in that property. An additional concern is the possibility of material misrepresentation or omission on the part of the seller. Such inaccuracy or incompleteness may adversely affect the value of our investments in such portfolio property. We will rely upon the accuracy and completeness of representations made by sellers of portfolio properties in the due diligence process to the extent reasonable when we make our investments, but cannot guarantee such accuracy or completeness.

In addition, we rely on information, including financial information and non-GAAP metrics, provided by sellers of our investments for disclosure to our investors about potential acquisitions or current assets owned by us. Accordingly, although we believe such information to be accurate, such information cannot be independently verified by the Adviser, and in some cases such information has not been independently reviewed or audited while under our ownership or control or at all. We cannot assure you that the financial statements or metrics of properties we have acquired or will acquire would not be materially different if such statements or metrics had been independently audited or reviewed.

Consultants, legal advisors, appraisers, accountants, investment banks and other third parties may be involved in the due diligence process and/or the ongoing operation of our portfolio properties to varying degrees depending on the type of investment. For example, certain asset management and finance functions, such as data entry relating to a portfolio property, may be outsourced to a third-party service provider whose fees and expenses will be borne by such portfolio property or us. Such involvement of third party advisors or consultants may present a number of risks primarily relating to our reduced control of the functions that are outsourced.

***The exit by the United Kingdom ("U.K.") from the E.U. could adversely affect us.***

The U.K. and E.U. agreed the text of a withdrawal agreement on October 17, 2019 to enable the U.K. to leave the E.U. on 31 January, 2020 with an implementation period lasting until at least December 31, 2020. This agreement was subsequently ratified by the U.K. government on January 23, 2020 and the European Parliament on January 29, 2020, and the U.K. formally left the E.U. on January 31, 2020. During the implementation period, E.U. law continues to apply in the U.K. and the U.K. maintains its E.U. single market access rights (including passport rights) and E.U. customs union membership. The U.K. government has stated its intention that the implementation period will last only until December 31, 2020.

Even though a withdrawal agreement has been ratified and an implementation period has been secured, U.K. regulated firms and other U.K. businesses could still be adversely affected by the terms ultimately agreed for a future trading relationship with the E.U. A tariff or non-tariff barrier, customs checks, the inability to provide cross-border services, changes in withholding tax, restrictions on movements of employees, restrictions on the transfer of personal data, etc., all have the potential to materially impair the profitability of a business, require it to adapt, or even relocate.

In the event that the implementation period expires without any agreement being made for a future trading relationship between the U.K. and the E.U., the U.K. will become a third country vis-à-vis the E.U. As a third country, the U.K. will cease to have access to the

single market and will no longer be a member of the E.U. customs union. The cross-border trade in goods between the U.K. and E.U. member states will, in such circumstances, depend on any multilateral trade agreements to which both the E.U. and the U.K. are parties (such as those administered by the World Trade Organization) and the provision of services by U.K. firms will be generally restricted to those that could be provided by firms established in any third country.

Without assurance as to whether any future trading relationship between the U.K. and the E.U. will be agreed, and as to the terms of any such relationship, many businesses may be unable to postpone executing their contingency plans. Contingency planning for some businesses involves re-establishing the business in another member state, moving personnel and, if applicable, seeking authorization from the local regulator – all of which are costly and disruptive.

Although it is probable that any adverse effects of the U.K.'s withdrawal from the E.U. will principally affect the U.K. (and those having an economic interest in, or connected to, the U.K.), given the size and global significance of the U.K.'s economy, unpredictability about the terms of its withdrawal and its future legal, political and/or economic relationships with Europe is likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The withdrawal of the U.K. from the E.U. could therefore adversely affect our business, business opportunities, results of operations, financial conditions and cash flows. In addition, although it seems less likely now than at the time of Britain's referendum, the withdrawal of the U.K. from the E.U. could have a further destabilizing effect if any other member states were to consider withdrawing from the E.U., presenting similar and/or additional potential risks and consequences to our business and financial results.

***We rely on property managers to operate our properties and leasing agents to lease vacancies in our properties.***

The Adviser hires property managers to manage our properties and leasing agents to lease vacancies in our properties. These property managers may be our affiliates or partners in joint ventures that we enter into. The property managers have significant decision-making authority with respect to the management of our properties. We are particularly dependent on property managers of any hospitality and leisure properties we invest in. Our ability to direct and control how our properties are managed on a day-to-day basis may be limited because we engage other parties to perform this function. Thus, the success of our business may depend in large part on the ability of our property managers to manage the day-to-day operations and the ability of our leasing agents to lease vacancies in our properties. Any adversity experienced by, or problems in our relationship with, our property managers or leasing agents could adversely impact the operation and profitability of our properties.

***We depend on tenants for our revenue, and therefore our revenue is dependent on the success and economic viability of our tenants. Our reliance on single or significant tenants in certain buildings may decrease our ability to lease vacated space and could adversely affect our income, performance, operations and ability to pay distributions.***

Rental income from real property, directly or indirectly, constitutes a significant portion of our income. Delays in collecting accounts receivable from tenants could adversely affect our cash flows and financial condition. In addition, the inability of a single major tenant or a number of smaller tenants to meet their rental obligations would adversely affect our income. Therefore, our financial success is indirectly dependent on the success of the businesses operated by the tenants in our properties or in the properties securing debts we may own. The weakening of the financial condition of or the bankruptcy or insolvency of a significant tenant or a number of smaller tenants and vacancies caused by defaults of tenants or the expiration of leases may adversely affect our operations, performance and our ability to pay distributions.

Generally, under U.S. bankruptcy law, a debtor tenant has 120 days to exercise the option of assuming or rejecting the obligations under any unexpired lease for nonresidential real property, which period may be extended once by the bankruptcy court for an additional 90 days. If the tenant assumes its lease, the tenant must cure all defaults under the lease and may be required to provide adequate assurance of its future performance under the lease. If the tenant rejects the lease, we will have a claim against the tenant's bankruptcy estate. Although rent owing for the period between filing for bankruptcy and rejection of the lease may be afforded administrative expense priority and paid in full, pre-bankruptcy arrears and amounts owing under the remaining term of the lease will be afforded general unsecured claim status (absent collateral securing the claim). Moreover, amounts owing under the remaining term of the lease will be capped. Other than equity and subordinated claims, general unsecured claims are the last claims paid in a bankruptcy and therefore funds may not be available to pay such claims in full.

Some of our properties may be leased to a single or significant tenant and, accordingly, may be suited to the particular or unique needs of such tenant. We may have difficulty replacing such a tenant if the floor plan of the vacant space limits the types of businesses that can use the space without major renovation. In addition, the resale value of the property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

For example, we are dependent on a subsidiary of MGM Resorts International (“MGM”) as the sole tenant of The Bellagio Las Vegas as well as the MGM Grand Las Vegas and Mandalay Bay. The rental revenue we are entitled to receive from MGM comprises a sizeable portion of our overall revenue and therefore risks related to MGM’s financial condition will expose us to risk, including adverse impacts to MGM’s business as a result of changes in market or economic conditions, natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, negative developments in the economy or political climate that depress travel activity, or other factors that may impact MGM’s operations or the operation of these properties. As a result, MGM has been, and may in the future be, required to suspend operations at these properties for what could be an extended period of time. Additionally, while these properties are currently suited to MGM’s needs, should MGM default under any of these leases, we may have difficulty finding a replacement tenant, any replacement tenant may not be of the same quality as MGM, the terms of any new lease may be less favorable than the terms of the current lease, or we may be required to incur significant expense to modify the properties to suit a new tenant.

Similarly, certain of our other properties, including certain industrial warehouses and student housing properties, are leased out to single tenants or tenants that are otherwise reliant on a single enterprise to remain in business and our hotel properties are generally operated by a single operator. Adverse impacts to such tenants, businesses or operators, including as a result of changes in market or economic conditions, natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, political events or other factors that may impact the operation of these properties, may have negative effects on our business and financial results. As a result, such tenants or operators have been, and may in the future be, required to suspend operations at our properties for what could be an extended period of time. Further, if such tenants default under their leases or such operators are unable to operate our properties, we may not be able to promptly enter into a new lease or operating arrangement for such properties, rental rates or other terms under any new leases or operating arrangements may be less favorable than the terms of the current lease or operating arrangement or we may be required to make capital improvements to such properties for a new tenant or operator, any of which could adversely impact our operating results.

***We may be unable to renew leases as leases expire.***

We may not be able to lease properties that are vacant or become vacant because a tenant decides not to renew its lease or by the continued default of a tenant under its lease. In addition, certain of the properties we acquire may have some level of vacancy at the time of acquisition. Certain other properties may be specifically suited to the particular needs of a tenant and may become vacant after we acquire them. Even if a tenant renews its lease or we enter into a lease with a new tenant, the terms of the new lease may be less favorable than the terms of the old lease. In addition, the resale value of the property could be diminished because the market value may depend principally upon the value of the property’s leases. If we are unable to promptly renew or enter into new leases, or if the rental rates are lower than expected, our results of operations and financial condition will be adversely affected. For example, following the termination or expiration of a tenant’s lease there may be a period of time before we will begin receiving rental payments under a replacement lease. During that period, we will continue to bear fixed expenses such as interest, real estate taxes, maintenance, security, repairs and other operating expenses. In addition, declining economic conditions may impair our ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require us to make capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that we undertake may divert cash that would otherwise be available for distributions or for satisfying repurchase requests. Ultimately, to the extent that we are unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact our operating results.

We may be required to expend funds to correct defects or to make improvements before a tenant can be found for a property at an attractive lease rate or an investment in a property can be sold. No assurance can be given that we will have funds available to correct those defects or to make those improvements. In acquiring a property, we may agree to lock-out provisions that materially restrict us from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede our ability to respond to adverse changes in the performance of our properties could significantly affect our financial condition and operating results.

***Leases with retail properties’ tenants may restrict us from re-leasing space.***

Most leases with retail tenants contain provisions giving the particular tenant the exclusive right to sell particular types of merchandise or provide specific types of services within the particular retail center. These provisions may limit the number and types of prospective tenants interested in leasing space in a particular retail property.

***Our properties face significant competition.***

We face significant competition from owners, operators and developers of properties. Substantially all of our properties will face competition from similar properties in the same market. This competition may affect our ability to attract and retain tenants and may

reduce the rents we are able to charge. These competing properties may have vacancy rates higher than our properties, which may result in their owners being willing to lease available space at lower prices than the space in our properties. If one of our properties were to lose an anchor tenant, this could impact the leases of other tenants, who may be able to modify or terminate their leases as a result.

***Our properties may be leased at below-market rates under long-term leases.***

We may seek to negotiate longer-term leases to reduce the cash flow volatility associated with lease rollovers, provided that contractual rent increases are generally included. In addition, where appropriate, we will seek leases that provide for operating expenses, or expense increases, to be paid by the tenants. These leases may allow tenants to renew the lease with pre-defined rate increases. If we do not accurately judge the potential for increases in market rental rates, or if our negotiated increases provide for a discount to then-current market rental rates (in exchange for lower volatility), we may set the rental rates of these long-term leases at levels such that even after contractual rental increases, the resulting rental rates are less than then-current market rental rates. Further, we may be unable to terminate those leases or adjust the rent to then-prevailing market rates. As a result, our income and distributions to our stockholders could be lower than if we did not enter into long-term leases.

***We depend on the availability of public utilities and services, especially for water and electric power. Any reduction, interruption or cancellation of these services may adversely affect us.***

Public utilities, especially those that provide water and electric power, are fundamental for the sound operation of our assets. The delayed delivery or any material reduction or prolonged interruption of these services could allow tenants to terminate their leases or result in an increase in our costs, as we may be forced to use backup generators or other replacements for the reduced or interrupted utilities, which also could be insufficient to fully operate our facilities and could result in our inability to provide services.

***We may experience material losses or damage related to our properties and such losses may not be covered by insurance.***

We may experience material losses related to our properties arising from natural disasters and acts of God, vandalism or other crime, faulty construction or accidents, fire, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, acts of terrorism or other catastrophes. We plan to carry insurance covering our properties under policies the Adviser deems appropriate. The Adviser will select policy specifications and insured limits that it believes to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. Insurance policies on our properties may include some coverage for losses that are generally catastrophic in nature, such as losses due to terrorism, earthquakes and floods, but we cannot assure you that it will be adequate to cover all losses and some of our policies will be insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. In general, losses related to terrorism are becoming harder and more expensive to insure against. In some cases, the insurers exclude terrorism, in others the coverage against terrorist acts is limited, or available only for a significant price. A similar dynamic has been unfolding with respect to certain weather and fire events. As a result, not all investments may be insured against terrorism, weather or fire. If we or one or more of our tenants experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged. Certain of these events, such as war or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting us or the Adviser.

***We could become subject to liability for environmental violations, regardless of whether we caused such violations.***

We could become subject to liability in the form of fines or damages for noncompliance with environmental laws and regulations. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid hazardous materials, the remediation of contaminated property associated with the disposal of solid and hazardous materials and other health and safety-related concerns. Some of these laws and regulations may impose joint and several liability on tenants, owners or managers for the costs of investigation or remediation of contaminated properties, regardless of fault or the legality of the original disposal. Under various federal, state and local environmental laws, ordinances, and regulations, a current or former owner or manager of real property may be liable for the cost to remove or remediate hazardous or toxic substances, wastes, or petroleum products on, under, from, or in such property. These costs could be substantial and liability under these laws may attach whether or not the owner or manager knew of, or was responsible for, the presence of such contamination. Even if more than one person may have been responsible for the contamination, each liable party may be held entirely responsible for all of the clean-up costs incurred.

In addition, third parties may sue the owner or manager of a property for damages based on personal injury, natural resources, or property damage and/or for other costs, including investigation and clean-up costs, resulting from the environmental contamination.

The presence of contamination on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. In addition, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which the property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us from entering into leases with prospective tenants. There can be no assurance that future laws, ordinances or regulations will not impose any material environmental liability, or that the environmental condition of our properties will not be affected by the operations of the tenants, by the existing condition of the land, by operations in the vicinity of the properties. There can be no assurance that these laws, or changes in these laws, will not have a material adverse effect on our business, results of operations or financial condition. We could also suffer losses if reserves or insurance proceeds prove inadequate to cover any such matters. The cost to perform any remediation, and the cost to defend against any related claims, could exceed the value of the relevant investment, and in such cases we could be forced to satisfy the claims from other assets and investments. We may have an indemnity from a third-party purporting to cover these liabilities, but there can be no assurance as to the financial viability of any indemnifying party at the time a claim arises. In addition, some environmental laws create a lien on a contaminated asset in favor of governments or government agencies for costs they may incur in connection with the contamination.

***Our costs associated with complying with the Americans with Disabilities Act of 1990 (the “ADA”) may affect cash available for distributions.***

Any domestic properties we acquire will generally be subject to the ADA. Under the ADA, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. The ADA has separate compliance requirements for “public accommodations” and “commercial facilities” that generally require that buildings and services be made accessible and available to people with disabilities. The ADA’s requirements could require removal of access barriers and could result in the imposition of injunctive relief, monetary penalties or, in some cases, an award of damages. We may not acquire properties that comply with the ADA or we may not be able to allocate the burden on the seller or other third-party, such as a tenant, to ensure compliance with the ADA in all cases.

***Our properties are, and any properties we acquire in the future will be, subject to property taxes that may increase in the future, which could adversely affect our cash flow.***

Our properties are, and any properties we acquire in the future will be, subject to real and personal property taxes that may increase as property tax rates change and as the properties are assessed or reassessed by taxing authorities. Some of our leases may provide that the property taxes, or increases therein, are charged to the lessees as an expense related to the properties that they occupy. As the owner of the properties, however, we are ultimately responsible for payment of the taxes to the government. If property taxes increase, our tenants may be unable (or not obligated) to make the required tax payments, ultimately requiring us to pay the taxes. In addition, we are generally responsible for property taxes related to any vacant space. If we purchase residential properties, the leases for such properties typically will not allow us to pass through real estate taxes and other taxes to residents of such properties. Consequently, any tax increases may adversely affect our results of operations at such properties.

***Certain of our investments are in the form of ground leases, which provide limited rights to the underlying property.***

We hold and may in the future invest from time to time in real properties that are subject to ground leases. As a lessee under a ground lease, we may be exposed to the possibility of losing the property upon termination, or an earlier breach by us, of the ground lease, which may adversely impact our investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, we will generally need to obtain consent of the landlord of such property, which, in turn, could adversely impact the price realized from any such sale.

***Certain of our industrial properties may be special use and/or build-to-suit and may be difficult to sell or relet upon tenant defaults or lease terminations.***

Certain of our industrial properties may include special use and/or build-to-suit properties. These types of properties are relatively illiquid compared to other types of real estate and financial assets and this illiquidity will limit our ability to quickly change our portfolio in response to changes in economic or other conditions. With such properties, if the current lease is terminated or not renewed, we may be required to renovate the property or to make rent concessions in order to lease the property to another tenant, finance the property or sell the property. In addition, in the event we are forced to sell the property, we may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed. These and other limitations may affect our ability to sell or relet our industrial properties and adversely affect our results of operations at such properties.

***Certain properties may require permits or licenses.***

A license, approval or permit may be required to acquire certain investments and their direct or indirect holding companies (or registration may be required before an acquisition can be completed). There can be no guarantee of when and if such a license, approval or permit will be obtained or if the registration will be effected.

***Certain properties may require an expedited transaction, which may result in limited information being available about the property prior to its acquisition.***

Investment analyses and decisions by the Adviser may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time of making an investment decision may be limited, and the Adviser may not have access to detailed information regarding the investment property or portfolio of properties, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting such investment. Therefore, no assurance can be given that the Adviser will have knowledge of all circumstances that may adversely affect an investment, and we may make investments which we would not have made if more extensive due diligence had been undertaken. Because large portfolios of properties still generally require diligence to analyze individual properties, these risks are exacerbated in expedited transactions of large portfolios. In addition, the Adviser may use consultants, legal advisors, appraisers, accountants, investment banks and other third parties in connection with its evaluation and/or diligence of certain investments. No assurance can be given as to the accuracy or completeness of the information provided by such third parties, and we may incur liability as a result of such third parties' actions.

***We face risks in effecting operating improvements.***

In some cases, the success of an investment will depend, in part, on our ability to restructure and effect improvements in the operations of a property. The activity of identifying and implementing restructuring programs and operating improvements at property entails a high degree of uncertainty. There can be no assurance that we will be able to successfully identify and implement such restructuring programs and improvements.

***We face legal risks when making investments.***

Investments are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher than for other investments. In addition, it is not uncommon for investments to be exposed to a variety of other legal risks. These can include, but are not limited to, environmental issues, land expropriation and other property-related claims, industrial action and legal action from special interest groups.

***Our industrial tenants may be adversely affected by a decline in manufacturing activity in the United States.***

Fluctuations in manufacturing activity in the United States may adversely affect our industrial tenants and therefore the demand for and profitability of our industrial properties. Trade agreements with foreign countries have given employers the option to utilize less expensive foreign manufacturing workers. Outsourcing manufacturing activities could reduce the demand for U.S. workers, thereby reducing the profitability of our industrial tenants and the demand for and profitability of our industrial properties.

***We could be negatively impacted by the condition of Fannie Mae or Freddie Mac and by changes in government support for multifamily housing.***

Fannie Mae and Freddie Mac are a major source of financing for multifamily real estate in the United States. We expect to utilize loan programs sponsored by these entities as a key source of capital to finance our growth and our operations. In September 2008, the U.S. government increased its control of Fannie Mae and Freddie Mac and placed both companies into a government conservatorship under the Federal Housing Finance Agency. In December 2009, the U.S. Treasury increased its financial support for these conservatorships. In February 2011, the Obama administration released its blueprint for winding down Fannie Mae and Freddie Mac and for reforming the system of housing finance. Since that time, members of Congress have introduced and Congressional committees have considered a substantial number of bills that include comprehensive or incremental approaches to winding down Fannie Mae and Freddie Mac or changing their purposes, businesses or operations. A decision by the U.S. government to eliminate or downscale Fannie Mae or Freddie Mac or to reduce government support for multifamily housing more generally may adversely affect interest rates, capital availability, development of multifamily communities and the value of multifamily assets and, as a result, may adversely affect our future growth and operations. Any potential reduction in loans, guarantees and credit-enhancement arrangements from Fannie Mae and Freddie Mac could jeopardize the effectiveness of the multifamily sector's derivative securities market, potentially causing breaches in loan covenants, and through reduced loan availability, impact the value of multifamily assets, which could impair the

value of a significant portion of multifamily communities. Specifically, the potential for a decrease in liquidity made available to the multifamily sector by Fannie Mae and Freddie Mac could:

- make it more difficult for us to secure new takeout financing for any multifamily development projects we acquire;
- hinder our ability to refinance any completed multifamily assets;
- decrease the amount of available liquidity and credit that could be used to broaden our portfolio through the acquisition of multifamily assets; and
- require us to obtain other sources of debt capital with potentially different terms.

***Short-term leases expose us to the effects of declining market rent and could adversely impact our ability to make cash distributions to you.***

Substantially all of our multifamily leases are on a short-term basis. Because these leases generally permit the residents to leave at the end of the lease term without penalty, our rental revenues would be impacted by declines in market rents more quickly than if our leases were for longer terms.

***Increased levels of unemployment could adversely affect the occupancy and rental rates of any multifamily residential properties we acquire.***

Increased levels of unemployment in multifamily markets could significantly decrease occupancy and rental rates. In times of increasing unemployment, multifamily occupancy and rental rates have historically been adversely affected by:

- oversupply or reduced demand for apartment homes;
- rental residents deciding to share rental units and therefore rent fewer units;
- potential residents moving back into family homes or delaying leaving family homes;
- a reduced demand for higher-rent units;
- a decline in household formation;
- persons enrolled in college delaying leaving college or choosing to proceed to or return to graduate school in the absence of available employment;
- rent control or rent stabilization laws, or other laws regulating housing, that could prevent us from raising rents sufficiently to offset increases in operating costs;
- the inability or unwillingness of residents to pay rent increases; and
- increased collection losses.

These factors generally have contributed to lower rental rates. To the extent that we invest in any multifamily residential properties, our results of operations, financial condition and ability to make distributions to you may be adversely affected if these factors do not improve or worsen.

***If any credit market disruptions or economic slowdowns occur, any investments in multifamily residential properties may face increased competition from single-family homes and condominiums for rent, which could limit our ability to retain residents, lease apartment units or increase or maintain rents.***

Any multifamily communities in which we invest may compete with numerous housing alternatives in attracting residents, including single-family homes and condominiums available for rent. Such competitive housing alternatives may become more prevalent in a particular area in the event of any tightening of mortgage lending underwriting criteria, homeowner foreclosures, declines in single-family home and condominium sales or lack of available credit. The number of single-family homes and condominiums for rent in a particular area could limit our ability to retain residents, lease apartment units or increase or maintain rents.

***The multifamily residential properties in which we invest must comply with the Fair Housing Amendment of 1988.***

The multifamily residential properties in which we invest domestically, if any, must comply with the Fair Housing Amendment Act of 1988 (“FHAA”) which requires that multifamily communities first occupied after March 13, 1991 be accessible to handicapped residents and visitors. Compliance with the FHAA could require removal of structural barriers to handicapped access in a community, including the interiors of apartment units covered under the FHAA. Recently there has been heightened scrutiny of multifamily housing communities for compliance with the requirements of the FHAA and the ADA and an increasing number of substantial enforcement actions and private lawsuits have been brought against multifamily communities to ensure compliance with these requirements. Noncompliance with the FHAA and the ADA could result in the imposition of fines, awards of damages to private litigants, payment of attorneys’ fees and other costs to plaintiffs, substantial litigation costs and substantial costs of remediation.

***The impacts of climate-related initiatives at the U.S. federal and state levels remain uncertain at this time but could result in increased operating costs.***

Government authorities and various interest groups are promoting laws and regulations that could limit greenhouse gas, or GHG, emissions due to concerns over contributions to climate change. The United States Environmental Protection Agency, or EPA, has moved to regulate GHG emissions from large stationary sources, including electricity producers, and mobile sources, through fuel efficiency and other requirements, using its existing authority under the Clean Air Act. Moreover, certain state and regional programs are being implemented to require reductions in GHG emissions. Any additional taxation or regulation of energy use, including as a result of (i) the regulations that EPA has proposed or may propose in the future, (ii) state programs and regulations, or (iii) renewed GHG legislative efforts by future Congresses, could result in increased operating costs that we may not be able to effectively pass on to our tenants. In addition, any increased regulation of GHG emissions could impose substantial costs on our industrial tenants. These costs include, for example, an increase in the cost of the fuel and other energy purchased by our industrial tenants and capital costs associated with updating or replacing their trucks earlier than planned. Any such increased costs could impact the financial condition of our industrial tenants and their ability to meet their lease obligations and to lease or re-lease our properties.

***Rent control and other changes in applicable laws, or noncompliance with applicable laws, could adversely affect our multifamily residential properties.***

Lower revenue growth or significant unanticipated expenditures may result from changes in rent control or rent stabilization laws or other residential landlord/tenant laws. Municipalities may implement, consider or be urged by advocacy groups to consider rent control or rent stabilization laws and regulations or take other actions that could limit our ability to raise rents based on market conditions. For example, in 2016 in Mountain View, California, voters passed a referendum that limits rent increases on existing tenants (but not on new move-ins) in communities built before 1995. These initiatives and any other future enactments of rent control or rent stabilization laws or other laws regulating multifamily housing, as well as any lawsuits against us arising from such rent control or other laws, may reduce rental revenues or increase operating costs. Such laws and regulations may limit our ability to charge market rents, increase rents, evict tenants or recover increases in our operating costs and could make it more difficult for us to dispose of properties in certain circumstances. Expenses associated with investments in residential properties, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from such properties.

***The hospitality or leisure market is seasonal, highly competitive and generally subject to greater volatility than our other market segments.***

The hospitality or leisure business is seasonal, highly competitive and influenced by factors such as general and local economic conditions, location, room rates, quality, service levels, reputation and reservation systems, among many other factors. The hospitality or leisure industry generally experiences seasonal slowdown in the third quarter and, to a lesser extent, in the fourth quarter of each year. As a result of such seasonality, there will likely be quarterly fluctuations in results of operations of any hospitality or leisure properties that we own. There are many competitors in this market, and these competitors may have substantially greater marketing and financial resources than those available to us. Competition also comes from non-traditional hospitality sources, such as home-sharing platforms. This competition, along with other factors, such as over-building in the hospitality or leisure industry and certain deterrents to traveling, may increase the number of rooms available and may decrease the average occupancy and room rates of our hospitality or leisure properties. The demand for rooms at any hospitality or leisure properties that we may acquire will change much more rapidly than the demand for space at other properties that we acquire. In addition, any such properties that we may own may be adversely affected by factors outside our control, such as extreme weather conditions or natural disasters, terrorist attacks or alerts, outbreaks of contagious diseases, airline strikes, economic factors and other considerations affecting travel. These factors could have a material adverse effect on our financial condition, results of operations and ability to pay distributions to stockholders.

***Our student housing properties are subject to seasonality.***



Student housing properties are typically leased during leasing seasons, and our properties are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during such seasons. Additionally, our student housing properties are generally on short-term leases, exposing us to increased leasing risk. We may not be able to re-lease our properties on similar terms, if we are able to re-lease our properties at all. The terms of renewal or re-lease (including the cost of required renovations) may be less favorable to us than the prior lease. If we are unable to re-lease all or a substantial portion of our properties, or if the rental rates upon such re-leasing are significantly lower than expected rates, our cash flows from operations could be adversely affected.

Prior to the commencement of each new lease period, we prepare the units for new incoming residents. Other than revenue generated by in-place leases for returning residents, we do not generally recognize lease revenue during this period referred to as "turn" as we have no leases in place. In addition, during turn, we incur expenses preparing our units for occupancy, which we recognize immediately. This lease turn period results in seasonality in our operating results, and as a result, we may experience significantly reduced cash flows during such periods.

In addition, we may be adversely affected by a change in university admission policies. For example, if a university reduces the number of student admissions, the demand for our student housing properties may be reduced and our occupancy rates may decline. Our student housing properties also compete with university-owned student housing and other national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators.

***Our retail tenants face competition from numerous retail channels.***

Retailers leasing our properties will face continued competition from shopping via the internet, discount or value retailers, factory outlet centers, wholesale clubs, mail order catalogues and operators and television shopping networks. Such competition could adversely affect our tenants and, consequently, our revenues and funds available for distribution.

***Retail properties depend on anchor tenants to attract shoppers and could be adversely affected by the loss of a key anchor tenant.***

Retail properties, like other properties, are subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. A lease termination by a tenant that occupies a large area of a retail center (commonly referred to as an anchor tenant) could impact leases of other tenants. Other tenants may be entitled to modify the terms of their existing leases in the event of a lease termination by an anchor tenant, or the closure of the business of an anchor tenant that leaves its space vacant even if the anchor tenant continues to pay rent. Any such modifications or conditions could be unfavorable to us as the property owner and could decrease rents or expense recoveries. Additionally, major tenant closures may result in decreased customer traffic, which could lead to decreased sales at other stores. In the event of default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

***We may be adversely affected by trends in the office real estate industry.***

Some businesses are rapidly evolving to make employee telecommuting, flexible work schedules, open workplaces and teleconferencing increasingly common. These practices enable businesses to reduce their space requirements. A continuation of the movement towards these practices could over time erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations, each of which could have an adverse effect on our financial position, results of operations, cash flows and ability to make expected distributions to our stockholders. We may also be negatively impacted by competition from other short-term office or shared space leasing companies.

***We could be negatively impacted by increased competition, decreased demand and restrictive zoning ordinances in the manufactured housing markets in which we invest.***

The manufactured housing industry is generally subject to many of the same national and regional economic and demographic factors that affect the housing industry generally. These factors, including shortage of consumer financing, public's perception, consumer confidence, inflation, regional population and employment trends, availability of and cost of alternative housing, weather conditions and general economic conditions, tend to impact manufactured homes to a greater degree than traditional residential homes. Our operating results from our manufactured housing investments may be adversely affected by: (i) competition from other available manufactured housing sites or available land for the placement of manufactured homes outside of established communities and alternative forms of housing (such as apartment buildings and site built single-family homes) and (ii) local real estate market conditions such as the oversupply of manufactured housing sites or a reduction in demand for manufactured housing sites in an area. In addition, the inability to secure zoning permits from local authorities may pose the most significant barrier to entry for developing new manufactured housing sites.

***Manufactured home loans may be subject to greater credit risk.***

We may hold loans secured by manufactured homes, which generally have higher delinquency and default rates than standard residential mortgage loans due to various factors, including, among other things, the manner in which borrowers have handled previous credit, the absence or limited extent of borrowers' prior credit history, limited financial resources, frequent changes in or loss of employment and changes in borrowers' personal or domestic situations that affect their ability to repay loans. Any substantial economic slowdown could increase delinquencies, defaults, repossessions and foreclosures with respect to manufactured homes. Also, the value of manufactured homes may depreciate over time, which can negatively impact the manufactured home industry and lead to increased defaults and delinquencies and lower recovery rates upon default.

***Our investments in real estate associated with gaming facilities will be impacted by the risks associated with the gaming industry.***

We invest in real estate associated with gaming facilities, which are subject to risks associated with the gaming industry, including changes in consumer trends, the impact of gaming regulations on us and/or our tenants, reductions in discretionary consumer spending and corporate spending on conventions and business development and preferences, changes in laws or foreign monetary policies that impact consumer behavior, and other factors over which we have no control. Economic contraction, economic uncertainty or the perception by potential customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions. Such investments may also be affected by risks relating to the tourism industry for the geographic areas in which our properties are located, including cost and availability of air services or other travel methods.

The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, internet lotteries and other internet wagering gaming services and, in a broader sense, gaming operators face competition from all manner of leisure and entertainment activities. Gaming competition is intense in the markets where our facilities are located. Recently, there has been additional significant competition in the gaming industry as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market, the growth of general internet and electronic sports-related gaming and legislative changes, including relating to sports betting. As competing properties and new markets are opened, we and our tenants may be negatively impacted.

***We invest in commercial properties subject to net leases, which could subject us to losses.***

We invest in commercial properties subject to net leases. Typically, net leases require the tenants to pay substantially all of the operating costs associated with the properties. As a result, the value of, and income from, investments in commercial properties subject to net leases will depend, in part, upon the ability of the applicable tenant to meet its obligations to maintain the property under the terms of the net lease. If a tenant fails or becomes unable to so maintain a property, we will be subject to all risks associated with owning the underlying real estate. In addition, we may have limited oversight into the operations or the managers of these properties, subject to the terms of the net leases.

Certain commercial properties subject to net leases in which we invest are occupied by a single tenant and, therefore, the success of such investments are largely dependent on the financial stability of each such tenant. A default of any such tenant on its lease payments to us would cause us to lose the revenue from the property and cause us to have to find an alternative source of revenue to meet any mortgage payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting our property. If a lease is terminated, we may also incur significant losses to make the leased premises ready for another tenant and experience difficulty or a significant delay in re-leasing such property.

In addition, net leases typically have longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years.

We may acquire these investments through sale-leaseback transactions, which involve the purchase of a property and the leasing of such property back to the seller thereof. If we enter into a sale-leaseback transaction, we will seek to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease" for U.S. federal income tax purposes, thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes. However, we cannot assure you that the IRS will not challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed, and the timing of our income inclusion could differ from that of the lease payments. If a sale-leaseback transaction were so recharacterized (or otherwise not respected as a lease), we might fail to satisfy the REIT qualification "asset tests" or "income

tests” and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated, which might also cause us to fail to meet the REIT distribution requirement for a taxable year.

If a tenant of a net lease defaults and we are unable to find a replacement tenant, we may attempt to hold and operate the relevant property ourselves through a taxable REIT subsidiary, which would subject income on the property to corporate-level taxation, thereby reducing our funds available for distribution. In certain circumstances, depending on how much capacity we have available of the total value we are permitted to hold in taxable REIT subsidiaries under applicable rules, we may not be able to hold and operate the property in a taxable REIT subsidiary, which could result in the property and the related income not satisfying the REIT qualification asset and income tests and could jeopardize our REIT status.

***Technological or other innovations may disrupt the markets and sectors in which we operate and subject us to increased competition or negatively impact the tenants of our properties and the value of our properties.***

Current trends in the real estate market and the sectors in which we invest generally have been toward disrupting the industry with technological or other innovations, and multiple young companies have been successful in capitalizing on this trend toward disruption. In this period of rapid technological and commercial innovation, new businesses and approaches may be created that could affect us, tenants of our properties or our investments or alter the market practices that help frame our strategy. For example, the value of our hospitality properties is affected by competition from the non-traditional hospitality sector (such as short-term rental services), our office properties are affected by competition from shared office spaces (including co-working environments), our retail properties may be affected by changes in consumer behavior, including increased shopping via the internet, and our warehouse industrial properties may be affected if supply chains evolve in a way that decreases the need for traditional warehousing. Any of these new approaches could damage our investments, significantly disrupt the market in which we operate and subject us to increased competition, which could materially and adversely affect our business, financial condition and results of investments. Moreover, given the pace of innovation in recent years, the impact on a particular investment may not have been foreseeable at the time we made the investment. Furthermore, we could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

***Our self-storage investments are subject to risks from fluctuating demand and competition in the self-storage industry.***

Our self-storage investments are subject to operating risks common to the self-storage industry, which include business layoffs or downsizing, industry slowdowns, relocation of businesses and changing demographics, changes in supply of, or demand for, similar or competing self-storage properties in an area and the excess amount of self-storage space in a particular market, changes in market rental rates and inability to collect rents from customers. The self-storage industry has at times experienced overbuilding in response to perceived increases in demand. A recurrence of overbuilding might cause our self-storage investments to experience a decrease in occupancy levels, as well as limit the ability to increase rents and offer discounted rents.

#### **General Risks Related to Investments in Real Estate Debt**

***Investments in real estate debt are subject to risks including various creditor risks and early redemption features which may materially adversely affect our results of operations and financial condition.***

The debt and other interests in which we may invest may include secured or unsecured debt at various levels of an issuer's capital structure. The real estate debt in which we may invest may not be protected by financial covenants or limitations upon additional indebtedness, may be illiquid or have limited liquidity, and may not be rated by a credit rating agency. Real estate debt is also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligation and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Our investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by us earlier than expected, resulting in a lower return to us than anticipated or reinvesting in a new obligation at a lower return to us.

***Our debt investments face prepayment risk and interest rate fluctuations that may adversely affect our results of operations and financial condition.***

During periods of declining interest rates, the issuer of a security or borrower under a loan may exercise its option to prepay principal earlier than scheduled, forcing us to reinvest the proceeds from such prepayment in lower yielding securities or loans, which may result in a decline in our return. Debt investments frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met. An issuer may

choose to redeem debt if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. In addition, the market price of our investments will change in response to changes in interest rates and other factors. During periods of declining interest rates, the market price of fixed-rate debt investments generally rises. Conversely, during periods of rising interest rates, the market price of such investments generally declines. The magnitude of these fluctuations in the market price of debt investments is generally greater for securities with longer maturities. If the U.S. Federal Reserve or other relevant central banks increase benchmark interest rates, this could also negatively impact the price of debt instruments and could adversely affect the value of our investments and the NAV and price per share of our shares.

***Reinvestment risk could affect the price for our shares or their overall returns.***

Reinvestment risk is the risk that income from our portfolio will decline if we invest the proceeds from matured, traded or called securities at market interest rates that are below our securities portfolio's current earnings rate. A decline in income could affect the NAV of our shares or their overall returns.

***Debt-oriented real estate investments face a number of general market-related risks that can affect the creditworthiness of issuers, and modifications to certain loan structures and market terms make it more difficult to monitor and evaluate investments.***

We invest in real estate debt investments. Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact our performance by making it more difficult for issuers to satisfy their debt payment obligations, increasing the default risk applicable to issuers, and/or making it relatively more difficult for us to generate attractive risk-adjusted returns. Changes in general economic conditions will affect the creditworthiness of issuers and/or real estate collateral relating to our investments and may include economic and/or market fluctuations, changes in environmental and zoning laws, casualty or condemnation losses, regulatory limitations on rents, decreases in property values, changes in the appeal of properties to tenants, changes in supply and demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in real estate fundamentals (including average occupancy, operating income and room rates for hotel properties), the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, political events, trade barriers, currency exchange controls, changes in government regulations (such as rent control), changes in real property tax rates and operating expenses, changes in interest rates, changes in the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, outbreaks of an infectious disease, epidemics/pandemics or other serious public health concerns, negative developments in the economy or political climate that depress travel activity (including restrictions on travel or quarantines imposed), environmental liabilities, contingent liabilities on disposition of assets, acts of God, terrorist attacks, war, demand and/or real estate values generally and other factors that are beyond the control of the Adviser. Such changes may develop rapidly and it may be difficult to determine the comprehensive impact of such changes on our investments, particularly for investments that may have inherently limited liquidity. These changes may also create significant volatility in the markets for our investments which could cause rapid and large fluctuations in the values of such investments. There can be no assurance that there will be a ready market for the resale of our debt investments because such investments may not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by us. The value of securities of companies which service the real estate business sector may also be affected by such risks.

The Adviser cannot predict whether economic conditions generally, and the conditions for real estate debt investing in particular, will deteriorate in the future. Declines in the performance of the U.S. and global economies or in the real estate debt markets could have a material adverse effect on our investment activities. In addition, market conditions relating to real estate debt investments have evolved since the financial crisis, which has resulted in a modification to certain loan structures and market terms. For example, it has become increasingly difficult for real estate debt investors in certain circumstances to receive full transparency with respect to underlying investments because transactions are often effectuated on an indirect basis through pools or conduit vehicles rather than directly with the borrower. These and other similar changes in loan structures or market terms may make it more difficult for us to monitor and evaluate investments.

***The operating and financial risks of issuers and the underlying default risk across capital structures may adversely affect our results of operations and financial condition.***

Our securities investments involve credit or default risk, which is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt when due. The risk of default and losses on real estate debt instruments will be affected by a number of factors, including global, regional and local economic conditions, interest rates, the commercial real estate market in general, an issuer's equity and the financial circumstances of the issuer, as well as general economic conditions. Such default risk will be heightened to the extent we make relatively junior investments in an issuer's capital structure since such investments are structurally subordinate to more senior tranches in such issuer's capital structure, and our overall returns would be adversely affected

to the extent one or more issuers is unable to meet its debt payment obligations when due. To the extent we hold an equity or “mezzanine” interest in any issuer that is unable to meet its debt payment obligations, such equity or mezzanine interest could become subordinated to the rights of such issuer’s creditors in a bankruptcy. See “—We invest in subordinated debt, which is subject to greater credit risk than senior debt” below. Furthermore, the financial performance of one or more issuers could deteriorate as a result of, among other things, adverse developments in their businesses, changes in the competitive environment or an economic downturn. As a result, underlying properties or issuers that we expected to be stable may operate, or expect to operate, at a loss or have significant fluctuations in ongoing operating results, may otherwise have a weak financial condition or be experiencing financial distress and subject our investments to additional risk of loss and default.

***We generally invest in high-yield debt which is generally subject to more risk than higher rated securities.***

Debt that is, at the time of purchase, rated below investment grade (below Baa by Moody’s and below BBB by S&P and Fitch), an equivalent rating assigned by another nationally recognized statistical rating organization or unrated but judged by the Adviser to be of comparable quality are commonly referred to as “high-yield” securities.

Investments in high-yield securities generally provide greater income and increased opportunity for capital appreciation than investments in higher quality securities, but they also typically entail greater price volatility and principal and income risk, including the possibility of issuer default and bankruptcy. High-yield securities are regarded as predominantly speculative with respect to the issuer’s continuing ability to meet principal and interest payments. Debt instruments in the lowest investment grade category also may be considered to possess some speculative characteristics by certain rating agencies. In addition, analysis of the creditworthiness of issuers of high-yield securities may be more complex than for issuers of higher quality securities.

High-yield securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield security prices because the advent of a recession could lessen the ability of an issuer to make principal and interest payments on its debt obligations. If an issuer of high yield securities defaults, in addition to risking non-payment of all or a portion of interest and principal, we may incur additional expenses to seek recovery. The market prices of high-yield securities structured as zero-coupon, step-up or payment-in-kind securities will normally be affected to a greater extent by interest rate changes, and therefore tend to be more volatile than the prices of securities that pay interest currently and in cash.

The secondary market on which high-yield securities are traded may be less liquid than the market for investment grade securities. Less liquidity in the secondary trading market could adversely affect the price at which we could sell a high yield security, and could adversely affect the NAV of our shares. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield securities, especially in a thinly-traded market. When secondary markets for high yield securities are less liquid than the market for investment grade securities, it may be more difficult to value the securities because such valuation may require more research, and elements of judgment may play a greater role in the valuation because there is less reliable, objective data available. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly and we may have greater difficulty selling our portfolio securities. We will be more dependent on the Adviser’s research and analysis when investing in high-yield securities.

***Some of our securities investments may become distressed, which securities would have a high risk of default and may be illiquid.***

While it is generally anticipated that our real estate-related investments will focus primarily on investments in non-distressed real estate-related interests (based on our belief that there is not a low likelihood of repayment), our investments may become distressed following our acquisition thereof. Additionally, we may invest in real estate debt that we believe are available to purchase at “discounted” rates or “undervalued” prices. Purchasing real estate debt at what may appear to be “undervalued” or “discounted” levels is no guarantee that these investments will generate attractive returns to us or will not be subject to further reductions in value. There is no assurance that such investments can be acquired at favorable prices, that such investments will not default, or that the market for such interests will improve. In addition, the market conditions for investment in real estate debt may deteriorate further, which could have an adverse effect on the performance of our investments.

During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. There is no assurance that the Adviser will correctly evaluate the value of the assets collateralizing such investments or the prospects for a successful reorganization or similar action.

These financial difficulties may never be overcome and may cause issuers to become subject to bankruptcy or other similar administrative proceedings, or may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, an extension of the term, a substantial reduction in the interest rate, a substantial writedown of the principal of such investment and other concessions which could adversely affect our returns on the investment. There is a possibility that we may incur substantial or total losses on our investments and in certain circumstances, subject us to certain additional potential liabilities that may exceed the value of our original investment therein.

For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In any reorganization or liquidation proceeding relating to our investments, we may lose our entire investment, may be required to accept cash or securities with a value less than our original investment and/or may be required to accept different terms, including payment over an extended period of time. In addition, under certain circumstances payments to us may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transactions under applicable bankruptcy and insolvency laws. Furthermore, bankruptcy laws and similar laws applicable to administrative proceedings may delay our ability to realize on collateral for loan positions we held, or may adversely affect the economic terms and priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the “cramdown” provisions of the bankruptcy laws.

However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such investment, replacement “takeout” financing will not be available, resulting in an inability by the issuer to repay the investment. Although unlikely, it is possible that the Adviser may find it necessary or desirable to foreclose on collateral securing one or more real estate debt we acquire. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Issuers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action, which often prolongs and complicates an already difficult and time consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, an issuer may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing, management, development and other operations of the property. In the event we foreclose on an investment, we will be subject to the risks associated with owning and operating real estate.

***Certain risks associated with CMBS may adversely affect our results of operations and financial condition.***

We invest a portion of our assets in pools or tranches of CMBS, including horizontal and other risk retention investments. The collateral underlying CMBS generally consists of commercial mortgages on real property that has a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels, and which from time to time include assets or properties owned directly or indirectly by one or more Other Blackstone Accounts. CMBS have been issued in a variety of issuances, with varying structures including senior and subordinated classes. The commercial mortgages underlying CMBS generally face the risks described above in “—We may invest in commercial mortgage loans which are non-recourse in nature and include limited options for financial recovery in the event of default; an event of default may adversely affect our results of operations and financial condition.”

Mortgage-backed securities may also have structural characteristics that distinguish them from other securities. The interest rate payable on these types of securities may be set or effectively capped at the weighted average net coupon of the underlying assets themselves. As a result of this cap, the return to investors in such a security would be dependent on the relevant timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law may also affect the return to investors by capping the interest rates payable by certain mortgagors. Certain mortgage-backed securities may provide for the payment of only interest for a stated period of time. In addition, in a bankruptcy or similar proceeding involving the originator or the servicer of the CMBS (often the same entity or an affiliate), the assets of the issuer of such securities could be treated as never having been truly sold to the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer.

The credit markets, including the CMBS market, have periodically experienced decreased liquidity on the primary and secondary markets during periods of market volatility. Such market conditions could re-occur and would impact the valuations of our investments and impair our ability to sell such investments if we were required to liquidate all or a portion of our CMBS investments quickly. Additionally, certain of our securities investments, such as horizontal or other risk retention investments in CMBS, may have certain holding period and other restrictions that limit our ability to sell such investments.

***Concentrated CMBS investments may pose specific risks beyond the control of the Adviser that may adversely affect our results of operations and financial condition.***

Default risks with respect to CMBS investments may be further pronounced in the case of single-issuer CMBSs or CMBSs secured by a small or less diverse collateral pool, which is the majority of our securities portfolio. At any one time, a portfolio of CMBS may be backed by commercial mortgage loans disproportionately secured by properties in only a few states, regions or foreign countries. As a result, such investments may be more susceptible to geographic risks relating to such areas, including adverse economic conditions, declining home values, adverse events affecting industries located in such areas and other factors beyond the control of the Adviser relative to investments in multi-issuer CMBS or a pool of mortgage loans having more diverse property locations.

***The quality of the CMBS is dependent on the credit quality and selection of the mortgages for each issuance.***

CMBS are also affected by the quality of the credit extended. As a result, the quality of the CMBS is dependent upon the selection of the commercial mortgages for each issuance and the cash flow generated by the commercial real estate assets, as well as the relative diversification of the collateral pool underlying such CMBS and other factors such as adverse selection within a particular tranche or issuance.

***There are certain risks associated with the insolvency of obligations backing mortgage-backed securities and other investments.***

The real estate loans backing the mortgage-backed securities (“MBS”) and other investments may be subject to various laws enacted in the jurisdiction or state of the borrower for the protection of creditors. If an unpaid creditor files a lawsuit seeking payment, the court may invalidate all or part of the borrower’s debt as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower in satisfaction of such indebtedness, based on certain tests for borrower insolvency and other facts and circumstances, which may vary by jurisdiction. There can be no assurance as to what standard a court would apply in order to determine whether the borrower was “insolvent” after giving effect to the incurrence of the indebtedness constituting the mortgage backing the MBS and other investments, or that regardless of the method of valuation, a court would not determine that the borrower was “insolvent” after giving effect to such incurrence. In addition, in the event of the insolvency of a borrower, payments made on such mortgage loans could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year and one day) before insolvency.

***There are certain risks associated with MBS interest shortfalls.***

Our MBS investments may be subject to interest shortfalls due to interest collected from the underlying loans not being sufficient to pay accrued interest to all of the MBS interest holders. Interest shortfalls to the MBS trust will occur when the servicer does not advance full interest payments on defaulted loans. The servicer in a MBS trust is required to advance monthly principal and interest payments due on a delinquent loan. Once a loan is delinquent for a period of time (generally 60 days), the servicer is required to obtain a new appraisal to determine the value of the property securing the loan. The servicer is only required to advance interest based on the lesser of the loan amount or 90%, generally, of the appraised value. Interest shortfalls occur when 90%, generally, of the appraised value is less than the loan amount and the servicer does not advance interest on the full loan amount. The resulting interest shortfalls impact interest payments on the most junior class in the trust first. As interest shortfalls increase, more senior classes may be impacted. Over time, senior classes may be reimbursed for accumulated shortfalls if the delinquent loans are resolved, but there is no guarantee that shortfalls will be collected. Interest shortfalls to the MBS trust may also occur as a result of accumulated advances and expenses on defaulted loans. When a defaulted loan or foreclosed property is liquidated, the servicer will be reimbursed for accumulated advances and expenses prior to payments to MBS bond holders. If proceeds are insufficient to reimburse the servicer or if a defaulted loan is modified and not foreclosed, the servicer is able to make a claim on interest payments that is senior to the bond holders to cover accumulated advances and expenses. If the claim is greater than interest collected on the loans, interest shortfalls could impact one or more bond classes in a MBS trust until the servicer’s claim is satisfied.

***We have acquired and expect in the future to acquire MBS affiliated with Blackstone.***

We have acquired and expect in the future to acquire MBS whereby mortgages underlying the MBS were issued or acquired by, properties underlying the mortgages in the MBS are owned by, and/or the MBS is serviced or structured by, a Blackstone affiliate. While we may acquire such MBS from third parties on terms already negotiated by and agreed with third parties and will forgo all non-economic rights (including voting rights) in such MBS as long as the affiliation persists, which we believe should mostly mitigate any conflicts of interest, there is no assurance that such procedures will adequately address all of the conflicts of interest that may arise or will address such conflicts in a manner that results in the allocation of a particular investment opportunity to us or is otherwise favorable to us. While the mortgage loans underlying such MBS are generally made in advance of any issuance of the MBS, our investment, or the expectation of our investment, in such an MBS may have the potential to affect the pricing terms of underlying

mortgage loans for properties owned by Other Blackstone Accounts. Since certain of our executives are also executives of Blackstone, the same personnel may determine the price and terms for the investments for both us and these entities and there can be no assurance that any procedural protections, such as obtaining market prices or other reliable indicators of fair value, will prevent the consideration we pay for these investments from exceeding their fair value or ensure that we receive terms for a particular investment opportunity that are as favorable as those available from an independent third party.

***Our CMBS investments face risks associated with extensions that may adversely affect our results of operations and financial condition.***

Our CMBS and other investments may be subject to extension, resulting in the term of the securities being longer than expected. Extensions are affected by a number of factors, including the general availability of financing in the market, the value of the related mortgaged property, the borrower's equity in the mortgaged property, the financial circumstances of the borrower, fluctuations in the business operated by the borrower on the mortgaged property, competition, general economic conditions and other factors. Such extensions may also be made without the Adviser's consent.

***There are certain risks associated with the servicers of commercial real estate loans underlying CMBS and other investments.***

The exercise of remedies and successful realization of liquidation proceeds relating to commercial real estate loans underlying CMBS and other investments may be highly dependent on the performance of the servicer or special servicer. The servicer may not be appropriately staffed or compensated to immediately address issues or concerns with the underlying loans. Such servicers may exit the business and need to be replaced, which could have a negative impact on the portfolio due to lack of focus during a transition. Special servicers frequently are affiliated with investors who have purchased the most subordinate bond classes, and certain servicing actions, such as a loan extension instead of forcing a borrower pay off, may benefit the subordinate bond classes more so than the senior bonds. While servicers are obligated to service the portfolio subject to a servicing standard and maximize the present value of the loans for all bond classes, servicers with an affiliate investment in the CMBS or other investments may have a conflict of interest. There may be a limited number of special servicers available, particularly those which do not have conflicts of interest. In addition, to the extent any such servicers fail to effectively perform their obligations pursuant to the applicable servicing agreements, such failure may adversely affect our investments.

***We may invest in commercial mortgage loans which are non-recourse in nature and include limited options for financial recovery in the event of default; an event of default may adversely affect our results of operations and financial condition.***

We may invest from time to time in commercial mortgage loans, including mezzanine loans and B-notes, which are secured by multifamily, commercial or other properties and are subject to risks of delinquency and foreclosure and risks of loss. Commercial real estate loans are generally not fully amortizing, which means that they may have a significant principal balance or balloon payment due on maturity. Full satisfaction of the balloon payment by a commercial borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, as well as other factors such as the value of the property, the level of prevailing mortgage rates, the borrower's equity in the property and the financial condition and operating history of the property and the borrower. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a commercial borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan secured by an income-producing property will depend upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Furthermore, we may not have the same access to information in connection with investments in commercial mortgage loans, either when investigating a potential investment or after making an investment, as compared to publicly traded securities.

Commercial mortgage loans are usually non-recourse in nature. Therefore, if a commercial borrower defaults on the commercial mortgage loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which we directly or indirectly invest increase, the performance of our investments related thereto may be adversely affected. Default rates and losses on commercial mortgage loans will be affected by a number of factors, including global, regional and local economic conditions in the area where the mortgage properties are located, the borrower's equity in the mortgage property, the financial circumstances of the borrower, tenant mix and tenant bankruptcies, property management decisions, including with respect to capital improvements, property location and condition, competition from other properties offering the same or similar services, environmental conditions, real estate tax rates, tax credits and other operating expenses, governmental rules, regulations and fiscal policies, acts of God, terrorism, social unrest and civil disturbances. A continued decline in specific commercial real estate markets and property valuations may result in higher delinquencies and defaults and potentially foreclosures. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. The overall level of commercial mortgage loan defaults remains significant and market values of the underlying commercial real estate remain distressed in many cases. It has also become increasingly difficult for lenders to dispose of foreclosed commercial real estate without incurring substantial investment losses, ultimately leading to a decline in the value of such investments.



In the event of any default under a mortgage or real estate loan held directly by us, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage or real estate loan, which could have a material adverse effect on our profitability. In the event of the bankruptcy of a mortgage or real estate loan borrower, the mortgage or real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage or real estate loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Additionally, in the event of a default under any senior debt, the junior or subordinate lender generally forecloses on the equity, purchases the senior debt or negotiates a forbearance or restructuring arrangement with the senior lender in order to preserve its collateral.

***We may invest in structured products or similar products that may include structural and legal risks.***

We have and in the future may invest from time to time in structured products, including pools of mortgages, loans and other real-estate related interests. These investments may include debt securities issued by a private investment fund that invests, on a leveraged basis, in bank loans, high-yield debt or other asset groups, certificates issued by a structured investment vehicle that holds pools of commercial mortgage loans. We have and in the future may also invest in credit risk transfer notes that, while not structured products, face similar risks as structured products because they are debt securities issued by governmental agencies but their value depends in part on a pool of mortgage loans. Our investments in structured products are subject to a number of risks, including risks related to the fact that the structured products will be leveraged, and other structural and legal risks related thereto. Utilization of leverage is a speculative investment technique and will generally magnify the opportunities for gain and risk of loss borne by an investor investing in the subordinated debt securities. Many structured products contain covenants designed to protect the providers of debt financing to such structured products. A failure to satisfy those covenants could result in the untimely liquidation of the structured product and a complete loss of our investment therein. In addition, if the particular structured product is invested in a security in which we are also invested, this would tend to increase our overall exposure to the credit of the issuer of such securities, at least on an absolute, if not on a relative basis. The value of an investment in a structured product will depend on the investment performance of the assets in which the structured product invests and will, therefore, be subject to all of the risks associated with an investment in those assets. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the issuer of such asset or nullified under applicable law.

***We have and may in the future acquire and sell residential credit investments, which may subject us to legal, regulatory and other risks that could adversely impact our business and financial results.***

We have and may in the future invest directly and indirectly in residential credit investments, which may include performing loans, nonperforming loans, residential mortgage loans and RMBS, which represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Investments in residential credit (including RMBS) are subject to various risks and uncertainties, including credit, market, interest rate, structural and legal risk. These risks may be magnified by volatility in the economy and in real estate markets generally. Any downturn in the U.S. or global economies may adversely affect the financial condition of residential owners and tenants, making it more difficult for them to meet their periodic repayment obligations relating to residential real estate. Residential credits are not traded on an exchange and there may be a limited market for the securities, especially when there is a perceived weakness in the mortgage and real estate market sectors. In addition, interest and principal payments for RMBS are made more frequently than traditional debt securities and the principal of any RMBS may often be prepaid at any time because the underlying residential mortgage loans may be prepaid at any time.

Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued may be guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's equity in the mortgaged property, and the financial circumstances of the borrower. Certain mortgage loans may be of sub-prime credit quality (i.e., do not meet the customary credit standards of Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac")). Delinquencies and liquidation proceedings are more likely with sub-prime mortgage loans than with mortgage loans that satisfy customary credit standards. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Residential mortgage loans in an issue of RMBS may also be subject to various U.S. federal and state laws, foreign laws, public policies and principles of equity that protect consumers which, among other things, may regulate interest rates and other fees, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information, and regulate debt collection practices. In addition, a number of legislative proposals have been introduced in the United

States at the federal, state, and municipal level that are designed to discourage predatory lending practices. Violation of such laws, public policies, and principles may limit the servicer's ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and administrative enforcement. Any such violation could also result in cash flow delays and losses on the related issue of RMBS.

***Our investments in RMBS, which may include government mortgage pass-through securities and non-agency RMBS, are subject to certain other risks which may adversely affect our results of operations and financial condition.***

Our investments in RMBS are subject to the risks of defaults, foreclosure timeline extension, fraud, home price depreciation and unfavorable modification of loan principal amount, interest rate and amortization of principal accompanying the underlying residential mortgage loans. To the extent that assets underlying our investments are concentrated geographically, by property type or in certain other respects, we may be subject to certain of the foregoing risks to a greater extent. In the event of defaults on the residential mortgage loans that underlie our investments in RMBS and the exhaustion of any underlying or any additional credit support, we may not realize our anticipated return on our investments and we may incur a loss on these investments. At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions in the United States or in only a few foreign countries. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse political changes, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. We may also acquire non-agency RMBS, which are backed by residential property but, in contrast to agency RMBS, their principal and interest are not guaranteed by federally chartered entities such as the Fannie Mae and Freddie Mac and, in the case of the Government National Mortgage Association ("Ginnie Mae"), the U.S. government. In addition, we may invest in government mortgage pass-through securities, which represent participation interests in pools of residential mortgage loans purchased from individual lenders by a federal agency or originated by private lenders and guaranteed by a federal agency, including those issued or guaranteed by Ginnie Mae, Fannie Mae and Freddie Mac. Ginnie Mae certificates are direct obligations of the U.S. Government and, as such, are backed by the "full faith and credit" of the United States. Fannie Mae is a federally chartered, privately owned corporation and Freddie Mac is a corporate instrumentality of the United States. Fannie Mae and Freddie Mac certificates are not backed by the full faith and credit of the United States but the issuing agency or instrumentality has the right to borrow, to meet its obligations, from an existing line of credit with the U.S. Treasury. The U.S. Treasury has no legal obligation to provide such line of credit and may choose not to do so.

***We will face risks related to our investments in collateralized debt obligations.***

We may also invest from time to time in collateralized debt obligations ("CDOs"). CDOs include, among other things, collateralized loan obligations ("CLOs") and other similarly structured securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. CDOs may charge a management fee and administrative expenses. For CLOs, the cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The riskiest portion is the "equity" tranche which bears the bulk of defaults from the bonds or loans in the trust and serves to protect the other, more senior tranches from default in all but the most severe circumstances. Since it is partially protected from defaults, a senior tranche from a CLO trust typically has higher ratings and lower yields than the underlying securities, and can be rated investment grade. Despite the protection from the equity tranche, CLO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults and aversion to CLO securities as a class. The risks of an investment in a CDO depend largely on the type of the collateral and the class of the CDO in which we invest.

Normally, CLOs and other CDOs are privately offered and sold, and thus are not registered under the securities laws. As a result, certain investments in CDOs may be characterized as illiquid securities and volatility in CLO and CDO trading markets may cause the value of these investments to decline. Moreover, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral value is available to satisfy interest and principal payments and any other fees in connection with the trust or other conduit arrangement for such securities, we may incur significant losses. Also, with respect to the CLOs and CDOs in which we may invest, control over the related underlying loans will be exercised through a special servicer or collateral manager designated by a "directing certificate holder" or a "controlling class representative," or otherwise pursuant to the related securitization documents. We may acquire classes of CLOs or CDOs for which we may not have the right to appoint the directing certificate holder or otherwise direct the special servicing or collateral management. With respect to the management and servicing of those loans, the related special servicer or collateral manager may take actions that could adversely affect our interests. In addition to the risks associated with debt instruments (e.g., interest rate risk and credit risk), CDOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that we may invest in CDOs that are subordinate to

other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

***We invest in subordinated debt, which is subject to greater credit risk than senior debt.***

We have in the past and may in the future from time to time invest in debt instruments, including junior tranches of CMBS and “mezzanine” or junior mortgage loans (e.g., B-Notes), that are subordinated in an issuer’s capital structure. To the extent we invest in subordinated debt of an issuer’s capital structure, including subordinated CMBS bonds or other “mezzanine” debt, such investments and our remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of holders of more senior tranches in an issuer’s capital structure and, to the extent applicable, contractual inter-creditor, co-lender and participation agreement provisions.

Investments in subordinated debt involve greater credit risk of default and loss than the more senior classes or tranches of debt in an issuer’s capital structure. Subordinated tranches of debt instruments (including mortgage-backed securities) absorb losses from default before other more senior tranches of such instruments, which creates a risk particularly if such instruments (or securities) have been issued with little or no credit enhancement or equity. As a result, to the extent we invest in subordinate debt instruments (including mortgage-backed securities), we would likely receive payments or interest distributions after, and must bear the effects of losses or defaults on, the senior debt (including underlying mortgage loans, senior mezzanine debt or senior CMBS bonds) before, the holders of other more senior tranches of debt instruments with respect to such issuer.

***We will face risks related to our investments in mezzanine loans.***

Although not directly secured by the underlying real estate, mezzanine loans are also subject to risk of subordination and share certain characteristics of subordinate loan interests described above. As with commercial mortgage loans, repayment of a mezzanine loan is dependent on the successful operation of the underlying commercial properties and, therefore, is subject to similar considerations and risks. Mezzanine loans may also be affected by the successful operation of other properties, but mezzanine loans are not secured by interests in the underlying commercial properties.

With most mezzanine loans, the bulk of the loan balance is payable at maturity with a one-time “balloon payment.” Full satisfaction of the balloon payment by a borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, and full satisfaction of a loan will be affected by a borrower’s access to credit or a functioning sales market. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan may be impaired. Moreover, mezzanine loans are usually non-recourse in nature. Therefore, if a borrower defaults on the loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which we directly or indirectly invests increase, the performance of the our investments related thereto may be adversely affected.

***B-Notes and A/B Structures may pose additional risks that may adversely affect our results of operations and financial condition.***

We may invest in B-notes, which are mortgage loans typically (i) secured by a first mortgage on a commercial property or group of related properties and (ii) subordinated to an A-note portion of the same first mortgage secured by the same collateral (which we would not expect to hold). As a result, if a borrower defaults, there may not be sufficient funds remaining to repay B-note holders after payment to the A-note holders. Since each transaction is privately negotiated, B-notes can vary in their structural characteristics and risks. In addition to the risks described above, certain additional risks apply to B-note investments, including those described herein. The B-note portion of a loan is typically small relative to the overall loan, and is in the first loss position. As a means to protect against the holder of the A-note from taking certain actions or, receiving certain benefits to the detriment of the holder of the B-note, the holder of the B-note often (but not always) has the right to purchase the A-note from its holder. If available, this right may not be meaningful to us. For example, we may not have the capital available to protect our B-note interest or purchasing the A-note may alter our overall portfolio and risk/return profile to the detriment of our stockholders. In addition, a B-note may be in the form of a “rake bond.” A “rake bond” is a CMBS backed solely by a single promissory note secured by a mortgaged property, which promissory note is subordinate in right of payment to one or more separate promissory notes secured by the same mortgaged property.

***We may invest in a wide range of real estate debt pursuant to our broad investment guidelines.***

Pursuant to our broad investment guidelines, our real estate debt investments may include, but are not limited to, CMBS, real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including residential mortgage-backed securities and other residential credit and debt of real estate-related companies), preferred equity and derivatives, and such investments may not be secured by real estate assets. The Adviser may also employ new investment techniques or invest in new instruments that it believes

will help achieve our investment objectives, whether or not such investment techniques or instruments are specifically defined herein, so long as such investments are consistent with the investment guidelines and our charter. New investment techniques or instruments may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to us. In addition, any new investment technique or instrument developed by us may be more speculative than earlier investment techniques or instruments and may involve material and unanticipated risks. Our board of directors may also change our investment guidelines without the consent of our stockholders.

***We invest in real estate-related equity, which is subordinate to any indebtedness, but involves different rights.***

We have in the past and may in the future invest from time to time in non-controlling preferred equity positions, common equity and other real estate-related interests. Preferred equity investments generally rank junior to all existing and future indebtedness, including commercial mezzanine and mortgage loans, but rank senior to the owners' common equity. Preferred equity investments typically pay a dividend rather than interest payments and often have the right for such dividends to accrue if there is insufficient cash flow to pay currently. These interests are not secured by the underlying real estate, but upon the occurrence of a default, the preferred equity provider typically has the right to effectuate a change of control with respect to the ownership of the property. In addition, equity investments may be illiquid or have limited liquidity due to lock-out periods, limited trading volume or other limitations or prohibitions against their transfer, sale, pledge or disposition, including any necessary registration with the SEC requiring coordination with the issuer for the sale of such securities. Our investments in real estate-related equity securities will involve risks relating to the particular issuer of the equity securities, including the financial condition and business outlook of the issuer. Issuers of real estate-related common equity securities generally invest in real estate or real estate-related assets and are subject to the inherent risks associated with real estate discussed in "—General Risks Related to Investments in Real Estate."

***We invest in real estate corporate debt, which consists of secured and unsecured obligations issued by companies in the business of owning and/or operating real estate-related businesses.***

We have in the past and may in the future invest in corporate debt obligations of varying maturities issued by U.S. and foreign corporations and other business entities, which may include loans, corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities. Bonds are fixed or variable rate debt obligations, including bills, notes, debentures, money market instruments and similar instruments and securities. Corporate debt is generally used by corporations and other issuers to borrow money from investors. The issuer pays the investor a rate of interest and normally must repay the amount borrowed on or before maturity. The rate of interest on corporate debt may be fixed, floating or variable, and may vary inversely with respect to a reference rate. The rate of return or return of principal on some debt obligations may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies. Debt instruments may be acquired with warrants attached. Certain bonds are "perpetual" in that they have no maturity date.

Our investments in real estate-related corporate debt are subject to a number of risks, including interest rate risk, credit risk, high yield risk, issuer risk, foreign (non-U.S.) investment risk, inflation/deflation risk, liquidity risk, smaller company risk and management risk. We generally will not have direct recourse to real estate assets owned or operated by the issuers of the corporate debt obligations that we invest in and the value of such corporate debt obligations may be impacted by numerous factors and may not be closely tied to the value of the real estate held by the corporate issuer.

***We may invest in equity of other REITs that invest in real estate or real estate debt as one of their core businesses and other real estate-related companies, which subjects us to certain risks including those risks associated with an investment in our own common stock.***

REITs that invest primarily in real estate or real estate debt are subject to the risks of the real estate market, the real estate debt market and the securities market.

REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs may be subject to a management fees and other expenses, and so when we invest in REITs we will bear our proportionate share of the costs of the REITs' operations. Investing in REITs and real estate-related companies involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. The market value of REIT shares and the ability of the REIT to distribute income may be adversely affected by several factors, including the risks described herein that relate to an investment in our common stock. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition, distributions received by us from REITs may consist of dividends, capital gains and/or return of capital. Generally, dividends received by us from REIT shares and distributed to our stockholders will not constitute "qualified dividend income" eligible for the reduced tax rate applicable to qualified dividend income.

In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

REITs (especially mortgage REITs) are also subject to interest rate risk. Rising interest rates may cause REIT investors to demand a higher annual yield, which may, in turn, cause a decline in the market price of the equity securities issued by a REIT.

Investing in certain REITs and real estate-related companies, which often have small market capitalizations, may also involve the same risks as investing in other small capitalization companies. REITs and real estate-related companies may have limited financial resources and their securities may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

***Certain of our investments may have additional capital requirements.***

Certain of our investments, including those that may be in a development phase, if any, are expected to require additional financing to satisfy their working capital requirements or development strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular asset, which may be an unfavorable price at such time. Each round of financing (whether from us or other investors) is typically intended to provide enough capital to reach the next major milestone in an asset's life-cycle. If the funds provided are not sufficient, additional capital may be required to be raised at a price unfavorable to the existing investors, including us. In addition, we may make additional debt and equity investments or exercise warrants, options, convertible securities or other rights that were acquired in the initial investment in such portfolio company in order to preserve our proportionate ownership when a subsequent financing is planned, or to protect our investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of us or any portfolio company. There can be no assurance that we or any portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. Failure to provide sufficient additional capital with respect to an investment could adversely affect our performance.

***We will face "spread widening" risk related to our investment in securities.***

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the market spreads of the securities in which we invest may increase substantially causing the securities prices to fall. It may not be possible to predict, or to hedge against, such "spread widening" risk. The perceived discount in pricing described under "—Some of our securities investments may become distressed, which securities would have a high risk of default and may be illiquid." may still not reflect the true value of the real estate assets underlying such real estate debt in which we may invest, and therefore further deterioration in value with respect thereto may occur following our investment therein. In addition, mark-to-market accounting of our investments will have an interim effect on the reported value prior to realization of an investment.

***We will face risks associated with hedging transactions.***

We may utilize a wide variety of derivative and other hedging instruments for risk management purposes, the use of which is a highly specialized activity that may entail greater than ordinary investment risks. Any such derivatives and other hedging transactions may not be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks), thereby resulting in losses to us. Engaging in derivatives and other hedging transactions may result in a poorer overall performance for us than if we had not engaged in any such transaction, and the Adviser may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect our investment portfolio. In addition, our investment portfolio will always be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties as well as interest rate risks. See "—We invest in derivatives, which involve numerous risks" below.

***We invest in derivatives, which involve numerous risks.***

We have in the past and may in the future enter into derivatives transactions including, but not limited to, options contracts, futures contracts, options on futures contracts, forward contracts, interest rate swaps, total return swaps, credit default swaps and other swap agreements for investment, hedging or leverage purposes. Derivative instruments, especially when purchased in large amounts, may not be liquid in all circumstances, so that in volatile markets we may not be able to close out a position without incurring a loss. Our use of derivative instruments may be particularly speculative and involves investment risks and transaction costs to which we would not be subject absent the use of these instruments, and use of derivatives generally involves leverage in the sense that the investment exposure created by the derivatives may be significantly greater than our initial investment in the derivative. Leverage magnifies investment, market and certain other risks. Thus, the use of derivatives may result in losses in excess of principal and greater than if they had not been used. The value of such derivatives also depends upon the price of the underlying instrument or commodity. Such

derivatives and other customized instruments also are subject to the risk of non-performance by the relevant counterparty. In addition, actual or implied daily limits on price fluctuations and speculative position limits on the exchanges or over-the-counter markets in which we may conduct our transactions in derivative instruments may prevent prompt liquidation of positions, subjecting us to the potential of greater losses. Derivative instruments that may be purchased or sold by us may include instruments not traded over-the-counter or on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which we can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are traded over-the-counter and not on an exchange. Such over-the-counter derivatives are also subject to types and levels of investor protections or governmental regulation that may differ from exchange traded instruments.

The ability to successfully use derivative investments depends on the ability of the Adviser. The skills needed to employ derivatives strategies are different from those needed to select portfolio investments and, in connection with such strategies, the Adviser must make predictions with respect to market conditions, liquidity, market values, interest rates or other applicable factors, which may be inaccurate. The use of derivative investments may require us to sell or purchase portfolio investments at inopportune times or for prices below or above the current market values, may limit the amount of appreciation we can realize on an investment or may cause us to hold a security that we might otherwise want to sell. We will also be subject to credit risk with respect to the counterparties to our derivatives contracts (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments). In addition, the use of derivatives will be subject to additional unique risks associated with such instruments including a lack of sufficient asset correlation, heightened volatility in reference to interest rates or prices of reference instruments and duration/term mismatch, each of which may create additional risk of loss.

***Failure to obtain and maintain an exemption from being regulated as a commodity pool operator could subject us to additional regulation and compliance requirements that could materially adversely affect our business, results of operations and financial condition.***

Registration with the U.S. Commodity Futures Trading Commission (the “CFTC”) as a “commodity pool operator” or any change in our operations necessary to maintain our ability to rely upon the exemption from being regulated as a commodity pool operator could adversely affect our ability to implement our investment program, conduct our operations and/or achieve our objectives and subject us to certain additional costs, expenses and administrative burdens. Furthermore, any determination by us to cease or to limit investing in interests that may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on our ability to implement our investment objectives and to hedge risks associated with our operations.

***We may face risks associated with short sales.***

Our use of short sales for investment and/or risk management purposes subjects us to risks associated with selling short. We may engage in short sales where we do not own or have the right to acquire the security sold short at no additional cost. Our loss on a short sale theoretically could be unlimited in a case where we are unable, for whatever reason, to close out a short position.

Our short selling strategies may limit our ability to benefit from increases in the markets. Short selling also involves a form of financial leverage that may exaggerate any losses. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to us. Finally, SEC, FINRA or other regulations relating to short selling may restrict our ability to engage in short selling.

***We may make open market purchases or invest in traded securities.***

Although not anticipated to be a large component of our investment strategy, we have the ability to invest in securities that are traded (publicly or through other active markets (including through private transactions)) and are, therefore, subject to the risks inherent in investing in traded securities. When investing in traded securities, we may be unable to obtain financial covenants or other contractual governance rights, including management rights that it might otherwise be able to obtain in making privately negotiated investments. Moreover, we may not have the same access to information in connection with investments in traded securities, either when investigating a potential investment or after making the investment, as compared to privately negotiated investments. Furthermore, we may be limited in our ability to make investments, and to sell existing investments, in traded securities because Blackstone may be deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies or requirements. The inability to sell traded securities in these circumstances could materially adversely affect the investment results. In addition, securities acquired of a public company may, depending on the circumstances and securities laws of the relevant jurisdiction, be subject to lock-up periods.

***We may incur contingent liabilities in connection with the disposition of investments.***

In connection with the disposition of an investment, we may be required to make certain representations about the business, financial affairs and other aspects (such as environmental, property, tax, insurance, and litigation) of such investment typical of those made in connection with the sale of a business or other investment comparable to the investment being sold. We may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities for which the Adviser may establish reserves or escrow accounts.

***Political changes may affect the real estate debt markets.***

The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The current U.S. President has a legislative agenda that includes certain deregulatory measures for the U.S. financial services industry, including changes to the Volcker Rule, capital and risk retention requirements, the Financial Stability Oversight Council’s authority and other aspects of the Dodd-Frank Act. The U.S. Department of the Treasury has issued a series of recommendations in several reports for streamlining banking regulation and changing key features of the Dodd-Frank Act and other measures taken by regulators following the most recent financial crisis.

The outcome of the upcoming congressional and other elections creates uncertainty with respect to legal, tax and regulatory regimes in which we and our investments, as well as the Adviser and its affiliates, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the investment management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on us and our investments.

***We may utilize non-recourse securitizations of certain of our CMBS investments, which may expose us to risks that could result in losses.***

We may seek to utilize non-recourse securitizations of certain of our CMBS investments to the extent consistent with REIT and 1940 Act requirements. This would likely involve us creating a special-purpose vehicle, contributing a pool of our assets to the entity, and selling interests in the entity on a non-recourse basis to purchasers (whom we would expect to be willing to accept a lower interest rate to invest in investment-grade loan pools). We would expect to retain all or a portion of the equity in the securitized pool of loans or investments. Prior to any such financing, we may use short-term facilities to finance the acquisition of securities until a sufficient quantity of securities had been accumulated, at which time we would refinance these facilities through a securitization, such as a CMBS, or issuance of CLOs, or the private placement of loan participations or other long-term financing. If we were to employ this strategy, we would be subject to the risk that we would not be able to acquire, during the period that our short-term facilities are available, a sufficient amount of eligible securities to maximize the efficiency of a CMBS, CLO or private placement issuance. We also would be subject to the risk that we would not be able to obtain short-term credit facilities or would not be able to renew any short-term credit facilities after they expire should we find it necessary to extend our short-term credit facilities to allow more time to seek and acquire the necessary eligible securities for a long-term financing. The inability to consummate securitizations of our portfolio to finance our loans and investments on a long-term basis could require us to seek other forms of potentially less attractive financing or to liquidate assets at an inopportune time or price, which could adversely affect our performance and our ability to grow our business. Moreover, conditions in the capital markets, including volatility and disruption in the capital and credit markets, may not permit a non-recourse securitization at any particular time or may make the issuance of any such securitization less attractive to us even when we do have sufficient eligible assets. We may also suffer losses if the value of the mortgage loans we acquire declines prior to securitization. Declines in the value of a mortgage loan can be due to, among other things, changes in interest rates and changes in the credit quality of the loan. In addition, transaction costs incurred in executing transactions impact any liability that we may incur, or may be required to reserve for, in connection with executing a transaction can cause a loss to us. To the extent that we incur a loss executing or participating in future securitizations for the reasons described above or for other reasons, it could materially and adversely impact our business and financial condition.

In addition, the securitization of investments in our portfolio might magnify our exposure to losses because any equity interest we retain in the issuing entity would be subordinate to the notes issued to investors and we would, therefore, absorb all of the losses sustained with respect to a securitized pool of assets before the owners of the notes experience any losses. The inability to securitize our portfolio may hurt our performance and our ability to grow our business. At the same time, the securitization of our loans or investments might expose us to losses, as the residual loans or investments in which we do not sell interests will tend to be riskier and more likely to generate losses. Moreover, the Dodd Frank Act contains a risk retention requirement for all asset-backed securities, which requires both public and private securitizers to retain not less than 5% of the credit risk of the assets collateralizing any asset-backed security issuance. Significant restrictions exist, and additional restrictions may be added in the future, regarding who may hold risk retention interests, the structure of the entities that hold risk retention interests and when and how such risk retention interests may be transferred. Therefore such risk retention interests will generally be illiquid. As a result of the risk retention requirements, we may be required to purchase and retain certain interests in a securitization into which we sell mortgage loans and/or when we act as issuer,

may be required to sell certain interests in a securitization at prices below levels that such interests have historically yielded and/or may be required to enter into certain arrangements related to risk retention that we have not historically been required to enter into and, accordingly, the risk retention rules may increase our potential liabilities and/or reduce our potential profits in connection with securitization of mortgage loans. It is likely, therefore, that these risk retention rules will increase the administrative and operational costs of asset securitizations.

***We may find it necessary or desirable to foreclose on certain of the loans or CMBS we acquire, and the foreclosure process may be lengthy and expensive.***

We may find it necessary or desirable to foreclose on certain of the loans or CMBS we acquire, and the foreclosure process may be lengthy and expensive. The protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests may not be adequate. Furthermore, claims may be asserted by lenders or borrowers that might interfere with enforcement of our rights. Borrowers may resist foreclosure actions by asserting numerous claims, counterclaims and defenses against us, including, without limitation, lender liability claims and defenses, even when the assertions may have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable buy-out of the borrower's position in the loan. In some states, foreclosure actions can take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy or its equivalent, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process and potentially result in a reduction or discharge of a borrower's debt. Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value, and in the event of any such foreclosure or other similar real estate owned-proceeding, we would also become the subject to the various risks associated with direct ownership of real estate, including environmental liabilities. Even if we are successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss.

#### **Risks Related to Debt Financing**

***We may encounter adverse changes in the credit markets.***

Any adverse changes in the global credit markets could make it more difficult for us to obtain favorable financing. Our ability to generate attractive investment returns for its shareholders will be adversely affected to the extent we are unable to obtain favorable financing terms. If we are unable to obtain favorable financing terms, it may not be able to adequately leverage our portfolio, may face increased financing expenses or may face increased restrictions on its investment activities, any of which would negatively impact our performance.

***We will incur mortgage indebtedness and other borrowings, which may increase our business risks, could hinder our ability to make distributions and could decrease the value of your investment.***

The acquisition of investment properties may be financed in substantial part by borrowing, which increases our exposure to loss. Under our charter, we have a limitation that precludes us from borrowing in excess of 300% of our net assets, which approximates borrowing 75% of the cost of our investments (unless a majority of our independent directors approves any borrowing in excess of the limit and we disclose the justification for doing so to our stockholders), but such restriction does not restrict the amount of indebtedness we may incur with respect to any single investment. Our target leverage ratio is in the range of 60%. Our leverage ratio is measured by dividing (i) property-level and entity-level debt net of cash and loan-related restricted cash, by (ii) gross real estate assets (measured using the greater of fair market value and cost) plus the equity in our settled securities portfolio. See "Investment Objectives and Strategies—Borrowing Policies" in the Prospectus. We may exceed our target leverage ratio, particularly during a market downturn or in connection with a large acquisition. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments. Principal and interest payments on indebtedness (including mortgages having "balloon" payments) will have to be made regardless of the sufficiency of cash flow from the properties. Our investments will be impaired by a smaller decline in the value of the properties than is the case where properties are owned with a proportionately smaller amount of debt.

We may incur or increase our mortgage debt by obtaining loans secured by a portfolio of some or all of the real estate acquired and may borrow under mortgages on properties after they are acquired. Depending on the level of leverage and decline in value, if mortgage payments are not made when due, one or more of the properties may be lost (and our investment therein rendered valueless) as a result of foreclosure by the mortgagee(s). A foreclosure may also have substantial adverse tax consequences for us.



Many of these same issues also apply to credit facilities which are expected to be in place at various times as well. For example, the loan documents for such facilities may include various coverage ratios, the continued compliance with which may not be completely within our control. If such coverage ratios are not met, the lenders under such credit facilities may declare any unfunded commitments to be terminated and declare any amounts outstanding to be due and payable. We may also rely on short-term financing that would be especially exposed to changes in availability.

Although borrowings by us have the potential to enhance overall returns that exceed our cost of funds, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than our cost of funds. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase properties provides us with the advantages of leverage, but exposes us to greater market risks and higher current expenses.

***In certain cases, financings for our properties may be recourse to us.***

Generally, commercial real estate financings are structured as non-recourse to the borrower, which limits a lender's recourse to the property pledged as collateral for the loan, and not the other assets of the borrower or to any parent of borrower, in the event of a loan default. However, lenders customarily will require that a creditworthy parent entity enter into so-called "recourse carveout" guarantees to protect the lender against certain bad-faith or other intentional acts of the borrower in violation of the loan documents. A "bad boy" guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, "bad boy" guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower. These financing arrangements with respect to our investments generally require "bad boy" guarantees from us and/or the Operating Partnership and in the event that such a guarantee is called, our assets could be adversely affected. Moreover, our "bad boy" guarantees could apply to actions of the joint venture partners associated with our investments. While the Adviser expects to negotiate indemnities from such joint venture partners to protect against such risks, there remains the possibility that the acts of such joint venture partner could result in liability to us under such guarantees. We may provide "bad boy" guarantees on behalf of Other Blackstone Accounts investing alongside us and as such guarantees are not for borrowed money, they will typically not be included under our leverage limitations.

***If we draw on a line of credit to fund repurchases or for any other reason, our financial leverage ratio could increase beyond our target.***

We have lines of credits with financial institutions that are either unsecured or secured by certain of our assets as well as an uncommitted line of credit from an affiliate of Blackstone and we may seek to obtain additional lines of credit in an effort to provide for a ready source of liquidity for any business purpose, including to fund repurchases of shares of our common stock in the event that repurchase requests exceed our operating cash flow and/or net proceeds from our continuous offering. There can be no assurances that we will be able to borrow under or maintain our existing lines of credit or obtain additional lines of credit on financially reasonable terms. In addition, we may not be able to obtain lines of credit of an appropriate size for our business. If we borrow under a line of credit to fund repurchases of shares of our common stock, our financial leverage will increase and may exceed our target leverage ratio. Our leverage may remain at the higher level until we receive additional net proceeds from our continuous offering or generate sufficient operating cash flow or proceeds from asset sales to repay outstanding indebtedness. In connection with a line of credit, distributions may be subordinated to payments required in connection with any indebtedness contemplated thereby. We may utilize a line of credit for the benefit of Other Blackstone Accounts which may invest alongside us in one or more investments. In such circumstances, we generally intend to disclose such arrangements as part of our reporting and enter into arrangements to cause any Other Blackstone Accounts to bear (or reimburse us for) their pro rata share of any costs and expenses (including interest payments) allocable to such extensions of credit.

***Increases in interest rates could increase the amount of our loan payments and adversely affect our ability to make distributions to our stockholders.***

Interest we pay on our loan obligations will reduce cash available for distributions. We have and will likely in the future obtain variable rate loans, and as a result, increases in interest rates could increase our interest costs, which could reduce our cash flows and our ability to make distributions to you. In addition, if we need to repay existing loans during periods of rising interest rates, we could be required to liquidate one or more of our investments at times that may not permit realization of the maximum return on such investments. While we cannot predict factors which may or may not affect interest rates, during the year ended December 31, 2019, a 10% increase or decrease in the one-month U.S. denominated LIBOR rate would have resulted in an increase or decrease to our interest expense of \$11.0 million.

***Volatility in the financial markets and challenging economic conditions could adversely affect our ability to secure debt financing on attractive terms and our ability to service or refinance any future indebtedness that we may incur.***

The volatility of the global credit markets could make it more difficult to obtain favorable financing for investments. During periods of volatility, which often occur during economic downturns, generally credit spreads widen, interest rates rise, and investor demand for high yield debt declines. These trends result in reduced willingness by investment banks and other lenders to finance new investments and deterioration of available terms. If the overall cost of borrowing increases, either by increases in the index rates or by increases in lender spreads, the increased costs may result in future acquisitions generating lower overall economic returns and potentially reducing future cash flow available for distribution. Disruptions in the debt markets negatively impact our ability to borrow monies to finance the purchase of, or other activities related to, real estate assets. If we are unable to borrow monies on terms and conditions that we find acceptable, we likely will have to reduce the number of properties we can purchase, and the return on the properties we do purchase may be lower. In addition, we may find it difficult, costly or impossible to refinance indebtedness that is maturing. Moreover, to the extent that such marketplace events are not temporary, they could have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. economy.

***Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.***

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to obtain additional loans. Loan documents we enter into may contain covenants that limit our ability to further mortgage or dispose of the property or discontinue insurance coverage. In addition, loan documents may limit our ability to enter into or terminate certain operating or lease agreements related to the property. Loan documents may also require lender approval of certain actions and as a result of the lender's failure to grant such approval, we may not be able to take a course of action we deem most profitable. These or other limitations may adversely affect our flexibility and our ability to make distributions to you and the value of your investment.

***If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to make distributions to our stockholders.***

Some of our financing arrangements may require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment is uncertain and may depend upon our ability to obtain replacement financing or our ability to sell particular properties. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the particular property at a price sufficient to make the balloon payment. Such a refinancing would be dependent upon interest rates and lenders' policies at the time of refinancing, economic conditions in general and the value of the underlying properties in particular. The effect of a refinancing or sale could affect the rate of return to stockholders and the projected time of disposition of our assets.

***We use reverse repurchase agreements to finance our securities investments, which may expose us to risks that could result in losses.***

We use reverse repurchase agreements as a form of leverage to finance our securities investments, and the proceeds from reverse repurchase agreements are generally invested in additional securities. There is a risk that the market value of the securities acquired from the proceeds received in connection with a reverse repurchase agreement may decline below the price of the securities underlying the reverse repurchase agreement that we have sold but remain obligated to repurchase. Reverse repurchase agreements also involve the risk that the counterparty liquidates the securities we delivered to it under the reverse repurchase agreements following the occurrence of an event of default under the applicable repurchase agreement by us. In addition, there is a risk that the market value of the securities we retain may decline. If the buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experiences insolvency, we may be adversely affected. Furthermore, our counterparty may require us to provide additional margin in the form of cash, securities or other forms of collateral under the terms of the derivative contract. Also, in entering into reverse repurchase agreements, we bear the risk of loss to the extent that the proceeds of the reverse repurchase agreement are less than the value of the underlying securities. In addition, the interest costs associated with reverse repurchase agreements transactions may adversely affect our results of operations and financial condition, and, in some cases, we may be worse off than if we had not used such instruments.

***Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and financial condition.***

Subject to any limitations required to maintain qualification as a REIT, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest rate cap or collar agreements and interest rate swap agreements. These

agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements and that these arrangements may not be effective in reducing our exposure to interest rate changes. These interest rate hedging arrangements may create additional assets or liabilities from time to time that may be held or liquidated separately from the underlying property or loan for which they were originally established. Hedging may reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and financial condition.

***Changes to, or the elimination of, LIBOR may adversely affect interest expense related to borrowings under our credit facilities and real estate-related investments.***

We pay interest under our credit facilities, and receive interest payments on certain of our real estate debt investments, based on LIBOR, which is the subject of recent national, international and regulatory guidance and proposals for reform.

In a speech on July 27, 2017, Andrew Bailey, the Chief Executive of the Financial Conduct Authority of the U.K., or the FCA, announced the FCA's intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. It is possible that the ICE Benchmark Administration Limited (formerly NYSE Euronext Rate Administration Limited) (the "IBA") and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we do not currently anticipate that LIBOR will survive in its current form, or at all. Other jurisdictions have also indicated they will implement reforms or phase-outs, which are currently scheduled to take effect at the end of calendar year 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from LIBOR is anticipated in coming years.

Our debt includes floating-rate loans and reverse repurchase agreements for which the interest rates are tied to LIBOR and real estate debt investments with interest payments based on LIBOR. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. In addition, any benchmark may perform differently during any phase-out period than in the past. As such, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined, and any changes to benchmark interest rates could increase our financing costs or decrease the income we earn on our real estate debt investments, which could impact our results of operations, cash flows and the market value of our investments. In addition, we may need to renegotiate certain of our loan agreements that extend past 2021, which could require us to incur significant expense and may subject us to disputes or litigation over the appropriateness or comparability to the relevant benchmark of the replacement reference rates. Moreover, the elimination of LIBOR and/or changes to another index could result in mismatches with the interest rate of investments that we are financing. In addition, the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR. We are assessing the impact of a potential transition from LIBOR; however, we cannot reasonably estimate the impact of the transition at this time.

**Risks Related to our Relationship with the Adviser and the Dealer Manager**

***We depend on the Adviser to select our investments and otherwise conduct our business, and any material adverse change in its financial condition or our relationship with the Adviser could have a material adverse effect on our business and ability to achieve our investment objectives.***

Our success is dependent upon our relationship with, and the performance of, the Adviser in the acquisition and management of our real estate portfolio, and our corporate operations. The Adviser may suffer or become distracted by adverse financial or operational problems in connection with Blackstone's business and activities unrelated to us and over which we have no control. Should the Adviser fail to allocate sufficient resources to perform its responsibilities to us for any reason, we may be unable to achieve our investment objectives or to pay distributions to our stockholders.

***The termination or replacement of the Adviser could trigger a repayment event under our mortgage loans for some of our properties, the credit agreement governing any of our lines of credit and our repurchase agreements.***

Lenders for certain of our properties may request provisions in the mortgage loan documentation that would make the termination or replacement of the Adviser an event requiring the immediate repayment of the full outstanding balance of the loan. The termination or replacement of the Adviser could trigger repayment of outstanding amounts under the credit agreements governing our lines of credit.

that we may obtain or under the repurchase agreements that we may enter into. If a repayment event occurs with respect to any of our properties, our results of operations and financial condition may be adversely affected.

***The Adviser's inability to retain the services of key real estate professionals could hurt our performance.***

The Adviser's power to approve the acquisition of a particular investment, finance or refinance any new or existing investment or dispose of an existing investment rests with the Investment Committee, sub-committees of the Investment Committee or particular professionals employed by the Adviser, depending on the size and type of the investment. Accordingly, our success depends to a significant degree upon the contributions of certain key real estate professionals employed by the Adviser, each of whom would be difficult to replace. There is ever increasing competition among alternative asset firms, financial institutions, private equity firms, investment advisors, investment managers, real estate investment companies, real estate investment trusts and other industry participants for hiring and retaining qualified investment professionals and there can be no assurance that such professionals will continue to be associated with the us or the Adviser, particularly in light of our perpetual-life nature, or that replacements will perform well. Neither we nor the Adviser have employment agreements with these individuals and they may not remain associated with us. If any of these persons were to cease their association with us, our operating results could suffer. Our future success depends, in large part, upon the Adviser's ability to attract and retain highly skilled managerial, operational and marketing professionals. If the Adviser loses or is unable to obtain the services of highly skilled professionals, our ability to implement our investment strategies could be delayed or hindered.

***Any material adverse change to the Dealer Manager's ability to successfully build and maintain a network of licensed broker-dealers could have a material adverse effect on our business and the Offering.***

The dealer manager for the Offering is Blackstone Advisory Partners L.P. Any material adverse change to the ability of our Dealer Manager to build and maintain a network of licensed securities broker-dealers and other agents could have a material adverse effect on our business and the Offering. If the Dealer Manager is unable to build and maintain a sufficient network of participating broker-dealers to distribute shares in the Offering, our ability to raise proceeds through the Offering and implement our investment strategy may be adversely affected. In addition, the Dealer Manager currently serves and may serve as dealer manager for other issuers. As a result, the Dealer Manager may experience conflicts of interest in allocating its time between the Offering and such other issuers, which could adversely affect our ability to raise proceeds through the Offering and implement our investment strategy. Further, the participating broker-dealers retained by the Dealer Manager may have numerous competing investment products, some with similar or identical investment strategies and areas of focus as us, which they may elect to emphasize to their retail clients.

***You will not have the benefit of an independent due diligence review in connection with the Offering and, if a conflict of interest arises between us and Blackstone, we may incur additional fees and expenses.***

Because the Adviser and the Dealer Manager are affiliates of Blackstone Real Estate, our sponsor, you will not have the benefit of an independent due diligence review and investigation of the type normally performed by an unaffiliated, independent underwriter and its counsel in connection with a securities offering. If any situation arises in which our interests are in conflict with those of the Adviser, the Dealer Manager or its affiliates, and we are required to retain independent counsel, we will incur additional fees and expenses.

***The fees we pay in connection with the Offering and the agreements entered into with Blackstone and its affiliates were not determined on an arm's-length basis and therefore may not be on the same terms we could achieve from a third party.***

The compensation paid to the Adviser, Dealer Manager and other Blackstone affiliates for services they provide us was not determined on an arm's-length basis. All service agreements, contracts or arrangements between or among Blackstone and its affiliates, including the Adviser and us, were not negotiated at arm's-length. Such agreements include our Advisory Agreement, the Operating Partnership's partnership agreement, our dealer manager agreement (the "Dealer Manager Agreement"), and any property related corporate services and other agreements we may enter into with affiliates of the Adviser from time to time.

***We do not own the Blackstone name, but we may use it as part of our corporate name pursuant to a trademark license agreement with an affiliate of Blackstone. Use of the name by other parties or the termination of our trademark license agreement may harm our business.***

We have entered into a trademark license agreement ("Trademark License Agreement"), with Blackstone TM L.L.C. (the "Licensor"), an affiliate of Blackstone, pursuant to which it has granted us a fully paid-up, royalty-free, non-exclusive, non-transferable license to use the name "Blackstone Real Estate Income Trust, Inc.". Under this agreement, we have a right to use this name for so long as the Adviser (or another affiliate of the Licensor) serves as our advisor (or another advisory entity) and the Adviser remains an affiliate of the Licensor under the Trademark License Agreement. The Trademark License Agreement may also be earlier terminated by either

party as a result of certain breaches or for convenience upon 90 days' prior written notice, provided that upon notification of such termination by us, the Licensor may elect to effect termination of the Trademark License Agreement immediately at any time after 30 days from the date of such notification. The Licensor and its affiliates, such as Blackstone, will retain the right to continue using the "Blackstone" name. We will further be unable to preclude the Licensor from licensing or transferring the ownership of the "Blackstone" name to third parties, some of whom may compete with us. Consequently, we will be unable to prevent any damage to goodwill that may occur as a result of the activities of the Licensor, Blackstone or others. Furthermore, in the event that the Trademark License Agreement is terminated, we will be required to, among other things, change our name. Any of these events could disrupt our recognition in the market place, damage any goodwill we may have generated and otherwise harm our business.

#### **Risks Related to Conflicts of Interest**

*Various potential and actual conflicts of interest will arise, and these conflicts may not be identified or resolved in a manner favorable to us.*

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Dealer Manager, the Adviser and the affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included herein, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. If any matter arises that we and our affiliates (including the Adviser) determine in our good faith judgment constitutes an actual and material conflict of interest, we and our affiliates (including the Adviser) will take such actions as we determine appropriate to mitigate the conflict. Transactions between us and Blackstone or its affiliates will require approval by our board of directors, including a majority of our independent directors. There can be no assurance that our board of directors or Blackstone will identify or resolve all conflicts of interest in a manner that is favorable to us.

*The Adviser faces a conflict of interest because the fees it receives for services performed are based in part on our NAV, which the Adviser is ultimately responsible for determining.*

The Adviser is paid a management fee for its services based on our NAV, which is calculated by State Street, based on valuations provided by the Adviser. In addition, the distributions to be received by the Special Limited Partner with respect to its performance participation interest in the Operating Partnership are based in part upon the Operating Partnership's net assets (which is a component of our NAV). The calculation of our NAV includes certain subjective judgments with respect to estimating, for example, the value of our portfolio and our accrued expenses, net portfolio income and liabilities, and therefore, our NAV may not correspond to realizable value upon a sale of those assets. The Adviser may benefit by us retaining ownership of our assets at times when our stockholders may be better served by the sale or disposition of our assets in order to avoid a reduction in our NAV. If our NAV is calculated in a way that is not reflective of our actual NAV, then the purchase price of shares of our common stock or the price paid for the repurchase of your shares of common stock on a given date may not accurately reflect the value of our portfolio, and your shares may be worth less than the purchase price or more than the repurchase price. The valuation of our investments will affect the amount and timing of the management fee paid to the Adviser and the Special Limited Partner's performance participation interest. As a result, there may be circumstances where the Adviser is incentivized to determine valuations that are higher than the actual fair value of our investments.

*The Adviser's management fee and the Special Limited Partner's performance participation interest may not create proper incentives or may induce the Adviser and its affiliates to make certain investments, including speculative investments, that increase the risk of our real estate portfolio.*

We pay the Adviser a management fee regardless of the performance of our portfolio. The Adviser's entitlement to a management fee, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We would be required to pay the Adviser a management fee in a particular period even if we experienced a net loss or a decline in the value of our portfolio during that period.

The existence of the Special Limited Partner's 12.5% performance participation interest in our Operating Partnership, which is based on our total distributions plus the change in NAV per share, may create an incentive for the Adviser to make riskier or more speculative investments on our behalf or cause us to use more leverage than it would otherwise make in the absence of such performance-based compensation. In addition, the change in NAV per share will be based on the value of our investments on the applicable measurement dates and not on realized gains or losses. As a result, the performance participation interest may receive distributions based on unrealized gains in certain assets at the time of such distributions and such gains may not be realized when those assets are eventually disposed of.

Because the management fee and performance participation are based on our NAV, the Adviser may also be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail repurchases to maintain a higher NAV, and the Dealer Manager may also be incentivized to sell more shares of our common stock to increase aggregate NAV, which would, in each case, increase amounts payable to the Adviser and the Special Limited Partner, but may make it more difficult for us to efficiently deploy new capital.

***Blackstone personnel work on other projects and conflicts may arise in the allocation of personnel between us and other projects.***

The Adviser and its affiliates will devote such time as they determine to be necessary to conduct our business affairs in an appropriate manner. However, Blackstone personnel, including members of the Investment Committee, will work on other projects, serve on other committees and source potential investments for and otherwise assist the investment programs of Other Blackstone Accounts and their portfolio entities, including other investment programs to be developed in the future. Time spent on these other initiatives diverts attention from our activities, which could negatively impact us. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Our sponsor's personnel share in the fees and performance-based compensation generated by Other Blackstone Accounts. These and other factors create conflicts of interest in the allocation of time by such personnel.

***Blackstone is subject to a number of conflicts of interest, regulatory oversight and legal and contractual restrictions due to its multiple business lines, which may reduce the synergies that we expect to draw on or otherwise reduce the opportunities available to us.***

Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, Other Blackstone Accounts and their portfolio entities and third parties, will in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits our ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the Adviser or its affiliates that would be relevant to monitoring our investments and other activities. Additionally, Blackstone or Other Blackstone Accounts can be expected to enter into covenants that restrict or otherwise limit our ability to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Accounts could have granted exclusivity to a joint venture partner that limits us and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Account could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact our ability to implement our investment program. Finally, certain personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other businesses or for other reasons, in which case we will not benefit from their experience. Our stockholders will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Some of these policies and procedures, such as Blackstone's information wall policy, also have the effect of reducing firm-wide synergies and collaboration that the Adviser could otherwise expect to utilize for purposes of identifying and managing attractive investments. Blackstone personnel may be unable, for example, to assist with our activities of as a result of these walls. There can be no assurance that additional restrictions won't be imposed that would further limit the ability of Blackstone to share information internally.

Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to us. Blackstone has long-term relationships with a significant number of corporations and their senior management. The Adviser and its affiliates will consider those relationships when evaluating an investment opportunity, which may result in the Adviser or its affiliates choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client or any other person with whom Blackstone has a relationship). We may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone and its affiliates may have or transactions or investments Blackstone and its affiliates may make or have made. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to us. See "—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns" below. We may also co-invest with clients of Blackstone or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by the Adviser and its affiliates with respect to our investments and otherwise result in a conflict.

Blackstone, its affiliates and their related parties and personnel participate in underwriting and lending syndicates and otherwise act as arrangers of financing, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by us or our subsidiaries. Underwritings and financings can be on a firm commitment basis or on an uncommitted, or “best efforts”, basis, and the underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract. Blackstone can be expected to also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by its portfolio entities. A Blackstone broker-dealer will from time to time act as the managing underwriter, a member of the underwriting syndicate or broker for us or our subsidiaries, or as dealer, broker or advisor to a counterparty to us or our subsidiaries, and purchase securities from or sell securities to us, our subsidiaries, Other Blackstone Accounts or their portfolio entities. Blackstone will also from time to time, on our behalf or on behalf of other parties to a transaction involving us, effect transactions, including transactions in the secondary markets, subject to applicable law that result in commissions or other compensation paid to Blackstone by us or the counterparty to the transaction, thereby creating a potential conflict of interest. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets, advisory fees, lending arrangement fees, asset/property management fees, insurance (including title insurance fees), incentive fees, consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, an Other Blackstone Account or their portfolio entities are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with us or our stockholders. Our independent directors will approve any transactions in which a Blackstone broker-dealer acts as underwriter, as broker for us, or as dealer, broker or advisor, on the other side of a transaction with us only where such directors believe in good faith that such transactions are appropriate for us, and our stockholders, by executing a subscription agreement for our shares, consent to all such transactions, along with other transactions involving conflicts described herein, to the fullest extent permitted by law. Sales of securities for our account will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Accounts. It could be impossible, as determined by the Adviser and its affiliates in their sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices will, in certain circumstances, therefore be averaged which may be disadvantageous to us. When Blackstone serves as underwriter with respect to securities held by us or any of our subsidiaries, we could be subject to a “lock-up” period following the offering under applicable regulations during which time we would be unable to sell any securities subject to the “lock-up”. This may prejudice our ability to dispose of such securities at an opportune time. Blackstone employees are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including our potential competitors. Our stockholders will not receive any benefit from any such investments.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving us, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone can be expected to influence the Adviser to select or recommend PJT to perform services for us (the cost of which will generally be borne directly or indirectly by us). Given that PJT is no longer an affiliate of Blackstone, the Adviser and its affiliates will be free to cause us to transact with PJT generally without restriction under our charter notwithstanding the relationship between Blackstone and PJT. See also “—The Adviser may face conflicts of interests in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us” below.

Blackstone receives or obtains various kinds of data and information from us, Other Blackstone Accounts and portfolio entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as “big data”. Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to this data and information from us, Other Blackstone Account and portfolio entities. Blackstone has entered and will continue to enter into information sharing and use arrangements with us, Other Blackstone Accounts, portfolio entities, related parties and service providers, which may give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course. Although Blackstone believes that these activities improve Blackstone’s investment management activities on our behalf and on behalf of Other Blackstone Accounts, information obtained from us and portfolio entities also provides material benefits to Blackstone or Other Blackstone Accounts without compensation or other benefit accruing to us or our stockholders. For example, information from a portfolio entity can be expected to enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Accounts that do not own an interest in the portfolio entity, without compensation or benefit to us or the portfolio entities.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, Blackstone is generally free to use data and information from our activities to assist in the pursuit of Blackstone's various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Account. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio entity in the same or related industry. Such trading is expected to provide a material benefit to Blackstone without compensation or other benefit to us or our stockholders.

The sharing and use of "big data" and other information presents potential conflicts of interest and investors acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not offset the Adviser's management fee or otherwise be shared with investors. As a result, the Adviser has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Accounts.

Other present and future activities of Blackstone and its affiliates (including the Adviser and the Dealer Manager) will from time to time give rise to additional conflicts of interest relating to us and our investment activities. In the event that any such conflict of interest arises, we will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of our interests.

***Blackstone engages various advisors and operating partners who may co-invest alongside us, and there can be no assurance that such advisors and operating partners will continue to serve in such roles.***

Blackstone, its affiliates and their personnel and related parties engage and retain strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of the Adviser, its affiliates, portfolio entities or Other Blackstone Accounts (collectively, "Consultants"), to provide a variety of services. Similarly, we, Other Blackstone Accounts and portfolio entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by us or a portfolio entity to Consultants in connection with the above, including performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as our expenses or expenses of the portfolio entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser, be chargeable to the Adviser or deemed paid to or received by the Adviser, or offset or reduce any management fees to the Adviser. Also, Consultants may co-invest alongside us in investments, participate in long-term incentive plans of a portfolio entity, which generally will result in us being allocated a smaller share of an investment. Consultants' benefits described in this paragraph may continue after termination of status as a Consultant.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant provides the Adviser with industry-specific insights and feedback on investment themes, assists in transaction due diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of portfolio entities and contributing to the identification and origination of new investment opportunities. We may rely on these Consultants to recommend the Adviser and us as a preferred investment partner and carry out our investment program, but there is no assurance that any Consultant will continue to be involved with us for any length of time. We, Blackstone, and/or portfolio companies can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of Blackstone "employees" (e.g., they can be expected to have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Dealer Manager Agreement and the Advisory Agreement, and their salary and related expenses are paid by us or by portfolio entities without any reduction or offset to the Adviser's management fees. Some Consultants work only for us and/or portfolio entities, while other Consultants may have other clients. In particular, in some cases, Consultants, including those with a "Senior Advisor" title, have been and will be engaged with the responsibility to source and recommend transactions to the Adviser potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Adviser under the Advisory Agreement, the compensation to such Consultants may be borne fully by us (with no reduction or offset to the management fee paid to the Adviser). If such Senior Advisors generate investment opportunities on our behalf, such members may receive special additional fees or allocations comparable to those received by a third party in an arm's length transaction. Consultants could have conflicts of interest between their work for us and portfolio entities, on the one hand, and themselves or other clients, on the other hand, and the Adviser is limited in its ability to monitor and mitigate these conflicts.

***We may source, sell and/or purchase assets either to or from the Adviser and its affiliates, or issued by affiliates of the Adviser, and such transactions may cause conflicts of interest.***



We may directly or indirectly source, sell and/or purchase all or any portion of an asset (or portfolio of assets/investments) to or from the Adviser and its affiliates or their respective related parties. Such transactions will be subject to the approval of a majority of directors (including a majority of our independent directors) not otherwise interested in the transaction. We may also source, sell to and/or purchase from third parties interests in or assets issued by affiliates of the Adviser or their respective related parties and such transactions would not require approval by our independent directors or an offset of any fees we otherwise owe to the Adviser or its affiliates. The transactions referred to in this paragraph involve conflicts of interest, as our sponsor and its affiliates may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction.

***Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.***

Blackstone invests its own capital and third-party capital on behalf of Other Blackstone Accounts in a wide variety of investment opportunities on a global basis. Not every opportunity suitable for us will be allocated to us in whole or in part. First, certain exceptions exist that allow specified types of investment opportunities that fall within our investment objectives or strategy to be allocated in whole or in part to Blackstone itself or Other Blackstone Accounts, such as strategic investments made by Blackstone itself (whether in financial institutions or otherwise) and investments by Other Blackstone Accounts that have investment objectives or guidelines similar to or overlapping with ours. It is expected that some activities of Blackstone, Other Blackstone Accounts and portfolio entities will compete with us for one or more investment opportunities that are consistent with our investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to us. The Adviser may have conflicting loyalties in determining whether an investment opportunity should be allocated to us or an Other Blackstone Account. Our sponsor has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

With respect to Other Blackstone Accounts with investment objectives or guidelines that overlap with ours but that do not have priority over us (including the Private Core+ Accounts), investment opportunities are allocated among us and one or more Other Blackstone Accounts in accordance with our sponsor's prevailing policies and procedures on a basis that the Adviser and its affiliates believe to be fair and reasonable in their sole discretion, which is generally pro rata based on relative available capital, subject to the following considerations: (i) any applicable investment objectives or focus of ours and such Other Blackstone Accounts (which, for us, includes our primary objective of providing attractive current income in the form of regular, stable cash distributions to achieve an attractive distribution yield), (ii) any investment limitations, parameters or contractual provisions of ours and such Other Blackstone Accounts (e.g., joint venture investments between us and an Other Blackstone Account must be on the same terms and satisfy the restrictions of all participants, such as lowest leverage targeted by any participant), (iii) the sector, geography/location, expected return profile, expected distribution rates, anticipated cash flows, expected stability or volatility of cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification, (iv) avoiding allocation that could result in de minimis or odd lot investments and (v) legal, tax, accounting, regulatory and other considerations deemed relevant by the Adviser and its affiliates (including, without limitation, maintaining our qualification as a REIT and our status as a non-investment company exempt from the Investment Company Act).

Currently, a Private Core+ Account invests in "core+" real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets. To the extent an investment satisfies the investment objectives of us and the Private Core+ Accounts on the same terms, including at the lower leverage targeted by the Private Core+ Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above (including maintaining our status as a non-investment company exempt from the Investment Company Act). Certain Other Blackstone Accounts also invest in real estate debt with investment objectives or guidelines that overlap with ours, but do not have priority over us. To the extent an investment satisfies the investment objectives of us and such Other Blackstone Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above. There may be instances where an overlapping investment opportunity would have satisfied our primary investment objective of providing attractive current income in the form of regular, stable cash distributions to achieve an attractive distribution yield assuming our targeted leverage ratio in the range of 60%, but which does not satisfy our investment objectives at the lower targeted leverage ratio of the Private Core+ Accounts. If the Adviser and its affiliates determine to use the lower leverage ratio, such overlapping investment opportunity would not be allocated to us in whole or part. A sharing of the investment opportunity at different leverage ratios would not be possible because such joint venture investments with the Private Core+ Accounts must be on the same terms (including leverage ratio).

Furthermore, the Select Opportunistic Blackstone Accounts invest in "opportunistic" real estate and real estate-related assets globally (which often are undemanded assets and with higher potential for equity appreciation) and have priority over us with respect to such investment opportunities. This priority will result in fewer investment opportunities being made available to us.

As of December 31, 2019, Other Blackstone Accounts with investment objectives or guidelines that overlap with our primary strategy but that do not have priority over us (including the Private Core+ Accounts) that are in their investing stage had no unused capital commitments and Select Opportunistic Blackstone Accounts (which are Other Blackstone Accounts that receive priority over us and whose investment strategies are generally less similar to ours but can overlap to some extent) in their investing stage had approximately \$16.7 billion of unused capital commitments.

The Adviser and its affiliates will calculate available capital, weigh the factors described above (which will not be weighted equally) and make other investment allocation decisions in accordance with their prevailing policies and procedures in their sole discretion. The manner in which our available capital is determined may differ from, or subsequently change with respect to, Other Blackstone Accounts. The amounts and forms of leverage utilized for investments will also be determined by the Adviser and its affiliates in their sole discretion. There is no assurance that any conflicts arising out of the foregoing will be resolved in our favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or our consent.

The amount of performance-based compensation charged and/or management fees paid by us may be less than or exceed the amount of performance-based compensation charged and/or management fees paid by Other Blackstone Accounts. Such variation may create an incentive for our sponsor to allocate a greater percentage of an investment opportunity to us or such Other Blackstone Accounts, as the case may be.

***Under certain circumstances, our Adviser may determine not to pursue some or all of an investment opportunity within our investment objectives and guidelines, including without limitation, as a result of our prior investments, business or other reasons applicable to us, Other Blackstone Accounts, Blackstone or its affiliates.***

Under certain circumstances, our Adviser may determine not to pursue some or all of an investment opportunity within our investment objectives and guidelines, including without limitation, as a result of business, reputational or other reasons applicable to us, Other Blackstone Accounts, Blackstone or its affiliates. In addition, the Adviser and its affiliates may determine that we should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because we have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Adviser and its affiliates in their good faith discretion, or the investment is not appropriate for us for other reasons as determined by the Adviser and its affiliates in their good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Accounts, portfolio entities, joint venture partners, related parties or third parties. Any such Other Blackstone Accounts may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than the Adviser believes to be the case. In any event, there can be no assurance that the Adviser's assessment will prove correct or that the performance of any investments actually pursued by us will be comparable to any investment opportunities that are not pursued by us. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by us to the Adviser. In some cases Blackstone earns greater fees when Other Blackstone Accounts participate alongside or instead of us in an investment.

When the Adviser and its affiliates determine not to pursue some or all of an investment opportunity for us that would otherwise be within our investment objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Accounts, Blackstone, including its personnel (including real estate personnel), can be expected to receive compensation from the Other Blackstone Accounts, whether or not in respect of a particular investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by us to the Adviser. As a result, the Adviser (including real estate personnel who receive such compensation) could be incentivized to allocate investment opportunities away from us to or source investment opportunities for Other Blackstone Accounts.

The Adviser and its affiliates make good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate. Information unavailable to the Adviser, or circumstances not foreseen by the Adviser at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Adviser and its affiliates determine to be consistent with the return objective of Other Blackstone Accounts rather than us may not match the expectations and underwriting of the Adviser and its affiliates and generate an actual return that would have been appropriate for us. Conversely, an investment that the Adviser and its affiliates expect to be consistent with our return objectives will, in certain circumstances, fail to achieve them. There is no assurance that any conflicts arising out of the foregoing will be resolved in our favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or our consent.

***Our board of directors has adopted a resolution that renounces our interest or expectancy with respect to business opportunities and competitive activities.***

Our board of directors has adopted a resolution that renounces our interest or expectancy in, or in being offered an opportunity to participate in, business opportunities, and provides that none of Blackstone or its affiliates, our directors or any person our directors control must refrain from competing with us or present to us such business opportunities. Under this resolution Blackstone and its affiliates and our directors or any person our directors control would not be obligated to present to us opportunities unless those opportunities are expressly offered to such person in his or her capacity as a director or officer and intended exclusively for us or any of our subsidiaries, and those persons will be able to engage in competing activities without any restriction imposed as a result of Blackstone's or its affiliates' status as a stockholder or Blackstone's affiliates' status as our officers or directors.

***We co-invest with Blackstone affiliates and such investments are at times in different parts of the capital structure of an issuer and may otherwise involve conflicts of interest. When we hold investments in which Other Blackstone Accounts have a different principal investment, conflicts of interest arise between us and Other Blackstone Accounts, and the Adviser may take actions that are adverse to us.***

We co-invest with Other Blackstone Accounts in investments that are suitable for both us and such Other Blackstone Accounts. We may hold an interest in an investment that is different (including with respect to relative seniority) than the interests held by Other Blackstone Accounts. In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, in certain circumstances we will likely recuse ourselves from participating in any decisions relating or with respect to such investment by us or the applicable investments by the Other Blackstone Accounts, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the other actions described below that the Adviser may take to mitigate the conflict, Blackstone may be required to take action when it will have conflicting loyalties between its duties to us and such Other Blackstone Accounts, which may adversely impact us. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to us (and vice versa). If the Other Blackstone Account maintains voting rights with respect to the securities it holds, or if we do not recuse ourselves, Blackstone may be required to take action where it will have conflicting loyalties between its duties to us and such Other Blackstone Account, which may adversely impact us. If we recuse ourselves from decision-making, we will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made.

There can be no assurance that any conflict will be resolved in our favor. Conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the return on our investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction. In addition, it is anticipated that in a bankruptcy proceeding our interest will likely be subordinated or otherwise adversely affected by virtue of such Other Blackstone Accounts' involvement and actions relating to such investment. For example, in circumstances where we hold a junior mezzanine interest in an issuer, holders of more senior classes of debt issued by such entity (which may include Other Blackstone Accounts) may take actions for their benefit (particularly in circumstances where such issuer faces financial difficulty or distress) that further subordinate or adversely impact the value of our investment in such issuer.

In connection with negotiating loans, bank or securitization financings in respect of our real estate-related transactions, Blackstone will generally obtain the right to participate on its own behalf (or on behalf of vehicles it manages) in a portion of the financings with respect to such Blackstone-sponsored transactions (including transactions where the underlying collateral includes property owned by Other Blackstone Accounts) upon an agreed upon set of terms. We do not believe that this arrangement has an effect on the overall terms and conditions negotiated with the arrangers of such senior loans other than as described in the preceding sentence. If we make or have an investment in a property in which an Other Blackstone Account has a mezzanine or other debt investment, or vice versa, Blackstone may have conflicting loyalties between its duties to us and to other affiliates. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. Because of the affiliation with Blackstone, the Adviser may have a greater incentive to invest in Blackstone-sponsored financings (as compared to real estate-related financings sponsored by other real estate firms or financial sponsors). In certain circumstances, we may be required to commit funds necessary for an investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, Other Blackstone Accounts and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. In any such circumstance, the Other Blackstone Accounts and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of the management fee paid to the Adviser. The conflicts applicable to Other Blackstone Accounts who invest in different securities of issuers will apply equally to Blackstone itself in such situations.

To the extent that we make or have an investment in, or through the purchase of debt obligations become a lender to, a company in which an Other Blackstone Account has a debt or equity investment (including through investments in CMBS where the underlying properties are owned by Other Blackstone Accounts), or if an Other Blackstone Account participates in a separate tranche of a financing with respect to a portfolio entity, Blackstone will generally have conflicting loyalties between its duties to us and to Other

Blackstone Accounts. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to us (and vice versa). Moreover, we will generally “follow the vote” of other similarly situated third-party creditors (if any) in voting and governance matters where conflicts of interest exist and will have a limited ability to separately protect our investment and will be dependent upon such third parties’ actions (which may not be as capable as the Adviser and may have other conflicts arising from their other relationships, both with Blackstone and other third parties that could impact their decisions). In addition, conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof.

We may seek to participate in investments relating to (i) the refinancing or modifications of loan investments or portfolios held or proposed to be acquired by certain Other Blackstone Accounts, and Other Blackstone Accounts may refinance a loan currently held by us and/or (ii) portfolio entities of one or more Other Blackstone Accounts, including primary or secondary issuances of loans or other interests by such portfolio entities. While it is expected that our participation in connection with any such transactions will generally be negotiated by third parties, such transactions will give rise to potential or actual conflicts of interest.

***We may invest in joint ventures with Other Blackstone Accounts or divide a pool of investments among us and Other Blackstone Accounts.***

To the extent we acquire properties through joint ventures with Other Blackstone Accounts, such investments will be allocated as described above, and we may be allocated interests in such joint ventures that are smaller than the interests of the Other Blackstone Accounts. Generally, we expect the level of control we have with respect to any joint venture will correspond to our economic interest in such joint venture. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts. Such joint venture investments will involve risks and conflicts of interests. See “—Risks Related Investments in Real Estate—We may make a substantial amount of joint venture investments, including with Blackstone affiliates. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.”

Our sponsor may have an opportunity to acquire a portfolio or pool of assets, securities and instruments in a single or related transactions with a particular seller that it determines in its sole discretion should be divided and allocated among us and Other Blackstone Accounts, including where certain of such assets, securities or instruments are specifically allocated (in whole or in part) to us and such Other Blackstone Accounts. Such allocations generally would be based on its assessment of, among other things, the expected returns and risk profile of the portfolio and each of the assets therein and may provide greater benefits to Other Blackstone Accounts than to us (or vice versa). For example, some of the assets in a pool may have an opportunistic return profile not appropriate for us. Also, a pool may contain both debt and equity instruments that our sponsor determines should be allocated to different funds. In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool based on a determination by the seller, by a third-party valuation firm and/or by the Adviser and its affiliates, and therefore among us and the Other Blackstone Accounts acquiring any of the assets, securities and instruments. To the extent that any such allocations would cause us to participate in a transaction with Other Blackstone Accounts for a portfolio or pool of assets, securities and instruments that we otherwise may not have acquired individually, our sponsor will have conflicting loyalties between its duties to us and to Other Blackstone Accounts.

Similarly, there will likely be circumstances in which we and Other Blackstone Accounts will sell assets in a single or related transactions to a buyer. In some cases a counterparty will require an allocation of value in the purchase or sale contract, though our sponsor could determine such allocation of value is not accurate and should not be relied upon. Unless an appraisal is required by our charter, our sponsor will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third party valuation reports. Regardless of the methodology for allocating value, our sponsor will have conflicting duties to us and Other Blackstone Accounts when they buy or sell assets together in a portfolio, including as a result of different financial incentives our sponsor has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that our investment will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such investment were acquired or sold independently rather than as a component of a portfolio shared with Other Blackstone Accounts.

The amount of performance-based compensation charged and/or management fees paid by us may be less than or exceed the amount of performance-based compensation charged and/or management fees paid by Other Blackstone Accounts. Such variation may create an incentive for our sponsor to allocate a greater percentage of an investment opportunity to us or such Other Blackstone Accounts, as the case may be.

***Blackstone may structure certain investments such that Blackstone will face conflicting fiduciary duties to us and certain debt funds.***

It is expected that Blackstone will structure certain investments such that one or more mezzanine or other investment funds, structured vehicles or other collective investment vehicles primarily investing in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other similar debt instruments managed by affiliates of Blackstone (collectively, “Debt Funds”) are offered the opportunity to participate in the debt tranche of an investment allocated to us. The Adviser and its affiliates owe fiduciary duties to the Debt Funds as well as to us. If the Debt Funds purchase high-yield securities or other debt instruments related to a property or real estate company that we hold an investment in (or if we make or have an investment in or, through the purchase of debt obligations become a lender to, a company or property in which a Debt Fund or an Other Blackstone Account or another Blackstone real estate fund or vehicle has a mezzanine or other debt investment), the Adviser and its affiliates will face a conflict of interest in respect of the advice given to, or the decisions made with regard to, the Debt Funds, such Other Blackstone Accounts and us (e.g., with respect to the terms of such high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). Similarly, certain Other Blackstone Accounts can be expected to invest in securities of publicly traded companies that are actual or potential investments of ours. The trading activities of Other Blackstone Accounts may differ from or be inconsistent with activities that are undertaken for our account in any such securities. In addition, we may not pursue an investment otherwise within our investment objectives and guidelines as a result of such trading activities by Other Blackstone Account.

***Blackstone may raise and/or manage Other Blackstone Accounts, which could result in the reallocation of Blackstone personnel and the direction of potential investments to such Other Blackstone Accounts.***

Blackstone reserves the right to raise and/or manage Other Blackstone Accounts, including opportunistic and stabilized and substantially stabilized real estate funds or separate accounts, dedicated managed accounts, investments suitable for lower risk, lower return funds or higher risk, higher return funds, real estate debt obligation and trading investment vehicles, real estate funds primarily making investments globally, in a particular region outside of the U.S. and Canada, or in a single sector of the real estate investment space (e.g., office, industrial, retail or multifamily) or making non-controlling investments in public and private debt and equity securities and/or investment funds that may have the same or similar investment objectives or guidelines as us or investments, including those raised by us and one or more managed accounts (or other similar arrangements structured through an entity) for the benefit of one or more specific investors (or related group of investors) which, in each case, may have investment objectives or guidelines that overlap with ours. See “—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.” In particular, we expect that there will be overlap of real property and real estate debt investment opportunities with certain Other Blackstone Accounts that are actively investing and similar overlap with future Other Blackstone Accounts. The closing of an Other Blackstone Account could result in the reallocation of Blackstone personnel, including reallocation of existing real estate professionals, to such Other Blackstone Account. In addition, potential investments that may be suitable for us may be directed toward such Other Blackstone Account.

***Blackstone’s potential involvement in financing a third party’s purchase of assets from us could lead to potential or actual conflicts of interest.***

We may from time to time dispose of all or a portion of an investment by way of a third-party purchaser’s bid where Blackstone or one or more Other Blackstone Accounts is providing financing as part of such bid or acquisition of the investment or underlying assets thereof. This may include the circumstance where Blackstone or one or more Other Blackstone Accounts is making commitments to provide financing at or prior to the time such third-party purchaser commits to purchase such investments or assets from us. Such involvement of Blackstone or one or more Other Blackstone Accounts as such a provider of debt financing in connection with the potential acquisition of portfolio investments by third parties from us may give rise to potential or actual conflicts of interest.

***We may provide debt financing in connection with acquisitions by third parties of assets owned by Other Blackstone Accounts.***

We may provide financing as part of a third-party purchaser’s bid or acquisition of (or investment in) a portfolio entity (or the underlying assets of) owned by one or more Other Blackstone Accounts (or in connection with the acquisitions by one or more Other Blackstone Accounts or their affiliates of assets or interests (and/or portfolios thereof) owned by a third party). This may include making commitments to provide financing at, prior to or around the time that any such purchaser commits to or makes such investments. We may make investments and provide debt financing with respect to portfolio entities in which Other Blackstone Accounts and/or affiliates hold or subsequently acquire an interest. While the terms and conditions of any such arrangements will generally be on market terms, the involvement of the Other Blackstone Accounts or affiliates in such transactions may affect credit decisions and the terms of such transactions or arrangements and/or may otherwise influence the Adviser’s decisions, which will give rise to potential or actual conflicts of interest and which may adversely impact us. For example, such transactions may involve the

partial or complete payoff of such loans (with related proceeds being received by the applicable Other Blackstone Accounts) and/or otherwise result in restructurings of terms and pricing relating to such existing loans with the borrowers thereof in respect of which such Other Blackstone Accounts may receive refinancing proceeds and/or a retained interest in such loans in accordance with such restructuring arrangements. Additionally, in certain situations we may not commit to provide financing until a third party has committed to make a deposit in connection with the acquisition of an investment from an Other Blackstone Account, which may result in us being disadvantaged in the overall bid process or potentially not consummating the investment.

***Disputes between Blackstone and our joint venture partners who have pre-existing investments with Blackstone may affect our investments relating thereto.***

Some of the third-party operators and joint-venture partners with which the Adviser may elect to co-invest our capital may have pre-existing investments with Blackstone. The terms of these preexisting investments may differ from the terms upon which we invest with such operators and partners. To the extent a dispute arises between Blackstone and such operators and partners, our investments relating thereto may be affected.

***Certain principals and employees will, in certain circumstances, be involved in and have a greater financial interest in the performance of other Blackstone funds or accounts, and such activities may create conflicts of interest in making investment decisions on our behalf.***

Certain Blackstone personnel will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to us, Other Blackstone Accounts and portfolio entities, and their outside business activities as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of us, including if such other entities compete with us for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than our performance. This involvement may create conflicts of interest in making investments on our behalf and on behalf of such other funds, accounts and other entities. Although the Adviser will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for us. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, real estate funds, hedge funds and other investment vehicles, as well as securities of other companies, some of which will be competitors of ours. Investors will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to us.

***The Adviser may face conflicts of interests in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us.***

Certain third-party advisors and other service providers and vendors to us (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) are owned by Blackstone or Other Blackstone Accounts or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Other Blackstone Accounts and their portfolio entities, the Dealer Manager, the Adviser and affiliates and personnel of the foregoing. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to us could have other commercial or personal relationships with Blackstone, Other Blackstone Accounts and their respective affiliates, personnel or family members of personnel of the foregoing.

Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above will, in certain circumstances, influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for us, the cost of which will generally be borne directly or indirectly by us, and incentivize Blackstone to engage such service provider over a third party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to cause us to pay such service providers and vendors higher fees or commissions than would be the case absent the conflict. The incentive could be created by current income and/or the generation of enterprise value in a service provider or vendor; Blackstone may also have an incentive to invest in or create service providers and vendors to realize on these opportunities. Furthermore, Blackstone will from time to time encourage third-party service providers to Other Blackstone Accounts to use other service providers and vendors in which Blackstone has an interest, and Blackstone has an incentive to use third-party service providers who do so as a result of the additional business for the related service providers and vendors. Fees paid to or value created in these service providers and vendors do not offset or reduce the Adviser's management fee and are not otherwise shared with us. In the case of brokers of securities, our sponsor has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone, Other Blackstone Accounts, portfolio entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to us, such as fees for asset, development and property management; arranging, underwriting, syndication or refinancing of a loan or investment (or other additional fees, including acquisition fees, loan modification or restructuring fees); loan servicing; special servicing; other servicing; administrative services; advisory services on purchase or sale of an asset or company; other advisory services; investment banking and capital market services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement; brokerage solutions and risk management services; data extraction and management products and services; fees for monitoring and oversight of loans or title insurance; and other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organizational and financing, and divestment services). Such parties will also provide products and services for fees to Blackstone, Other Blackstone Accounts and portfolio entities, and their personnel and related parties, as well as third parties. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to us, our portfolio properties, Other Blackstone Accounts and their affiliates, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, we would provide not only current income to the business and its stakeholders, but could also create significant enterprise value in them, which would not be shared with us or our stockholders and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Accounts and portfolio entities, and their personnel and related parties will, in certain circumstances, receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by us. We will incur expense in negotiating for any such fees and services. Finally, Blackstone and its personnel and related parties may also receive compensation for origination expenses and with respect to un consummated transactions.

Portfolio entities of Other Blackstone Accounts are and will be counterparties in agreements, transactions and other arrangements with us for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the management fees we pay to the Adviser notwithstanding that some of the services provided by such portfolio entity are similar in nature to the services provided by the Adviser. Generally, we may engage Blackstone-affiliated portfolio entities only if a majority of our board of directors, and a majority of the affiliate transaction committee (which is comprised of each of our independent directors) not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

We may engage portfolio entities of Other Blackstone Accounts to provide some or all of the following services: (a) corporate support services (including, without limitation, accounting/audit (including valuation support services), account management, corporate secretarial services, data management, directorship services, finance/budget, human resources, information technology, judicial processes, legal, operational coordination (i.e., coordination with JV partners, property managers), risk management, tax and treasury; (b) loan management (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (c) management services (i.e., management by a portfolio entity, Blackstone affiliate or third party (e.g., a third party manager) of operational services); (d) operational services (i.e., general management of day to day operations, including, without limitation, construction management, leasing services, project management and property management); and (e) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses and modelling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordination of design and development works, overseeing brokers, lawyers, accountants and other advisors, providing legal and accounting services, assistance with due diligence, preparation of project feasibilities, site visits, and specification of technical analysis and review of (i) design and structural work, (ii) architectural, façade and external finishes, (iii) certifications, (iv) operations and maintenance manuals and (v) statutory documents).

Such portfolio entities that can be expected to provide services to us include, without limitation, the following, and may include additional portfolio entities that may be formed or acquired in the future:

*LivCor.* We have engaged LivCor, L.L.C., a portfolio company owned by a Blackstone-advised fund for certain of our multifamily properties.

*Equity Office Management/Equity Office Properties.* We have engaged Equity Office Management, L.L.C., a portfolio company owned by Blackstone-advised funds for certain of our office properties.

*ShopCore.* We have engaged ShopCore Properties TRS Management LLC, a portfolio company owned by a Blackstone-advised fund for certain of our retail properties.

*Link.* We have engaged Link Industrial Properties Holdco LLC, a portfolio company owned by a Blackstone-advised fund for certain

of our industrial properties.

*BRE Hotels and Resorts.* We have engaged BRE Hotels & Resorts LLC, a portfolio company controlled (but not owned) by a Blackstone-advised fund for certain of our hotel properties.

*Revantage.* We have engaged Revantage Corporate Services, LLC, a portfolio company owned by a Blackstone-advised fund, to provide corporate support services (including, without limitation, accounting, legal, tax, and treasury, as applicable) and transaction support services to certain of our investments directly.

We compensate these service providers and vendors owned by the Other Blackstone Accounts for services rendered to us, including through promote or other incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a portfolio entity or property will vary from the incentive based compensation paid with respect to other portfolio entities and properties; as a result the management team or other related parties may have greater incentives with respect to certain properties and portfolio entities relative to others, and the performance of certain properties and portfolio entities may provide incentives to retain management that also service other properties and portfolio entities. Service providers and vendors owned by Other Blackstone Accounts may charge us for certain goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates below applies equally in respect of the fees and expenses of the portfolio entity service providers, if charged at rates generally consistent with those available in the market. Such service providers and vendors may also pass through expenses for other services on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for our benefit to us, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a portfolio property; taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period, and therefore we could pay more than our pro rata portion of fees for services. The allocation of overhead among the entities and assets to which services are provided can be expected to be based on any of a number of different methodologies, including, without limitation, "cost" basis as described above, "time-allocation" basis, "per unit" basis, "per square footage" basis or "fixed percentage" basis. There can be no assurance that a different manner of allocation would result in our bearing less or more costs and expenses. A service provider may subcontract certain of its responsibilities to other portfolio entities. In such circumstances, the relevant subcontractor could invoice the portfolio entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The portfolio entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above.

We, Other Blackstone Accounts and their affiliates are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third-party joint venture partner may negotiate to not pay its pro rata share of fees, costs and expenses to be allocated as described above, in which case we, Other Blackstone Accounts and their affiliates that also use the services of the portfolio entity service provider will, directly or indirectly, pay the difference, or the portfolio entity service provider will bear a loss equal to the difference. Portfolio entity service providers described in this section are generally owned and controlled by a Blackstone fund such as Other Blackstone Accounts. In certain instances a similar company could be owned or controlled by Blackstone directly. Service providers described in this risk factor are generally owned and controlled by a Blackstone fund, such as the Other Blackstone Accounts.

Blackstone has a general practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to us for the same services. However, legal fees for unconsummated transactions are often charged at a discount rate, such that if we consummate a higher percentage of transactions with a particular law firm than Blackstone, Other Blackstone Accounts and their affiliates, we could indirectly pay a higher net effective rate for the services of that law firm than Blackstone or Other Blackstone Accounts or their affiliates. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by us are different from those used by Blackstone, Other Blackstone Accounts and their affiliates and personnel, we can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Other Blackstone Accounts and affiliates and we can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors.



In addition to the service providers (including portfolio entity service providers) and vendors described above, we will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds, including the businesses described below. These businesses will, in certain circumstances, also enter into transactions with other counterparties of ours. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. Furthermore, Blackstone will from time to time encourage our third-party service providers to use other Blackstone-affiliated service providers and vendors in connection with our business and the business of portfolio entities and unaffiliated entities, and Blackstone has an incentive to use third-party service providers who do so as a result of the indirect benefit to Blackstone and additional business for the related service providers and vendors. No fees charged by these service providers and vendors will offset or reduce the Adviser's management fees. Furthermore, Blackstone, the Other Blackstone Accounts and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

Blackstone-affiliated service providers and vendors, include, without limitation:

*LNLS*. Lexington National Land Services ("LNLS") is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters and (iii) acts as an escrow agent in connection with investments by us, Other Blackstone Accounts and their affiliates and related parties, and third parties. In exchange for such services LNLS earns fees, which would have otherwise been paid to third parties. If LNLS is involved in a transaction in which we participate, LNLS will benchmark such fees to the extent market data is available except when LNLS is providing such services in a state where the insurance premium or escrow fee, as applicable, is regulated by the state or when LNLS is part of a syndicate of title insurance companies where the insurance premium is negotiated by other title insurance underwriters or their agents.

Certain Blackstone-affiliated service providers and their respective personnel may receive a management promote, an incentive fee and other performance-based compensation in respect of our investments. Furthermore, Blackstone-affiliated service providers can be expected to charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), provided that these amounts will not exceed market rates as determined to be appropriate under the circumstances. Generally, we may engage Blackstone-affiliated service providers only if a majority of our board of directors, and a majority of the affiliate transaction committee (which is comprised of each of our independent directors), not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

The Adviser and its affiliates will make determinations of market rates (i.e., rates that fall within a range that the Adviser and its affiliates has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include the experience of the Adviser and its affiliates with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Adviser and its affiliates to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset by asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired (such as location or size), or the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by us or by Other Blackstone Accounts and will not offset the management fee we pay to the Adviser. Finally, in certain circumstances third-party benchmarking may be considered unnecessary, including because the price for a particular good or service is mandated by law (e.g., title insurance in rate regulated states). Some of the services performed by Blackstone-affiliated service providers could also be performed by our sponsor from time to time and vice versa. Fees paid by us to Blackstone-affiliated service providers do not offset or reduce the management fee we pay to the Adviser and are not otherwise shared with us.

For more information regarding our relationships with these entities, see "Selected Information Regarding our Operations—Related Party Transactions" in the Prospectus, as well as "Transactions with Related Persons and Certain Control Persons—Our Relationship with Our Adviser and Blackstone—Affiliate Service Agreements" in our definitive Proxy Statement on Schedule 14A, and "Related Party Transactions" in the notes to our consolidated financial statements appearing in this Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, each as incorporated herein by reference.

Blackstone and Other Blackstone Accounts operate in multiple industries, including the real estate related information technology industry, and provide products and services to or otherwise contract with us, among others. In connection with any such investment,

Blackstone and Other Blackstone Accounts (or their respective portfolio entities and personnel and related parties) can be expected to make referrals or introductions to us or other portfolio entities in an effort, in part, to increase the customer base of such companies or businesses or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, participation in revenue share, accruing to the party making the introduction. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a portfolio entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services to such portfolio entities) that are referred to the joint venture or business by Blackstone. Such joint venture or business could use data obtained from such portfolio entities. We typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Accounts and their respective portfolio entities as a result of such introduction.

We will enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and other insurance policies (which can be expected to include brokerage or placement thereof) and will otherwise enter into operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among us, Other Blackstone Accounts and portfolio entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone and its affiliates and personnel, or Other Blackstone Accounts and their portfolio entities, including as a result of transactions entered into by us, and such commissions or payment will not offset the management fee payable to the Adviser. Blackstone can be expected to also receive consulting or other fees from the parties to these group procurement arrangements. To the extent that a portfolio entity of an Other Blackstone Account is providing such a service, such portfolio entity and such Other Blackstone Account will benefit. Further, the benefits received by the particular portfolio entity providing the service will, in certain circumstances, be greater than those received by us in receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements.

We will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure us, our portfolio properties, the Adviser, Blackstone and their respective directors, officers, employees, agents and representatives and other indemnified parties, against liability in connection with our activities. This includes a portion of any premiums, fees, costs and expenses for one or more “umbrella”, group or other insurance policies maintained by Blackstone that cover one or more of us and Other Blackstone Accounts, the Adviser and Blackstone (including their respective directors, officers, employees, agents and representatives and other indemnified parties). The Adviser and its affiliates will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella”, group or other insurance policies among one or more of us and Other Blackstone Accounts, the Adviser and Blackstone on a fair and reasonable basis, in their discretion, and may make corrective allocations should they determine subsequently that such corrections are necessary or advisable. For example, some property insurance could be allocated on a property-by-property basis in accordance with the relative values of the respective assets that are insured by such policies.

Additionally, we and Other Blackstone Accounts (and their portfolio entities) will, in certain circumstances, jointly contribute to a pool of funds that can be expected to be used to pay losses that are subject to the deductibles on any group insurance policies, which contributions may similarly be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone may reasonably determine).

In respect of such insurance arrangements, Blackstone may make corrective allocations from time to time should it determine subsequently that such adjustments are necessary or advisable. There can be no assurance that different allocations or arrangements than those implemented by Blackstone as provided above would not result in us and our portfolio properties bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

Blackstone or an affiliate of Blackstone formed in the future may provide data management services to portfolio properties and may also provide such services directly to us and Other Blackstone Accounts (collectively, “Data Holders”). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to the requirements under our charter (including any necessary approval of by our board of directors, including a majority of our independent directors not interested in the transaction) and any other applicable contractual limitations, with us, Other Blackstone Accounts, portfolio properties and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Accounts make investments, and portfolio entities thereof). Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by the Blackstone in its discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which

compensation may also include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). Additionally, Blackstone may determine to share the products from such data management services within Blackstone or its affiliates (including Other Blackstone Accounts or their portfolio entities) at no charge and, in such cases, the Data Holders would not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone could create incentives for the Adviser to cause us to invest in portfolio entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

***We may be subject to potential conflicts of interest as a consequence of family relationships that Blackstone employees have with other real estate professionals.***

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which we invest or have business, personal, financial or other relationships with companies in such industries and sectors (including the advisors and service providers described above) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential investments of us or our other counterparties and portfolio properties. Moreover, in certain instances, we can be expected to purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, we will not be precluded from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Adviser.

***We are subject to conflicts of interest related to tenants.***

Certain properties owned by us and/or an Other Blackstone Account will, in certain circumstances, be leased out to tenants that are affiliates of Blackstone, including but not limited to Other Blackstone Accounts and/or their respective portfolio companies, which would give rise to a conflict of interest. In such events, the Adviser will endeavor to ensure that such conflicts are resolved in a fair and equitable manner, subject to applicable oversight of the board of directors.

***We are party to an uncommitted line of credit with an affiliate of Blackstone.***

We have entered into an uncommitted line of credit with Blackstone Holdings Finance Co. L.L.C., an affiliate of Blackstone, pursuant to which we may borrow up to \$150 million at an interest rate equal to the then-current interest rate offered by an unaffiliated third-party lender or, if no such rate is available, LIBOR plus 2.50%. Because this line of credit is with an affiliate of Blackstone, the terms of the agreement were not negotiated at arm's-length. Blackstone may face conflicts of interest in connection with any borrowings or disputes under this uncommitted line of credit.

***The personnel of the Dealer Manager and the Adviser may trade in securities for their own accounts, subject to restrictions applicable to Blackstone personnel.***

The officers, directors, members, managers and employees of the Dealer Manager and the Adviser can be expected to trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies, or otherwise determined from time to time by the Dealer Manager or the Adviser.

***We have and continue to expect to have a diverse stockholder group and the interests of our stockholders may conflict with one another and may conflict with the interests of investors in other vehicles that we co-invest with.***

Our stockholders may have conflicting investment, tax and other interests with respect to their investments in us and with respect to the interests of investors in other investment vehicles managed or advised by the Adviser or its affiliates that participate in the same investments as us. The conflicting interests of individual stockholders with respect to other stockholders and relative to investors in other investment vehicles and investors relate to, among other things, the nature, structuring, financing, tax profile and timing of disposition of investments. The Adviser may as a result have conflicts in making these decisions, which may be more beneficial for one or more (but not all) stockholder than for other stockholders. In addition, we may make investments that may have a negative impact on related investments made by the stockholders in separate transactions. In selecting and structuring investments appropriate for us, the Adviser considers the investment and tax objectives of us (including our qualification as a REIT) and our stockholders (and those of investors in other investment vehicles managed or advised by the Adviser or its affiliates) that participate in the same investments as us, not the investment, tax or other objectives of any stockholder individually. In addition, certain investors may also

be limited partners in Other Blackstone Accounts, including supplemental capital vehicles and co-investment vehicles that invest alongside us in one or more investments, which could create conflicts for the Adviser in the treatment of different investors.

Stockholders may also include affiliates of Blackstone, such as Other Blackstone Accounts, affiliates of portfolio entities, charities or foundations associated with Blackstone personnel and current or former Blackstone personnel, Blackstone's senior advisors and operating partners, and any such affiliates, funds or persons may also invest in us. Except as provided in our charter, all of these Blackstone-related stockholders will have equivalent rights to vote and withhold consents as nonrelated stockholders. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone-related stockholders.

***We may be subject to additional potential conflicts of interests as a consequence of Blackstone's status as a public company.***

As a consequence of Blackstone's status as a public company, our officers, directors, members, managers and employees and those of the Adviser may take into account certain considerations and other factors in connection with the management of the business and affairs of us and our affiliates that would not necessarily be taken into account if Blackstone were not a public company.

***We, Other Blackstone Accounts and their portfolio entities may engage in permissible political activities with the intent of furthering our or their business interests or otherwise.***

We, Other Blackstone Accounts and their portfolio entities may, in the ordinary course of our or their respective businesses, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities with the intent of furthering our or their business interests or otherwise. In certain circumstances, there may be initiatives where such activities are coordinated by Blackstone for the benefit of us, Other Blackstone Accounts and/or their portfolio entities. The interests advanced by a portfolio entity through such activities may, in certain circumstances, not align with or be adverse to our interests, the interests of our stockholders or the interests of Other Blackstone Accounts or their other portfolio entities. The costs of such activities may be allocated among us, Other Blackstone Accounts and their portfolio entities (and borne indirectly by our stockholders). While the costs of such activities will typically be borne by the entity undertaking such activities, such activities may also directly or indirectly benefit us, Other Blackstone Accounts, their portfolio entities or Blackstone. There can be no assurance that any such activities will be successful in advancing our interests or the interests of an Other Blackstone Accounts or a portfolio entity or otherwise benefit such entities.

#### **Risks Related to our REIT Status and Certain Other Tax Items**

***If we do not maintain our qualification as a REIT, we will be subject to tax as a regular corporation and could face a substantial tax liability.***

We expect to continue to operate so as to qualify as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, various compliance requirements could be failed, which could jeopardize our REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to qualify as a REIT. If we fail to qualify as a REIT in any tax year, then:

- we would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to stockholders in computing taxable income and being subject to federal income tax on our taxable income at regular corporate income tax rates;
- any resulting tax liability could be substantial and could have a material adverse effect on our book value;
- unless we were entitled to relief under applicable statutory provisions, we would be required to pay taxes, and therefore, our cash available for distribution to stockholders would be reduced for each of the years during which we did not qualify as a REIT and for which we had taxable income; and
- we generally would not be eligible to requalify as a REIT for the subsequent four full taxable years.

***To maintain our REIT status, we may have to borrow funds on a short-term basis during unfavorable market conditions.***

To qualify as a REIT, we generally must distribute annually to our stockholders a minimum of 90% of our net taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. We will be subject to regular corporate

income taxes on any undistributed REIT taxable income each year. Additionally, we will be subject to a 4% nondeductible excise tax on any amount by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from previous years. Payments we make to our stockholders under our share repurchase plan will not be taken into account for purposes of these distribution requirements. If we do not have sufficient cash to make distributions necessary to preserve our REIT status for any year or to avoid taxation, we may be forced to borrow funds or sell assets even if the market conditions at that time are not favorable for these borrowings or sales. These options could increase our costs or reduce our equity.

***Compliance with REIT requirements may cause us to forego otherwise attractive opportunities, which may hinder or delay our ability to meet our investment objectives and reduce your overall return.***

To qualify as a REIT, we are required at all times to satisfy tests relating to, among other things, the sources of our income, the nature and diversification of our assets, the ownership of our stock and the amounts we distribute to our stockholders. Compliance with the REIT requirements may impair our ability to operate solely on the basis of maximizing profits. For example, we may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution.

***Compliance with REIT requirements may force us to liquidate or restructure otherwise attractive investments.***

To qualify as a REIT, at the end of each calendar quarter, at least 75% of the value of our assets must consist of cash, cash items, government securities and qualified real estate assets. The remainder of our investments in securities (other than qualified real estate assets and government securities) generally cannot include more than 10% of the voting securities (other than securities that qualify for the straight debt safe harbor) of any one issuer or more than 10% of the value of the outstanding securities of more than any one issuer unless we and such issuer jointly elect for such issuer to be treated as a "taxable REIT subsidiary" under the Code. Debt will generally meet the "straight debt" safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a certain sum of money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on the profits, the borrower's discretion, or similar factors. Additionally, no more than 5% of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20% of the value of our assets may be represented by securities of one or more taxable REIT subsidiaries. If we fail to comply with these requirements at the end of any calendar quarter, we must dispose of a portion of our assets within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions in order to avoid losing our REIT qualification and suffering adverse tax consequences. In order to satisfy these requirements and maintain our qualification as a REIT, we may be forced to liquidate assets from our portfolio or not make otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

***Our charter does not permit any person or group to own more than 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or of our outstanding capital stock of all classes or series, and attempts to acquire our common stock or our capital stock of all other classes or series in excess of these 9.9% limits would not be effective without an exemption (prospectively or retroactively) from these limits by our board of directors.***

For us to qualify as a REIT under the Code, not more than 50% of the value of our outstanding stock may be owned, directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year. For the purpose of assisting our qualification as a REIT for U.S. federal income tax purposes, among other purposes, our charter prohibits beneficial or constructive ownership by any person or group of more than 9.9%, in value or number of shares, whichever is more restrictive, of the outstanding shares of our outstanding common stock, or 9.9% in value or number of shares, whichever is more restrictive, of our outstanding capital stock of all classes or series, which we refer to as the "Ownership Limit." The constructive ownership rules under the Code and our charter are complex and may cause shares of the outstanding common stock owned by a group of related persons to be deemed to be constructively owned by one person. As a result, the acquisition of less than 9.9% of our outstanding common stock or our capital stock by a person could cause another person to constructively own in excess of 9.9% of our outstanding common stock or our capital stock, respectively, and thus violate the Ownership Limit. There can be no assurance that our board of directors, as permitted in the charter, will not decrease this Ownership Limit in the future. Any attempt to own or transfer shares of our common stock or capital stock in excess of the Ownership Limit without the consent of our board of directors will result either in the shares in excess of the limit being transferred by operation of our charter to a charitable trust, and the person who attempted to acquire such excess shares not having any rights in such excess shares, or in the transfer being void.

The Ownership Limit may have the effect of precluding a change in control of us by a third party, even if such change in control would be in the best interests of our stockholders or would result in receipt of a premium to the price of our common stock (and even if such change in control would not reasonably jeopardize our REIT status). The exemptions to the ownership limit granted to date may limit our board of directors' power to increase the ownership limit or grant further exemptions in the future.

***Non-U.S. holders may be subject to U.S. federal income tax upon their disposition of shares of our common stock or upon their receipt of certain distributions from us.***

In addition to any potential withholding tax on ordinary dividends, a non-U.S. holder (as such term is defined under “Material U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Our Common Stock” in the Prospectus), other than a “qualified shareholder” or a “qualified foreign pension fund,” that disposes of a “U.S. real property interest” (“USRPI”) (which includes shares of stock of a U.S. corporation whose assets consist principally of USRPIs), is generally subject to U.S. federal income tax under the Foreign Investment in Real Property Tax Act of 1980, as amended (“FIRPTA”), on the amount received from such disposition. Such tax does not apply, however, to the disposition of stock in a REIT that is “domestically controlled.” Generally, a REIT is domestically controlled if less than 50% of its stock, by value, has been owned directly or indirectly by non-U.S. persons during a continuous five-year period ending on the date of disposition or, if shorter, during the entire period of the REIT’s existence. We cannot assure you that we will qualify as a domestically controlled REIT. If we were to fail to so qualify, amounts received by a non-U.S. holder on certain dispositions of shares of our common stock (including a redemption) would be subject to tax under FIRPTA, unless (i) our shares of common stock were regularly traded on an established securities market and (ii) the non-U.S. holder did not, at any time during a specified testing period, hold more than 10% of our common stock. See “Material U.S. Federal Income Tax Considerations—Taxation of Non-U.S. Holders of Our Common Stock—Sales of Our Common Stock” in the Prospectus.

A non-U.S. holder other than a “qualified shareholder” or a “qualified foreign pension fund,” that receives a distribution from a REIT that is attributable to gains from the disposition of a USRPI as described above, including in connection with a repurchase of our common stock, is generally subject to U.S. federal income tax under FIRPTA to the extent such distribution is attributable to gains from such disposition, regardless of whether the difference between the fair market value and the tax basis of the USRPI giving rise to such gains is attributable to periods prior to or during such non-U.S. holder’s ownership of our common stock. In addition, a repurchase of our common stock, to the extent not treated as a sale or exchange, may be subject to withholding as an ordinary dividend. See “Material U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders of Our Common Stock – Distributions, and – Repurchases of our Common Stock” in the Prospectus.

We seek to act in the best interests of the Company as a whole and not in consideration of the particular tax consequences to any specific holder of our stock. Potential non-U.S. holders should inform themselves as to the U.S. tax consequences, and the tax consequences within the countries of their citizenship, residence, domicile, and place of business, with respect to the purchase, ownership and disposition of shares of our common stock.

***Investments outside the United States may subject us to additional taxes and could present additional complications to our ability to satisfy the REIT qualification requirements.***

Non-U.S. investments may subject us to various non-U.S. tax liabilities, including withholding taxes. In addition, operating in functional currencies other than the U.S. dollar and in environments in which real estate transactions are typically structured differently than they are in the United States or are subject to different legal rules may present complications to our ability to structure non-U.S. investments in a manner that enables us to satisfy the REIT qualification requirements.

***We may incur tax liabilities that would reduce our cash available for distribution to you.***

Even if we qualify and maintain our status as a REIT, we may become subject to U.S. federal income taxes and related state and local taxes. For example, net income from the sale of properties that are “dealer” properties sold by a REIT (a “prohibited transaction” under the Code) will be subject to a 100% tax. We may not make sufficient distributions to avoid excise taxes applicable to REITs. Similarly, if we were to fail an income test (and did not lose our REIT status because such failure was due to reasonable cause and not willful neglect) we would be subject to tax on the income that does not meet the income test requirements. We also may decide to retain net capital gain we earn from the sale or other disposition of our investments and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. We also may be subject to state and local taxes on our income or property, including franchise, payroll, mortgage recording and transfer taxes, either directly or at the level of the other companies through which we indirectly own our assets, such as our taxable REIT subsidiaries, which are subject to full U.S. federal, state, local and foreign corporate-level income taxes. Any taxes we pay directly or indirectly will reduce our cash available for distribution to you.

***Our board of directors is authorized to revoke our REIT election without stockholder approval, which may cause adverse consequences to our stockholders.***

Our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT. Our board of directors has fiduciary duties to us and our stockholders and could only cause such changes in our tax treatment if it determines in good faith that such changes are in our best interests and in the best interests of our stockholders. In this event, we would become subject to U.S. federal income tax on our taxable income and we would no longer be required to distribute most of our net income to our stockholders, which may cause a reduction in the total return to our stockholders.

***You may have current tax liability on distributions you elect to reinvest in our common stock.***

If you participate in our distribution reinvestment plan, you will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in shares of our common stock to the extent the amount reinvested was not a tax-free return of capital. Therefore, unless you are a tax-exempt entity, you may be forced to use funds from other sources to pay your tax liability on the reinvested dividends.

***Generally, ordinary dividends payable by REITs do not qualify for reduced U.S. federal income tax rates.***

Currently, the maximum tax rate applicable to qualified dividend income payable to certain non-corporate U.S. stockholders is 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rate. Although this does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause certain non-corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock. However, under the Tax Cuts and Jobs Act of 2017, commencing with taxable years beginning on or after January 1, 2018 and continuing through 2025, individual taxpayers may be entitled to claim a deduction in determining their taxable income of 20% of ordinary REIT dividends (dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us), which temporarily reduces the effective tax rate on such dividends. See “Material U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Our Common Stock—Distributions Generally” in the Prospectus. You are urged to consult with your tax advisor regarding the effect of this change on your effective tax rate with respect to REIT dividends.

***We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility and reduce the price of our common stock.***

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in shares of our common stock. Additional changes to the tax laws are likely to continue to occur, and we cannot assure you that any such changes will not adversely affect the taxation of our stockholders. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. You are urged to consult with your tax advisor with respect to the impact of the recent legislation on your investment in our shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares. Although REITs generally receive certain tax advantages compared to entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U.S. federal income tax purposes as a corporation. As a result, our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT. The impact of tax reform on an investment in our shares is uncertain. Prospective investors should consult their own tax advisors regarding changes in tax laws.

***The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to qualify as a REIT.***

We may acquire mezzanine loans, for which the IRS has provided a safe harbor but not rules of substantive law. Pursuant to the safe harbor, if a mezzanine loan meets certain requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75% income test. We may acquire mezzanine loans that do not meet all of the requirements of this safe harbor. In the event we own a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan's treatment as a real estate asset for purposes of the REIT asset and income tests and, if such a challenge were sustained, we could fail to qualify as a REIT.

***If our Operating Partnership failed to qualify as a partnership or is not otherwise disregarded for U.S. federal income tax purposes, we would cease to qualify as a REIT.***

If the IRS were to successfully challenge the status of our Operating Partnership as a partnership or disregarded entity for U.S. federal income tax purposes, it would be taxable as a corporation. In the event that this occurs, it would reduce the amount of distributions that our Operating Partnership could make to us. This would also result in our failing to qualify as a REIT and becoming subject to a corporate-level tax on our income, which would substantially reduce our cash available to pay distributions and the yield on your investment.

#### Retirement Plan Risks

***If the fiduciary of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, fails to meet the fiduciary and other standards under ERISA, the Code or common law as a result of an investment in our stock, the fiduciary could be subject to civil penalties.***

There are special considerations that apply to investing in our shares on behalf of a trust, pension, profit sharing or 401(k) plans, health or welfare plans, trusts, individual retirement accounts, or IRAs, or Keogh plans. If you are investing the assets of any of the entities identified in the prior sentence in our common stock, you should satisfy yourself that:

- the investment is consistent with your fiduciary obligations under applicable law, including common law, ERISA and the Code;
- the investment is made in accordance with the documents and instruments governing the trust, plan or IRA, including a plan’s investment policy;
- the investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA and other applicable provisions of ERISA and the Code;
- the investment will not impair the liquidity of the trust, plan or IRA;
- the investment will not produce “unrelated business taxable income” for the plan or IRA;
- our stockholders will be able to value the assets of the plan annually in accordance with ERISA requirements and applicable provisions of the plan or IRA; and
- the investment will not constitute a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA, the Code, or other applicable statutory or common law may result in the imposition of civil penalties, and can subject the fiduciary to equitable remedies. In addition, if an investment in our shares constitutes a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code, the fiduciary that authorized or directed the investment may be subject to the imposition of excise taxes with respect to the amount invested.

***If our assets at any time are deemed to constitute “plan assets” under ERISA, that may lead to the rescission of certain transactions, tax or fiduciary liability and our being held in violation of certain ERISA and Code requirements.***

Stockholders subject to ERISA should consult their own advisors as to the effect of ERISA on an investment in the shares. As discussed under “Certain ERISA Considerations,” if our assets are deemed to constitute “plan assets” of stockholders that are Covered Plans (as defined below) (i) certain transactions that we might enter into in the ordinary course of our business might have to be rescinded and may give rise to certain excise taxes and fiduciary liability under Title I of ERISA and/or Section 4975 of the Code; (ii) our management, as well as various providers of fiduciary or other services to us (including the Adviser), and any other parties with authority or control with respect to us or our assets, may be considered fiduciaries or otherwise parties in interest or disqualified persons for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code; and (iii) the fiduciaries of stockholders that are Covered Plans would not be protected from “co-fiduciary liability” resulting from our decisions and could be in violation of certain ERISA requirements.

Accordingly, prospective investors that are (i) “employee benefit plans” (within the meaning of Section 3(3) of ERISA), which are subject to Title I of ERISA; (ii) “plans” defined in Section 4975 of the Code, which are subject to Section 4975 of the Code (including “Keogh” plans and “individual retirement accounts”); or (iii) entities whose underlying assets are deemed to include plan assets within the meaning of Section 3(42) of ERISA and the regulations thereunder (e.g., an entity of which 25% or more of the total value of any class of equity interests is held by “benefit plan investors”) (each such plan, account and entity described in clauses (i), (ii) and (iii) we



refer to as “Covered Plans”) should consult with their own legal, tax, financial and other advisors prior to investing to review these implications in light of such investor’s particular circumstances. The sale of our common stock to any Covered Plan is in no respect a representation by us or any other person associated with the offering of our shares of common stock that such an investment meets all relevant legal requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 2. PROPERTIES**

For an overview of our real estate investments, see Item 7 — “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Portfolio.”

**Principal Executive Offices**

Our principal executive and administrative offices are located in leased space at 345 Park Avenue, New York, New York 10154. We consider these facilities to be suitable and adequate for the management and operations of our business.

**ITEM 3. LEGAL PROCEEDINGS**

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of December 31, 2019, we were not involved in any material legal proceedings.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

**Offering of Common Stock**

The Offering consists of four classes of shares of our common stock, Class S shares, Class I shares, Class T shares, and Class D shares. The share classes have different upfront selling commissions and dealer manager fees, and different ongoing stockholder servicing fees. Other than the differences in upfront selling commissions, dealer manager fees, and ongoing stockholder servicing fees, each class of common stock has the same economics and voting rights. Shares of our common stock are not listed for trading on a stock exchange or other securities market. The following table details the selling commissions, dealer manager fees, and stockholder servicing fees for each applicable share class as of December 31, 2019:

	<b>Class S Shares</b>	<b>Class I Shares</b>	<b>Class T Shares</b>	<b>Class D Shares</b>
Selling commissions and dealer manager fees (% of transaction price)	up to 3.5%	—	up to 3.5%	up to 1.5%
Stockholder servicing fee (% of NAV)	0.85%	—	0.85%	0.25%

For Class S shares sold in the Offering (other than as part of our distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.5% of the transaction price. For Class T shares sold in the Offering (other than as part of our distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.0% of the transaction price and upfront dealer manager fees of 0.5% of the transaction price, however such amounts may vary at certain participating broker-dealers, provided that the sum will not exceed 3.5% of the transaction price. For Class D shares sold in the Offering (other than as part of our distribution reinvestment plan), investors will pay upfront selling commissions of up to 1.5% of the transaction price.

The Dealer Manager, a registered broker-dealer affiliated with the Adviser, serves as the dealer manager for the Offering and is entitled to receive stockholder servicing fees of 0.85% per annum of the aggregate NAV for Class S shares and Class T shares. For Class T shares such stockholder servicing fee includes an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares. For Class D shares, a stockholder servicing fee equal to 0.25% per annum of the aggregate NAV for the Class D shares.

The Dealer Manager anticipates that all or a portion of the upfront selling commissions, dealer manager and stockholder servicing fees will be retained by, or reallocated (paid) to, participating broker-dealers. Through December 31, 2019, the Dealer Manager had not retained any upfront selling commissions, dealer manager or stockholder servicing fees.

The purchase price per share for each class of our common stock will generally equal our prior month's NAV per share, as determined monthly, plus applicable selling commissions and dealer manager fees. Our NAV for each class of shares is based on the net asset values of our investments (including real estate debt), the addition of any other assets (such as cash on hand) and the deduction of any liabilities, including the allocation/accrual of any performance participation, and any stockholder servicing fees applicable to such class of shares. Please refer to "Net Asset Value Calculation and Valuation Guidelines" in the Prospectus for the Current Offering for further details on how our NAV is determined.

The following table presents our monthly NAV per share for each of the four classes of shares since our inception through December 31, 2019:

	Class S Shares	Class I Shares	Class T Shares	Class D Shares
January 31, 2017	\$ 10.0000	\$ 10.0100	\$ —	\$ —
February 28, 2017	10.0200	10.0300	—	—
March 31, 2017	10.0200	10.0200	—	—
April 30, 2017	10.0455	10.0495	—	—
May 31, 2017	10.1828	10.1868	—	10.1604
June 30, 2017	10.2904	10.2791	10.1721	10.2648
July 31, 2017	10.3173	10.3092	10.2256	10.2603
August 31, 2017	10.4074	10.3997	10.2883	10.3536
September 30, 2017	10.4662	10.4579	10.3239	10.3763
October 31, 2017	10.5060	10.4973	10.3549	10.4114
November 30, 2017	10.5174	10.5094	10.3622	10.4141
December 31, 2017	10.5750	10.5671	10.4175	10.4712
January 31, 2018	10.6339	10.6236	10.4684	10.5217
February 28, 2018	10.6714	10.6602	10.4985	10.5539
March 31, 2018	10.6795	10.6646	10.5050	10.5602
April 30, 2018	10.7134	10.6985	10.5372	10.5928
May 31, 2018	10.7321	10.7158	10.5525	10.6087
June 30, 2018	10.7620	10.7446	10.5802	10.6315
July 31, 2018	10.7959	10.7773	10.6120	10.6633
August 31, 2018	10.8268	10.8064	10.6411	10.6907
September 30, 2018	10.8508	10.8290	10.6629	10.7133
October 31, 2018	10.8806	10.8579	10.6909	10.7417
November 30, 2018	10.8862	10.8625	10.6957	10.7459
December 31, 2018	10.8222	10.7984	10.6318	10.6820
January 31, 2019	10.8756	10.8524	10.6835	10.7359
February 28, 2019	10.9142	10.8906	10.7202	10.7724
March 31, 2019	10.9458	10.9218	10.7502	10.8019
April 30, 2019	10.9756	10.9480	10.7769	10.8304
May 31, 2019	11.0625	11.0350	10.8612	10.9146
June 30, 2019	11.1022	11.0755	10.9007	10.9481
July 31, 2019	11.2241	11.1969	11.0191	11.0660
August 31, 2019	11.3286	11.3030	11.1221	11.1661
September 30, 2019	11.4074	11.3816	11.2000	11.2407
October 31, 2019	11.4263	11.4008	11.2193	11.2588
November 30, 2019	11.4634	11.4379	11.2553	11.2945
December 31, 2019	11.4725	11.4473	11.2642	11.3022

## Net Asset Value

We calculate NAV per share in accordance with the valuation guidelines that have been approved by our board of directors. Our total NAV presented in the following tables includes the NAV of our Class S, Class I, Class T, and Class D common stock, as well as the partnership interests of BREIT OP held by parties other than the Company. The following table provides a breakdown of the major components of our NAV as of December 31, 2019 (\$ and shares/units in thousands):

Components of NAV	December 31, 2019
Investments in real properties	\$ 29,225,122
Investments in real estate debt	4,523,260
Cash and cash equivalents	204,269
Restricted cash	905,433
Other assets	202,904
Mortgage notes, term loans, and revolving credit facilities, net	(17,088,862)
Repurchase agreements	(3,092,137)
Subscriptions received in advance	(796,729)
Other liabilities	(580,805)
Accrued performance participation allocation	(141,396)
Management fee payable	(13,873)
Accrued stockholder servicing fees (1)	(4,946)
Non-controlling interests in joint ventures	(240,936)
Net asset value	\$ 13,101,304
Number of outstanding shares/units	1,145,030

- (1) Stockholder servicing fees only apply to Class S, Class T, and Class D shares. See the table Reconciliation of Stockholders' Equity and BREIT OP Partners' Capital to NAV below for an explanation of the difference between the \$4.9 million accrued for purposes of our NAV and the \$478.5 million accrued under accounting principles generally accepted in the United States of America ("GAAP").

The following table provides a breakdown of our total NAV and NAV per share/unit by class as of December 31, 2019 (\$ and shares/units in thousands, except per share/unit data):

NAV Per Share	Class S Shares	Class I Shares	Class T Shares	Class D Shares	Third-party Operating Partnership Units(1)	Total
Monthly NAV	\$ 6,089,730	\$ 5,429,223	\$ 447,952	\$ 956,816	\$ 177,583	\$ 13,101,304
Number of outstanding shares/units	530,812	474,279	39,768	84,658	15,513	1,145,030
NAV Per Share/Unit as of December 31, 2019	\$ 11.4725	\$ 11.4473	\$ 11.2642	\$ 11.3022	\$ 11.4473	

- (1) Includes the partnership interests of BREIT Operating Partnership held by BREIT Special Limited Partner, Class B unit holders, and other BREIT Operating Partnership interests held by parties other than the Company.

Set forth below are the weighted averages of the key assumptions in the discounted cash flow methodology used in the December 31, 2019 valuations, based on property types. Once we own more than one office property or net lease property we will include the key assumptions for the respective property type.

Property Type	Discount Rate	Exit Capitalization Rate
Multifamily	7.8%	5.3%
Industrial	7.3%	5.7%
Hotel	9.2%	9.5%
Retail	7.7%	6.0%
Other	7.3%	7.1%

These assumptions are determined by the Adviser and reviewed by our independent valuation advisor. A change in these assumptions would impact the calculation of the value of our property investments. For example, assuming all other factors remain unchanged, the changes listed below would result in the following effects on our investment values:

Input	Hypothetical Change	Multifamily Investment Values	Industrial Investment Values	Hotel Investment Values	Retail Investment Values	Other Investment Values
Discount Rate	0.25% decrease	+1.9%	+1.7%	+1.0%	+1.8%	+1.8%
(weighted average)	0.25% increase	(1.8%)	(2.1%)	(1.0%)	(1.8%)	(1.7%)
Exit Capitalization Rate	0.25% decrease	+3.0%	+2.7%	+2.0%	+2.6%	+1.9%
(weighted average)	0.25% increase	(2.8)%	(2.9%)	(1.9%)	(2.4%)	(1.8%)

The following table reconciles stockholders' equity and BREIT OP Partners' Capital per our consolidated balance sheet to our NAV (\$ in thousands):

	December 31, 2019
Stockholders' equity under U.S. GAAP	\$ 10,305,132
Non-controlling interests attributable to BREIT OP unitholders	151,721
Redeemable non-controlling interest	272
Total partners' capital of BREIT OP	10,457,125
Adjustments:	
Accrued stockholder servicing fee	473,593
Organization and offering costs	6,136
Accrued affiliate incentive compensation awards	(14,655)
Unrealized net real estate and debt appreciation	864,880
Accumulated depreciation and amortization	1,314,225
NAV	\$ 13,101,304

The following details the adjustments to reconcile stockholders' equity under GAAP and total partners' capital of BREIT OP to our NAV:

- Accrued stockholder servicing fee represents the accrual for the full cost of the stockholder servicing fee for Class S, Class T, and Class D shares. Under GAAP, we accrued the full cost of the stockholder servicing fee payable over the life of each share (assuming such share remains outstanding the length of time required to pay the maximum stockholder servicing fee) as an offering cost at the time we sold the Class S, Class T, and Class D shares. Refer to Note 2 to our consolidated financial statements for further details of the GAAP treatment regarding the stockholder servicing fee. For purposes of NAV, we recognize the stockholder servicing fee as a reduction of NAV on a monthly basis as such fee is paid.
- The Adviser agreed to advance certain organization and offering costs on our behalf through December 31, 2017. Such costs are being reimbursed to the Adviser pro rata over 60 months beginning January 1, 2018. Under GAAP, organization costs are expensed as incurred and offering costs are charged to equity as such amounts are incurred. For NAV, such costs will be recognized as a reduction to NAV as they are reimbursed ratably over 60 months.
- Under GAAP, the affiliate incentive compensation awards are valued as of grant date and compensation expense is recognized over the service period on a straight-line basis with an offset to equity resulting in no impact to Stockholders' Equity. For purposes of NAV, we value the awards based on the performance of the applicable period and deduct such value from NAV.
- Our investments in real estate are presented under historical cost in our GAAP consolidated financial statements. Additionally, our mortgage notes, term loans, secured and unsecured revolving credit facilities, and repurchase agreements ("Debt") are recorded at their carrying value in our consolidated GAAP financial statements. As such, any increases or decreases in the fair market value of our investments in real estate or our Debt are not recorded in our GAAP results. For purposes of determining our NAV, our investments in real estate and our Debt are recorded at fair value.
- In addition, we depreciate our investments in real estate and amortize certain other assets and liabilities in accordance with GAAP. Such depreciation and amortization is excluded for purposes of determining our NAV.

## Distributions

Beginning March 31, 2017, we declared monthly distributions for each class of our common stock, which are generally paid 20 days after month-end. We have paid distributions consecutively each month since such time. Each class of our common stock received the same aggregate gross distribution per share, which was \$0.6363 per share for the year ended December 31, 2019. The net distribution varies for each class based on the applicable stockholder servicing fee, which is deducted from the monthly distribution per share and paid directly to the applicable distributor.

The following table details the net distribution for each of our share classes for the year ended December 31, 2019:

Declaration Date	Class S Shares	Class I Shares	Class T Shares	Class D Shares
January 31, 2019	\$ 0.0451	\$ 0.0530	\$ 0.0452	\$ 0.0507
February 28, 2019	0.0451	0.0522	0.0452	0.0501
March 31, 2019	0.0451	0.0530	0.0452	0.0507
April 30, 2019	0.0451	0.0528	0.0453	0.0506
May 31, 2019	0.0451	0.0531	0.0453	0.0508
June 30, 2019	0.0451	0.0529	0.0453	0.0506
July 31, 2019	0.0451	0.0531	0.0452	0.0508
August 31, 2019	0.0451	0.0532	0.0452	0.0508
September 30, 2019	0.0451	0.0531	0.0453	0.0508
October 31, 2019	0.0451	0.0534	0.0452	0.0510
November 30, 2019	0.0451	0.0531	0.0452	0.0508
December 31, 2019	0.0451	0.0534	0.0452	0.0510
Total	\$ 0.5412	\$ 0.6363	\$ 0.5428	\$ 0.6087

For the year ended December 31, 2019, we declared distributions in the amount of \$433.6 million. The following table outlines the tax character of our distributions paid in 2019 as a percentage of total distributions. The distribution declared on December 31, 2019 was paid on January 22, 2020 and is excluded from the analysis below as it will be a 2020 tax event.

2019 Tax Year	Ordinary Income	Capital Gains	Return of Capital
	8.75%(1)	1.17%(2)	90.08%
(1)	8.60% and 0.15% of the distributions paid in 2019 are non-qualified and qualified, respectively.		
(2)	13.80% of the 1.17% is the unrecaptured gain under section 1250 of the Internal Revenue Code.		

The following table details the net distribution for each of our share classes for the year ended December 31, 2018:

Declaration Date	Class S Shares	Class I Shares	Class T Shares (1)	Class D Shares (1)
January 31, 2018	\$ 0.0441	\$ 0.0517	\$ 0.0442	\$ 0.0495
February 28, 2018	0.0443	0.0513	0.0444	0.0492
March 31, 2018	0.0445	0.0522	0.0446	0.0500
April 30, 2018	0.0445	0.0520	0.0446	0.0498
May 31, 2018	0.0446	0.0524	0.0448	0.0501
June 30, 2018	0.0447	0.0522	0.0448	0.0500
July 31, 2018	0.0448	0.0526	0.0450	0.0504
August 31, 2018	0.0450	0.0528	0.0451	0.0505
September 30, 2018	0.0451	0.0527	0.0452	0.0505
October 31, 2018	0.0451	0.0530	0.0453	0.0507
November 30, 2018	0.0451	0.0527	0.0452	0.0505
December 31, 2018	0.0451	0.0530	0.0452	0.0507
Total	\$ 0.5369	\$ 0.6286	\$ 0.5384	\$ 0.6019

For the year ended December 31, 2018, we declared distributions in the amount of \$173.9 million. The following table outlines the tax character of our distributions paid in 2018 as a percentage of total distributions. The distribution declared on December 31, 2018 was paid on January 22, 2019 and is excluded from the analysis below as it is a 2019 tax event.

	Ordinary Income	Capital Gains	Unrecaptured 1250 Gain	Return of Capital
2018 Tax Year	3.11%(1)	0%	0%	96.89%

(1) 0.51% and 2.60% of the distributions paid in 2018 are non-qualified and qualified, respectively.

The following table details the net distribution for each of our share classes for the year ended December 31, 2017:

Declaration Date	Class S Shares	Class I Shares	Class T Shares (1)	Class D Shares (1)
March 31, 2017	\$ 0.0250	\$ 0.0412	\$ —	\$ —
April 30, 2017	0.0292	0.0362	—	—
May 31, 2017	0.0368	0.0441	—	0.0420
June 30, 2017	0.0445	0.0517	0.0446	0.0496
July 31, 2017	0.0428	0.0501	0.0429	0.0479
August 31, 2017	0.0430	0.0505	0.0431	0.0483
September 30, 2017	0.0434	0.0507	0.0435	0.0485
October 31, 2017	0.0436	0.0512	0.0437	0.0490
November 30, 2017	0.0438	0.0511	0.0439	0.0490
December 31, 2017	0.0438	0.0514	0.0439	0.0492
Total	\$ 0.3959	\$ 0.4782	\$ 0.3056	\$ 0.3835

(1) We did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were made for such classes of shares prior to such dates.

For the year ended December 31, 2017, we declared distributions in the amount of \$46.3 million. The following table outlines the tax character of our distributions paid in 2017 as a percentage of total distributions. The distribution declared on December 31, 2017 was paid on January 19, 2018 and is excluded from the analysis below as it is a 2018 tax event.

	Ordinary Income	Capital Gains	Unrecaptured 1250 Gain	Return of Capital
2017 Tax Year	34.15%(1)	0%	0%	65.85%

(1) 32.55% and 1.60% of the distributions paid in 2017 are non-qualified and qualified, respectively.

The following table summarizes our distributions declared during the years ended December 31, 2019, 2018 and 2017 (\$ in thousands):

	For the Year Ended December 31, 2019		For the Year Ended December 31, 2018		For the Year Ended December 31, 2017	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>Distributions</b>						
Payable in cash	\$ 169,669	39%	\$ 63,631	37%	\$ 15,825	34%
Reinvested in shares	263,897	61%	110,228	63%	30,435	66%
Total distributions	\$ 433,566	100%	\$ 173,859	100%	\$ 46,260	100%
<b>Sources of Distributions</b>						
Cash flows from operating activities	\$ 433,566	100%	\$ 173,859	100%	\$ 46,260	100%
Offering proceeds	—	—%	—	—%	—	—%
Total sources of distributions	\$ 433,566	100%	\$ 173,859	100%	\$ 46,260	100%
Cash flows from operating activities	\$ 600,927		\$ 252,682		\$ 72,285	
Funds from Operations	\$ 358,565		\$ 110,527		\$ 33,831	
Adjusted Funds from Operations	\$ 420,284		\$ 164,597		\$ 47,429	
Funds Available for Distribution	\$ 409,385		\$ 168,009		\$ 45,822	

**Funds from Operations, Adjusted Funds from Operations and Funds Available for Distribution**

We believe funds from operations (“FFO”) is a meaningful supplemental non-GAAP operating metric. Our consolidated financial statements are presented under historical cost accounting which, among other things, requires depreciation of real estate investments to be calculated on a straight-line basis. As a result, our operating results imply that the value of our real estate investments will decrease evenly over a set time period. However, we believe that the value of real estate investments will fluctuate over time based on market conditions and as such, depreciation under historical cost accounting may be less informative. FFO is a standard REIT industry metric defined by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO, as defined by NAREIT and presented below, is calculated as net income or loss (computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”)), excluding (i) gains or losses from sales of depreciable real property, (ii) impairment write-downs on depreciable real property, plus (iii) real estate-related depreciation and amortization, and (iv) similar adjustments for non-controlling interests.

We also believe that adjusted FFO (“AFFO”) is a meaningful non-GAAP supplemental disclosure of our operating results. AFFO further adjusts FFO in order for our operating results to reflect the specific characteristics of our business by adjusting for items we believe are not related to our core operations. Our adjustments to FFO to arrive at AFFO include removing the impact of (i) straight-line rental income and expense, (ii) amortization of above- and below-market lease intangibles, (iii) amortization of mortgage premium/discount, (iv) organization costs, (v) unrealized (gains) losses from changes in the fair value of real estate debt, (vi) amortization of restricted stock awards, (vii) non-cash performance participation allocation or other non-cash incentive compensation even if repurchased by us, (viii) gain or loss on involuntary conversion, and (ix) similar adjustments for non-controlling interests.

We also believe funds available for distribution (“FAD”) is an additional meaningful non-GAAP supplemental disclosure that provides useful information for considering our operating results and certain other items relative to the amount of our distributions by removing the impact of certain non-cash items from our operating results. FAD is calculated as AFFO excluding (i) realized gains (losses) on real estate debt and (ii) management fee paid in shares or BREIT OP units even if repurchased by us, and including deductions for (iii) recurring tenant improvements, leasing commissions, and other capital projects, (iv) stockholder servicing fees paid during the period, and (v) similar adjustments for non-controlling interests. FAD is not indicative of cash available to fund our cash needs and does not represent cash flows from operating activities in accordance with GAAP, as it excludes adjustments for working capital items and actual cash receipts from interest income recognized on real estate debt. Cash flows from operating activities in accordance with GAAP would generally be adjusted for such items. Furthermore, FAD is adjusted for stockholder servicing fees and recurring tenant improvements, leasing commissions, and other capital expenditures, which are not considered when determining cash flows from operating activities in accordance with GAAP.



The following table presents a reconciliation of FFO, AFFO and FAD to net loss attributable to BREIT stockholders (\$ in thousands):

	For the Year Ended December 31,		
	2019	2018	2017
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (86,258)
Adjustments to arrive at FFO:			
Real estate depreciation and amortization	824,039	406,295	121,793
Net gain on dispositions of real estate	(35,035)	—	—
Amount attributable to non-controlling interests for above adjustment	(28,668)	(14,712)	(1,704)
FFO attributable to BREIT stockholders	358,565	110,527	33,831
Adjustments to arrive at AFFO:			
Straight-line rental income and expense	(22,590)	(7,149)	(2,063)
Amortization of above- and below-market lease intangibles	(9,612)	(4,735)	(910)
Amortization of mortgage premium/discount	(285)	(233)	—
Organization costs	—	—	1,838
Unrealized (gains) losses from changes in the fair value of real estate debt	(47,651)	24,746	(2,343)
Amortization of restricted stock awards	400	212	102
Non-cash performance participation allocation	141,396	37,484	16,974
Non-cash incentive compensation awards to affiliated service providers	2,000	4,714	—
Gain on involuntary conversion	(1,389)	—	—
Amount attributable to non-controlling interests for above adjustments	(550)	(969)	—
AFFO attributable to BREIT stockholders	420,284	164,597	47,429
Adjustments to arrive at FAD:			
Realized (gains) losses on real estate debt	(6,035)	(200)	177
Management fee paid in shares	108,115	42,659	8,867
Recurring tenant improvements, leasing commissions and other capital expenditures <sup>(1)</sup>	(69,834)	(17,811)	(3,798)
Stockholder servicing fees	(42,501)	(20,909)	(6,853)
Amount attributable to non-controlling interests for above adjustments	(644)	(327)	—
FAD attributable to BREIT stockholders	\$ 409,385	\$ 168,009	\$ 45,822

(1) Recurring tenant improvements and leasing commissions are generally related to second-generation leases and other capital expenditures required to maintain our investments. Other capital expenditures exclude underwritten tenant improvements, leasing commissions and capital expenditures in conjunction with acquisitions and projects that we believe will enhance the value of our investments.

FFO, AFFO, and FAD should not be considered to be more relevant or accurate than the GAAP methodology in calculating net income (loss) or in evaluating our operating performance. In addition, FFO, AFFO, and FAD should not be considered as alternatives to net income (loss) as indications of our performance or as alternatives to cash flows from operating activities as indications of our liquidity, but rather should be reviewed in conjunction with these and other GAAP measurements. Further, FFO, AFFO, and FAD are not intended to be used as liquidity measures indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders.

#### Unregistered Sales of Equity Securities

During the year ended December 31, 2019, we sold equity securities that were not registered under the Securities Act as described below. As described in Note 11 to our consolidated financial statements, the Adviser is entitled to an annual management fee payable monthly in cash, shares of common stock, or BREIT OP Units, in each case at the Adviser's election. For the years ended December 31, 2019 and 2018, the Adviser elected to receive its management fees in Class I shares. We issued 8.4 million unregistered Class I shares to the Adviser in satisfaction of the 2019 management fees through November 2019. Additionally, we issued 1.2 million unregistered Class I shares to the Adviser in January 2020 in satisfaction of the December 2019 management fee.

The Special Limited Partner is also entitled to an annual performance participation allocation. As further described in Note 11 to the consolidated financial statements, the 2019 performance participation allocation became payable on December 31, 2019 and in January 2020, we issued approximately 11.7 million Class I units and 0.7 million Class B units in BREIT OP to the Special Limited Partner as payment for the 2019 performance participation allocation. Each Class I unit is exchangeable into one Class I share. Each issuance to the Adviser and the Special Limited Partner was made pursuant to Section 4(a)(2) of the Securities Act.

As further described in Note 11 to our consolidated financial statements, we issued incentive compensation awards to certain employees of affiliated portfolio company service providers that entitle them to receive an allocation of total return over a certain hurdle amount, as determined by us. The 2019 portfolio company incentive compensation awards of \$14.7 million became payable on December 31, 2019 and in January 2020, we issued approximately 1.3 million Class I units in BREIT OP to certain employees of our affiliated portfolio companies.

We have also sold Class I shares at the same transaction price as for Class I shares registered under the Current Offering to feeder vehicles primarily created to hold Class I shares that offers interests in such feeder vehicles to non-U.S. persons. The offer and sale of Class I shares to the feeder vehicles was exempt from the registration provisions of the Securities Act by virtue of Section 4(a)(2) and Regulation S thereunder. During the year ended December 31, 2019, we received \$2.4 billion from selling 210.7 million unregistered Class I shares to such vehicles. We intend to use the net proceeds from such sales for the purposes set forth in the prospectus for our Current Offering and in a manner within the investment guidelines approved by our board of directors, who serve as fiduciaries to our stockholders.

#### Share Repurchases

Under our share repurchase plan, to the extent we choose to repurchase shares in any particular month, we will only repurchase shares as of the opening of the last calendar day of that month (each such date, a "Repurchase Date"). Repurchases will be made at the transaction price in effect on the Repurchase Date (which will generally be equal to our prior month's NAV per share), except that shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price (an "Early Repurchase Deduction") subject to certain limited exceptions. Settlements of share repurchases will be made within three business days of the Repurchase Date. The Early Repurchase Deduction will not apply to shares acquired through our distribution reinvestment plan.

The total amount of aggregate repurchases of Class S, Class I, Class T, Class D, and Class B Units of BREIT OP is limited to no more than 2% of our aggregate NAV per month and no more than 5% of our aggregate NAV per calendar quarter.

Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Further, our board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. In the event that we determine to repurchase some but not all of the shares submitted for repurchase during any month, shares repurchased at the end of the month will be repurchased on a pro rata basis.

If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no repurchase requests will be accepted for such month and stockholders who wish to have their shares repurchased the following month must resubmit their repurchase requests.

During the three months ended December 31, 2019, we repurchased shares of our common stock in the following amounts, which represented all of the share repurchase requests received for the same period.

Month of:	Total Number of Shares Repurchased <sup>(1)</sup>	Repurchases as a Percentage of Shares Outstanding	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares Pending Repurchase Pursuant to Publicly Announced Plans or Programs <sup>(2)</sup>
October 2019	930,992	0.10%	\$ 11.37	930,992	—
November 2019	1,037,986	0.10%	11.38	1,037,986	—
December 2019	4,651,241	0.41%	11.43	4,651,241	—
Total	6,620,219	N/M	\$ 11.41	6,620,219	—

(1) Includes 3,683,550 Class I shares previously issued to the Adviser as payment for management fees. The shares were repurchased at the then-current transaction price resulting in a total repurchase of \$42.1 million. As of December 31, 2019, the Adviser owned 1.1 million of our Class I common shares.

(2) Under the share repurchase plan, we would have been able to repurchase up to an aggregate of \$522.3 million of shares of our common stock based on our September 30, 2019 NAV in the fourth quarter of 2019 (if such repurchase requests were made). Pursuant to the share repurchase plan, this amount resets at the beginning of each quarter.

As of December 31, 2019, the Special Limited Partner held 23,788 Class I units in BREIT OP received for the performance participation allocation. The redemption of Class I units are not subject to our share repurchase plan as described above.

#### ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected financial and operating data for the years ended December 31, 2019, 2018, and 2017 and for the period March 2, 2016 through December 31, 2016. The following selected consolidated historical financial data should be read in conjunction with the information set forth under Item 7. — “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes thereto that appear on pages F-2 to F-35 of this report.

	For the Year Ended December 31,			For the Period March 2, 2016 through December 31, 2016
	2019	2018	2017	
<b>Operating Data (in thousands)</b>				
Total revenues	\$ 1,686,272	\$ 723,258	\$ 157,932	\$ —
Total expenses	1,866,396	837,761	226,858	115
Total other income (expense)	(234,119)	(176,962)	(18,624)	—
Net loss	(414,243)	(291,465)	(87,550)	(115)
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (86,258)	\$ (115)
<b>Per Share Data</b>				
Net loss per share of common stock — basic and diluted	\$ (0.54)	\$ (0.91)	\$ (0.90)	\$ (5.74)
Gross distributions declared per share of common stock <sup>(1)</sup>	\$ 0.64	\$ 0.63	\$ 0.48	\$ —
<b>Balance Sheet Data (in thousands)</b>				
Total assets	\$ 33,039,823	\$ 13,237,158	\$ 4,625,308	\$ 200
Real estate, net	26,326,868	10,259,687	3,406,555	—
Investments in real estate debt	4,523,260	2,259,913	915,742	—
Mortgage notes, term loans, and revolving credit facilities, net	16,929,659	6,833,269	2,111,291	—
Repurchase agreements	3,092,137	1,713,723	682,848	—
Total equity	10,614,648	3,914,954	1,509,639	85

(1) Represents the gross distributions declared for Class S and Class I shares for the year ended December 31, 2017. We did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were declared for Class D or Class T shares prior to such date.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Annual Report on Form 10-K. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those in this discussion as a result of various factors, including but not limited to those discussed in Part I Item 1A — "Risk Factors" in this Annual Report on Form 10-K.*

### Overview

BREIT invests primarily in stabilized income-oriented commercial real estate in the United States and, to a lesser extent, real estate debt. Our objective is to bring Blackstone's leading real estate investment platform with an institutional fee structure and monthly liquidity features to individual investors. We are externally managed by BX REIT Advisors L.L.C. (the "Adviser"), a subsidiary of The Blackstone Group Inc. ("Blackstone"). We are the sole general partner of BREIT Operating Partnership L.P. ("BREIT OP"), a Delaware limited partnership, and we own substantially all of our assets through BREIT OP. We currently operate our business in eight reportable segments: Industrial, Multifamily, Net Lease, Hotel, Retail, Office and Other Properties, and real estate debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas ("Bellagio").

BREIT is a non-exchange traded, perpetual life real estate investment trust ("REIT") that qualifies as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") for U.S. federal income tax. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT.

We had registered with the Securities and Exchange Commission (the "SEC") an offering of up to \$5.0 billion in shares of common stock (the "Initial Offering") and accepted aggregate gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. We subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock (in any combination of purchases of Class S, Class I, Class T, and Class D shares of our common stock), consisting of up to \$10.0 billion in shares in our primary offering and up to \$2.0 billion in shares pursuant to our distribution reinvestment plan, which we began using to offer shares of our common stock in January 2019 (the "Current Offering" and with the Initial Offering, the "Offering"). The share classes have different upfront selling commissions and ongoing stockholder servicing fees.

As of March 24, 2020, we had received net proceeds of \$17.5 billion from selling an aggregate of 1,588,293,255 shares of our common stock (consisting of 643,054,511 Class S shares, 798,498,578 Class I shares, 46,710,253 Class T shares, and 100,029,913 Class D shares). We have contributed the net proceeds to BREIT OP in exchange for a corresponding number of Class S, Class I, Class T, and Class D units. BREIT OP has primarily used the net proceeds to make investments in real estate and real estate debt as further described below under "— Portfolio".

### 2019 Highlights

Operating results:

- Raised \$7.8 billion of proceeds during the year ended December 31, 2019 from the sale of our common stock.
- Declared monthly net distributions totaling \$433.6 million for the year ended December 31, 2019 resulting in annualized distribution rates of 4.7% for Class S, 5.6% for Class I, 4.8% for Class T, and 5.4% for Class D. The annualized distribution rate is calculated as the current month's distribution annualized and divided by the prior month's net asset value, which is inclusive of all fees and expenses. Management believes the annualized distribution rate is a useful measure of the overall investment performance of our shares.
- 2019 total return without upfront selling commissions of 11.3% for Class S, 12.2% for Class I, 11.3% for Class T, and 11.8% for Class D shares. Total return assuming maximum upfront selling commissions of 7.5% for Class S, 7.5% for Class T shares and 10.2% for Class D. Total return is calculated as the change in NAV per share during the respective periods, assuming any distributions are reinvested in accordance our distribution reinvestment plan. Management believes total return is a useful measure of the overall investment performance of our shares.

- Inception-to-date total return without upfront selling commissions of 9.6% for Class S, 10.4% for Class I, 9.9% for Class T, and 10.6% for Class D shares. Total return assuming maximum upfront selling commissions of 8.3% for Class S, 8.4% for Class T shares and 10.0% for Class D. Total return is calculated as the change in NAV per share during the respective periods, assuming any distributions are reinvested in accordance our distribution reinvestment plan. Management believes total return is a useful measure of the overall investment performance of our shares.

#### Investments:

- Closed 53 real estate transactions with a total purchase price of \$17.0 billion during the year ended December 31, 2019, resulting in a diversified portfolio of stabilized (94% portfolio occupancy, excluding our hotel and net lease investments) income-producing commercial real estate assets concentrated in high growth markets across the U.S. The following are our top acquisitions for the year:
  - In September 2019, we acquired the Jupiter 12 Industrial Portfolio, a 64 million square foot income-oriented, high-quality, industrial portfolio in well-located, in-fill locations for \$5.5 billion, inclusive of closing costs.
  - In November 2019, we acquired the real estate assets of The Bellagio Las Vegas from MGM Resorts International (“MGM”) in a 95%/5% Company controlled joint venture with MGM for \$4.3 billion, inclusive of closing costs. The acquisition was part of a sale-leaseback transaction whereby the joint venture entered into a triple-net lease agreement with MGM which benefits from a full corporate guarantee of rent payments by MGM.
- In June 2019, we sold the parking garage attached to the Hyatt Place San Jose Downtown property to a third party. Net proceeds from the sale were \$44.3 million which resulted in a realized gain of \$29.7 million.
- Subsequent to December 31, 2019, we closed a transaction to form a new joint venture with MGM Growth Properties LLC (“MGP”) to acquire the Las Vegas real estate assets of the MGM Grand and Mandalay Bay for \$4.6 billion. MGP owns 50.1% of the joint venture, and we own 49.9%. At closing, the joint venture entered into a long-term triple net master lease with MGM which benefits from a full corporate guarantee of rent payments by MGM.
- Made 141 investments in real estate debt with a total cost basis of \$2.8 billion during the year ended December 31, 2019, consisting of CMBS, RMBS, corporate bonds, and mezzanine and term loans of real estate-related companies.

#### Financings:

- Continued our strategy of obtaining revolving credit capacity to provide additional access to liquidity by adding an additional \$1.4 billion of revolving credit capacity, including a \$900.0 million line of credit with multiple banks during the year ended December 31, 2019.
- Closed or assumed an aggregate of \$10.1 billion in property-level financing and obtained an additional \$1.4 billion of financings secured by our investments in real estate debt during the year ended December 31, 2019.

#### Overall Portfolio:

- Our 1,054 properties as of December 31, 2019 consisted of Industrial (39% based on fair value), Multifamily (37%), Net Lease (14%), Hotel (8%), Retail (1%), Office (<1%), and Other (<1%) and our portfolio of real estate was concentrated in the following regions: West (42%), South (32%), East (16%), and Midwest (10%).
- Investments in real estate debt as of December 31, 2019 were diversified by credit rating — BB (37% based on fair value), B (21%), BBB (20%), Other (15%), and A (7%) and collateral backing — Hotel (48%), Office (18%), Multifamily (14%), Industrial (9%), Diversified (5%), and Other (6%).

**Portfolio**

*Summary of Portfolio*

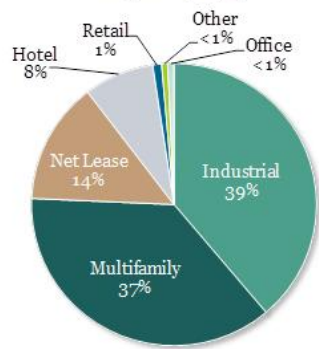
The following chart outlines the allocation of our investments in real properties and real estate debt based on fair value as of December 31, 2019:

**Asset Allocation**

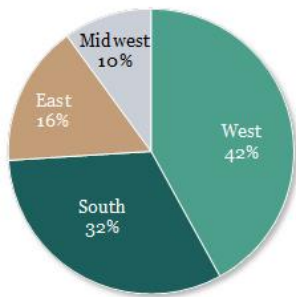


The following charts further describe the diversification of our investments in real properties based on fair value as of December 31, 2019:

**Property Type**



**Geography**



# Investments in Real Estate

As of December 31, 2019, we had acquired 1,054 properties resulting in a diversified portfolio of income producing assets primarily consisting of Multifamily and Industrial properties, and to a lesser extent Net Lease, Hotel, Retail, Office and Other properties, concentrated in growth markets across the U.S. The following table provides a summary of our portfolio as of December 31, 2019:

Segment	Number of Properties	Sq. Feet (in thousands)/ Units/Keys	Occupancy Rate <sup>(1)</sup>	Average Effective Annual Base Rent Per Leased Square Foot or Unit <sup>(2)</sup>	Gross Asset Value <sup>(3)</sup> (\$ in thousands)	Segment Revenue (\$ in thousands)	Percentage of Total Revenue
Industrial	766	126,922 sq. ft.	95%	\$ 5.63	\$ 11,076,936	\$ 464,251	28%
Multifamily <sup>(4)</sup>	199	62,534 units	94%	\$ 13,309	10,879,828	712,513	42%
Net Lease	1	8,507 sq. ft.	N/A	N/A	4,265,530	42,317	3%
Hotel	59	9,964 keys	78%	\$167.60/\$131.28	2,296,929	441,750	26%
Retail	7	1,244 sq. ft.	99%	\$ 22.17	427,170	16,267	1%
Office	1	228 sq. ft.	95%	\$ 24.56	126,358	2,205	—%
Other	21	1,347 sq. ft.	87%	\$ 11.35	152,371	6,969	—%
Total	1,054				\$ 29,225,122	\$ 1,686,272	100%

- (1) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of December 31, 2019. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of December 31, 2019. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the three months ended December 31, 2019. The occupancy rate for our hotel investments includes paid occupied rooms for the twelve months ended December 31, 2019. Hotels owned less than twelve months are excluded from the average occupancy rate calculation.
- (2) For industrial, manufactured housing, retail, and self-storage properties, represents the annualized December 31, 2019 base rent per leased square foot or unit and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization. For student housing and other multifamily properties, represents the base rent for the year ended December 31, 2019, per leased unit and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization. For hotel properties, represents Average Daily Rate (“ADR”) and Revenue Per Available Room (“RevPAR”), respectively, for the twelve months ended December 31, 2019. Hotels owned less than twelve months are excluded from the ADR and RevPAR calculations.
- (3) Based on fair value as of December 31, 2019.
- (4) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.

# Real Estate

The following table provides information regarding our portfolio of real properties as of December 31, 2019:

Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
<b>Industrial:</b>						
Stockton Industrial Park	1	Stockton, CA	Feb. 2017	100%	878 sq. ft.	86%
HS Industrial Portfolio	37	Various(4)	April 2017	100%	5,899 sq. ft.	95%
Fairfield Industrial Portfolio	11	Fairfield, NJ	Sept. 2017	100%	578 sq. ft.	100%
Southeast Industrial Portfolio	5	Various(5)	Nov. 2017	100%	1,927 sq. ft.	97%
Kraff Chicago Industrial Portfolio	3	Aurora, IL	Jan. 2018	100%	1,693 sq. ft.	100%
Canyon Industrial Portfolio	145	Various(6)	March 2018	100%	21,174 sq. ft.	95%
HP Cold Storage Industrial Portfolio	6	Various(7)	May 2018	100%	2,252 sq. ft.	100%
Meridian Industrial Portfolio	106	Various(8)	Nov. 2018	99%(8)	14,011 sq. ft.	93%
Stockton Distribution Center	1	Stockton, CA	Dec. 2018	100%	987 sq. ft.	100%
Summit Industrial Portfolio	8	Atlanta, GA	Dec. 2018	100%	631 sq. ft.	97%
4500 Westport Drive	1	Harrisburg, PA	Jan. 2019	100%	179 sq. ft.	100%
Morgan Savannah	1	Savannah, GA	April 2019	100%	357 sq. ft.	100%
Minneapolis Industrial Portfolio	34	Minneapolis, MN	April 2019	100%	2,460 sq. ft.	94%
Atlanta Industrial Portfolio	61	Atlanta, GA	May 2019	100%	3,779 sq. ft.	95%
D.C. Powered Shell Warehouse Portfolio	9	Ashburn & Manassas, VA	June 2019	90%	1,471 sq. ft.	100%
Patriot Park	2	Durham, NC	Sept. 2019	100%	323 sq. ft.	83%
Denali Industrial Portfolio	18	Various(9)	Sept. 2019	100%	4,098 sq. ft.	100%
Jupiter 12 Industrial Portfolio	316	Various(10)	Sept. 2019	100%	63,965 sq. ft.	94%
2201 Main Street	1	San Diego, CA	Oct. 2019	100%	260 sq. ft.	N/A
<b>Total Industrial</b>	<b>766</b>				<b>126,922 sq. ft.</b>	
<b>Multifamily:</b>						
Sonora Canyon Apartments	1	Mesa, AZ	Feb. 2017	100%	388 units	95%
TA Multifamily Portfolio	6	Various(11)	April 2017	100%	2,514 units	95%
Emory Point	1	Atlanta, GA	May 2017	100%	750 units	97%
Nevada West Multifamily	3	Las Vegas, NV	May 2017	100%	972 units	94%
Mountain Gate & Trails Multifamily	2	Las Vegas, NV	June 2017	100%	539 units	94%
Elysian West Multifamily	1	Las Vegas, NV	July 2017	100%	466 units	93%
Harbor 5 Multifamily	5	Dallas, TX	Aug. 2017	100%	1,192 units	95%
Gilbert Multifamily	2	Gilbert, AZ	Sept. 2017	90%	748 units	96%
Domin & GreenVue Multifamily	2	Dallas, TX	Sept. 2017	100%	803 units	96%
ACG II Multifamily	4	Various(12)	Sept. 2017	94%	932 units	94%
Olympus Multifamily	3	Jacksonville, FL	Nov. 2017	95%	1,032 units	94%
Anbegen West Multifamily	1	Hillsboro, OR	Nov. 2017	100%	396 units	93%
Aston Multifamily Portfolio	20	Various(13)	Various(13)	90%	4,584 units	95%
Talavera and Flamingo Multifamily	2	Las Vegas, NV	Dec. 2017	100%	674 units	94%
Walden Pond & Montair Multifamily Portfolio	2	Everett, WA & Thornton, CO	Dec. 2017	95%	635 units	93%
Signature at Kendall Multifamily	1	Miami, FL	Dec. 2017	100%	546 units	96%
The Boulevard	1	Phoenix, AZ	April 2018	100%	294 units	96%
Blue Hills Multifamily	1	Boston, MA	May 2018	100%	472 units	95%
Wave Multifamily Portfolio	6	Various(14)	May 2018	100%	2,199 units	95%
ACG III Multifamily	2	Gresham, OR & Turlock, CA	May 2018	95%	475 units	92%
Carroll Florida Multifamily	2	Jacksonville & Orlando, FL	May 2018	100%	716 units	95%
Solis at Flamingo	1	Las Vegas, NV	June 2018	95%	524 units	94%
Velaire at Aspera	1	Phoenix, AZ	July 2018	100%	286 units	93%
Coyote Multifamily Portfolio	6	Phoenix, AZ	Aug. 2018	100%	1,752 units	94%
Avanti Apartments	1	Las Vegas, NV	Dec. 2018	100%	414 units	95%
Gilbert Heritage Apartments	1	Phoenix, AZ	Feb. 2019	90%	256 units	95%
Roman Multifamily Portfolio	14	Various(15)	Feb. 2019	100%	3,743 units	94%
Elevation Plaza Del Rio	1	Phoenix, AZ	April 2019	90%	333 units	93%
Courtney at Universal Multifamily	1	Orlando, FL	April 2019	100%	355 units	94%
Citymark Multifamily 2-Pack	2	Various(16)	April 2019	95%	608 units	94%
Tri-Cities Multifamily 2-Pack	2	Richland & Kennewick, WA	April 2019	95%	428 units	93%
Raider Multifamily Portfolio	4	Las Vegas, NV	Various(17)	100%	1,514 units	89%
Bridge II Multifamily Portfolio	6	Various(18)	Various(18)	100%	2,363 units	94%
Miami Doral 2-Pack	2	Miami, FL	May 2019	100%	720 units	95%
Davis Multifamily 2-Pack	2	Various(19)	May 2019	100%	454 units	96%
Slate Savannah	1	Savannah, GA	May 2019	90%	272 units	94%
Amara at MetroWest	1	Orlando, FL	May 2019	95%	411 units	93%
Colorado 3-Pack	3	Denver & Fort Collins, CO	May 2019	100%	855 units	96%
Edge Las Vegas	1	Las Vegas, NV	June 2019	95%	296 units	93%
ACG IV Multifamily	2	Various(20)	June 2019	95%	606 units	93%
Perimeter Multifamily 3-Pack	3	Atlanta, GA	June 2019	100%	691 units	93%



Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
Anson at the Lakes	1	Charlotte, NC	June 2019	100%	694 units	93%
San Valiente Multifamily	1	Phoenix, AZ	July 2019	95%	604 units	89%
Edgewater at the Cove	1	Oregon City, OR	Aug. 2019	100%	244 units	91%
Haven 124	1	Denver, CO	Sept. 2019	100%	562 units	92%
Villages at McCullers Walk Multifamily	1	Raleigh, NC	Oct. 2019	100%	412 units	89%
Canopy at Citrus Park Multifamily	1	Largo, FL	Oct. 2019	90%	318 units	92%
Ridge Multifamily Portfolio	4	Las Vegas, NV	Oct. 2019	90%	1,220 units	94%
Charleston on 66th Multifamily	1	Tampa, FL	Nov. 2019	95%	258 units	92%
Evolve at Timber Creek Multifamily	1	Gaithersburg, MD	Nov. 2019	100%	304 units	65%
Solis at Towne Center Multifamily	1	Glendale, AZ	Nov. 2019	100%	240 units	96%
Arches at Hidden Creek Multifamily	1	Chandler, AZ	Nov. 2019	98%	432 units	97%
Terra Multifamily	1	Austin, TX	Dec. 2019	100%	372 units	90%
Arium Multifamily Portfolio	5	Various(21)	Dec. 2019	100%	1,684 units	94%
Highroads MH	3	Phoenix, AZ	April 2018	99%	265 units	94%
Evergreen Minari MH	2	Phoenix, AZ	June 2018	99%	115 units	97%
Southwest MH	14	Various(22)	June 2018	99%	3,065 units	83%
Hidden Springs MH	1	Desert Hot Springs, CA	July 2018	99%	317 units	86%
SVPAC MH	2	Phoenix, AZ	July 2018	99%	234 units	95%
Royal Vegas MH	1	Las Vegas, NV	Oct. 2018	99%	176 units	68%
Rivercrest MH	1	Tamara, FL	Dec. 2018	99%	130 units	86%
Angler MH Portfolio	5	Phoenix, AZ	April 2019	99%	939 units	84%
Florida MH 4-Pack	4	Various(23)	Various	99%	795 units	83%
Impala MH	3	Phoenix & Chandler, AZ	July 2019	99%	336 units	95%
EdR Student Housing Portfolio	20	Various(24)	Sept. 2018	95%	10,610 units	97%
Total Multifamily	199				62,534 units	
<i>Net Lease:</i>						
Bellagio	1	Las Vegas, NV	Nov. 2019	95%	8,507 sq. ft.	N/A
Total Net Lease	1				8,507 sq. ft.	
<i>Hotel:</i>						
Hyatt Place UC Davis	1	Davis, CA	Jan. 2017	100%	127 keys	81%
Hyatt Place San Jose Downtown	1	San Jose, CA	June 2017	100%	240 keys	79%
Florida Select-Service 4-Pack	4	Tampa & Orlando, FL	July 2017	100%	472 keys	80%
Hyatt House Downtown Atlanta	1	Atlanta, GA	Aug. 2017	100%	150 keys	79%
Boston/Worcester Select-Service 3-Pack	3	Boston & Worcester, MA	Oct. 2017	100%	374 keys	80%
Henderson Select-Service 2-Pack	2	Henderson, NV	May 2018	100%	228 keys	84%
Orlando Select-Service 2-Pack	2	Orlando, FL	May 2018	100%	254 keys	93%
Corporon Select Service Portfolio	5	Various(25)	Aug. 2018	100%	601 keys	76%
JW Marriott San Antonio Hill Country Resort	1	San Antonio, TX	Aug. 2018	100%	1,002 keys	71%
Hampton Inn & Suites Federal Way	1	Seattle, WA	Oct. 2018	100%	142 keys	81%
Staybridge Suites Reno	1	Reno, NV	Nov. 2018	100%	94 keys	80%
Salt Lake City Select Service 3 Pack	3	Salt Lake City, UT	Nov. 2018	60%	454 keys	81%
Courtyard Kona	1	Kailua-Kona, HI	March 2019	100%	452 keys	N/A
Raven Select Service Portfolio	21	Various(26)	June 2019	100%	2,555 keys	N/A
Urban 2-Pack	2	Chicago, IL & Arlington, VA	July 2019	100%	636 keys	N/A
Hyatt Regency Atlanta	1	Atlanta, GA	Sept. 2019	100%	1,260 keys	N/A
RHW Portfolio	9	Various(27)	Nov. 2019	100%	923 keys	N/A
Total Hotel	59				9,964 keys	
<i>Retail:</i>						
Bakers Centre	1	Philadelphia, PA	March 2017	100%	237 sq. ft.	99%
Plaza Del Sol Retail	1	Burbank, CA	Oct. 2017	100%	166 sq. ft.	100%
Vista Center	1	Miami, FL	Aug. 2018	100%	91 sq. ft.	94%
El Paseo Sini Valley	1	Sini Valley, CA	June 2019	100%	109 sq. ft.	97%
Towne Center East	1	Signal Hill, CA	Sept. 2019	100%	163 sq. ft.	100%
Plaza Pacoima	1	Pacoima, CA	Oct. 2019	100%	204 sq. ft.	100%
Canarsie Plaza	1	Brooklyn, NY	Dec. 2019	100%	274 sq. ft.	98%
Total Retail	7				1,244 sq. ft.	
<i>Office:</i>						
EmeryTech Office	1	Emeryville, CA	Oct. 2019	100%	228 sq. ft.	95%
Total Office	1				228 sq. ft.	
<i>Other:</i>						
East Coast Storage Portfolio	21	Various(28)	Aug. 2019	97%	1,347 sq. ft.	87%
Total Other	21				1,347 sq. ft.	
Total Investments in Real Estate	1,054					

- (1) Certain of the joint venture agreements entered into by the Company provide the seller or the other partner a profits interest based on certain internal rate of return hurdles being achieved. Such investments are consolidated by us and any profits interest due to the other partner is reported within non-controlling interests.
- (2) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.
- (3) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of December 31, 2019. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of December 31, 2019. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the three months ended December 31, 2019. The occupancy rate for our hotel investments is the average occupancy rate for the twelve months ended December 31, 2019. Hotels owned less than twelve months are excluded from the average occupancy rate calculation.
- (4) The HS Industrial Portfolio is located in six submarkets: Atlanta, GA (38% of square feet), Chicago, IL (25%), Houston, TX (17%), Harrisburg, PA (10%), Dallas, TX (8%) and Orlando, FL (2%).
- (5) The Southeast Industrial Portfolio is located in Jacksonville, FL (53% of square feet), Atlanta, GA (26%), and Nashville, TN (21%).
- (6) The Canyon Industrial Portfolio is primarily concentrated in Chicago, IL (19% of square feet), Dallas, TX (15%), Indianapolis, IN (9%), Baltimore/Washington, D.C. (9%), and Columbus, OH (7%).
- (7) The HP Cold Storage Industrial Portfolio is located in four markets: Stockton, CA (52% of square feet), Atlanta, GA (24%), Baltimore, MD (18%), and Austin, TX (6%).
- (8) The Meridian Industrial Portfolio consists of 106 industrial properties primarily concentrated in Memphis, TN (23% of square feet), Orlando, FL (19%), Jacksonville, FL (10%), Atlanta, GA (9%), Richmond, VA (7%), and Winston-Salem, NC (7%). We own a 99% joint venture interest in 74 of the properties and wholly own the other 32 properties.
- (9) The Denali Industrial Portfolio is located in Indianapolis, IN (41% of square feet), Grove City, OH (22%), Hebron, KY (19%), Cincinnati, OH (14%), and West Chester, OH (4%).
- (10) The Jupiter 12 Industrial Portfolio is primarily concentrated in Dallas, TX (14% of square feet), Chicago, IL (12%), Harrisburg, PA (9%), Atlanta, GA (8%), Cincinnati, OH (6%), Columbus, OH (5%), Orlando, FL (5%) and Indianapolis, IN (5%).
- (11) The TA Multifamily Portfolio consists of a 32-floor property in downtown Orlando, FL (19% of units) and five garden style properties located in the suburbs of Palm Beach Gardens, FL (19%), Chicago, IL (19%), Orlando, FL (17%), Dallas, TX (14%), and Kansas City, KS (12%).
- (12) The ACG II Multifamily Portfolio consists of four garden style properties in Gilbert, AZ (30% of units), Modesto, CA (25%), Olympia, WA (24%), and Flagstaff, AZ (21%).
- (13) The Aston Multifamily Portfolio had closings in November 2017 and January 2018 and is located in four markets: Austin/San Antonio, TX (47% of units), Dallas/Fort Worth, TX (21%), Nashville, TN (18%), and Louisville, KY (14%).
- (14) The Wave Multifamily Portfolio is located in five markets: Greater Seattle, WA (29% of units), Sacramento, CA (28%), Las Vegas, NV (22%), Spokane, WA (14%), and Portland, OR (7%).
- (15) The Roman Multifamily Portfolio is primarily concentrated in Riverside, CA (18% of units), Denver, CO (13%), Tampa, FL (10%), Orlando, FL (9%), Charlotte, NC (9%), Portland, OR (8%), and Dallas, TX (8%).
- (16) The Citymark Multifamily 2-Pack is located in Las Vegas, NV (61% of units) and Lithia Springs, GA (39%).
- (17) The Raider Multifamily Portfolio had closings in April, June and November of 2019.
- (18) The Bridge II Multifamily Portfolio had closings in April, June and July of 2019 and is located in Charlotte, NC (34% of units), Phoenix, AZ (20%), Lakeland, FL (18%), Corona Hills, CA (14%), and Moreno Valley, CA (14%).
- (19) The Davis Multifamily 2-Pack is located in Jacksonville, FL (56% of units) and Raleigh, NC (44%).
- (20) ACG IV Multifamily is located in Puyallup, WA (74% of units) and Woodland, CA (26%).
- (21) The Arium Multifamily Portfolio is primarily located in Ocoee, FL (27% of units), Arlington, TX (24%), Huntersville, NC (18%), Orlando, FL (16%), and Oviedo, FL (15%).
- (22) Southwest MH is located in three markets: Phoenix, AZ (86% of sites), San Diego, CA (11%), and Palm Desert, CA (3%).
- (23) The Florida MH 4-Pack had closings in April and July of 2019 and is located in Waldorf, MD (39% of sites), Winter Haven, FL (26%), Naples, FL (18%), and Tarpon Springs, FL (17%).
- (24) The EdR Student Housing Portfolio consists of 10,610 beds primarily concentrated at Penn State University (15% of beds), University of Arizona (10%), University of Virginia (8%), Arizona State University (8%) and Virginia Tech (8%).
- (25) The Corporex Select Service Portfolio is located in five markets: Phoenix, AZ (24% of keys), Reno, NV (23%), Salt Lake City, UT (20%), Sonoma, CA (17%), and Tampa, FL (16%).
- (26) The Raven Select Service Portfolio is primarily concentrated in Fort Lauderdale/West Palm Beach, FL (24% of keys), Austin/San Antonio, TX (14%), Salt Lake City, UT (10%), Boulder, CO (10%), Durham, NC (7%), Minneapolis, MN (7%), and Chicago, IL (6%).
- (27) The RHW Select Service Portfolio is located in Colorado Springs, CO (60% of keys), Glendale, AZ (27%), and Scottsdale, AZ (13%).

(28) The East Coast Storage Portfolio is concentrated in Fayetteville, NC (17% of square feet), Tallahassee, FL (13%), Raleigh, NC (8%), New York/New Jersey (8%), Chattanooga, TN (6%), and Miami/Fort Lauderdale, FL (6%).

Subsequent to December 31, 2019, we acquired an aggregate of \$2.7 billion of real estate (not including the MGM Grand and Mandalay Bay transaction described in the 2019 Highlights section above) across eight separate transactions, exclusive of closing costs. The acquisitions were related to multifamily, industrial and retail properties.

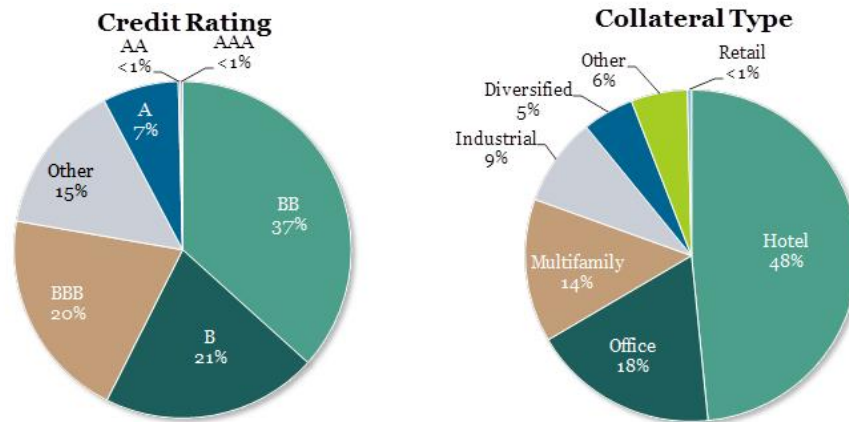
#### Investments in Real Estate Debt

As of December 31, 2019, our real estate debt consisted of 174 investments in CMBS, nine investments in RMBS, 12 corporate bond investments and eight loans. The following table details our investments in real estate debt as of December 31, 2019 (\$ in thousands):

Number of Positions	Credit Rating(1)	Collateral(2)	Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/Notional(5)	Cost Basis	Fair Value
<b>CMBS - Floating:</b>							
43	BB	Hospitality, Industrial, Multifamily, Office, Other, Diversified	L+2.82%	1/24/2025	\$ 996,720	\$ 994,189	\$ 997,022
30	BBB	Hospitality, Industrial, Multifamily, Office, Other	L+2.29%	3/24/2025	746,053	743,664	745,510
23	B	Hospitality, Industrial, Multifamily, Office	L+3.36%	12/8/2024	608,775	607,367	608,826
9	A	Hospitality, Industrial, Office, Retail, Diversified	L+2.04%	11/14/2024	318,881	318,117	319,227
1	AA	Office	L+4.25%	9/9/2020	8,257	8,332	8,277
16	Other	Hospitality, Multifamily	L+2.62%	7/2/2025	228,394	227,887	228,090
122						2,899,556	2,906,952
<b>CMBS - Fixed:</b>							
11	BB	Hospitality, Multifamily, Office, Diversified	3.8%	3/19/2028	297,379	283,944	282,977
7	B	Hospitality, Multifamily, Office, Diversified	4.3%	1/27/2026	169,039	166,167	166,085
14	BBB	Hospitality, Multifamily, Diversified	4.0%	1/22/2027	143,559	140,855	144,390
11	Other	Hospitality, Multifamily, Office, Diversified	4.6%	11/7/2027	240,761	238,437	238,518
43						829,403	831,970
<b>Corporate Bonds:</b>							
8	BB	Hospitality, Multifamily, Diversified	5.1%	4/15/2027	221,986	220,757	230,006
4	B	Hospitality, Multifamily, Other	5.9%	6/29/2026	54,316	55,739	58,105
12						276,496	288,111
<b>CMBS - Zero Coupon:</b>							
1	BB	Multifamily	N/A	4/8/2025	27,273	20,590	20,866
3	Other	Multifamily	N/A	4/24/2027	208,817	106,629	115,161
4						127,219	136,027
<b>RMBS - Fixed:</b>							
8	BB	Multifamily	4.0%	9/13/2028	25,528	25,534	25,482
1	B	Multifamily	6.3%	5/16/2027	3,787	3,972	3,966
9						29,506	29,448
<b>CMBS - Interest Only:</b>							
2	AAA	Multifamily	0.1%	6/12/2026	1,799,254	9,554	9,550
1	BBB	Multifamily	0.1%	1/21/2028	225,803	1,372	1,371
1	A	Multifamily	0.1%	5/19/2025	194,399	914	913
1	Other	Multifamily	4.5%	12/17/2026	42,024	11,724	11,713
5						23,564	23,547
195						4,185,744	4,216,055
<b>Term Loans:</b>							
5	B	Hospitality, Industrial	L+3.71%	1/8/2025	73,952	73,364	72,605
1	BB	Diversified	L+2.75%	5/15/2026	54,155	53,916	54,290
1	Other	Multifamily	L+1.70%	2/6/2022	47,132	46,186	46,234
7						173,466	173,129
<b>Mezzanine Loans:</b>							
1	Other	Hospitality	L+6.86%	12/15/2024	134,750	134,078	134,076
8						307,544	307,205
203						\$ 4,493,288	\$ 4,523,260

- (1) AAA represents credit ratings of AAA and AAA-, A represents credit ratings of A+, A, and A-, BBB represents credit ratings of BBB+, BBB, and BBB-, BB represents credit ratings of BB+, BB, and BB-, and B represents credit ratings of B+, B, and B-. Other consists of investments that, as of December 31, 2019, were either not ratable or have not been submitted to rating agencies.
- (2) Multifamily real estate debt is collateralized by various forms of rental housing including single-family homes and apartments.
- (3) The term "L" refers to the one-month U.S. dollar-denominated London Interbank Offer Rate ("LIBOR"). As of December 31, 2019, one-month LIBOR was equal to 1.8%.
- (4) Weighted average maturity date is based on the fully extended maturity date of the underlying collateral.
- (5) Represents notional amount for CMBS interest only positions.

The following charts further describe the diversification of our real estate debt investments by credit rating and collateral type based on fair value as of December 31, 2019:



- (1) AAA represents credit ratings of AAA and AAA-, A represents credit ratings of A+, A, and A-, BBB represents credit ratings of BBB+, BBB, and BBB-, BB represents credit ratings of BB+, BB, and BB-, and B represents credit ratings of B+, B, and B-. Other consists of investments that as of December 31, 2019, were either not ratable or have not been submitted to ratings agencies.

Subsequent to December 31, 2019, we purchased an aggregate of \$482.1 million of real estate debt.

### Lease Expirations

The following schedule details the expiring leases at our industrial, retail, office and net lease properties by annualized base rent and square footage as of December 31, 2019 (\$ and square feet data in thousands). The table below excludes our multifamily and self-storage properties as substantially all leases at such properties expire within 12 months.

Year	Number of Expiring Leases	Annualized Base Rent(1)	% of Total Annualized Base Rent Expiring	Square Feet	% of Total Square Feet Expiring
2020	353	\$ 64,345,312	7%	11,794,010	9%
2021	437	99,418,449	11%	19,205,024	15%
2022	466	110,931,079	12%	18,740,450	15%
2023	346	114,364,545	12%	19,580,541	16%
2024	306	76,281,679	8%	12,066,080	10%
2025	147	43,689,482	5%	7,272,654	6%
2026	63	50,780,787	5%	11,708,710	9%
2027	64	48,297,369	5%	7,726,245	6%
2028	48	28,183,839	3%	3,286,971	3%
2029	42	27,093,309	3%	3,839,062	3%
Thereafter	86	280,237,646	30%	9,874,102	8%
Total	2,358	\$ 943,623,496	100%	125,093,849	100%

(1) Annualized base rent is determined from the annualized December 31, 2019 base rent per leased square foot of the applicable year and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization.

### Affiliate Service Providers

For details regarding our affiliate service providers, see Note 11 to our consolidated financial statements.

### Results of Operations

The following table sets forth information regarding our consolidated results of operations (\$ in thousands):

	For the Year Ended December 31,		2019 vs. 2018
	2019	2018	\$
<b>Revenues</b>			
Rental revenue	\$ 1,201,613	\$ 558,664	\$ 642,949
Hotel revenue	432,892	138,433	294,459
Other revenue	51,767	26,161	25,606
<b>Total revenues</b>	<b>1,686,272</b>	<b>723,258</b>	<b>963,014</b>
<b>Expenses</b>			
Rental property operating	469,966	243,093	226,873
Hotel operating	304,710	97,248	207,462
General and administrative	18,170	10,982	7,188
Management fee	108,115	42,659	65,456
Performance participation allocation	141,396	37,484	103,912
Depreciation and amortization	824,039	406,295	417,744
<b>Total expenses</b>	<b>1,866,396</b>	<b>837,761</b>	<b>1,028,635</b>
<b>Other income (expense)</b>			
Income from investments in real estate debt	213,062	55,323	157,739
Net gain on dispositions of real estate	35,035	—	35,035
Interest income	3,041	410	2,631
Interest expense	(487,517)	(233,184)	(254,333)
Other income (expense)	2,260	489	1,771
<b>Total other income (expense)</b>	<b>(234,119)</b>	<b>(176,962)</b>	<b>(57,157)</b>
<b>Net loss</b>	<b>\$ (414,243)</b>	<b>\$ (291,465)</b>	<b>\$ (122,778)</b>
Net loss attributable to non-controlling interests in third party joint ventures	\$ 5,671	\$ 6,188	\$ (517)
Net loss attributable to non-controlling interests in BREIT OP	6,801	4,221	2,580
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (120,715)
<b>Net loss per share of common stock — basic and diluted</b>	<b>\$ (0.54)</b>	<b>\$ (0.91)</b>	<b>\$ 0.37</b>

#### *Revenues, Rental Property Operating and Hotel Operating Expenses*

Due to the significant amount of acquisitions of real estate and real estate debt we have made since December 31, 2018, our revenues and operating expenses for the years ended December 31, 2019 and 2018 are not comparable. However, certain properties in our portfolio were owned for the full years ended December 31, 2019 and 2018 and are further discussed below.

#### *General and Administrative Expenses*

During the year ended December 31, 2019, general and administrative expenses increased \$7.2 million compared to the year ended December 31, 2018, primarily due to various corporate level expenses related to the increased size of our portfolio.

#### *Management Fee*

During the year ended December 31, 2019, the management fee increased by \$65.5 million compared to the year ended December 31, 2018. The increase was primarily due to the growth of our NAV of \$8.3 billion from December 31, 2018 to December 31, 2019.

#### *Performance Participation Allocation*

During the year ended December 31, 2019, the performance participation allocation increased \$103.9 million compared to the year ended December 31, 2018. The increase was primarily due to the growth of our NAV and a higher total return than the year ended December 31, 2018. The performance participation allocation is measured annually and any amount earned by the Special Limited Partner becomes payable as of December 31 of the applicable year.

#### *Depreciation and Amortization*

During the year ended December 31, 2019, depreciation and amortization increased \$417.7 million compared to the corresponding period in 2018. The increase was driven by the growth in our portfolio, which increased from 474 properties as of December 31, 2018 to 1,054 properties as of December 31, 2019.

#### *Income from Real Estate Debt*

During the year ended December 31, 2019, income from real estate debt increased \$157.7 million compared to the year ended December 31, 2018. The increase was primarily due to the growth of our portfolio of investments in real estate debt which increased from 102 positions as of December 31, 2018 to 203 positions as of December 31, 2019.

#### *Gain on Dispositions of Real Estate*

During the year ended December 31, 2019, we recorded \$35.0 million of net gain from the dispositions of real estate related to the sales of three properties across three separate transactions. We did not sell any real estate in the corresponding periods in 2018.

#### *Interest Expense*

During the year ended December 31, 2019, interest expense increased \$254.3 million compared to the year ended December 31, 2018. The increase was primarily due to the growth in our portfolio of real estate and real estate debt and the related indebtedness of such investments.

Refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in [our Annual Report on Form 10-K for the year ended December 31, 2018](#) for discussion of our consolidated results of operations for the year ended December 31, 2018 compared to the year ended December 31, 2017, which specific discussion is incorporated herein by reference.

#### Same Property Results of Operations

We evaluate our consolidated results of operations on a same property basis, which allows us to analyze our property operating results excluding acquisitions during the periods under comparison. Properties in our portfolio are considered same property if they were owned for the full periods presented, otherwise they are considered non-same property. Recently developed properties that have not achieved stabilized occupancy (defined as 90% or greater for properties other than hotels) and properties held for sale are excluded from same property results and are considered non-same property. We do not consider our real estate debt segment to be same property.

For the years ended December 31, 2019 and 2018, our same property portfolio consisted of 39 multifamily, 53 industrial, 10 hotel, and two retail properties.

Same property operating results are measured by calculating same property net operating income ("NOI"). Same property NOI is a supplemental non-GAAP disclosure of our operating results that we believe is meaningful as it enables management to evaluate the impact of occupancy, rents, leasing activity, and other controllable property operating results at our real estate. We define same property NOI as operating revenues less operating expenses, which exclude (i) depreciation and amortization, (ii) interest expense and other non-property related revenue and expense items such as (a) general and administrative expenses, (b) management fee, (c) performance participation allocation, (d) affiliate incentive compensation awards, (e) income from real estate debt, (f) net gain on dispositions of real estate, and (g) interest income.

Our same property NOI may not be comparable to that of other REITs and should not be considered to be more relevant or accurate in evaluating our operating performance than the current GAAP methodology used in calculating net income (loss).

The following table reconciles GAAP net loss attributable to BREIT stockholders to same property NOI for the years ended December 31, 2019 and 2018 (\$ in thousands):

	Year Ended December 31,		2019 vs. 2018	
	2019	2018	\$	%
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (120,715)	43%
Adjustments to reconcile to same property NOI				
General and administrative	18,170	10,982	7,188	65%
Management fee	108,115	42,659	65,456	153%
Performance participation allocation	141,396	37,484	103,912	277%
Affiliate incentive compensation awards	2,000	4,714	(2,714)	(58%)
Depreciation and amortization	824,039	406,295	417,744	103%
Income from investment in real estate debt	(213,062)	(55,323)	(157,739)	285%
Net gain on dispositions of real estate	(35,035)	—	(35,035)	N/M
Interest income	(3,041)	(410)	(2,631)	642%
Interest expense	487,517	233,184	254,333	109%
Other income (expense)	(2,260)	(489)	(1,771)	362%
Net loss attributable to non-controlling interests in third party joint ventures	(5,671)	(6,188)	517	(8%)
Net loss attributable to non-controlling interests in BREIT OP	(6,801)	(4,221)	(2,580)	61%
NOI	913,596	387,631	525,965	136%
Non-same property NOI	723,107	203,834	519,273	255%
Same property NOI	\$ 190,489	\$ 183,797	\$ 6,692	4%

The following table details the components of same property NOI for the years ended December 31, 2019 and 2018 (\$ in thousands):

	Year Ended December 31,		2019 vs. 2018	
	2019	2018	\$	%
Same property NOI				
Rental revenue	\$ 267,641	\$ 261,170	\$ 6,471	2%
Hotel revenue	70,586	69,757	829	1%
Other revenue	13,107	15,012	(1,905)	(13%)
Total revenues	351,334	345,939	5,395	2%
Rental property operating	112,745	114,846	(2,101)	(2%)
Hotel operating	48,100	47,296	804	2%
Total expenses	160,845	162,142	(1,297)	(1%)
Same property NOI	\$ 190,489	\$ 183,797	\$ 6,692	4%

#### Same Property – Rental Revenue

Same property rental revenue increased \$6.5 million for the year ended December 31, 2019 compared to 2018. The increase was due to a \$6.9 million increase in base rental revenue and a \$0.7 million increase in tenant reimbursement income. Additionally, as a result of the adoption of Accounting Standards Update ("ASU") 2016-02, *Leases*, and all related amendments ("ASU 2016-02") \$1.1 million

of bad debt expense was recorded as a component of same property rental revenue for the year ended December 31, 2019. For the year ended December 31, 2018, bad debt expense was recorded as a component of rental property operating expenses. For further detail on the adoption of ASU 2016-02 see Note 2 to the consolidated financial statements.

The following table details the changes in base rental revenue period over period (\$ in thousands):

	2019 vs. 2018					
	Year Ended December 31,		Change in Base Rental Revenue	Change in Occupancy Rate	Change in Average Effective Annual Base Rent Per Leased Square Foot/Unit <sup>(1)</sup>	
	2019	2018				
Multifamily	\$ 193,301	\$ 186,855	\$ 6,446	—%	+3%	
Industrial	42,075	41,701	374	(1%)	+2%	
Retail	7,263	7,188	75	—%	+1%	
Total base rental revenue	\$ 242,639	\$ 235,744	\$ 6,895			

(1) The annualized base rent per leased square foot or unit for the year ended December 31, 2019 and 2018 includes straight-line rent and above-market and below-market lease amortization.

#### *Same Property – Hotel Revenue*

Same property hotel revenue increased \$0.8 million for the year ended December 31, 2019 compared to the corresponding period in 2018 primarily due to an increase of \$0.5 million at our hotel property located in downtown Atlanta, Georgia. The Hyatt House Downtown Atlanta experienced increased occupancy, ADR and RevPAR during the first quarter of 2019 as a result of increased demand primarily associated with the Super Bowl. The remaining increase in hotel revenue was due to an increase in ADR and RevPAR across the remaining hotel properties in our same property portfolio. ADR for the hotels in our same property portfolio increased to \$161 from \$160 while occupancy and RevPAR remained unchanged during the year ended December 31, 2019 compared to the corresponding period in 2018.

#### *Same Property – Other Revenue*

Same property other revenue decreased \$1.9 million for the year ended December 31, 2019 compared to the corresponding period in 2018. The decrease in other revenue for the year ended December 31, 2019 was primarily a result of lower non-recurring lease related fees such as late fees and termination fees at our multifamily properties.

#### *Same Property – Rental Property Operating Expenses*

Same property rental property operating expenses decreased \$2.1 million during the year ended December 31, 2019 compared to the corresponding period in 2018. The decrease in rental property operating expenses was primarily due to the presentation of bad debt expense as a component of rental revenue for the year ended December 31, 2019 as a result of the adoption of ASU 2016-02. During the year ended December 31, 2018, \$4.0 million of bad debt expense was recorded as a component of rental property operating expense. The change in presentation of bad debt expense was partially offset by an increase in real estate taxes, insurance and repair and maintenance expenses at our multifamily and industrial properties.

#### *Same Property – Hotel Operating Expenses*

Same property hotel operating expenses increased \$0.8 million during the year ended December 31, 2019 compared to the corresponding period in 2018. The increase in hotel operating expenses was primarily the result of an increase in insurance and real estate taxes at certain hotels within our portfolio, along with an increase in general operating expenses associated with the overall increase in revenues.

#### Non-same Property NOI

Due to our substantial fundraising and continued deployment of the net proceeds raised into new property acquisitions, non-same property NOI is not comparable period over period. We expect the non-same property NOI variance period over period to continue as we raise more proceeds from selling shares of our common stock and invest in additional new property acquisitions.



## Liquidity and Capital Resources

Our primary needs for liquidity and capital resources are to fund our investments, make distributions to our stockholders, repurchase shares of our common stock pursuant to our share repurchase plan, operating expenses, capital expenditures and to pay debt service on our outstanding indebtedness we may incur. Our operating expenses include, among other things, fees and expenses related to managing our properties and other investments, the management fee we pay to the Adviser (to the extent the Adviser elects to receive the management fee in cash), the performance participation allocation that BREIT OP pays to the Special Limited Partner (to the extent the Special Limited Partner elects to receive the performance participation allocation in cash), and general corporate expenses. We do not have any office or personnel expenses as we do not have any employees.

Our cash needs for acquisitions and other investments will be funded primarily from the sale of shares of our common stock and through the assumption or incurrence of debt.

Our indebtedness includes loans secured by our properties, master repurchase agreements with Barclays Bank PLC (the "Barclays MRA"), Royal Bank of Canada (the "RBC MRA"), Citigroup Global Markets Inc. (the "Citi MRA"), Bank of America Merrill Lynch (the "BAML MRA"), Morgan Stanley Bank, N.A. (the "MS MRA"), MUFG Securities EMEA PLC (the "MUFG MRA"), and HSBC Bank USA, National Association (the "HSBC MRA") secured by our investments in real estate debt, and unsecured lines of credit. The following is a summary of our indebtedness (\$ in thousands):

	Weighted Average Interest Rate(1)	Weighted Average Maturity Date(2)(3)	Maximum Facility Size	Principal Balance as Of	
Indebtedness				December 31, 2019	December 31, 2018
Fixed rate					
Fixed rate mortgages	3.80%	6/2/2027	N/A	\$ 12,424,717	\$ 4,782,326
Mezzanine loan	5.85%	4/5/2025	N/A	195,878	200,000
Total fixed rate loans	3.83%	5/21/2027		12,620,595	4,982,326
Variable rate					
Floating rate mortgages	L+1.71%	11/24/2025	N/A	1,826,435	675,116
Variable rate term loans	L+1.58%	3/25/2024	N/A	1,533,561	603,500
Variable rate secured revolving credit facilities	L+1.54%	6/17/2025	\$ 2,233,020	1,063,837	624,200
Total variable rate loans	L+1.63%	3/19/2025		4,423,833	1,902,816
Total loans secured by the Company's properties	3.74%	7/30/2027		17,044,428	6,885,142
Repurchase agreement borrowings secured by our real estate debt securities:					
Barclays MRA		9/29/2021	750,000	750,000	750,000
Other MRAs(4)		5/7/2020	N/A	2,342,137	963,723
Total repurchase agreement borrowings secured by our real estate debt securities(5)	2.95%			3,092,137	1,713,723
Unsecured loans:					
Affiliate line of credit	L+2.50%	1/22/2021	250,000	—	—
Variable rate revolving facilities	L+2.50%	2/22/2023	900,000	—	—
Total unsecured loans	L+2.50%	9/9/2022	1,150,000	—	—
Total indebtedness				\$ 20,136,565	\$ 8,598,865

- (1) The term "L" refers to (i) the one-month LIBOR with respect to the loans secured by our properties and the Line of Credit, and (ii) the one-month and three-month LIBOR with respect to the repurchase agreement borrowings.
- (2) For loans where we, at our sole discretion, have extension options, the maximum maturity date has been assumed.
- (3) Subsequent to year end, we rolled our repurchase agreement contracts expiring in January 2020 into new contracts.
- (4) Includes RBC MRA, Citi MRA, BAML MRA, MS MRA, MUFG MRA, and HSBC MRA.
- (5) Weighted average interest rate based on L+1.26%.

Other potential future sources of capital include secured or unsecured financings from banks or other lenders and proceeds from the sale of assets. If necessary, we may use financings or other sources of capital in the event of unforeseen significant capital expenditures.

The Company is party to an unsecured line of credit with multiple banks. The line of credit expires on February 22, 2023. Interest under the line of credit is determined based on a one-month U.S. dollar-denominated LIBOR plus 2.50%. As of December 31, 2019, the capacity of the unsecured line of credit was \$900 million. As of December 31, 2019, we had a \$30 million letter of credit outstanding which reduced the available capacity of the unsecured line of credit to \$870 million.

Subsequent to December 31, 2019, there was a global outbreak of a new strain of coronavirus, COVID-19 which continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines, restrictions on travel, and limiting hours of operations of non-essential offices and retail centers. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Company's performance and financial results, such as the potential negative impact to occupancy at its properties, the potential closure of certain of its hotel assets, financing arrangements, increased costs of operations, decrease in values of its investments in Real Estate Debt, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The Company is unable to estimate the impact the novel coronavirus will have on its financial results at this time.

While the long-term impact of the coronavirus to our business is not yet known, we are well positioned from a liquidity perspective with \$3.1 billion of immediate liquidity as of March 24, 2020, made up of \$2.6 billion of undrawn line of credit capacity and \$0.5 billion of cash on hand.

#### Cash Flows

The following table provides a breakdown of the net change in our cash and cash equivalents and restricted cash (\$ in thousands):

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
Cash flows provided by operating activities	\$ 600,927	\$ 252,682	\$ 72,285
Cash flows used in investing activities	(17,994,997)	(8,484,427)	(4,322,344)
Cash flows provided by financing activities	18,197,159	8,380,629	4,407,588
Net increase in cash and cash equivalents and restricted cash	\$ 803,089	\$ 148,884	\$ 157,529

Cash flows provided by operating activities increased \$348.2 million during the year ended December 31, 2019 compared to the corresponding period in 2018 due to increased cash flows from the operations of investments in real estate and income on our investments in real estate debt. Cash flows provided by operating activities increased \$180.4 million during the year ended December 31, 2018 compared to the corresponding period in 2017 due to increased cash flows from the operations of investments in real estate and income on our investments in real estate debt.

Cash flows used in investing activities increased \$9.5 billion during the year ended December 31, 2019 compared to the corresponding period in 2018 primarily due to an increase of \$8.7 billion in the acquisition of real estate investments and \$1.4 billion of real estate debt offset by an increase of \$0.5 billion in proceeds from the sale or settlement of real estate debt. Cash flows used in investing activities increased \$4.2 billion during the year ended December 31, 2018 compared to the corresponding period in 2017 primarily due to an increase of \$3.6 billion in the acquisition of real estate investments and \$0.6 billion of real estate debt.

Cash flows provided by financing activities increased \$9.8 billion during the year ended December 31, 2019 compared to the corresponding period in 2018 primarily due to a net increase of \$4.9 billion in borrowings, an increase of \$4.7 billion in proceeds from the issuance of our common stock. Cash flows provided by financing activities increased \$4.0 billion during the year ended December 31, 2018 compared to the corresponding period in 2017 primarily due to a net increase of \$3.0 billion in borrowings and an increase of \$1.0 billion in proceeds from the issuance of our common stock.

#### Critical Accounting Policies

The preparation of the financial statements in accordance with GAAP involve significant judgments and assumptions and require estimates about matters that are inherently uncertain. These judgments will affect our reported amounts of assets and liabilities and our disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. With different estimates or assumptions, materially different amounts could be reported in our consolidated financial statements. We consider our accounting policies over investments in real estate and lease intangibles, investments in securities, and revenue recognition to be our critical accounting policies. See Note 2 to our consolidated financial statements for further descriptions of such accounting policies.

### Recent Accounting Pronouncements

See Note 2 — “Summary of Significant Accounting Policies” to our consolidated financial statements in this annual report on Form 10-K for a discussion concerning recent accounting pronouncements.

### Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### Contractual Obligations

The following table aggregates our contractual obligations and commitments with payments due subsequent to December 31, 2019 (\$ in thousands):

Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Indebtedness (1)	\$ 24,648,190	\$ 3,129,536	\$ 2,760,747	\$ 4,981,395	\$ 13,776,512
Ground leases	969,755	6,874	14,321	14,943	933,617
Organizational and offering costs	6,136	2,045	4,091	—	—
Other	15,031	3,766	7,658	3,607	—
Total	\$ 25,639,112	\$ 3,142,221	\$ 2,786,817	\$ 4,999,945	\$ 14,710,129

(1) The allocation of our indebtedness includes both principal and interest payments based on the current maturity date and interest rates in effect at December 31, 2019.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

*Indebtedness*

We are exposed to interest rate risk with respect to our variable-rate indebtedness, whereas an increase in interest rates would directly result in higher interest expense costs. We seek to manage our exposure to interest rate risk by utilizing a mix of fixed and floating rate financings with staggered maturities and through interest rate protection agreements to fix or cap a portion of our variable rate debt. As of December 31, 2019, the outstanding principal balance of our variable rate indebtedness was \$7.5 billion and consisted of mortgage notes, term loans, secured and unsecured revolving credit facilities and repurchase agreements.

Certain of our mortgage notes, term loans, secured and unsecured revolving credit facilities and repurchase agreements are variable rate and indexed to one-month U.S. Dollar denominated LIBOR, six month U.S. Dollar denominated LIBOR, three-month GBP denominated LIBOR, three month Euro denominated LIBOR or six month Euro denominated LIBOR (collectively, the "Reference Rates"). For the year ended December 31, 2019, a 10% increase in the Reference Rates would have resulted in increased interest expense of \$11.0 million.

*Investments in Real Estate Debt Securities*

As of December 31, 2019, we held \$4.5 billion of real estate debt securities. Our investments in real estate debt securities investments are primarily floating-rate and indexed to one of the Reference Rates and as such, exposed to interest rate risk. Our net income will increase or decrease depending on interest rate movements. While we cannot predict factors which may or may not affect interest rates, during the year ended December 31, 2019, a 10% increase or decrease in the Reference Rates would have resulted in an increase or decrease to income from real estate debt securities of \$7.7 million.

We may also be exposed to market risk with respect to our investments in real estate debt securities due to changes in the fair value of our investments. We seek to manage our exposure to market risk with respect to our investments in real estate debt securities by making investments in securities backed by different types of collateral and varying credit ratings. The fair value of our investments may fluctuate, thus the amount we will realize upon any sale of our investments in real estate debt securities is unknown. As of December 31, 2019, the fair value at which we may sell our investments in real estate debt securities is not known, but a 10% change in the fair value of our investments in real estate debt securities may result in an unrealized gain or loss of \$452.3 million.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

For the financial statements required by this item and the reports of the independent accountants thereon required by Item 14(a)(2). See the accompanying Consolidated Financial Statements beginning on page F-1. The supplementary financial data required by Item 302 of Regulation S-K appears in Note 15 to the consolidated financial statements.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

The Company maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, and summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this annual report on Form 10-K was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

**Changes in Internal Controls over Financial Reporting**

There have been no changes in our "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Management's Report on Internal Control Over Financial Reporting**

Management of Blackstone Real Estate Income Trust, Inc., is responsible for establishing and maintaining adequate internal control over financial reporting. Blackstone Real Estate Income Trust's internal control over financial reporting is a process designed under the supervision of its Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of its consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles").

Blackstone Real Estate Income Trust's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of the Company; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on its consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of Blackstone Real Estate Income Trust's internal control over financial reporting as of December 31, 2019, based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this assessment, management has determined that Blackstone Real Estate Income Trust's internal control over financial reporting as of December 31, 2019, was effective.

**ITEM 9B. OTHER INFORMATION**

None.

**PART III.**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

**ITEM 11. EXECUTIVE COMPENSATION**

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Exhibit Description
3.1	<a href="#">Second Articles of Amendment and Restatement of the Company (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on July 27, 2017 and incorporated herein by reference)</a>
3.2	<a href="#">Articles of Amendment and Restatement of Blackstone Real Estate Income Trust, Inc., dated August 15, 2019 (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 16, 2019 and incorporated herein by reference)</a>
3.3	<a href="#">Amended and Restated Bylaws of Blackstone Real Estate Income Trust, Inc. (files as Exhibit 3.2 to the Registrant's Registration Statement on Form S-11, filed on August 30, 2016 (file number 333-213043) and incorporated herein by reference)</a>
4.1	<a href="#">Share Repurchase Plan (filed as Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 13, 2018 and incorporated herein by reference)</a>
4.2	<a href="#">Distribution Reinvestment Plan (filed as Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 13, 2018 and incorporated herein by reference)</a>
4.3*	<a href="#">Description of Securities of Blackstone Real Estate Income Trust, Inc.</a>
10.1	<a href="#">Second Amended and Restated Advisory Agreement, by and among Blackstone Real Estate Income Trust, Inc., BREIT Operating Partnership, L.P. and BX REIT Advisors L.L.C. (filed as Exhibit 10.1 to the Registrant's Annual Report on Form 10-K filed on March 19, 2018 and incorporated herein by reference)</a>
10.2	<a href="#">Amended and Restated Limited Partnership Agreement of BREIT Operating Partnership L.P., by and between Blackstone Real Estate Income Trust, Inc., BREIT Special Limited Partner L.P. (fka BREIT Special Limited Partner L.L.C.) and the limited partners party thereto from time to time (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 27, 2018 and incorporated herein by reference)</a>
10.3	<a href="#">Registration Rights Agreement, by and among Blackstone Real Estate Income Trust, Inc., BREIT Special Limited Partner L.P. (fka BREIT Special Limited Partner L.L.C.) and BX REIT Advisors L.L.C. (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)</a>
10.4	<a href="#">Trademark License Agreement, by and among Blackstone TM L.L.C., Blackstone Real Estate Income Trust, Inc. and BREIT Operating Partnership L.P. (filed as Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)</a>
10.5	<a href="#">Valuation Services Agreement, by and among Altus Group U.S. Inc., Blackstone Real Estate Income Trust, Inc. and BREIT Operating Partnership L.P. (filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)</a>
10.6	<a href="#">Form of Indemnification Agreement (filed as Exhibit 10.7 to the Registrant's Registration Statement on Form S-11 filed on August 30, 2016 (file number 333-213043) and incorporated herein by reference)</a>
10.7	<a href="#">Form of Independent Directors Restricted Stock Award Agreement (filed as Exhibit 10.8 to the Registrant's Registration Statement on Form S-11 on August 30, 2016 (file number 333-213043) and incorporated herein by reference)</a>
10.8	<a href="#">Purchase and Sale Agreement, dated January 20, 2017, between a subsidiary of the Company and 173ODRF9 GL Owner, LLC (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 23, 2017 and incorporated herein by reference)</a>

- 10.9 [Uncommitted Unsecured Line of Credit, dated January 23, 2017, between the Company, as borrower, and Blackstone Holdings Finance Co. L.L.C., as lender \(filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 23, 2017 and incorporated herein by reference\)](#)
- 10.10 [Transaction Agreement, dated as of June 2, 2019, by and among the Sellers named therein, the Acquired Companies named therein, the Seller Representative named therein, BRE Jupiter LLC, GLP US Management Holdings LLC and the Merger Subs named therein \(filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2019 and incorporated herein by reference\)](#)
- 10.11 [Memorandum of Designation and Understanding, dated as of June 2, 2019, by and among BRE Jupiter LLC, Blackstone Real Estate Partners VIII L.P., Blackstone Real Estate Partners IX L.P. and Blackstone Real Estate Income Trust, Inc. \(filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2019 and incorporated herein by reference\)](#)
- 10.12\* [Lease, dated as of November 15, 2019, by and between BCORE Paradise LLC and Bellagio LLC](#)
- 10.13 [Amended and Restated Dealer Manager Agreement, by and between Blackstone Real Estate Income Trust, Inc. and Blackstone Advisory Partners L.P. \(incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K, as filed by the Registrant with the Securities and Exchange Commission on May 1, 2018\)](#)
- 10.14 [Form of Selected Dealer Agreement \(incorporated by reference to Exhibit 1.2 to the Registrant's Current Report on Form 8-K, as filed by the Registrant with the Securities and Exchange Commission on May 1, 2018\)](#)
- 21.1\* [Subsidiaries of the Registrant](#)
- 31.1\* [Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2\* [Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1\* [Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2\* [Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101.INS+ XBRL Instance Document

101.SCH+ XBRL Taxonomy Extension Schema Document

101.SCH+ XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB+ XBRL Taxonomy Extension Label Linkbase Document

101.PRE+ XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF+ XBRL Taxonomy Extension Definition Linkbase Document

+ This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

\* Filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within



the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

**ITEM 16. FORM 10-K SUMMARY**

None.

## 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.

BLACKSTONE REAL ESTATE INCOME TRUST, INC.

March 24, 2020	/s/ Frank Cohen
Date	Frank Cohen Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

March 24, 2020	/s/ Frank Cohen
Date	Frank Cohen Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
March 24, 2020	/s/ Paul Quinlan
Date	Paul Quinlan Chief Financial Officer and Treasurer (Principal Financial Officer)
March 24, 2020	/s/ Paul Kolodziej
Date	Paul Kolodziej Chief Accounting Officer (Principal Accounting Officer)
March 24, 2020	/s/ A.J. Agarwal
Date	A.J. Agarwal President and Director
March 24, 2020	/s/ Wesley LePatner
Date	Wesley LePatner Chief Operating Officer and Director
March 24, 2020	/s/ Raymond J. Beier
Date	Raymond J. Beier Director
March 24, 2020	/s/ Richard I. Gilchrist
Date	Richard I. Gilchrist Director
March 24, 2020	/s/ Field Griffith
Date	Field Griffith Director
March 24, 2020	/s/ Edward Lewis
Date	Edward Lewis Director

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Blackstone Real Estate Income Trust, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Blackstone Real Estate Income Trust, Inc. and subsidiaries (the “Company”) as of December 31, 2019 and 2018, the related consolidated statements of operations, changes in equity and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

New York, New York  
March 24, 2020

We have served as the Company’s auditor since 2016.

**Blackstone Real Estate Income Trust, Inc.**  
**Consolidated Balance Sheets**  
(in thousands, except per share data)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b>Assets</b>		
Investments in real estate, net	\$ 26,326,868	\$ 10,259,687
Real estate debt investments	4,523,260	2,259,913
Cash and cash equivalents	204,269	68,089
Restricted cash	905,433	238,524
Other assets	1,079,993	410,945
<b>Total assets</b>	<u>\$ 33,039,823</u>	<u>\$ 13,237,158</u>
<b>Liabilities and Equity</b>		
Mortgage notes, term loans, and secured revolving credit facilities, net	\$ 16,929,659	\$ 6,833,269
Repurchase agreements	3,092,137	1,713,723
Unsecured revolving credit facilities	—	—
Due to affiliates	690,143	301,581
Accounts payable, accrued expenses, and other liabilities	1,692,087	464,398
<b>Total liabilities</b>	<u>22,404,026</u>	<u>9,312,971</u>
Commitments and contingencies	—	—
Redeemable non-controlling interests	21,149	9,233
<b>Equity</b>		
Preferred stock, \$0.01 par value per share, 100,000 shares authorized; no shares issued and outstanding as of December 31, 2019 and 2018	—	—
Common stock — Class S shares, \$0.01 par value per share, 1,000,000 shares authorized; 530,813 and 276,989 shares issued and outstanding as of December 31, 2019 and 2018, respectively	5,308	2,770
Common stock — Class I shares, \$0.01 par value per share, 1,000,000 shares authorized; 474,279 and 108,261 shares issued and outstanding as of December 31, 2019 and 2018, respectively	4,743	1,083
Common stock — Class T shares, \$0.01 par value per share, 500,000 shares authorized; 39,767 and 23,313 shares issued and outstanding as of December 31, 2019 and 2018, respectively	398	233
Common stock — Class D shares, \$0.01 par value per share, 500,000 shares authorized; 84,657 and 30,375 shares issued and outstanding as of December 31, 2019 and 2018, respectively	847	304
Additional paid-in capital	11,716,721	4,327,444
Accumulated deficit and cumulative distributions	(1,422,885)	(587,548)
<b>Total stockholders' equity</b>	10,305,132	3,744,286
Non-controlling interests attributable to third party joint ventures	157,795	75,592
Non-controlling interests attributable to BREIT OP unitholders	151,721	95,076
<b>Total equity</b>	<u>10,614,648</u>	<u>3,914,954</u>
<b>Total liabilities and equity</b>	<u>\$ 33,039,823</u>	<u>\$ 13,237,158</u>

*See accompanying notes to consolidated financial statements.*

**Blackstone Real Estate Income Trust, Inc.**  
**Consolidated Statements of Operations**  
(in thousands, except per share data)

	For the Year Ended December 31,		
	2019	2018	2017
<b>Revenues</b>			
Rental revenue	\$ 1,201,613	\$ 558,664	\$ 121,381
Hotel revenue	432,892	138,433	29,916
Other revenue	51,767	26,161	6,635
<b>Total revenues</b>	<b>1,686,272</b>	<b>723,258</b>	<b>157,932</b>
<b>Expenses</b>			
Rental property operating	469,966	243,093	51,115
Hotel operating	304,710	97,248	20,417
General and administrative	18,170	10,982	7,692
Management fee	108,115	42,659	8,867
Performance participation allocation	141,396	37,484	16,974
Depreciation and amortization	824,039	406,295	121,793
<b>Total expenses</b>	<b>1,866,396</b>	<b>837,761</b>	<b>226,858</b>
<b>Other income (expense)</b>			
Income from investments in real estate debt	213,062	55,323	17,749
Net gain on dispositions of real estate	35,035	—	—
Interest income	3,041	410	454
Interest expense	(487,517)	(233,184)	(36,884)
Other income (expense)	2,260	489	57
<b>Total other income (expense)</b>	<b>(234,119)</b>	<b>(176,962)</b>	<b>(18,624)</b>
<b>Net loss</b>	<b>\$ (414,243)</b>	<b>\$ (291,465)</b>	<b>\$ (87,550)</b>
<b>Net loss attributable to non-controlling interests in third party joint ventures</b>	<b>\$ 5,671</b>	<b>\$ 6,188</b>	<b>\$ 1,292</b>
<b>Net loss attributable to non-controlling interests in BREIT OP</b>	<b>6,801</b>	<b>4,221</b>	<b>—</b>
<b>Net loss attributable to BREIT stockholders</b>	<b>\$ (401,771)</b>	<b>\$ (281,056)</b>	<b>\$ (86,258)</b>
<b>Net loss per share of common stock — basic and diluted</b>	<b>\$ (0.54)</b>	<b>\$ (0.91)</b>	<b>\$ (0.90)</b>
<b>Weighted-average shares of common stock outstanding, basic and diluted</b>	<b>748,841</b>	<b>309,686</b>	<b>95,586</b>

*See accompanying notes to consolidated financial statements.*

**Blackstone Real Estate Income Trust, Inc.**  
**Consolidated Statement of Changes in Equity**  
(in thousands, except share and per share data)

	Par Value				Additional Paid-in Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Non-controlling Interests attributable to third party joint ventures	Non-controlling Interests attributable to BRET OP unitholders	Total Equity
	Common Stock Class S	Common Stock Class I	Common Stock Class T	Common Stock Class D						
<b>Balance at December 31, 2016</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 200</u>	<u>\$ (115)</u>	<u>\$ 85</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 85</u>
Common stock issued	\$ 1,283	\$ 302	\$ 56	\$ 40	\$ 1,724,274	\$ —	\$ 1,725,955	\$ —	\$ —	\$ 1,725,955
Offering costs	—	—	—	—	(132,691)	—	(132,691)	—	—	(132,691)
Distribution reinvestment	18	6	—	—	25,503	—	25,527	—	—	25,527
Common stock repurchased	—	(1)	—	—	(668)	—	(669)	—	—	(669)
Amortization of restricted stock grants	—	—	—	—	102	—	102	—	—	102
Net loss	—	—	—	—	—	(86,258)	(86,258)	(1,292)	—	(87,550)
Distributions declared on common stock (\$0.4782 per share)	—	—	—	—	—	(46,260)	(46,260)	—	—	(46,260)
Contributions from non-controlling interests	—	—	—	—	—	—	—	25,336	—	25,336
Distributions to non-controlling interests	—	—	—	—	—	—	—	(196)	—	(196)
<b>Balance at December 31, 2017</b>	<u>\$ 1,301</u>	<u>\$ 307</u>	<u>\$ 56</u>	<u>\$ 40</u>	<u>\$ 1,616,720</u>	<u>\$ (132,633)</u>	<u>\$ 1,485,791</u>	<u>\$ 23,848</u>	<u>\$ —</u>	<u>\$ 1,509,639</u>
Common stock issued	\$ 1,428	\$ 778	\$ 174	\$ 261	\$ 2,846,022	\$ —	\$ 2,848,663	\$ —	\$ —	\$ 2,848,663
Offering costs	—	—	—	—	(178,833)	—	(178,833)	—	—	(178,833)
Distribution reinvestment	63	24	4	4	101,890	—	101,985	—	—	101,985
Common stock/units repurchased	(22)	(28)	(1)	(1)	(56,375)	—	(56,427)	—	—	(56,427)
Amortization of restricted stock grants	—	2	—	—	212	—	214	—	—	214
Net loss (\$1,035 allocated to redeemable non-controlling interests)	—	—	—	—	—	(281,056)	(281,056)	(6,188)	(3,186)	(290,430)
Distributions declared on common stock (\$0.6286 per share)	—	—	—	—	—	(173,859)	(173,859)	—	—	(173,859)
Contributions from non-controlling interests	—	—	—	—	—	—	—	47,615	99,978	147,593
Acquired non-controlling interests	—	—	—	—	—	—	—	12,802	—	12,802
Distributions to non-controlling interests	—	—	—	—	—	—	—	(2,485)	(1,716)	(4,201)
Allocation to redeemable non-controlling interests	—	—	—	—	(2,192)	—	(2,192)	—	—	(2,192)
<b>Balance at December 31, 2018</b>	<u>\$ 2,770</u>	<u>\$ 1,083</u>	<u>\$ 233</u>	<u>\$ 304</u>	<u>\$ 4,327,444</u>	<u>\$ (587,548)</u>	<u>\$ 3,744,286</u>	<u>\$ 75,592</u>	<u>\$ 95,076</u>	<u>\$ 3,914,954</u>
Common stock issued	\$ 2,485	\$ 3,712	\$ 167	\$ 531	\$ 7,702,275	\$ —	\$ 7,709,170	\$ —	\$ —	\$ 7,709,170
Offering costs	—	—	—	—	(315,523)	—	(315,523)	—	—	(315,523)
Distribution reinvestment	121	74	9	16	245,115	—	245,335	—	—	245,335
Common stock/units repurchased	(68)	(130)	(11)	(4)	(236,156)	—	(236,369)	—	(718)	(237,087)
Amortization of restricted stock grants	—	4	—	—	396	—	400	—	2,000	2,400
Net loss (\$1,663 allocated to redeemable non-controlling interests)	—	—	—	—	—	(401,771)	(401,771)	(4,416)	(6,393)	(412,580)
Distributions declared on common stock (\$0.6363 per share)	—	—	—	—	—	(433,566)	(433,566)	—	—	(433,566)
Contributions from non-controlling interests	—	—	—	—	—	—	—	109,196	69,761	178,957
Distributions to non-controlling interests	—	—	—	—	—	—	—	(22,577)	(8,005)	(30,582)
Allocation to redeemable non-controlling interests	—	—	—	—	(6,830)	—	(6,830)	—	—	(6,830)
<b>Balance at December 31, 2019</b>	<u>\$ 5,308</u>	<u>\$ 4,743</u>	<u>\$ 398</u>	<u>\$ 847</u>	<u>\$ 11,716,721</u>	<u>\$ (1,422,885)</u>	<u>\$ 10,305,132</u>	<u>\$ 157,795</u>	<u>\$ 151,721</u>	<u>\$ 10,614,648</u>

*See accompanying notes to consolidated financial statements.*

**Blackstone Real Estate Income Trust, Inc.**  
**Consolidated Statements of Cash Flows**  
(in thousands)

	For the Year Ended December 31,		
	2019	2018	2017
<b>Cash flows from operating activities:</b>			
Net loss	\$ (414,243)	\$ (291,465)	\$ (87,550)
<b>Adjustments to reconcile net loss to net cash provided by operating activities:</b>			
Management fee	108,115	42,659	8,867
Performance participation allocation	141,396	37,484	16,974
Depreciation and amortization	824,039	406,295	121,793
Net gain on dispositions of real estate	(35,035)	—	—
Unrealized gain (loss) on changes in fair value of financial instruments	(47,651)	24,746	(2,366)
Other items	(8,812)	5,495	228
<b>Change in assets and liabilities:</b>			
(Increase) / decrease in other assets	(117,527)	(67,540)	(19,002)
Increase / (decrease) in due to affiliates	3,893	2,099	3,833
Increase / (decrease) in accounts payable, accrued expenses, and other liabilities	146,752	92,909	29,508
<b>Net cash provided by operating activities</b>	<b>600,927</b>	<b>252,682</b>	<b>72,285</b>
<b>Cash flows from investing activities:</b>			
Acquisitions of real estate	(15,669,598)	(7,005,983)	(3,393,674)
Capital improvements to real estate	(199,768)	(102,273)	(9,953)
Proceeds from dispositions of real estate	79,118	—	—
Pre-acquisition costs	—	(8,331)	(5,166)
Purchase of real estate debt	(2,944,340)	(1,561,772)	(930,147)
Proceeds from sale or settlement of real estate debt	739,591	193,932	16,596
<b>Net cash used in investing activities</b>	<b>(17,994,997)</b>	<b>(8,484,427)</b>	<b>(4,322,344)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of common stock	7,431,641	2,701,651	1,718,992
Offering costs paid	(77,156)	(44,066)	(22,293)
Subscriptions received in advance	796,729	166,542	107,576
Repurchase of common stock	(75,279)	(49,466)	(669)
Repurchase of management fee shares	(114,843)	—	—
Redemption of redeemable non-controlling interest	(35,435)	(8,400)	—
Redemption of affiliate service provider incentive compensation awards	(718)	—	—
Borrowings from mortgage notes, term loans, and secured revolving credit facilities	17,399,268	7,318,059	2,174,030
Repayments from mortgage notes, term loans, and secured revolving credit facilities	(8,328,912)	(2,767,093)	(247,570)
Borrowings under repurchase agreements	1,831,464	1,156,189	695,419
Settlement of repurchase agreements	(453,050)	(125,314)	(12,571)
Borrowings from affiliate line of credit	2,105,500	1,239,400	1,089,350
Repayments on affiliate line of credit	(2,105,500)	(1,244,650)	(1,084,100)
Borrowings from unsecured revolving credit facilities	240,000	—	—
Repayments on unsecured revolving credit facilities	(240,000)	—	—
Payment of deferred financing costs	(116,126)	(46,634)	(22,949)
Contributions from non-controlling interests	132,852	147,593	25,586
Distributions to non-controlling interests	(39,607)	(4,413)	(196)
Distributions	(153,669)	(58,769)	(13,017)
<b>Net cash provided by financing activities</b>	<b>18,197,159</b>	<b>8,380,629</b>	<b>4,407,588</b>
<b>Net change in cash and cash equivalents and restricted cash</b>	<b>803,089</b>	<b>148,884</b>	<b>157,529</b>
<b>Cash and cash equivalents and restricted cash, beginning of year</b>	<b>306,613</b>	<b>157,729</b>	<b>200</b>
<b>Cash and cash equivalents and restricted cash, end of year</b>	<b>\$ 1,109,702</b>	<b>\$ 306,613</b>	<b>\$ 157,729</b>
<b>Reconciliation of cash and cash equivalents and restricted cash to the consolidated balance sheets:</b>			
Cash and cash equivalents	\$ 204,269	\$ 68,089	\$ 31,166
Restricted cash	905,433	238,524	126,563
<b>Total cash and cash equivalents and restricted cash</b>	<b>\$ 1,109,702</b>	<b>\$ 306,613</b>	<b>\$ 157,729</b>
<b>Supplemental disclosures:</b>			
Interest paid	\$ 461,354	\$ 208,042	\$ 27,073



**Non-cash investing and financing activities:**

Assumption of mortgage notes in conjunction with acquisitions of real estate	\$ 1,202,713	\$ 208,480	\$ 199,365
Assumption of other liabilities in conjunction with acquisitions of real estate	\$ 71,784	\$ 66,525	\$ 23,008
Issuance of BREIT OP units as consideration for acquisitions of real estate	\$ 64,698	\$ —	\$ —
Recognition of financing lease liability	\$ 56,008	\$ —	\$ —
Assumed operating ground lease liabilities	\$ 50,612	\$ —	\$ —
Acquired non-controlling interests	\$ —	\$ 12,802	\$ —
Accrued capital expenditures and acquisition related costs	\$ 17,589	\$ 2,452	\$ 2,109
Contributions from non-controlling interests	\$ 2,520	\$ —	\$ —
Accrued distributions	\$ 34,849	\$ 13,644	\$ 7,716
Accrued stockholder servicing fee due to affiliate	\$ 240,043	\$ 136,420	\$ 102,076
Accrued offering costs due to affiliate	\$ —	\$ —	\$ 8,322
Redeemable non-controlling interest issued as settlement of performance participation allocation	\$ 37,484	\$ 16,974	\$ —
Exchange of redeemable non-controlling interest for Class I shares	\$ 11,620	\$ —	\$ —
Allocation to redeemable non-controlling interest	\$ 6,830	\$ 2,192	\$ —
Distribution reinvestment	\$ 245,335	\$ 101,985	\$ 25,527
Accrued common stock repurchases	\$ 46,247	\$ 6,961	\$ —
Payable for investments in real estate debt	\$ 362	\$ —	\$ —
Issuance of BREIT OP units as settlement of affiliate incentive compensation awards	\$ 4,714	\$ —	\$ —

See accompanying notes to consolidated financial statements.

**Blackstone Real Estate Income Trust, Inc.**  
**Notes to Consolidated Financial Statements**

**1. Organization and Business Purpose**

Blackstone Real Estate Income Trust, Inc. (“BREIT” or the “Company”) invests primarily in stabilized income-oriented commercial real estate in the United States and, to a lesser extent, in real estate debt. The Company is the sole general partner of BREIT Operating Partnership, L.P., a Delaware limited partnership (“BREIT OP”). BREIT Special Limited Partner L.P. (the “Special Limited Partner”), a wholly-owned subsidiary of The Blackstone Group Inc. (together with its affiliates, “Blackstone”), owns a special limited partner interest in BREIT OP. Substantially all of the Company’s business is conducted through BREIT OP. The Company and BREIT OP are externally managed by BX REIT Advisors L.L.C. (the “Adviser”). The Adviser is part of the real estate group of Blackstone, a leading global investment manager, which serves as the Company’s sponsor. The Company was formed on November 16, 2015 as a Maryland corporation and qualifies as a real estate investment trust (“REIT”) for U.S. federal income tax purposes.

As of December 31, 2019, the Company had received net proceeds of \$12.4 billion from selling shares in the Offering, as defined below, and selling unregistered shares of the Company’s common stock. The Company had registered with the Securities and Exchange Commission (the “SEC”) an offering of up to \$5.0 billion in shares of common stock (the “Initial Offering”) and accepted gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. The Company subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock, consisting of up to \$10.0 billion in shares in its primary offering and up to \$2.0 billion in shares pursuant to its distribution reinvestment plan (the “Current Offering” and with the Initial Offering, the “Offering”). The Company intends to sell any combination of four classes of shares of its common stock, with a dollar value up to the maximum aggregate amount of the Current Offering. The share classes have different upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees. The Company intends to continue selling shares on a monthly basis.

As of December 31, 2019, the Company owned 1,054 properties and had 203 positions in real estate debt. The Company currently operates in eight reportable segments: Industrial, Multifamily, Net Lease, Hotel, Retail, Office, and Other Properties, and Real Estate Debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other Properties includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas (“Bellagio”). Financial results by segment are reported in Note 13 — Segment Reporting.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of the Company, the subsidiaries and joint ventures in which it has a controlling interest. For consolidated joint ventures, the non-controlling partner’s share of the assets, liabilities and operations of the joint ventures is included in non-controlling interests as equity of the Company. The non-controlling partner’s interest is generally computed as the joint venture partner’s ownership percentage. Certain of the joint ventures made by the Company provide the other partner a profits interest based on certain internal rate of return hurdles being achieved. Any profits interest due to the other partner is reported within non-controlling interests. All intercompany balances and transactions have been eliminated in consolidation.

The Company consolidates partially owned entities, in which it has a controlling financial interest. In determining whether the Company has a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, the Company considers whether the entity is a variable interest entity (“VIE”) and whether it is the primary beneficiary. The Company is the primary beneficiary of a VIE when it has (i) the power to direct the most significant activities impacting the economic performance of the VIE and (ii) the obligation to absorb losses or receive benefits significant to the VIE. BREIT OP and each of the Company’s joint ventures are considered to be a VIE. The Company consolidates these entities because it has the ability to direct the most significant activities of the entities such as purchases, dispositions, financings, budgets, and overall operating plans.

As of December 31, 2019, the total assets and liabilities of the Company’s consolidated VIEs, excluding BREIT OP, were \$9.5 billion and \$6.6 billion, respectively, compared to \$2.8 billion and \$1.9 billion as of December 31, 2018. Such amounts are included on the Company’s Consolidated Balance Sheets.

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

## Investments in Real Estate

In accordance with the guidance for business combinations, the Company determines whether the acquisition of a property qualifies as a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the property acquired does not constitute a business, the Company accounts for the transaction as an asset acquisition. The guidance for business combinations states that when substantially all of the fair value of the gross assets to be acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset or set of assets is not a business. All property acquisitions to date have been accounted for as asset acquisitions.

Whether the acquisition of a property acquired is considered a business combination or asset acquisition, the Company recognizes the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquired entity. In addition, for transactions that are business combinations, the Company evaluates the existence of goodwill or a gain from a bargain purchase. The Company expenses acquisition-related costs associated with business combinations as they are incurred. The Company capitalizes acquisition-related costs associated with asset acquisitions.

Upon acquisition of a property, the Company assesses the fair value of acquired tangible and intangible assets (including land, buildings, tenant improvements, "above-market" and "below-market" leases, acquired in-place leases, other identified intangible assets and assumed liabilities) and allocates the purchase price to the acquired assets and assumed liabilities. The Company assesses and considers fair value based on estimated cash flow projections that utilize discount and/or capitalization rates that it deems appropriate, as well as other available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known and anticipated trends, and market and economic conditions.

The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant. The Company also considers an allocation of purchase price of other acquired intangibles, including acquired in-place leases that may have a customer relationship intangible value, including (but not limited to) the nature and extent of the existing relationship with the tenants, the tenants' credit quality and expectations of lease renewals. Based on its acquisitions to date, the Company's allocation to customer relationship intangible assets has not been material.

The Company records acquired above-market and below-market leases at their fair values (using a discount rate which reflects the risks associated with the leases acquired) equal to the difference between (1) the contractual amounts to be paid pursuant to each in-place lease and (2) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed rate renewal options for below-market leases. Other intangible assets acquired include amounts for in-place lease values that are based on the Company's evaluation of the specific characteristics of each tenant's lease. Factors to be considered include estimates of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, the Company considers leasing commissions, legal and other related expenses.

Intangible assets and intangible liabilities are recorded as a component of Other Assets and Accounts Payable, Accrued Expenses, and Other Liabilities, respectively, on the Company's Consolidated Balance Sheets. The amortization of acquired above-market and below-market leases is recorded as an adjustment to Rental Revenue on the Company's Consolidated Statements of Operations. The amortization of in-place leases is recorded as an adjustment to Depreciation and Amortization Expense on the Company's Consolidated Statements of Operations. The amortization of below-market and pre-paid ground leases are recorded as an adjustment to Rental Property Operating or Hotel Operating Expenses, as applicable, on the Company's Consolidated Statements of Operations.

The cost of buildings and improvements includes the purchase price of the Company's properties and any acquisition-related costs, along with any subsequent improvements to such properties. The Company's investments in real estate are stated at cost and are generally depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Depreciable Life
Building	30 - 42 years
Building- and land improvements	10 years
Furniture, fixtures and equipment	1 - 10 years
Lease intangibles	Over lease term

Significant improvements to properties are capitalized. When assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts with the resulting gains or losses reflected in net income or loss for the period.

Repairs and maintenance are expensed to operations as incurred and are included in Rental Property Operating and Hotel Operating Expenses on the Company's Consolidated Statements of Operations.

The Company's management reviews its real estate properties for impairment each quarter or when there is an event or change in circumstances that indicates an impaired value. If the carrying amount of the real estate investment is no longer recoverable and exceeds the fair value of such investment, an impairment loss is recognized. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. The evaluation of anticipated future cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results. Since cash flows on real estate properties considered to be "long-lived assets to be held and used" are considered on an undiscounted basis to determine whether an asset has been impaired, the Company's strategy of holding properties over the long term directly decreases the likelihood of recording an impairment loss. If the Company's strategy changes or market conditions otherwise dictate an earlier sale date, an impairment loss may be recognized and such loss could be material to the Company's results. If the Company determines that an impairment has occurred, the affected assets must be reduced to their fair value, less cost to sell. During the periods presented, no such impairment occurred.

#### **Assets Held for Sale**

The Company classifies the assets and liabilities related to its real estate investments as held for sale when a sale is probable to occur within one year. The Company considers a sale to be probable when a binding contract has been executed, the buyer has posted a non-refundable deposit, and there are limited contingencies to closing. The Company classifies held for sale assets and liabilities at the lower of depreciated cost or fair value less closing costs. Held for sale assets and liabilities are presented within other assets and other liabilities on the Company's Consolidated Balance Sheets. Refer to Note 3 and Note 9 for additional details.

#### **Investments in Real Estate Debt**

The Company's investments in real estate debt consists of securities and loans. The Company has elected to classify its securities as trading securities and carry such investments at estimated fair value. As such, the resulting unrealized gains and losses are recorded as a component of Income from Real Estate Debt on the Company's Consolidated Statements of Operations.

The Company elected the fair value option ("FVO") for its investments in loans. As such, any unrealized gains or losses on its investments in loans are recorded as a component of Income from Real Estate Debt on the Consolidated Statements of Operations.

Interest income from the Company's investments in real estate debt is recognized over the life of each investment using the effective interest method and is recorded on the accrual basis. Recognition of premiums and discounts associated with these investments is deferred and recorded over the term of the investment as an adjustment to yield. Such items are recorded as components of Investments in Real Estate Debt on the Company's Consolidated Statements of Operations.

#### **Cash and Cash Equivalents**

Cash and cash equivalents represent cash held in banks, cash on hand, and liquid investments with original maturities of three months or less. The Company may have bank balances in excess of federally insured amounts; however, the Company deposits its cash and cash equivalents with high credit-quality institutions to minimize credit risk.

#### **Restricted Cash**

As of December 31, 2019 and December 31, 2018, restricted cash primarily consists of \$787.7 million and \$166.5 million, respectively, of cash received for subscriptions prior to the date in which the subscriptions are effective, which is held in a bank account controlled by the Company's transfer agent but in the name of the Company. Other restricted cash consists of amounts in escrow related to real estate taxes, insurance in connection with mortgages at certain of our properties, security deposits and collateral for swaps.

#### **Deferred Charges**

The Company's deferred charges include financing and leasing costs. Deferred financing costs include legal, structuring, and other loan costs incurred by the Company for its financing agreements. Deferred financing costs related to the Company's mortgage notes and term loans are recorded as an offset to the related liability and amortized over the term of the applicable financing instruments. Deferred financing costs related to the Company's revolving credit facilities and affiliate line of credit are recorded as a component of Other Assets on the Company's Consolidated Balance Sheets and amortized over the term of the applicable financing agreements.

Deferred leasing costs incurred in connection with new leases, which consist primarily of brokerage and legal fees, are recorded as a component of Other Assets on the Company's Consolidated Balance Sheets and amortized over the life of the related lease.

#### Revenue Recognition

The Company's sources of revenue and the related revenue recognition policies are as follows:

Rental revenue — primarily consists of base rent and tenant reimbursement income arising from tenant leases at the Company's industrial, multifamily, net lease, office, retail and other properties. Base rent is recognized on a straight-line basis over the life of the lease, including any rent steps or abatement provisions. The Company begins to recognize revenue upon the acquisition of the related property or when a tenant takes possession of the leased space. Tenant reimbursement income primarily consists of amounts due from tenants for costs related to common area maintenance, real estate taxes, and other recoverable costs included in lease agreements.

Hotel revenue — consists of income from the Company's hotel properties. Hotel revenue consists primarily of room revenue and food and beverage revenue. Room revenue is recognized when the related room is occupied and other hotel revenue is recognized when the service is rendered.

#### Organization and Offering Costs

Organization costs are expensed as incurred and recorded as a component of General and Administrative Expense on the Company's Consolidated Statements of Operations and offering costs are charged to equity as such amounts are incurred.

The Adviser agreed to advance \$10.2 million of certain organization and offering costs on behalf of the Company (including legal, marketing and fulfillment, regulatory, due diligence, administrative, accounting, tax, transfer agent and other expenses attributable to the Company's organization, but excluding upfront selling commissions, dealer manager fees and stockholder servicing fees) through December 31, 2017. Such costs are being reimbursed to the Adviser pro rata over 60 months beginning January 1, 2018. For the years ended December 31, 2019 and 2018, the Company reimbursed \$2.0 million and \$2.0 million, respectively, to the Adviser for such costs.

Blackstone Advisory Partners L.P. (the "Dealer Manager"), a registered broker-dealer affiliated with the Adviser, serves as the dealer manager for the Offering. The Dealer Manager is entitled to receive selling commissions and dealer manager fees based on the transaction price of each applicable class of shares sold in the Offering. The Dealer Manager is also entitled to receive a stockholder servicing fee of 0.85%, 0.85% and 0.25% per annum of the aggregate net asset value ("NAV") of the Company's outstanding Class S shares, Class T shares, and Class D shares, respectively. There is no stockholder servicing fee with respect to Class I shares.

The following table details the selling commissions, dealer manager fees, and stockholder servicing fees for each applicable share class as of December 31, 2019:

	Class S Shares	Class I Shares	Class T Shares	Class D Shares
Selling commissions and dealer manager fees (% of transaction price)	up to 3.5%	—	up to 3.5%	up to 1.5%
Stockholder servicing fee (% of NAV)	0.85%	—	0.85%	0.25%

For Class S shares sold in the Offering (other than as part of the Company's distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.5% of the transaction price. For Class T shares sold in the Offering (other than as part of the Company's distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.0% of the transaction price and upfront dealer manager fees of 0.5% of the transaction price, however such amounts may vary at certain participating broker-dealers, provided that the sum will not exceed 3.5% of the transaction price. For Class D shares sold in the Offering (other than as part of the Company's distribution reinvestment plan), investors will pay upfront selling commissions of up to 1.5% of the transaction price.

The Dealer Manager is entitled to receive stockholder servicing fees of 0.85% per annum of the aggregate NAV for Class S shares and Class T shares. For Class T shares such stockholder servicing fee includes, an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares. For Class D shares, a stockholder servicing fee equal to 0.25% per annum of the aggregate NAV for the Class D shares.

The Dealer Manager has entered into agreements with the selected dealers distributing the Company's shares in the Offering, which provide, among other things, for the re-allowance of the full amount of the selling commissions and dealer manager fees and all of the stockholder servicing fees received by the Dealer Manager to such selected dealers. Through December 31, 2019, the Dealer Manager had not retained any upfront selling commissions, dealer manager, or stockholder servicing fees. The Company will cease paying the

stockholder servicing fee with respect to any Class S share, Class T share or Class D share held in a stockholder's account at the end of the month in which the total selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or, in the case of Class T shares sold through certain participating broker-dealers, a lower limit as set forth in any applicable agreement between the Dealer Manager and a participating broker-dealer) of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under the Company's distribution reinvestment plan with respect thereto). The Company will accrue the full cost of the stockholder servicing fee as an offering cost at the time each Class S, Class T, and Class D share is sold during the Offering. As of December 31, 2019 and 2018, the Company had accrued \$478.5 million and \$238.5 million, respectively, of stockholder servicing fees related to Class S shares, Class D shares and Class T shares sold and recorded such amount as a component of Due to Affiliates on the Company's Consolidated Balance Sheets.

#### **Income Taxes**

The Company qualifies to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), for U.S. federal income tax purposes. The Company generally will not be subject to federal corporate income tax to the extent it distributes 100% of its taxable income to its stockholders. REITs are subject to a number of other organization and operational requirements. Even if the Company qualifies for taxation as a REIT, it may be subject to certain state and local taxes on its income and property, and federal income and excise taxes on its undistributed income.

The Company leases its hotel investments to wholly-owned taxable REIT subsidiaries ("TRSs"). The TRSs are subject to taxation at the federal, state and local levels, as applicable. Revenues related to the hotels' operations such as room revenue, food and beverage revenue and other revenue are recorded in the TRS along with corresponding expenses. The Company accounts for applicable income taxes by utilizing the asset and liability method. As such, the Company records deferred tax assets and liabilities for the future tax consequences resulting from the difference between the carrying value of existing assets and liabilities and their respective tax basis. A valuation allowance for deferred tax assets is provided if the Company believes all or some portion of the deferred tax asset may not be realized. During the years ended December 31, 2019, 2018 and 2017 the Company recorded a net tax benefit of \$0.9 million, \$0.6 million and \$0.3 million, respectively, within Other Income on the Company's Consolidated Statements of Operations. The deferred benefit for the years ended December 31, 2019, 2018 and 2017 is \$3.1 million, \$1.5 million and \$0.3 million, respectively. The current expense for the years ended December 31, 2019 and 2018 is \$2.2 million and \$ 0.9 million, respectively. There was no such tax expense for the year ended December 31, 2017. As of December 31, 2019, 2018 and 2017, the Company recorded a deferred tax asset of \$4.9 million, \$1.8 million, and \$0.3 million, respectively, due to its hotel investments within Other Assets on the Company's Consolidated Balance Sheets.

#### **Fair Value Measurements**

Under normal market conditions, the fair value of an investment is the amount that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). Additionally, there is a hierarchical framework that prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and the state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following levels within the fair value hierarchy:

Level 1 — quoted prices are available in active markets for identical investments as of the measurement date. The Company does not adjust the quoted price for these investments.

Level 2 — quoted prices are available in markets that are not active or model inputs are based on inputs that are either directly or indirectly observable as of the measurement date.

Level 3 — pricing inputs are unobservable and include instances where there is minimal, if any, market activity for the investment. These inputs require significant judgment or estimation by management or third parties when determining fair value and generally represent anything that does not meet the criteria of Levels 1 and 2. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

#### *Valuation of assets measured at fair value*

The Company's investments in real estate debt are reported at fair value. As of December 31, 2019 and 2018, the Company's investments in real estate debt consisted of commercial mortgage-backed securities ("CMBS"), residential mortgage-backed securities

("RMBS"), which are mortgage-related fixed income securities, corporate bonds, and term private mezzanine loans of real estate-related companies. The Company generally determines the fair value of its real estate debt by generally utilizing third-party pricing service providers and broker-dealer quotations on the basis of last available bid price.

In determining the fair value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models to determine the reported price. The pricing service providers' internal models for securities such as real estate debt generally consider the attributes applicable to a particular class of the security (e.g., credit rating, seniority), current market data, and estimated cash flows for each class and incorporate deal collateral performance such as prepayment speeds and default rates, as available.

Certain of the Company's investments in real estate debt, such as mortgages or mezzanine loans, are unlikely to have readily available market quotations. In such cases, the Company will generally determine the initial value based on the acquisition price of such investment if acquired by the Company or the par value of such investment if originated by the Company. Following the initial measurement, the Company will determine fair value by utilizing or reviewing certain of the following (i) market yield data, (ii) discounted cash flow modeling, (iii) collateral asset performance, (iv) local or macro real estate performance, (v) capital market conditions, (vi) debt yield or loan-to-value ratios and (vii) borrower financial condition and performance.

As of December 31, 2019 and 2018, the Company's \$4.5 billion and \$2.3 billion, respectively, of investments in real estate debt were classified as Level 2.

#### *Valuation of liabilities not measured at fair value*

As of December 31, 2019, the fair value of the Company's mortgage notes, term loans, and secured revolving credit facilities, repurchase agreements, and unsecured revolving credit facilities were approximately \$54.9 million above carrying value. As of December 31, 2018, the fair value of the Company's mortgage notes, term loans, and revolving credit facilities, repurchase agreements, and affiliate line of credit were approximately \$6.9 million below carrying value. Fair value of the Company's indebtedness is estimated by modeling the cash flows required by the Company's debt agreements and discounting them back to the present value using the appropriate discount rate. Additionally, the Company considers current market rates and conditions by evaluating similar borrowing agreements with comparable loan-to-value ratios and credit profiles. The inputs used in determining the fair value of the Company's indebtedness are considered Level 3.

#### **Earnings Per Share**

Basic net loss per share of common stock is determined by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. All classes of common stock are allocated net income/(loss) at the same rate per share and receive the same gross distribution per share.

The restricted stock grants of Class I shares held by our directors are considered to be participating securities because they contain non-forfeitable rights to distributions. The impact of these restricted stock grants on basic and diluted earnings per common share ("EPS") has been calculated using the two-class method whereby earnings are allocated to the restricted stock grants based on dividends declared and the restricted stockholders' participation rights in undistributed earnings. As of December 31, 2019 and 2018, the effects of the two-class method on basic and diluted EPS were not material to the Company's consolidated financial statements.

#### **Stock-Based Compensation**

The Company's stock-based compensation consists of incentive compensation awards issued to certain employees of affiliate portfolio company service providers. Such awards vest over the life of the awards and stock-based compensation expense is recognized for these awards in net income on a straight-line basis over the applicable vesting period of the award, based on the value of the awards at grant. Refer to Note 11 for additional information.

#### **Recent Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 "Revenue from Contracts with Customers (Topic 606)," ASU 2014-09 broadly amends the accounting guidance for revenue recognition. ASU 2014-09 is effective for the first interim or annual period beginning after December 15, 2017, and is to be applied retrospectively. The Company adopted ASU 2014-09 on January 1, 2018 and applied it on a modified retrospective basis. Based on the Company's completed assessment of this updated accounting guidance, it does not materially affect the amount or timing of revenue recognition for the Company and the Company did not recognize any cumulative-effect adjustment as a result of adoption.

On January 1, 2019, the Company adopted ASU 2016-02, "Leases," and all related amendments (codified in Accounting Standards Codification Topic 842 ("Topic 842")). Certain of the Company's investments in real estate are subject to ground leases, for which lease liabilities and corresponding right-of-use ("ROU") assets were recognized as a result of adoption. The Company calculated the amount of the lease liabilities and ROU assets by taking the present value of the remaining lease payments, and adjusted the ROU assets for any existing straight-line ground rent liabilities and acquired ground lease intangibles. The Company's estimated incremental borrowing rate of a loan with a similar term as the corresponding ground leases was used as the discount rate, which was determined to be approximately 7.0%. Considerable judgment and assumptions were required to estimate the Company's incremental borrowing rate which was determined by considering the Company's credit quality, ground lease duration, and debt yields observed in the market.

Three of the Company's existing ground leases were classified as operating leases, and upon adoption the Company recognized operating lease liabilities and corresponding ROU assets of \$31.3 million. The Company's existing below-market ground lease intangible asset of \$4.5 million, above-market ground lease intangible liability of \$4.6 million, and straight-line ground rent liability of \$1.2 million were reclassified as of January 1, 2019 to be presented net of the operating ROU assets. In addition, the Company's existing prepaid ground lease intangible asset of \$15.7 million was reclassified as of January 1, 2019 to be presented along with the operating ROU assets.

The lease liabilities are included as a component of Accounts Payable, Accrued Expenses, and Other Liabilities and the related ROU assets are recorded as a component of Investments in Real Estate, Net on the Company's Consolidated Balance Sheet. Refer to Note 3, Note 9 and Note 12 for additional information.

In transition, the Company elected the package of practical expedients to not reassess (i) whether existing arrangements are or contain a lease, (ii) the classification of an operating or financing lease in a period prior to adoption, and (iii) any initial direct costs for existing leases. Additionally, the Company elected to not use hindsight and carried forward its lease term assumptions when adopting Topic 842 and did not recognize lease liabilities and lease assets for leases with a term of 12 months or less. The Company applied ASU 2016-02 as of the effective date of January 1, 2019, and there was no impact to retained earnings as a result of the Company's adoption.

The adoption of ASU 2016-02 for leases in which the Company is lessor did not have a material impact on the Company's consolidated financial statements. The Company elected to not separate non-lease components from lease components and presented lease related revenues as a single line item, net of bad debt expense on the Company's Consolidated Statement of Operations. Prior to the adoption of ASU 2016-02, the Company separated lease related revenue between "rental revenue" and "tenant reimbursement income" and bad debt expense as a component of "rental property operating" expense. As a result of adoption, the Company reclassified the prior period balances of "tenant reimbursement income" to "rental revenue" to conform to the current period presentation. The Company did not reclassify the prior period balance of bad debt expense on its consolidated statement of operations. The operating lease income presented in "rental revenue" for the years ended December 31, 2018 and 2017 includes \$64.1 million and \$11.0 million, respectively, previously classified as "tenant reimbursement income," which was determined under the standard in effect prior to the Company's adoption of ASU 2016-02. Refer to Note 12 for additional information.

### 3. Investments in Real Estate

Investments in real estate, net consisted of the following (\$ in thousands):

	December 31, 2019	December 31, 2018
Building and building improvements	\$ 20,950,147	\$ 8,389,864
Land and land improvements	5,639,678	1,961,977
Furniture, fixtures and equipment	377,645	182,418
Right of use asset - operating leases(1)	114,011	—
Right of use asset - financing leases(1)	56,008	—
Total	27,137,489	10,534,259
Accumulated depreciation and amortization	(810,621)	(274,572)
Investments in real estate, net	\$ 26,326,868	\$ 10,259,687

(1) Refer to Note 12 for additional details on the Company's leases.



During the year ended December 31, 2019, the Company acquired interests in 53 real estate investments, which were comprised of 443 industrial, 78 multifamily, 34 hotel, 21 self-storage, four retail, one office and one net lease property.

The following table provides further details of the properties acquired during the year ended December 31, 2019 (\$ in thousands):

Segment and Investment	Number of Transactions	Number of Properties	Sq. Feet (in thousands)/ Units/ Keys(1)	Purchase Price (2)
<i>Industrial:</i>				
Jupiter 12 Industrial Portfolio	1	316	63,965 sq. ft.	\$ 5,466,697
Other industrial properties	8	127	12,927 sq. ft.	1,118,566
Total Industrial properties	9	443	76,892 sq. ft.	6,585,263
<i>Multifamily:</i>				
Roman Multifamily Portfolio	1	14	3,743 units	857,540
Other multifamily properties	31	64	19,576 units	3,679,446
Total Multifamily properties	32	78	23,319 units	4,536,986
<i>Net Lease:</i>				
Bellagio	1	1	8,507 sq. ft.	4,265,530
Total Net Lease properties	1	1	8,507 sq. ft.	4,265,530
Hotel properties	5	34	5,826 keys	1,053,166
Retail properties	4	4	750 sq. ft.	282,072
Office properties	1	1	228 sq. ft.	123,348
Other properties	1	21	1,347 sq. ft.	150,703
Total Investments in Real Estate	53	582		\$ 16,997,068

- (1) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.
- (2) Purchase price is inclusive of acquisition-related costs.

During the year ended December 31, 2018, the Company acquired interests in 32 real estate investments, which were comprised of 270 industrial, 73 multifamily, 15 hotel, and one retail property.

The following table provides details of the properties acquired during the year ended December 31, 2018 (\$ in thousands):

Segment and Investment	Number of Transactions	Number of Properties	Sq. Feet (in thousands)/ Unit(1)/ Keys	Purchase Price(2)
<b>Industrial:</b>				
Canyon Industrial Portfolio	1	146	21,719 sq. ft.	\$ 1,837,213
Meridian Industrial Portfolio	1	106	14,011 sq. ft.	962,979
Other industrial properties	4	18	5,563 sq. ft.	539,195
<b>Total Industrial</b>	<b>6</b>	<b>270</b>	<b>41,293 sq. ft.</b>	<b>3,339,387</b>
<b>Multifamily:</b>				
EdR Student Housing Portfolio	1	20	10,610 units	1,230,857
Wave Multifamily Portfolio	1	6	2,199 units	423,135
Other multifamily properties	16	47	10,515 units	1,302,232
<b>Total Multifamily</b>	<b>18</b>	<b>73</b>	<b>23,324 units</b>	<b>2,956,224</b>
<b>Hotel:</b>				
JW Marriott San Antonio Hill Country Resort	1	1	1,002 keys	604,323
Other hotel properties	6	14	1,780 keys	359,135
<b>Total Hotel</b>	<b>7</b>	<b>15</b>	<b>2,782 keys</b>	<b>963,458</b>
Retail properties	1	1	91 sq. ft.	34,738
<b>Total Investments in Real Estate</b>	<b>32</b>	<b>359</b>		<b>\$ 7,293,807</b>

- (1) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.
- (2) Purchase price is inclusive of acquisition-related costs.

The following table summarizes the purchase price allocation for the properties acquired during the year ended December 31, 2019 (\$ in thousands):

	Jupiter 12 Industrial Portfolio	Bellagio	Roman Multifamily Portfolio	All Other	Total
Building and building improvements	\$ 4,380,115	\$ 2,760,936	\$ 714,941	\$ 4,677,934	\$ 12,533,926
Land and land improvements	781,578	1,453,421	110,206	1,358,583	3,703,788
Furniture, fixtures and equipment	—	46,091	8,538	112,401	167,030
In-place lease intangibles	346,492	—	23,855	264,521	634,868
Above-market lease intangibles	14,105	—	—	6,794	20,899
Below-market ground lease(1)	15,985	—	—	—	15,985
Below-market lease intangibles	(71,578)	—	—	(33,917)	(105,495)
Other	—	5,082	—	20,985	26,067
<b>Total purchase price</b>	<b>\$ 5,466,697</b>	<b>\$ 4,265,530</b>	<b>\$ 857,540</b>	<b>\$ 6,407,301</b>	<b>\$ 16,997,068</b>
Assumed mortgage notes(2)	703,853	—	237,981	260,879	1,202,713
<b>Net purchase price</b>	<b>\$ 4,762,844</b>	<b>\$ 4,265,530</b>	<b>\$ 619,559</b>	<b>\$ 6,146,422</b>	<b>\$ 15,794,355</b>

- (1) The below-market ground lease value was recorded as a component of the right of use asset – operating leases on the Condensed Consolidated Balance Sheet. Refer to Note 12 for additional details on the Company's leases.
- (2) Refer to Note 6 for additional details on the Company's mortgage notes.

The weighted-average amortization periods for the acquired in-place lease intangibles, above-market lease intangibles, and below-market lease intangibles of the properties acquired during the year ended December 31, 2019 were 3, 6, and 6 years, respectively.

The following table summarizes the purchase price allocation for the properties acquired during the year ended December 31, 2018 (\$ in thousands):

	Canyon Industrial Portfolio	EdR Student Housing Portfolio	Meridian Industrial Portfolio	JW Marriott San Antonio Hill Country Resort	Wave Multifamily Portfolio	All Other	Total
Building and building improvements	\$ 1,362,916	\$ 1,034,732	\$ 736,302	\$ 474,529	\$ 323,954	\$ 1,563,496	\$ 5,495,929
Land and land improvements	376,762	138,249	165,881	84,218	82,686	535,141	1,382,937
Furniture, fixtures and equipment	—	11,072	—	39,979	5,252	42,667	98,970
In-place lease intangibles	109,031	51,583	64,623	597	11,243	103,387	340,464
Above-market lease intangibles	8,459	—	2,862	—	—	3,775	15,096
Below-market ground lease <sup>(1)</sup>	—	—	793	—	—	—	793
Below-market lease intangibles	(19,955)	(122)	(13,604)	—	—	(13,853)	(47,534)
Above-market ground lease	—	(4,657)	—	—	—	—	(4,657)
Other	—	—	6,122	5,000	—	687	11,809
Total purchase price	\$ 1,837,213	\$ 1,230,857	\$ 962,979	\$ 604,323	\$ 423,135	\$ 2,235,300	\$ 7,293,807
Assumed mortgage notes <sup>(2)</sup>	—	46,070	11,190	—	—	151,220	208,480
Non-controlling interest	—	12,802	—	—	—	—	12,802
Net purchase price	\$ 1,837,213	\$ 1,171,985	\$ 951,789	\$ 604,323	\$ 423,135	\$ 2,084,080	\$ 7,072,525

(1) Refer to Note 6 for additional details on the Company's mortgage notes.

The weighted-average amortization periods for the acquired in-place lease intangibles, above-market lease intangibles, below-market ground lease intangibles, below-market lease intangibles, and above-market ground lease intangibles of the properties acquired during the year ended December 31, 2018 were 4, 5, 65, 7 and 86 years, respectively.

#### Dispositions

During the year ended December 31, 2019, the Company sold three properties across three separate transactions which resulted in a net gain of \$35.0 million which was recorded within Net Gain on Dispositions of Real Estate on the Company's Consolidated Statements of Operations.

#### Properties Held for Sale

As of December 31, 2019, six properties were classified as held for sale. Subsequent to December 31, 2019, one property was sold. The sale of the remaining five properties is expected to close in the first or second quarter of 2020.

The following table is a summary of the assets and liabilities of the Company's properties classified as held for sale (\$ in thousands):

Assets:	December 31, 2019
Investments in real estate, net	\$ 141,344
Other assets	2,035
Total assets	\$ 143,379
Liabilities:	
Mortgage notes, term loans, and secured revolving credit facilities, net	\$ 104,314
Other liabilities	4,097
Total liabilities	\$ 108,411

#### 4. Intangibles

The gross carrying amount and accumulated amortization of the Company's intangible assets and liabilities consisted of the following (\$ in thousands):

	December 31, 2019	December 31, 2018
Intangible assets:		
In-place lease intangibles	\$ 811,254	\$ 354,261
Above-market lease intangibles	42,483	21,626
Prepaid ground lease intangibles	—	16,114
Below-market ground lease intangibles	—	5,415
Other	26,400	5,676
Total intangible assets	880,137	403,092
Accumulated amortization:		
In-place lease amortization	(200,629)	(104,745)
Above-market lease amortization	(10,977)	(4,903)
Prepaid ground lease amortization	—	(378)
Below-market ground lease amortization	—	(162)
Other	(3,189)	(246)
Total accumulated amortization	(214,795)	(110,434)
Intangible assets, net	\$ 665,342	\$ 292,658
Intangible liabilities:		
Below-market lease intangibles	\$ 167,032	\$ 62,199
Above-market ground lease intangibles	—	4,657
Total intangible liabilities	167,032	66,856
Accumulated amortization:		
Below-market lease amortization	(30,078)	(11,132)
Above-market ground lease amortization	—	(15)
Total accumulated amortization	(30,078)	(11,147)
Intangible liabilities, net	\$ 136,954	\$ 55,709

The estimated future amortization on the Company's intangibles for each of the next five years and thereafter as of December 31, 2019 is as follows (\$ in thousands):

	In-place Lease Intangibles	Above-market Lease Intangibles	Below-market Lease Intangibles
2020	\$ 212,672	\$ 8,242	\$ (30,025)
2021	128,309	7,296	(26,403)
2022	88,947	5,707	(21,074)
2023	60,529	3,423	(17,174)
2024	39,089	2,280	(13,853)
Thereafter	81,079	4,558	(28,425)
	\$ 610,625	\$ 31,506	\$ (136,954)

## 5. Investments in Real Estate Debt

The following tables detail the Company's investments in real estate debt (\$ in thousands):

December 31, 2019							
Number of Positions	Credit Rating(1)	Collateral(2)	Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/ Notional(5)	Cost Basis	Fair Value
<b>CMBS - Floating:</b>							
43	BB	Hospitality, Industrial, Multifamily, Office, Other, Diversified	L+2.82%	1/24/2025	\$ 996,720	\$ 994,189	\$ 997,022
30	BBB	Hospitality, Industrial, Multifamily, Office, Other	L+2.29%	3/24/2025	746,053	743,664	745,510
23	B	Hospitality, Industrial, Multifamily, Office	L+3.36%	12/8/2024	608,775	607,367	608,826
9	A	Hospitality, Industrial, Office, Retail, Diversified	L+2.04%	11/14/2024	318,881	318,117	319,227
1	AA	Office	L+4.25%	9/9/2020	8,257	8,332	8,277
16	Other	Hospitality, Multifamily	L+2.62%	7/2/2025	228,394	227,887	228,090
122						2,899,556	2,906,952
<b>CMBS - Fixed:</b>							
11	BB	Hospitality, Multifamily, Office, Diversified	3.8%	3/19/2028	297,379	283,944	282,977
7	B	Hospitality, Multifamily, Office, Diversified	4.3%	1/27/2026	169,039	166,167	166,085
14	BBB	Hospitality, Multifamily, Diversified	4.0%	1/22/2027	143,559	140,855	144,390
11	Other	Hospitality, Multifamily, Office, Diversified	4.6%	11/7/2027	240,761	238,437	238,518
43						829,403	831,970
<b>Corporate Bonds:</b>							
8	BB	Hospitality, Multifamily, Diversified	5.1%	4/15/2027	221,986	220,757	230,006
4	B	Hospitality, Multifamily, Other	5.9%	6/29/2026	54,316	55,739	58,105
12						276,496	288,111
<b>CMBS - Zero Coupon:</b>							
1	BB	Multifamily	N/A	4/8/2025	27,273	20,590	20,866
3	Other	Multifamily	N/A	4/24/2027	208,817	106,629	115,161
4						127,219	136,027
<b>RMBS - Fixed:</b>							
8	BB	Multifamily	4.0%	9/13/2028	25,528	25,534	25,482
1	B	Multifamily	6.3%	5/16/2027	3,787	3,972	3,966
9						29,506	29,448
<b>CMBS - Interest Only:</b>							
2	AAA	Multifamily	0.1%	6/12/2026	1,799,254	9,554	9,550
1	BBB	Multifamily	0.1%	1/21/2028	225,803	1,372	1,371
1	A	Multifamily	0.1%	5/19/2025	194,399	914	913
1	Other	Multifamily	4.5%	12/17/2026	42,024	11,724	11,713
5						23,564	23,547
195							
Total real estate securities						4,185,744	4,216,055
<b>Term Loans:</b>							
5	B	Hospitality, Industrial	L+3.71%	1/8/2025	73,952	73,364	72,605
1	BB	Diversified	L+2.75%	5/15/2026	54,155	53,916	54,290
1	Other	Multifamily	L+1.70%	2/6/2022	47,132	46,186	46,234
7						173,466	173,129
<b>Mezzanine Loans:</b>							
1	Other	Hospitality	L+6.86%	12/15/2024	134,750	134,078	134,076
8						307,544	307,205
203							
Total real estate debt						\$ 4,493,288	\$ 4,523,260

December 31, 2018							
Number of Positions	Credit Rating(1)	Collateral(2)	Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/ Notional(5)	Cost Basis	Fair Value
<b>CMBS:</b>							
38	BB	Hospitality, Industrial, Multifamily, Office, Retail	L+2.83%	9/4/2024	\$ 941,240	\$ 939,742	\$ 930,411
26	BBB	Hospitality, Industrial, Multifamily, Office	L+2.15%	11/18/2024	578,771	576,601	571,171
21	B	Hospitality, Multifamily, Office	L+3.56%	9/19/2024	496,383	495,095	490,019
3	A	Hospitality, Industrial, Retail	L+1.81%	3/10/2023	89,165	89,184	88,358
7	Other	Multifamily	L+1.99%	6/13/2026	35,442	34,876	34,951
95						2,135,498	2,114,910
<b>CMBS - Interest Only:</b>							
2	AAA	Multifamily	0.1%	3/12/2027	1,802,581	9,959	9,957
1	BBB	Multifamily	0.1%	5/25/2028	225,802	1,414	1,415
1	A	Multifamily	0.1%	7/25/2025	194,399	1,001	1,001
4						12,374	12,373
<b>CMBS - Zero Coupon:</b>							
2	Other	Multifamily	N/A	3/2/2027	166,793	80,892	81,875
<b>Corporate Bond:</b>							
1	BB	Hospitality	6.5%	9/15/2026	52,652	52,652	50,755
102					Total real estate debt	\$ 2,281,416	\$ 2,259,913

- (1) AAA represents credit ratings of AAA and AAA-, A represents credit ratings of A+, A, and A-, BBB represents credit ratings of BBB+, BBB, and BBB-, BB represents credit ratings of BB+, BB, and BB-, and B represents credit ratings of B+, B, and B-. Other consists of investments that, as of December 31, 2019 and December 31, 2018, were either not ratable or have not been submitted to rating agencies.
- (2) Multifamily real estate debt is collateralized by various forms of rental housing including single-family homes and apartments.
- (3) The term "L" refers to the one-month U.S. dollar-denominated London Interbank Offer Rate ("LIBOR"). As of December 31, 2019, one-month LIBOR was equal to 1.8%.
- (4) Weighted average maturity date is based on the fully extended maturity date of the instrument or, in the case of CMBS and RMBS, the underlying collateral.
- (5) Represents notional amount for interest only positions.

The Company's investments in real estate debt included CMBS and loans collateralized by properties owned by Blackstone-advised investment vehicles and CMBS collateralized by loans originated or acquired by Blackstone-advised investment vehicles. The following table details the Company's affiliate real estate debt positions (\$ in thousands):

	Fair Value		Interest Income		
	Year Ended December 31,		Year Ended December 31,		
	2019	2018	2019	2018	2017
CMBS collateralized by properties	\$ 1,418,056	\$ 919,392	\$ 52,562	\$ 38,581	\$ 8,917
CMBS collateralized by a loan	155,978	163,404	7,993	5,423	1,310
Loans collateralized by properties	134,076	—	—	—	—
Total	\$ 1,708,110	\$ 1,082,796	\$ 60,555	\$ 44,004	\$ 10,227

Such CMBS were purchased in fully or over-subscribed offerings. Each investment in such CMBS by Blackstone and its affiliates (including the Company) represented a minority participation in any individual tranche. The Company acquired its minority participation interests from third-party investment banks on market terms negotiated by the majority third-party investors. Blackstone and its affiliates (including the Company) will forgo all non-economic rights (including voting rights) in such CMBS as long as the Blackstone-advised investment vehicles either own the properties collateralizing, loans underlying, or have an interest in a different part of the capital structure related to such CMBS.

The Company's investments in real estate debt also included \$186.8 million of CMBS collateralized by pools of commercial real estate debt, a portion of which included certain of the Company's mortgage notes. The Company recognized \$6.9 million and \$0.7 million of interest income related to such CMBS during the years ended December 31, 2019 and 2018, respectively. There was no interest income related to such CMBS during the year ended December 31, 2017.

As described in Note 2, the Company classifies its investments in real estate debt securities as trading and has elected the FVO for its investments in loans. As such, the Company records these investments at fair value in Real Estate Debt on the Company's

Consolidated Balance Sheets. During the years ended December 31, 2019, 2018, and 2017, the Company recorded an unrealized gain of \$51.5 million, an unrealized loss of \$24.7 million and an unrealized gain of \$2.4 million, respectively, as a component of Income From Real Estate Debt in the Company's Consolidated Statements of Operations. During the years ended December 31, 2019 and 2018, certain of the Company's CMBS investments were fully or partially repaid and the Company recorded a realized gain of \$2.1 million and \$194 thousand, respectively, as a component of Income From Real Estate Debt on the Company's Consolidated Statements of Operations. During the year ended December 31, 2019, the Company sold 18 securities which resulted in a \$5.2 million gain on the Company's Consolidated Statements of Operations. During the year ended December 31, 2018, the Company sold one security which resulted in a \$7 thousand gain on the Company's Consolidated Statements of Operations. The Company did not sell any positions during 2017.

#### 6. Mortgage Notes, Term Loans, and Secured Revolving Credit Facilities

The following is a summary of the mortgage notes, term loans, and secured revolving credit facilities secured by the Company's properties (\$ in thousands):

				Principal Balance Outstanding <sup>(3)</sup>	
Indebtedness	Weighted Average Interest Rate <sup>(1)</sup>	Weighted Average Maturity Date <sup>(2)</sup>	Maximum Facility Size	December 31, 2019	December 31, 2018
Fixed rate					
Fixed rate mortgages	3.80%	6/2/2027	N/A	\$ 12,424,717	\$ 4,782,326
Mezzanine loan	5.85%	4/5/2025	N/A	195,878	200,000
Total fixed rate loans	3.83%	5/21/2027		12,620,595	4,982,326
Variable rate					
Floating rate mortgages	L+1.71%	11/24/2025	N/A	1,826,435	675,116
Variable rate term loans	L+1.58%	3/25/2024	N/A	1,533,561	603,500
Variable rate secured revolving credit facilities	L+1.54%	6/17/2025	\$ 2,233,020	1,063,837	624,200
Total variable rate loans	L+1.63%	3/19/2025		4,423,833	1,902,816
Total loans secured by the Company's properties	3.74%	7/30/2027		17,044,428	6,885,142
Premium on assumed debt, net				10,794	1,673
Deferred financing costs, net				(125,563)	(53,546)
Mortgage notes, term loans, and secured revolving credit facilities, net				\$ 16,929,659	\$ 6,833,269

(1) The term "L" refers to the one-month LIBOR. As of December 31, 2019, one-month LIBOR was 1.8%.

(2) For loans where the Company, at its sole discretion, has extension options, the maximum maturity date has been assumed.

(3) The majority of the Company's mortgages contain yield or spread maintenance provisions.

The following table presents the future principal payments due under the Company's mortgage notes, term loans, and secured revolving credit facilities as of December 31, 2019 (\$ in thousands):

Year	Amount
2020	\$ 99,749
2021	49,771
2022	721,116
2023	491,015
2024	3,439,512
Thereafter	12,243,265
Total	\$ 17,044,428

#### 7. Repurchase Agreements

The Company has entered into master repurchase agreements with Citigroup Global Markets Inc. (the "Citi MRA"), Royal Bank of Canada (the "RBC MRA"), Bank of America Merrill Lynch (the "BAML MRA"), Morgan Stanley Bank, N.A. (the "MS MRA"), MUFG Securities EMEA PLC (the "MUFG MRA"), HSBC Bank USA, National Association (the "HSBC MRA"), and Barclays Bank PLC (the "Barclays MRA") to provide the Company with additional financing capacity secured by certain of the Company's investments in real estate debt. The terms of the Citi MRA, RBC MRA, BAML MRA, MS MRA, MUFG MRA, and HSBC MRA provide the lenders the ability to determine the size and terms of the financing provided based upon the particular collateral pledged by the Company from time-to-time. The Barclays MRA has a maximum facility size of \$750.0 million and repurchase agreements under the Barclays MRA have longer dated maturity compared to the Company's other master repurchase agreements. Additionally,

the Barclays MRA contains specific spread and advance rate provisions based on the rating of the underlying real estate debt securities. The Company is in compliance with all financial covenants of the Barclays MRA.

The following tables are a summary of the Company's repurchase agreements (\$ in thousands):

December 31, 2019					
Facility	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
RBC MRA	6/23/2020	CMBS/Corporate bonds	\$ 1,980,951	\$ 1,561,642	None
Barclays MRA	9/29/2021	CMBS	981,652	750,000	None
MS MRA	2/1/2020	CMBS	636,734	508,510	None
Citi MRA	1/14/2020	CMBS/Corporate bonds	266,406	205,762	None
MUFG MRA	4/30/2020	CMBS	86,332	62,561	None
BAML MRA	1/24/2020	CMBS/Corporate bonds	4,807	3,662	None
			<u>\$ 3,956,882</u>	<u>\$ 3,092,137</u>	

December 31, 2018					
Facility	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
Barclays MRA	9/29/2021	CMBS/Corporate bonds	\$ 989,059	\$ 750,000	None
RBC MRA	6/18/2019	CMBS	794,917	650,018	None
Citi MRA	1/13/2019	CMBS	193,372	154,736	None
MS MRA	1/15/2019	CMBS	173,050	146,569	None
MUFG MRA	4/30/2020	CMBS	15,266	12,400	None
			<u>\$ 2,165,664</u>	<u>\$ 1,713,723</u>	

(1) Subsequent to year end, the Company rolled its repurchase agreement contracts expiring in January and February 2020 into new contracts.

(2) Represents the fair value of the Company's investments in real estate debt that serve as collateral.

The weighted average interest rate of our repurchase agreements was 2.95% (L+1.26%) and 3.96% (L+1.42%) for the year ended December 31, 2019 and 2018, respectively. The term "L" refers to the one-month, three-month or six-month U.S. dollar-denominated London Interbank Offer Rate ("LIBOR").

#### 8. Unsecured Revolving Credit Facilities

On January 23, 2017, the Company entered into an unsecured, uncommitted line of credit (the "Line of Credit") up to a maximum amount of \$250 million with Blackstone Holdings Finance Co. L.L.C. ("Lender"), an affiliate of Blackstone. Effective January 15, 2020, the capacity of the Line of Credit was decreased to \$150 million. The Line of Credit expires on January 22, 2021, and may be extended for up to 12 months, subject to Lender approval. The interest rate is the then-current rate offered by a third-party lender, or, if no such rate is available, LIBOR plus 2.50%. Interest under the Line of Credit is determined based on a one-month U.S. dollar-denominated LIBOR, which was 1.8% and 2.5% as of December 31, 2019 and 2018, respectively. Each advance under the Line of Credit is repayable on the earliest of (i) the expiration of the Line of Credit, (ii) Lender's demand and (iii) the date on which the Adviser no longer acts as the Company's investment adviser, provided that the Company will have 180 days to make such repayment in the cases of clauses (i) and (ii) and 45 days to make such repayment in the case of clause (iii). To the extent the Company has not repaid all loans and other obligations under the Line of Credit when repayment is required, the Company is obligated to apply the net cash proceeds from the Offering and any sale or other disposition of assets to the repayment of such loans and other obligations; provided that the Company will be permitted to (x) make payments to fulfill any repurchase requests pursuant to the Company's share repurchase plan, (y) use funds to close any acquisition of property that the Company committed to prior to receiving a demand notice and (z) make quarterly distributions to the Company's stockholders at per share levels consistent with the immediately preceding fiscal quarter and as otherwise required for the Company to maintain its REIT status. As of December 31, 2019 and 2018, the Company had no outstanding balance under the Line of Credit.



The Company is party to an unsecured line of credit with multiple banks. The line of credit expires on February 22, 2023 and may be extended for one year. Interest under the line of credit is determined based on one-month U.S. dollar-denominated LIBOR plus 2.50%. As of December 31, 2019, the capacity of the unsecured line of credit was \$900 million. As of December 31, 2019, the Company had a \$30 million letter of credit outstanding, which reduced the available capacity of the unsecured line of credit to \$870 million.

#### 9. Other Assets and Other Liabilities

The following table summarizes the components of other assets (\$ in thousands):

	December 31, 2019	December 31, 2018
Real estate intangibles, net	\$ 665,342	\$ 292,658
Held for sale assets	143,379	—
Receivables	101,106	45,799
Straight-line rent receivable	38,287	10,337
Deferred leasing costs, net	28,792	7,621
Deferred financing costs, net	28,494	5,822
Prepaid expenses	28,334	10,746
Pre-acquisition costs	9,861	15,361
Other	36,398	22,601
Total	<u>\$ 1,079,993</u>	<u>\$ 410,945</u>

The following table summarizes the components of accounts payable, accrued expenses and other liabilities (\$ in thousands):

	December 31, 2019	December 31, 2018
Subscriptions received in advance	\$ 796,729	\$ 166,542
Intangible liabilities, net	136,954	55,709
Accounts payable and accrued expenses	126,565	53,247
Held for sale liabilities	108,411	—
Real estate taxes payable	100,767	56,555
Prepaid rental income	87,479	29,112
Right of use lease liability - operating leases	82,880	—
Right of use lease liability - financing leases	56,758	—
Distribution payable	56,210	21,360
Accrued interest expense	50,279	24,432
Tenant security deposits	46,533	23,493
Other	42,522	33,948
Total	<u>\$ 1,692,087</u>	<u>\$ 464,398</u>

## 10. Equity and Redeemable Non-controlling Interest

### Authorized Capital

The Company is authorized to issue preferred stock and four classes of common stock consisting of Class S shares, Class I shares, Class T shares, and Class D shares. The Company's board of directors has the ability to establish the preferences and rights of each class or series of preferred stock, without stockholder approval, and as such, it may afford the holders of any series or class of preferred stock preferences, powers and rights senior to the rights of holders of common stock. The differences among the common share classes relate to upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees. See Note 2 for a further description of such items. Other than the differences in upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees, each class of common stock has the same economic and voting rights.

As of December 31, 2019, the Company had authority to issue 3,100,000,000 shares, consisting of the following:

Classification	Number of Shares (in thousands)	Par Value
Preferred Stock	100,000	\$ 0.01
Class S Shares	1,000,000	\$ 0.01
Class I Shares	1,000,000	\$ 0.01
Class T Shares	500,000	\$ 0.01
Class D Shares	500,000	\$ 0.01
<b>Total</b>	<b>3,100,000</b>	

### Common Stock

The following tables detail the movement in the Company's outstanding shares of common stock (in thousands):

	Class S	Class I	Class T	Class D	Total
January 1, 2017		20			20
Common stock issued	128,277	30,146	5,600	3,931	167,954
Distribution reinvestment	1,834	578	25	24	2,461
Common stock repurchased	(26)	(41)	—	—	(67)
Independent directors' restricted stock grant <sup>(1)</sup>	—	16	—	—	16
December 31, 2017	130,085	30,719	5,625	3,955	170,384
Common stock issued	142,828	77,964	17,379	26,112	264,283
Distribution reinvestment	6,266	2,394	385	434	9,479
Common stock repurchased	(2,190)	(2,853)	(76)	(126)	(5,245)
Independent directors' restricted stock grant <sup>(1)</sup>	—	37	—	—	37
December 31, 2018	276,989	108,261	23,313	30,375	438,938
Common stock issued	248,497	371,562	16,650	53,107	689,816
Distribution reinvestment	12,156	7,356	899	1,590	22,001
Common stock repurchased	(6,829)	(12,936)	(1,095)	(415)	(21,275)
Independent directors' restricted stock grant <sup>(1)</sup>	—	36	—	—	36
December 31, 2019	530,813	474,279	39,767	84,657	1,129,516

(1) The directors' restricted stock grants represented an aggregate \$0.4 million, \$0.4 million and \$0.1 million of the annual compensation paid to the independent directors for the years ended December 31, 2019, 2018, and 2017, respectively. Each grant is amortized over the one-year service period of such grant.

### Share Repurchase Plan

The Company has adopted a share repurchase plan whereby, subject to certain limitations, stockholders may request on a monthly basis that the Company repurchases all or any portion of their shares. Should repurchase requests, in the Company's judgment, place an undue burden on its liquidity, adversely affect its operations or risk having an adverse impact on the Company as a whole, or should the Company otherwise determine that investing its liquid assets in real properties or other illiquid investments rather than repurchasing its shares is in the best interests of the Company as a whole, then the Company may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Further, the Company's board of directors may modify, suspend or terminate the Company's share repurchase plan if it deems such action to be in the Company's best interest and the best interest of its

stockholders. In the event that the Company determines to repurchase some but not all of the shares submitted for repurchase during any month, shares repurchased at the end of the month will be repurchased on a pro rata basis.

For the years ended December 31, 2019, 2018, and 2017, the Company repurchased shares for \$236.4 million, \$56.4 million, and \$0.7 million, respectively. The Company had no unfulfilled repurchase requests during the years ended December 31, 2019, 2018 and 2017.

#### Distributions

The Company generally intends to distribute substantially all of its taxable income, which does not necessarily equal net income as calculated in accordance with GAAP, to its stockholders each year to comply with the REIT provisions of the Internal Revenue Code.

Each class of our common stock receives the same gross distribution per share. The net distribution varies for each class based on the applicable stockholder servicing fee, which is deducted from the monthly distribution per share and paid directly to the applicable distributor. The following table details the aggregate distributions declared for each applicable class of common stock:

Year Ended December 31, 2019				
	Class S	Class I	Class T	Class D
Gross distributions declared per share of common stock	\$ 0.6363	\$ 0.6363	\$ 0.6363	\$ 0.6363
Stockholder servicing fee per share of common stock	(0.0951)	—	(0.0935)	(0.0276)
Net distributions declared per share of common stock	\$ 0.5412	\$ 0.6363	\$ 0.5428	\$ 0.6087

Year Ended December 31, 2018				
	Class S	Class I	Class T	Class D
Gross distributions declared per share of common stock	\$ 0.6286	\$ 0.6286	\$ 0.6286	\$ 0.6286
Stockholder servicing fee per share of common stock	(0.0917)	—	(0.0902)	(0.0267)
Net distributions declared per share of common stock	\$ 0.5369	\$ 0.6286	\$ 0.5384	\$ 0.6019

Year Ended December 31, 2017				
	Class S	Class I	Class T	Class D
Gross distributions declared per share of common stock(1)	\$ 0.4782	\$ 0.4782	\$ 0.3567	\$ 0.4008
Stockholder servicing fee per share of common stock	(0.0823)	—	(0.0511)	(0.0173)
Net distributions declared per share of common stock	\$ 0.3959	\$ 0.4782	\$ 0.3056	\$ 0.3835

(1) The Company did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were declared for Class D or Class T prior to such date.

Distributions for the year ended December 31, 2019 were characterized, for federal income tax purposes, as 8.75% ordinary income, 1.17% capital gains and 90.08% return of capital. Of the 8.75%, 8.60% and 0.15% of the distributions paid in 2019 were non-qualified and qualified, respectively. Distributions for the year ended December 31, 2018 were characterized, for federal income tax purposes, as 3.11% ordinary income and 96.89% return of capital. Of the 3.11%, 0.51% and 2.60% of the distributions paid in 2018 were non-qualified and qualified, respectively. Distributions for the year ended December 31, 2017, were characterized, for federal income tax purposes, as 34.15% ordinary income and 65.85% return of capital. Of the 34.15%, 32.55% and 1.60% of the distributions paid in 2017 were non-qualified and qualified, respectively.

#### Redeemable Non-controlling Interest

In connection with its performance participation interest, the Special Limited Partner holds Class I units in BREIT OP. See Note 11 for further details of the Special Limited Partner's performance participation interest. Because the Special Limited Partner has the ability to redeem its Class I units for Class I shares in the Company or cash, at the election of the Special Limited Partner, the Company has classified these Class I units as Redeemable Non-controlling Interest in mezzanine equity on the Company's Consolidated Balance Sheets.

The following table summarizes the redeemable non-controlling interest activity related to the Special Limited Partner for the years ended December 31, 2019 and 2018 (\$ in thousands):

	December 31, 2019	December 31, 2018
Balance at the beginning of the year	\$ 9,233	\$ 250
Settlement of performance participation allocation	37,484	16,974
Conversion to Class I shares	(11,620)	—
Repurchases	(35,435)	(8,400)
GAAP income allocation	(408)	(1,035)
Distributions	(652)	(748)
Fair value allocation	1,670	2,192
Balance at the end of the year	\$ 272	\$ 9,233

In addition to the Special Limited Partner's interest noted above, certain of the Company's third party joint ventures also have a redeemable non-controlling interest in such joint ventures. As of December 31, 2019, \$20.9 million related to such third party joint ventures was included in Redeemable Non-controlling Interests on the Company's Consolidated Balance Sheets.

The Redeemable Non-controlling Interests are recorded at the greater of their carrying amount, adjusted for their share of the allocation of income or loss and distributions, or their redemption value, which is equivalent to fair value, of such interests at the end of each measurement period. As the redemption value was greater than the adjusted carrying value for certain of the non-controlling interests at December 31, 2019 and 2018, the Company recorded an allocation adjustment of \$6.8 million and \$2.2 million, respectively, between Additional Paid-in Capital and Redeemable Non-controlling Interest.

#### *Non-controlling Interests - BREIT OP unitholders*

On July 27, 2018, the Company entered into an Amended and Restated Limited Partnership Agreement (the "A&R OP Agreement") for BREIT OP. The A&R OP Agreement amended the limited partnership agreement governing BREIT OP to provide for a new class of units ("Class B Units") of BREIT OP, among other changes. Class B Units are available to certain suitable investors in private placements generally utilizing a "draw-down" structure. Class B Units are sold at their NAV per unit, which will equal the NAV per Class I unit of BREIT OP and will generally correspond to the NAV per share of the Company's Class I shares.

Class B Units are subject to the same fees and expenses of Class I Units and do not have any preferential rights relative to the Company's interest in BREIT OP, nor are they exchangeable for any shares of the Company's common stock. Holders of the Class B Units have a right to redeem their units for cash in a manner similar to the ability of the Company's stockholders to have their shares repurchased under the Company's share repurchase plan. Class B Unit redemptions are subject to similar limitations as share repurchases under the Company's share repurchase plan, namely the early repurchase deduction and caps on monthly and quarterly repurchases (calculated on an aggregate basis with shares of the Company's common stock submitted for repurchase for the applicable period). The redemption rights of the Class B unitholders do not affect the terms of the Company's share repurchase plan. Class B Units have the same limited voting rights as the other BREIT OP units and such rights do not affect the Company's exclusive power, as general partner of BREIT OP, to manage and conduct the business of BREIT OP.

During the years ended December 31, 2019 and 2018, BREIT OP received \$0 and \$100 million in Class B Units subscriptions from an entity advised by Blackstone Insurance Solutions. As of December 31, 2019 and 2018, there were 9,268,500 Class B Units outstanding. Class B Units subscriptions are recorded as a component of Non-controlling Interests on the Company's Consolidated Balance Sheets.

## 11. Related Party Transactions

### Due to Affiliates

The following table details the components of due to affiliates (\$ in thousands):

	December 31, 2019	December 31, 2018
Accrued stockholder servicing fee(1)	\$ 478,539	\$ 238,496
Performance participation allocation	141,396	37,484
Accrued management fees	13,873	5,124
Advanced organization and offering costs	6,136	8,181
Accrued affiliate service provider expenses	6,037	3,115
Accrued affiliate incentive compensation awards	—	4,714
Other	44,162	4,467
Total	\$ 690,143	\$ 301,581

- (1) The Company accrues the full amount of the future stockholder servicing fees payable to the Dealer Manager for Class S, Class T, and Class D shares up to the 8.75% of gross proceeds limit at the time such shares are sold. As of December 31, 2019 and 2018, the Company accrued \$478.5 million and \$238.5 million, respectively, of stockholder servicing fees payable to the Dealer Manager related to the Class S, Class T, and Class D shares sold. The Dealer Manager has entered into agreements with the selected dealers distributing the Company's shares in the Offering, which provide, among other things, for the re-allowance of the full amount of the selling commissions and dealer manager fee and all or a portion of the stockholder servicing fees received by the Dealer Manager to such selected dealers.

### Performance Participation Allocation

The Special Limited Partner holds a performance participation interest in BREIT OP that entitles it to receive an allocation of BREIT OP's total return to its capital account. Total return is defined as distributions paid or accrued plus the change in NAV. Under the BREIT OP agreement, the annual total return will be allocated solely to the Special Limited Partner after the other unit holders have received a total return of 5% (after recouping any loss carryforward amount) and such allocation will continue until the allocation between the Special Limited Partner and all other unit holders is equal to 12.5% and 87.5%, respectively. Thereafter, the Special Limited Partner will receive an allocation of 12.5% of the annual total return. The allocation of the performance participation interest is ultimately determined at the end of each calendar year and will be paid in cash or Class I units of BREIT OP, at the election of the Special Limited Partner. During the years ended December 31, 2019, 2018 and 2017, the Company recognized \$141.4 million, \$37.5 million and \$17.0 million, respectively, of Performance Participation Allocation Expense in the Company's Consolidated Statement of Operations.

In January 2020, the Company issued approximately 11.7 million Class I units and 0.7 million Class B units in BREIT OP to the Special Limited Partner as payment for the 2019 performance participation allocation. Such units were issued at the NAV per unit as of December 31, 2019. Subsequent to the Class I units and Class B units being issued, 7.3 million of such units were redeemed for \$83.6 million and 0.8 million of such units were exchanged for unregistered Class I shares in the Company. In January 2019, the Company issued approximately 3.5 million Class I units in BREIT OP to the Special Limited Partner as payment for the 2018 performance participation allocation. Such Class I units were issued at the NAV per unit as of December 31, 2018. Subsequent to the Class I units being issued, 0.4 million of such units were redeemed for \$4.3 million and 1.1 million of such units were exchanged for unregistered Class I shares in the Company. In January 2018, the Company issued approximately 1.6 million Class I units in BREIT OP to the Special Limited Partner as payment for the 2017 performance participation allocation. Such Class I units were issued at the NAV per unit as of December 31, 2017. In June 2018, the Special Limited Partner redeemed 0.8 million Class I units in BREIT OP for \$8.4 million based on the NAV of the Class I units at May 31, 2018. As of December 31, 2019, Blackstone and its employees, including the Company's executive officers, continue to own an aggregate of \$72.9 million worth of shares of the Company and Class I units of BREIT OP.

### Management Fee

The Adviser is entitled to an annual management fee equal to 1.25% of the Company's NAV, payable monthly, as compensation for the services it provides to the Company. The management fee can be paid, at the Adviser's election, in cash, shares of common stock, or BREIT OP units. The Adviser has elected to receive the management fee in shares of the Company's common stock to date. During the years ended December 31, 2019, 2018, and 2017, the Company incurred management fees of \$108.1 million, \$42.7 million, and \$8.9 million, respectively. In accordance with the advisory agreement between the Company, BREIT OP and the Adviser, the Adviser waived the management fee for the period January 1, 2017 to June 30, 2017.

The Company issued 8,424,263, 3,845,338, and 664,411 unregistered Class I shares to the Adviser as payment for the 2019, 2018 and 2017 management fees, respectively, and also had a payable of \$13.9 million and \$5.1 million related to management fees as of December 31, 2019 and 2018, respectively, which is included in Due to Affiliates on the Company's Consolidated Balance Sheets. During January 2020, 2019, and 2018, the Adviser was issued 1,211,870, 474,552 and 180,215, respectively, unregistered Class I shares as payment for the management fee accrued as of December 31, 2019, 2018 and 2017. The shares issued to the Adviser for payment of the management fee were issued at the applicable NAV per share at the end of each month for which the fee was earned. During 2019, the Adviser submitted 10,297,777 Class I shares for an aggregate repurchase price of \$114.8 million. During 2018, the Adviser submitted 1,828,163 Class I shares for an aggregate repurchase price of \$19.8 million.

*Accrued affiliate service provider expenses and incentive compensation awards*

The Company has engaged BRE Hotels and Resorts ("BRE"), a portfolio company controlled by a Blackstone-advised fund, to provide, as applicable, operational services (including, without limitation, property management), corporate support services (including, without limitation, accounting, legal and tax) and transaction support services for the Company's hotel properties.

The Company has engaged LivCor, LLC ("LivCor"), a portfolio company owned by a Blackstone-advised fund, to provide, as applicable, operational services (including, without limitation, property management and construction management), corporate support services (including, without limitation, accounting, information technology, legal, tax and human resources) and transaction support services for the Company's multifamily properties.

For the year ended December 31, 2017, the Company engaged Equity Office Management, L.L.C. ("EOM"), a portfolio company owned by Blackstone-advised funds, to provide, as applicable, operational services (including, without limitation, property management, leasing, and construction management), corporate support services (including, without limitation, accounting, information technology, legal, tax and human resources) and transaction support services for the Company's office and industrial properties. Beginning January 1, 2018, the Company engaged Gateway Industrial Properties L.L.C. ("Gateway"), a portfolio company owned by a Blackstone-advised fund, to provide the services that EOM had previously provided to the Company's industrial properties. Beginning March 2019, the Company engaged Link Industrial Properties LLC ("Link"), a portfolio company owned by a Blackstone-advised fund, to provide the services that Gateway had previously provided to the Company's industrial properties.

The Company has engaged ShopCore Properties TRS Management LLC ("ShopCore"), a portfolio company owned by a Blackstone-advised fund, to provide, as applicable, operational services (including, without limitation, property management, construction management and leasing services), corporate support services (including, without limitation, accounting, information technology, legal, tax and human resources) and transaction support services for the Company's retail properties.

The Company has engaged Revantage Corporate Services, LLC ("Revantage"), a portfolio company owned by a Blackstone-advised fund, to provide, as applicable, corporate support services (including, without limitation, accounting, legal, tax, treasury, valuation services, information technology and data management), and transaction support services to certain of the Company's investments directly.

The Company issued incentive compensation awards to certain employees of the affiliate portfolio company service providers described above on January 1, 2019 that entitles them to receive an allocation of total return over a certain hurdle amount, as determined by the Company. The value of the award at January 1, 2019 was \$8.0 million and will be amortized over the four year service period. As of December 31, 2019, the total unrecognized compensation cost relating to the portfolio company incentive compensation awards was \$6.0 million and is expected to be recognized over a period of 3 years from December 31, 2019.

The 2018 portfolio company incentive compensation awards of \$4.7 million became payable on December 31, 2018 and, in January 2019, the Company issued approximately 0.4 million of fully vested Class I units in BREIT OP to certain employees of such companies. During the year ended December 31, 2019, certain employees of affiliate portfolio company service providers submitted 64,393 Class I units issued as part of the 2018 incentive compensation awards for repurchase resulting in a total repurchase of \$0.7 million.

None of Blackstone, the Adviser, or the affiliate portfolio company service providers receive any incentive compensation from the aforementioned arrangements.

The following table details the amounts incurred for such providers during the years ended December 31, 2019, 2018, and 2017 (\$ in thousands):

	Affiliate Service Provider Expenses For the Year Ended December 31,			Portfolio Company Incentive Compensation Awards For the Year Ended December 31,		
	2019	2018	2017	2019	2018	2017
Link	\$ 19,332	\$ —	\$ —	\$ 1,042	\$ —	\$ —
LivCor	18,464	7,885	1,279	308	2,708	—
BRE	7,250	940	116	624	640	—
Gateway	2,524	5,495	—	—	1,295	—
ShopCore	1,715	1,334	240	26	71	—
Revantage	1,295	649	—	—	—	—
EOM	104	—	881	—	—	—
Total	\$ 50,684	\$ 16,303	\$ 2,516	\$ 2,000	\$ 4,714	\$ —

Affiliate service provider expenses and portfolio company incentive compensation awards are included as a component of Rental Property Operating and Hotel Operating expense, as applicable, in the Company's Consolidated Statements of Operations.

The following table details the transaction support service fees incurred for such providers (\$ in thousands):

	For the Year Ended December 31,	
	2019	2018
Link	\$ 3,460	\$ —
LivCor	2,990	1,491
ShopCore	610	252
EOM	30	—
Gateway	27	215
Revantage	—	9
Total	\$ 7,117	\$ 1,967

Transaction support service fees were capitalized to Investments in Real Estate on the Company's Consolidated Balance Sheets. Neither Blackstone nor the Adviser receives any fees from the aforementioned arrangements.

#### Other

As of December 31, 2019 and 2018, the Adviser had advanced \$2.0 million and \$1.1 million, respectively, of expenses on the Company's behalf for general corporate expenses provided by unaffiliated third parties. Additionally, as of December 31, 2019 and 2018, the Company had \$42.1 million and \$3.4 million, respectively, of accrued repurchases of Class I shares due to the Adviser.

During the years ended December 31, 2019, 2018, and 2017, the Company engaged an affiliate of the Adviser to perform certain internal audit and compliance functions. For the years ended December 31, 2019, 2018, and 2017, the Company had incurred \$40,000, \$40,000 and \$30,000, respectively, of fees for such services.

#### Affiliate Title Service Provider

Blackstone owns Lexington National Land Services ("LNLS"), a title agent company. LNLS acts as an agent for one or more underwriters in issuing title policies and/or providing support services in connection with investments by the Company, Blackstone and their affiliates and related parties and third parties. LNLS focuses on transactions in rate-regulated states where the cost of title insurance is non-negotiable. LNLS will not perform services in non-regulated states for the Company, unless (i) in the context of a portfolio transaction that includes properties in rate-regulated states, (ii) as part of a syndicate of title insurance companies where the rate is negotiated by other insurers or their agents, (iii) when a third party is paying all or a material portion of the premium or (iv) when providing only support services to the underwriter. LNLS earns fees, which would have otherwise been paid to third parties, by providing title agency services and facilitating placement of title insurance with underwriters. Blackstone receives distributions from LNLS in connection with investments by the Company based on its equity interest in LNLS. In each case, there will be no related offset to the Company.

During the years ended December 31, 2019 and 2018, the Company paid LNLS \$14.8 million and \$4.6 million, respectively, for title services related to 43 and 16 investments, respectively, and such costs were capitalized to Investments in Real Estate or recorded as deferred financing costs, which is a reduction to Mortgage Notes, Term Loans, and Secured Revolving Credit Facilities on the Company's Consolidated Balance Sheets.

## Other

As of December 31, 2019, the Company had a receivable of \$3.6 million from Livcor, LLC. and such amount is included in Other Assets on the Company's Consolidated Balance Sheets.

As of December 31, 2019, the Company had a receivable of \$7.8 million from funds affiliated with the Adviser for post-closing settlements related to the Jupiter 12 Industrial Portfolio acquisition. Such amount is included in Other Assets on the Company's Consolidated Balance Sheets.

## 12. Leases

### Lessee

Certain of the Company's investments in real estate are subject to ground leases. The Company's ground leases are classified as either operating leases or financing leases based on the characteristics of each lease. As of December 31, 2019, the Company had 15 ground leases classified as operating and two ground leases classified as financing. Each of the Company's ground leases were acquired as part of the acquisition of real estate and no incremental costs were incurred for such ground leases. The Company's ground leases are non-cancelable, and two of the Company's operating leases contain renewal options for additional 99 and 10 year terms.

The following table presents the future lease payments due under the Company's ground leases as of December 31, 2019 (\$ in thousands):

	Operating Leases	Financing Leases
2020	\$ 3,916	\$ 2,991
2021	3,977	3,081
2022	4,088	3,174
2023	4,127	3,269
2024	4,180	3,367
Thereafter	603,041	330,544
Total undiscounted future lease payments	623,329	346,426
Difference between undiscounted cash flows and discounted cash flows	(540,449)	(289,668)
Total lease liability	\$ 82,880	\$ 56,758

The Company utilized its incremental borrowing rate, which was between 5% and 7%, to determine its lease liabilities. As of December 31, 2019, the weighted average remaining lease term of the Company's operating leases and financing leases was 57 years and 77 years, respectively.

The following table presents the future lease payments due under the Company's ground leases as of December 31, 2018, prior to the adoption of ASU 2016-02 (\$ in thousands):

Year	Future Commitments
2019	\$ 1,470
2020	1,508
2021	1,547
2022	1,586
2023	1,622
Thereafter	460,055
Total	\$ 467,788



Payments under the Company's ground leases primarily contain fixed payment components that may include periodic increases fixed to an index or periodic fixed percentage escalations. One of the Company's ground leases contains a variable component based on a percentage of revenue.

The following table summarizes the fixed and variable components of the Company's operating leases (\$ in thousands):

	For the Year Ended December 31,		
	2019	2018	2017
Fixed ground rent expense	\$ 2,042	\$ 256	\$ 160
Variable ground rent expense	81	420	132
Total cash portion of ground rent expense	2,123	676	292
Non-cash ground rent expense	4,892	1,458	151
Total operating lease costs	\$ 7,015	\$ 2,134	\$ 443

The following table summarizes the fixed and variable components of the Company's financing leases (\$ in thousands):

	For the Year Ended December 31,		
	2019	2018	2017
Interest on lease liabilities	\$ 2,228	\$ —	\$ —
Amortization of right-of-use assets	748	—	—
Total financing lease costs	\$ 2,976	\$ —	\$ —

Lease costs recognized during the prior periods are presented under the standard in effect prior to the Company's adoption of ASU 2016-02.

#### Lessor

The Company's rental revenue primarily consists of rent earned from operating leases at the Company's multifamily, industrial, retail, office, net lease and other properties. Leases at the Company's industrial, retail, and office properties generally include a fixed base rent and certain leases also contain a variable component. The variable component of the Company's operating leases at its industrial, retail, and office properties primarily consist of the reimbursement of operating expenses such as real estate taxes, insurance, and common area maintenance costs.

Rental revenue from the Company's lease at the Bellagio consists of a fixed annual rent that escalates annually throughout the term of the lease and the tenant is generally responsible for all property-related expenses, including taxes, insurance and maintenance. The Company assessed the classification of the Bellagio lease and determined the lease was an operating lease. The Company's assessment included the consideration of the present value of the lease payments over the lease term and the residual value of the assets under the lease.

Leases at the Company's industrial, retail, office, and net lease properties are generally longer term and may contain extension and termination options at the lessee's election. Rental revenue earned from leases at the Company's multifamily properties primarily consist of a fixed base rent and certain leases contain a variable component that allows for the pass-through of certain operating expenses such as utilities. Leases at the Company's multifamily and other properties are short term in nature, generally not greater than 12 months in length.

The following table details the components of operating lease income from leases in which the Company is the lessor (\$ in thousands):

	For the Year Ended December 31,		
	2019	2018	2017
Fixed lease payments	\$ 1,073,562	\$ 494,519	\$ 110,429
Variable lease payments	128,051	64,145	10,952
Rental revenue	\$ 1,201,613	\$ 558,664	\$ 121,381

The following table presents the future minimum rents the Company expects to receive for its industrial, retail, office and net lease properties as of December 31, 2019 (\$ in thousands). Leases at the Company's multifamily and self-storage properties are short term, generally 12 months or less, and are not included.

Year	Future Minimum Rents
2020	\$ 834,551
2021	779,973
2022	698,106
2023	609,287
2024	530,915
Thereafter	9,366,852
Total	<u>\$ 12,819,684</u>

The following table presents the future minimum rents the Company expects to receive for its industrial and retail properties as of December 31, 2018, prior to the adoption of ASU 2016-02 (\$ in thousands):

Year	Future Minimum Rents
2019	\$ 238,043
2020	215,327
2021	185,419
2022	144,186
2023	102,609
Thereafter	285,981
Total	<u>\$ 1,171,565</u>

### 13. Segment Reporting

The Company operates in eight reportable segments: Industrial properties, Multifamily properties, Net Lease properties, Hotel properties, Retail properties, Office properties, Other properties and Real Estate Debt. The Company allocates resources and evaluates results based on the performance of each segment individually. The Company believes that Segment Net Operating Income is the key performance metric that captures the unique operating characteristics of each segment.

The following table sets forth the total assets by segment (\$ in thousands):

	December 31, 2019	December 31, 2018
Industrial	\$ 10,564,172	\$ 3,966,796
Multifamily	9,695,916	5,396,457
Net Lease	4,271,196	—
Hotel	2,427,554	1,268,992
Retail	419,198	136,273
Office	138,912	—
Other Properties	145,411	—
Real estate debt	4,565,385	2,281,033
Other (Corporate)	812,079	187,607
Total assets	<u>\$ 33,039,823</u>	<u>\$ 13,237,158</u>

The following table sets forth the financial results by segment for the year ended December 31, 2019 (\$ in thousands):

	Industrial	Multifamily	Net Lease	Hotel	Retail	Office	Other Properties	Real Estate Debt	Total
<b>Revenues:</b>									
Rental revenue	\$ 461,939	\$ 673,173	\$ 42,317	\$ —	\$ 15,869	\$ 2,124	\$ 6,191	\$ —	\$ 1,201,613
Hotel revenue	—	—	—	432,892	—	—	—	—	432,892
Other revenue	2,312	39,340	—	8,858	398	81	778	—	51,767
Total revenues	464,251	712,513	42,317	441,750	16,267	2,205	6,969	—	1,686,272
<b>Expenses:</b>									
Rental property operating	137,401	322,773	—	—	5,539	799	3,454	—	469,966
Hotel operating	—	—	—	304,710	—	—	—	—	304,710
Total expenses	137,401	322,773	—	304,710	5,539	799	3,454	—	774,676
Income from real estate debt	—	—	—	—	—	—	—	213,062	213,062
Segment net operating income	\$ 326,850	\$ 389,740	\$ 42,317	\$ 137,040	\$ 10,728	\$ 1,406	\$ 3,515	\$ 213,062	\$ 1,124,658
Depreciation and amortization	\$ (291,940)	\$ (427,209)	\$ (14,858)	\$ (72,765)	\$ (8,640)	\$ (1,253)	\$ (7,374)	\$ —	\$ (824,039)
Other income (expense):									
General and administrative									(18,170)
Management fee									(108,115)
Performance participation allocation									(141,396)
Net gain on dispositions of real estate									35,035
Interest income									3,041
Interest expense									(487,517)
Other income (expense)									2,260
Net loss									\$ (414,243)
Net loss attributable to non-controlling interests in third party joint ventures									\$ 5,671
Net loss attributable to non-controlling interests in BREIT OP									6,801
Net loss attributable to BREIT stockholders									\$ (401,771)

The following table sets forth the financial results by segment for the year ended December 31, 2018 (\$ in thousands):

	Industrial	Multifamily	Hotel	Retail	Real Estate Debt	Total
<b>Revenues:</b>						
Rental revenue	\$ 203,084	\$ 345,619	\$ —	\$ 9,961	\$ —	\$ 558,664
Hotel revenue	—	—	138,433	—	—	138,433
Other revenue	578	22,945	2,485	153	—	26,161
Total revenues	203,662	368,564	140,918	10,114	—	723,258
<b>Expenses:</b>						
Rental property operating	62,824	176,800	—	3,469	—	243,093
Hotel operating	—	—	97,248	—	—	97,248
Total expenses	62,824	176,800	97,248	3,469	—	340,341
Income from real estate debt	—	—	—	—	55,323	55,323
Segment net operating income	\$ 140,838	\$ 191,764	\$ 43,670	\$ 6,645	\$ 55,323	\$ 438,240
Depreciation and amortization	\$ (116,206)	\$ (257,201)	\$ (27,944)	\$ (4,944)	\$ —	\$ (406,295)
Other income (expense):						
General and administrative						(10,982)
Management fee						(42,659)
Performance participation allocation						(37,484)
Interest income						410
Interest expense						(233,184)
Other income (expense)						489
Net loss						\$ (291,465)
Net loss attributable to non-controlling interests in third party joint ventures						\$ 6,188
Net loss attributable to non-controlling interests in BREIT OP						4,221
Net loss attributable to BREIT stockholders						\$ (281,056)

The following table sets forth the financial results by segment for the year ended December 31, 2017 (\$ in thousands):

	Industrial	Multifamily	Hotel	Retail	Real Estate Debt	Total
<b>Revenues:</b>						
Rental revenue	\$ 30,846	\$ 86,322	\$ —	\$ 4,213	\$ —	\$ 121,381
Hotel revenue	—	—	29,916	—	—	29,916
Other revenue	12	6,589	—	34	—	6,635
Total revenues	30,858	92,911	29,916	4,247	—	157,932
<b>Expenses:</b>						
Rental property operating	9,265	40,831	—	1,019	—	51,115
Hotel operating	—	—	20,417	—	—	20,417
Total expenses	9,265	40,831	20,417	1,019	—	71,532
Income from real estate debt	—	—	—	—	17,749	17,749
Segment net operating income	\$ 21,593	\$ 52,080	\$ 9,499	\$ 3,228	\$ 17,749	\$ 104,149
Depreciation and amortization	\$ (17,063)	\$ (96,732)	\$ (6,071)	\$ (1,927)	\$ —	\$ (121,793)
Other income (expense):						
General and administrative						(7,692)
Management fee						(8,867)
Performance participation allocation						(16,974)
Interest income						454
Interest expense						(36,884)
Other income (expense)						57
Net loss						\$ (87,550)
Net loss attributable to non-controlling interests in third party joint ventures						\$ 1,292
Net loss attributable to non-controlling interests in BREIT OP						—
Net loss attributable to BREIT stockholders						\$ (86,258)

#### 14. Commitments and Contingencies

From time to time, the Company may be involved in various claims and legal actions arising in the ordinary course of business. For the years ended December 31, 2019 and 2018, the Company was not involved in any material legal proceedings.

#### 15. Quarterly Financial Information (Unaudited)

The following tables present the Company's quarterly results (\$ in thousands, except per share data):

2019	March 31	June 30	September 30	December 31
Total revenues	\$ 297,091	\$ 354,308	\$ 438,033	\$ 596,840
Net loss	(50,096)	(52,784)	(126,494)	(184,869)
Net loss attributable to BREIT stockholders	(46,846)	(50,704)	(123,171)	(181,050)
Net loss per share	(0.10)	(0.08)	(0.15)	(0.17)
2018	March 31	June 30	September 30	December 31
Total revenues	\$ 109,684	\$ 152,226	\$ 200,162	\$ 261,186
Net loss	(49,638)	(51,944)	(58,763)	(131,120)
Net loss attributable to BREIT stockholders	(47,548)	(50,482)	(57,667)	(125,359)
Net loss per share	(0.23)	(0.19)	(0.17)	(0.30)
2017	March 31	June 30	September 30	December 31
Total revenues	\$ 2,444	\$ 28,339	\$ 48,904	\$ 78,245
Net loss	(1,267)	(16,701)	(31,847)	(37,735)
Net loss attributable to BREIT stockholders	(1,267)	(16,701)	(31,725)	(36,565)
Net loss per share	(0.03)	(0.22)	(0.28)	(0.24)

## 16. Subsequent Events

### *MGM Grand and Mandalay Bay Real Estate*

Subsequent to December 31, 2019, we closed a transaction to form a new joint venture with MGM Growth Properties LLC ("MGP") to acquire the Las Vegas real estate assets of the MGM Grand and Mandalay Bay for \$4.6 billion. MGP owns 50.1% of the joint venture, and we own 49.9%. At closing, we entered into a long-term triple net master lease with MGM Resorts International ("MGM") which benefits from a full corporate guarantee of rent payments by MGM.

### *Acquisitions*

Subsequent to December 31, 2019, the Company acquired an aggregate of \$2.7 billion of real estate (not including the MGM Grand and Mandalay Bay transaction described above) across eight separate transactions, exclusive of closing costs. The acquisitions were related to multifamily, industrial, and retail properties.

Subsequent to December 31, 2019, the Company purchased an aggregate of \$482.1 million of real estate debt.

### *Proceeds from the Issuance of Common Stock*

As of March 24, 2020, the Company had sold an aggregate of 1,588,293,255 shares of its common stock (consisting of 643,054,511 Class S shares, 798,498,578 Class I shares, 46,710,253 Class T shares, and 100,029,913 Class D shares) in the Offering and otherwise resulting in net proceeds of \$17.5 billion to the Company as payment for such shares.

### *Coronavirus Outbreak*

Subsequent to December 31, 2019, there was a global outbreak of a new strain of coronavirus, COVID-19 which continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel, and limiting hours of operations of non-essential offices and retail centers. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Company's performance and financial results, such as the potential negative impact to occupancy at its properties, the potential closure of certain of its hotel assets, financing arrangements, increased costs of operations, decrease in values of its investments in Real Estate Debt, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The Company is unable to estimate the impact the novel coronavirus will have on its financial results at this time.

**Schedule III—Real Estate and Accumulated Depreciation as of December 31, 2019 (\$ in thousands)**

Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period		Total	Accumulated Depreciation(1)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Industrial Properties:											
Cold Storage Warehouse	Stockton, CA	(A)	\$ 14,488	\$ 50,262	\$ —	\$ —	\$ 14,488	\$ 50,262	\$ 64,750	\$ (2,891)	2018
Cold Storage Warehouse	Union City, CA	(A)	6,785	46,830	—	39	6,785	46,869	53,654	(2,151)	2018
Cold Storage Warehouse	Aberdeen, MD	(A)	5,789	38,820	—	—	5,789	38,820	44,609	(2,006)	2018
Cold Storage Warehouse	Atlanta, GA	(A)	3,134	30,130	—	1,528	3,134	31,658	34,792	(1,829)	2018
Cold Storage Warehouse	Austin, TX	(A)	3,132	19,010	—	2,532	3,132	21,542	24,674	(894)	2018
Cold Storage Warehouse	Stockton, CA	(A)	2,287	15,817	—	—	2,287	15,817	18,104	(891)	2018
Powered Shell Warehouse	Ashburn, VA	25,563	12,796	24,209	—	—	12,796	24,209	37,005	(326)	2019
Powered Shell Warehouse	Ashburn, VA	25,561	12,555	23,343	—	—	12,555	23,343	35,898	(316)	2019
Powered Shell Warehouse	Ashburn, VA	18,676	12,475	23,205	—	—	12,475	23,205	35,680	(314)	2019
Powered Shell Warehouse	Manassas, VA	25,347	4,807	36,314	—	—	4,807	36,314	41,121	(491)	2019
Powered Shell Warehouse	Manassas, VA	17,378	3,342	25,131	—	—	3,342	25,131	28,473	(341)	2019
Powered Shell Warehouse	Manassas, VA	23,739	4,842	36,535	—	—	4,842	36,535	41,377	(494)	2019
Powered Shell Warehouse	Manassas, VA	17,336	3,184	23,956	—	—	3,184	23,956	27,140	(325)	2019
Powered Shell Warehouse	Sterling, VA	24,270	12,955	23,239	—	—	12,955	23,239	36,194	(43)	2019
Powered Shell Warehouse	Sterling, VA	24,630	12,999	23,318	—	—	12,999	23,318	36,317	(43)	2019
Warehouse	Stockton, CA	(B)	10,079	21,240	—	482	10,079	21,722	31,801	(2,538)	2017
Warehouse	Alpharetta, GA	(B)	998	7,705	—	17	998	7,722	8,720	(600)	2017
Warehouse	Lithia Springs, GA	(B)	1,105	8,687	—	—	1,105	8,687	9,792	(792)	2017
Warehouse	Austell, GA	(B)	5,344	97,862	—	1,343	5,344	99,205	104,549	(8,439)	2017
Warehouse	Austell, GA	(B)	1,336	5,478	—	171	1,336	5,649	6,985	(596)	2017
Warehouse	Austell, GA	(B)	1,342	5,761	—	174	1,342	5,935	7,277	(649)	2017
Warehouse	Lombard, IL	(B)	483	3,489	—	46	483	3,535	4,018	(299)	2017
Warehouse	Glendale Heights, IL	(B)	—	—	—	—	—	—	—	—	2017
Warehouse	Carol Stream, IL	(B)	1,184	4,511	—	—	1,184	4,511	5,695	(415)	2017
Warehouse	Elgin, IL	(B)	620	2,733	—	74	620	2,807	3,427	(260)	2017
Warehouse	Romeoville, IL	(B)	—	—	—	—	—	—	—	—	2017
Warehouse	Elgin, IL	(B)	1,118	5,172	—	41	1,118	5,213	6,331	(418)	2017
Warehouse	Libertyville, IL	(B)	850	4,340	—	63	850	4,403	5,253	(435)	2017
Warehouse	Carol Stream, IL	(B)	757	6,727	—	—	757	6,727	7,484	(543)	2017
Warehouse	Addison, IL	(B)	858	5,683	—	1,995	858	7,678	8,536	(527)	2017
Warehouse	Carol Stream, IL	(B)	837	5,902	—	25	837	5,927	6,764	(506)	2017
Warehouse	Bensenville, IL	(B)	1,001	7,908	—	303	1,001	8,211	9,212	(655)	2017
Warehouse	Glendale Heights, IL	(B)	416	2,837	—	—	416	2,837	3,253	(249)	2017
Warehouse	Roselle, IL	(B)	1,166	6,812	—	—	1,166	6,812	7,978	(601)	2017
Warehouse	Hanover Park, IL	(B)	1,090	5,342	—	—	1,090	5,342	6,432	(498)	2017
Warehouse	Bolingbrook, IL	(B)	1,892	4,023	—	65	1,892	4,088	5,980	(408)	2017
Warehouse	Bolingbrook, IL	(B)	2,313	9,953	—	135	2,313	10,088	12,401	(918)	2017
Warehouse	Romeoville, IL	(B)	860	4,193	—	—	860	4,193	5,053	(336)	2017
Warehouse	Houston, TX	(B)	632	2,404	—	40	632	2,444	3,076	(213)	2017
Warehouse	Houston, TX	(B)	707	4,911	—	—	707	4,911	5,618	(430)	2017

Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period		Total	Accumulated Depreciation <sup>(1)</sup>	Year Acquired
			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Mechanicsburg, PA	(B)	1,467	21,649	—	—	1,467	21,649	23,116	(1,804)	2017
Warehouse	Middletown, PA	(B)	866	12,492	—	—	866	12,492	13,358	(1,016)	2017
Warehouse	Mechanicsburg, PA	(B)	399	2,984	—	5	399	2,989	3,388	(310)	2017
Warehouse	Grand Prairie, TX	(B)	1,027	5,762	—	—	1,027	5,762	6,789	(587)	2017
Warehouse	Dallas, TX	(B)	863	4,453	—	366	863	4,819	5,682	(435)	2017
Warehouse	Grand Prairie, TX	(B)	1,052	6,266	—	30	1,052	6,296	7,348	(608)	2017
Warehouse	Orlando, FL	(B)	937	5,149	—	20	937	5,169	6,106	(453)	2017
Warehouse	Orlando, FL	(B)	590	4,064	—	—	590	4,064	4,654	(320)	2017
Warehouse	Houston, TX	(B)	1,662	11,944	—	196	1,662	12,140	13,802	(1,002)	2017
Warehouse	Houston, TX	(B)	1,645	12,220	—	74	1,645	12,294	13,939	(971)	2017
Warehouse	Houston, TX	(B)	1,294	8,167	—	27	1,294	8,194	9,488	(658)	2017
Warehouse	Houston, TX	(B)	1,149	5,722	—	—	1,149	5,722	6,871	(505)	2017
Warehouse	Houston, TX	(B)	1,178	7,461	—	237	1,178	7,698	8,876	(613)	2017
Warehouse	Allen, TX	(B)	807	5,147	—	19	807	5,166	5,973	(506)	2017
Warehouse	Allen, TX	(B)	743	4,645	—	148	743	4,793	5,536	(443)	2017
Warehouse	Allen, TX	(B)	924	5,866	—	—	924	5,866	6,790	(551)	2017
Warehouse	Fairfield, NJ	(A)	1,232	2,755	—	3	1,232	2,758	3,990	(239)	2017
Warehouse	Fairfield, NJ	(A)	1,767	4,676	—	62	1,767	4,738	6,505	(352)	2017
Warehouse	Fairfield, NJ	(A)	3,223	4,180	—	6	3,223	4,186	7,409	(396)	2017
Warehouse	Fairfield, NJ	(A)	1,093	4,074	—	23	1,093	4,097	5,190	(306)	2017
Warehouse	Fairfield, NJ	(A)	1,101	1,674	—	59	1,101	1,733	2,834	(142)	2017
Warehouse	Fairfield, NJ	(A)	1,170	1,900	—	5	1,170	1,905	3,075	(164)	2017
Warehouse	Fairfield, NJ	(A)	4,219	5,936	—	33	4,219	5,969	10,188	(438)	2017
Warehouse	Fairfield, NJ	(A)	4,725	6,013	—	7	4,725	6,020	10,745	(456)	2017
Warehouse	Fairfield, NJ	(A)	2,131	2,408	—	6	2,131	2,414	4,545	(207)	2017
Warehouse	Fairfield, NJ	(A)	4,194	8,677	—	7	4,194	8,684	12,878	(655)	2017
Warehouse	Fairfield, NJ	(A)	843	1,375	—	8	843	1,383	2,226	(128)	2017
Warehouse	Marietta, GA	(C)	1,604	5,329	—	146	1,604	5,475	7,079	(232)	2018
Warehouse	Orlando, FL	(C)	3,052	15,804	—	119	3,052	15,923	18,975	(552)	2018
Warehouse	Jacksonville, FL	(C)	2,658	13,081	—	—	2,658	13,081	15,739	(476)	2018
Warehouse	Olive Branch, MS	(C)	2,111	8,074	—	—	2,111	8,074	10,185	(312)	2018
Warehouse	Charlotte, NC	(C)	404	1,747	—	517	404	2,264	2,668	(74)	2018
Warehouse	Jacksonville, FL	(C)	1,676	4,982	—	—	1,676	4,982	6,658	(204)	2018
Warehouse	Jacksonville, FL	(C)	2,735	9,996	—	1,348	2,735	11,344	14,079	(387)	2018
Warehouse	Marietta, GA	(C)	1,348	4,339	—	—	1,348	4,339	5,687	(176)	2018
Warehouse	Roswell, GA	(A)	1,422	7,407	—	—	1,422	7,407	8,829	(348)	2018
Warehouse	Marietta, GA	(C)	968	4,017	—	—	968	4,017	4,985	(148)	2018
Warehouse	Miami, FL	(C)	930	200	—	403	930	603	1,533	(15)	2018
Warehouse	Miami, FL	(C)	1,703	4,155	—	7	1,703	4,162	5,865	(136)	2018
Warehouse	Miami, FL	(C)	5,879	18,428	—	3,949	5,879	22,377	28,256	(705)	2018
Warehouse	Orlando, FL	(C)	4,120	19,411	—	—	4,120	19,411	23,531	(690)	2018
Warehouse	Orlando, FL	(C)	1,628	7,773	—	—	1,628	7,773	9,401	(261)	2018

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	La Vergne, TN	(C)	2,857	11,214	—	144	2,857	11,358	14,215	(447)	2018
Warehouse	Miami, FL	(C)	2,398	5,742	—	64	2,398	5,806	8,204	(192)	2018
Warehouse	Miami, FL	(C)	2,461	6,351	—	21	2,461	6,372	8,833	(209)	2018
Warehouse	Miami, FL	(C)	3,011	6,953	—	57	3,011	7,010	10,021	(234)	2018
Warehouse	Miami, FL	(C)	1,628	3,619	—	5	1,628	3,624	5,252	(123)	2018
Warehouse	Miami, FL	(C)	2,260	4,504	—	407	2,260	4,911	7,171	(156)	2018
Warehouse	Orlando, FL	(C)	1,819	6,452	—	721	1,819	7,173	8,992	(267)	2018
Warehouse	La Vergne, TN	(C)	5,425	19,245	—	—	5,425	19,245	24,670	(955)	2018
Warehouse	Memphis, TN	(A)	1,100	3,028	—	—	1,100	3,028	4,128	(140)	2018
Warehouse	Memphis, TN	(A)	626	2,620	—	—	626	2,620	3,246	(97)	2018
Warehouse	Memphis, TN	(A)	1,182	5,431	—	—	1,182	5,431	6,613	(207)	2018
Warehouse	Memphis, TN	(A)	339	696	—	—	339	696	1,035	(33)	2018
Warehouse	Tampa, FL	(C)	2,110	8,670	—	20	2,110	8,690	10,800	(331)	2018
Warehouse	Jacksonville, FL	(C)	868	10,261	—	—	868	10,261	11,129	(334)	2018
Warehouse	Winston-Salem, NC	(A)	954	4,952	—	—	954	4,952	5,906	(195)	2018
Warehouse	Orlando, FL	(C)	4,894	18,533	—	—	4,894	18,533	23,427	(666)	2018
Warehouse	Newport News, VA	(C)	1,085	6,140	—	—	1,085	6,140	7,225	(223)	2018
Warehouse	Port Wentworth, GA	(C)	380	16,575	—	451	380	17,026	17,406	(520)	2018
Warehouse	Hampton, VA	(C)	2,064	12,393	—	—	2,064	12,393	14,457	(462)	2018
Warehouse	Port Wentworth, GA	26,594	6,739	23,769	—	5,681	6,739	29,450	36,189	(910)	2018
Warehouse	Memphis, TN	(C)	2,533	5,951	—	—	2,533	5,951	8,484	(314)	2018
Warehouse	Memphis, TN	(C)	299	749	—	—	299	749	1,048	(36)	2018
Warehouse	Memphis, TN	(C)	1,445	3,940	—	—	1,445	3,940	5,385	(193)	2018
Warehouse	Memphis, TN	(C)	371	799	—	—	371	799	1,170	(40)	2018
Warehouse	Memphis, TN	(C)	1,793	2,170	—	—	1,793	2,170	3,963	(140)	2018
Warehouse	Orlando, FL	(C)	4,241	13,551	—	163	4,241	13,714	17,955	(522)	2018
Warehouse	Winston-Salem, NC	(A)	510	3,338	—	—	510	3,338	3,848	(121)	2018
Warehouse	Winston-Salem, NC	(A)	441	1,361	—	10	441	1,371	1,812	(68)	2018
Warehouse	Winston-Salem, NC	(A)	857	6,272	—	—	857	6,272	7,129	(230)	2018
Warehouse	Atlanta, GA	(A)	1,284	6,592	—	—	1,284	6,592	7,876	(257)	2018
Warehouse	Atlanta, GA	(A)	1,096	9,351	—	18	1,096	9,369	10,465	(324)	2018
Warehouse	Charlotte, NC	(C)	689	3,167	—	—	689	3,167	3,856	(125)	2018
Warehouse	Wesley Chapel, FL	(A)	1,566	2,284	—	123	1,566	2,407	3,973	(130)	2018
Warehouse	Wesley Chapel, FL	(A)	277	3,914	—	—	277	3,914	4,191	(136)	2018
Warehouse	Wesley Chapel, FL	(A)	228	9,235	—	—	228	9,235	9,463	(288)	2018
Warehouse	Davenport, FL	(C)	3,560	14,868	—	129	3,560	14,997	18,557	(511)	2018
Warehouse	Davenport, FL	(C)	4,763	22,356	—	—	4,763	22,356	27,119	(793)	2018
Warehouse	Davenport, FL	(C)	1,454	8,874	—	792	1,454	9,666	11,120	(407)	2018
Warehouse	Orlando, FL	(C)	1,549	5,482	—	9	1,549	5,491	7,040	(187)	2018
Warehouse	Wesley Chapel, FL	(A)	1,283	5,023	—	—	1,283	5,023	6,306	(191)	2018
Warehouse	Wesley Chapel, FL	(A)	1,757	8,021	—	—	1,757	8,021	9,778	(313)	2018



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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Orlando, FL	(C)	1,444	4,115	—	41	1,444	4,156	5,600	(145)	2018
Warehouse	Orlando, FL	(C)	1,549	2,334	—	—	1,549	2,334	3,883	(93)	2018
Warehouse	Richmond, VA	(A)	888	6,888	—	352	888	7,240	8,128	(255)	2018
Warehouse	Richmond, VA	(A)	3,413	21,839	—	—	3,413	21,839	25,252	(804)	2018
Warehouse	Memphis, TN	(C)	1,777	4,785	—	—	1,777	4,785	6,562	(219)	2018
Warehouse	Memphis, TN	(C)	1,360	4,721	—	—	1,360	4,721	6,081	(195)	2018
Warehouse	Memphis, TN	(C)	1,289	5,579	—	—	1,289	5,579	6,868	(237)	2018
Warehouse	Memphis, TN	(C)	1,323	4,540	—	—	1,323	4,540	5,863	(195)	2018
Warehouse	Memphis, TN	(C)	1,649	5,985	—	—	1,649	5,985	7,634	(249)	2018
Warehouse	Piedmont, SC	(C)	1,165	4,802	—	9	1,165	4,811	5,976	(196)	2018
Warehouse	Rural Hall, NC	(C)	1,226	8,023	—	1,184	1,226	9,207	10,433	(339)	2018
Warehouse	Raleigh, NC	(C)	915	5,603	—	21	915	5,624	6,539	(203)	2018
Warehouse	Raleigh, NC	(C)	749	6,459	—	—	749	6,459	7,208	(234)	2018
Warehouse	Charlotte, NC	(C)	437	1,577	—	64	437	1,641	2,078	(78)	2018
Warehouse	Rural Hall, NC	(C)	1,432	8,694	—	—	1,432	8,694	10,126	(339)	2018
Warehouse	Sandston, VA	(C)	1,799	9,087	—	125	1,799	9,212	11,011	(357)	2018
Warehouse	Charlotte, NC	(C)	302	3,195	—	—	302	3,195	3,497	(106)	2018
Warehouse	Memphis, TN	(C)	2,312	5,978	—	52	2,312	6,030	8,342	(279)	2018
Warehouse	Richmond, VA	(A)	515	5,380	—	19	515	5,399	5,914	(253)	2018
Warehouse	Rural Hall, NC	(C)	1,971	9,903	—	—	1,971	9,903	11,874	(401)	2018
Warehouse	Memphis, TN	(C)	2,207	6,846	—	51	2,207	6,897	9,104	(306)	2018
Warehouse	Sandston, VA	(C)	897	3,903	—	—	897	3,903	4,800	(153)	2018
Warehouse	Norcross, GA	(C)	973	5,466	—	—	973	5,466	6,439	(205)	2018
Warehouse	Rural Hall, NC	(C)	416	2,489	—	—	416	2,489	2,905	(103)	2018
Warehouse	Jacksonville, FL	(C)	1,163	5,239	—	—	1,163	5,239	6,402	(195)	2018
Warehouse	Norcross, GA	(C)	748	4,333	—	—	748	4,333	5,081	(166)	2018
Warehouse	Norcross, GA	(C)	674	2,730	—	—	674	2,730	3,404	(115)	2018
Warehouse	Norcross, GA	(C)	840	4,012	—	—	840	4,012	4,852	(156)	2018
Warehouse	Charlotte, NC	(C)	389	2,574	—	15	389	2,589	2,978	(95)	2018
Warehouse	Louisville, KY	(A)	3,607	10,097	—	1,334	3,607	11,431	15,038	(450)	2018
Warehouse	Norcross, GA	(A)	1,074	4,347	—	—	1,074	4,347	5,421	(199)	2018
Warehouse	Norcross, GA	(A)	368	2,026	—	2	368	2,028	2,396	(79)	2018
Warehouse	Norcross, GA	(A)	336	1,763	—	—	336	1,763	2,099	(74)	2018
Warehouse	Memphis, TN	—	2,757	5,480	—	—	2,757	5,480	8,237	(281)	2018
Warehouse	Norcross, GA	(A)	733	4,521	—	25	733	4,546	5,279	(164)	2018
Warehouse	Norcross, GA	(A)	562	2,308	—	—	562	2,308	2,870	(97)	2018
Warehouse	Norcross, GA	(A)	397	2,235	—	—	397	2,235	2,632	(99)	2018
Warehouse	Norcross, GA	(A)	429	2,046	—	4	429	2,050	2,479	(89)	2018
Warehouse	Norcross, GA	(A)	563	875	—	83	563	958	1,521	(56)	2018
Warehouse	Memphis, TN	(A)	2,060	6,344	—	507	2,060	6,851	8,911	(343)	2018
Warehouse	Memphis, TN	(A)	1,839	8,067	—	—	1,839	8,067	9,906	(399)	2018

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Memphis, TN	(A)	2,110	5,437	—	—	2,110	5,437	7,547	(305)	201
Warehouse	Memphis, TN	(A)	1,168	7,233	—	53	1,168	7,286	8,454	(277)	201
Warehouse	Charlotte, NC	(C)	601	3,495	—	—	601	3,495	4,096	(130)	201
Warehouse	Richmond, VA	(C)	1,464	11,053	—	—	1,464	11,053	12,517	(403)	201
Warehouse	Kissimmee, FL	(C)	212	9,857	—	—	212	9,857	10,069	(330)	201
Warehouse	Jacksonville, FL	(C)	2,505	15,947	—	—	2,505	15,947	18,452	(578)	201
Warehouse	Orlando, FL	(C)	3,684	18,694	—	—	3,684	18,694	22,378	(705)	201
Warehouse	Jacksonville, FL	(C)	610	4,613	—	—	610	4,613	5,223	(163)	201
Warehouse	Miami, FL	(C)	954	2,593	—	10	954	2,603	3,557	(86)	201
Warehouse	Tucker, GA	(D)	879	3,391	—	—	879	3,391	4,270	(131)	201
Warehouse	Conyers, GA	(D)	634	4,435	—	—	634	4,435	5,069	(158)	201
Warehouse	Tucker, GA	(D)	505	3,056	—	5	505	3,061	3,566	(111)	201
Warehouse	Atlanta, GA	(D)	418	4,462	—	—	418	4,462	4,880	(154)	201
Warehouse	Atlanta, GA	(D)	634	6,064	—	—	634	6,064	6,698	(204)	201
Warehouse	Tucker, GA	(D)	1,199	3,713	—	230	1,199	3,943	5,142	(158)	201
Warehouse	Tucker, GA	(D)	762	3,039	—	—	762	3,039	3,801	(101)	201
Warehouse	Tucker, GA	(D)	1,167	4,070	—	—	1,167	4,070	5,237	(153)	201
Warehouse	Stockton, CA	(D)	11,025	73,084	—	—	11,025	73,084	84,109	(2,653)	201
Warehouse	Mechanicsburg, PA	(D)	1,184	10,393	—	858	1,184	11,251	12,435	(358)	201
Warehouse	Roseville State, MN	(D)	1,174	5,598	—	—	1,174	5,598	6,772	(136)	201
Warehouse	New Brighton, MN	(D)	1,828	5,281	—	77	1,828	5,358	7,186	(158)	201
Warehouse	St. Paul, MN	(D)	2,780	4,330	—	—	2,780	4,330	7,110	(120)	201
Warehouse	New Brighton, MN	(D)	2,088	6,555	—	—	2,088	6,555	8,643	(194)	201
Warehouse	New Brighton, MN	(D)	1,231	4,252	—	—	1,231	4,252	5,483	(106)	201
Warehouse	New Brighton, MN	(D)	1,385	5,934	—	—	1,385	5,934	7,319	(346)	201
Warehouse	New Brighton, MN	(D)	2,062	6,553	—	18	2,062	6,571	8,633	(160)	201
Warehouse	New Brighton, MN	(D)	431	1,927	—	—	431	1,927	2,358	(58)	201
Warehouse	New Brighton, MN	(D)	362	4,054	—	—	362	4,054	4,416	(105)	201
Warehouse	New Brighton, MN	(D)	1,611	3,909	—	130	1,611	4,039	5,650	(117)	201
Warehouse	New Brighton, MN	(D)	1,111	2,811	—	—	1,111	2,811	3,922	(77)	201
Warehouse	New Brighton, MN	(D)	790	2,478	—	—	790	2,478	3,268	(67)	201
Warehouse	New Brighton, MN	(D)	664	2,690	—	—	664	2,690	3,354	(64)	201
Warehouse	New Brighton, MN	(D)	537	1,508	—	—	537	1,508	2,045	(36)	201
Warehouse	Golden Valley, MN	(D)	1,466	10,577	—	40	1,466	10,617	12,083	(275)	201
Warehouse	Golden Valley, MN	(D)	2,176	1,789	—	—	2,176	1,789	3,965	(76)	201
Warehouse	Brooklyn Park, MN	(D)	2,616	10,434	—	39	2,616	10,473	13,089	(302)	201
Warehouse	Minneapolis, MN	(D)	2,721	9,283	—	36	2,721	9,319	12,040	(215)	201
Warehouse	Brooklyn Park, MN	(D)	1,505	3,969	—	—	1,505	3,969	5,474	(111)	201
Warehouse	Crystal, MN	(D)	1,859	6,354	—	—	1,859	6,354	8,213	(179)	201
Warehouse	Brooklyn Center, MN	(D)	1,679	4,694	—	—	1,679	4,694	6,373	(125)	201
Warehouse	Minneapolis, MN	(D)	4,010	10,777	—	54	4,010	10,831	14,841	(272)	201

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Blaine, MN	(D)	4,514	3,456	—	—	4,514	3,456	7,970	(110)	2019
Warehouse	Blaine, MN	(D)	2,378	2,723	—	—	2,378	2,723	5,101	(77)	2019
Warehouse	Fridley, MN	(D)	2,043	5,005	—	—	2,043	5,005	7,048	(146)	2019
Warehouse	Burnsville, MN	(D)	1,729	3,780	—	—	1,729	3,780	5,509	(107)	2019
Warehouse	Burnsville, MN	(D)	1,935	6,614	—	—	1,935	6,614	8,549	(176)	2019
Warehouse	Eagan, MN	(D)	1,942	7,544	—	36	1,942	7,580	9,522	(168)	2019
Warehouse	Burnsville, MN	(D)	1,094	3,017	—	—	1,094	3,017	4,111	(80)	2019
Warehouse	Burnsville, MN	(D)	1,196	2,762	—	—	1,196	2,762	3,958	(83)	2019
Warehouse	Eagan, MN	(D)	1,302	4,099	—	—	1,302	4,099	5,401	(117)	2019
Warehouse	Eagan, MN	(D)	2,296	7,344	—	19	2,296	7,363	9,659	(197)	2019
Warehouse	Eagan, MN	(D)	2,121	4,488	—	6	2,121	4,494	6,615	(122)	2019
Warehouse	Eagan, MN	(D)	1,558	5,259	—	—	1,558	5,259	6,817	(139)	2019
Warehouse	Groveport, OH	(E)	4,606	43,877	—	203	4,606	44,080	48,686	(2,773)	2018
Warehouse	Plainfield, IN	(E)	4,956	30,461	—	203	4,956	30,664	35,620	(1,708)	2018
Warehouse	Addison, IL	(E)	6,603	32,142	—	615	6,603	32,757	39,360	(1,979)	2018
Warehouse	Crest Hill, IL	(E)	5,957	32,388	—	2,394	5,957	34,782	40,739	(2,069)	2018
Warehouse	Landover, MD	(E)	9,479	24,030	—	1,227	9,479	25,257	34,736	(1,474)	2018
Warehouse	Northlake, TX	(E)	3,898	34,109	—	203	3,898	34,312	38,210	(1,935)	2018
Warehouse	Gen Rock, PA	(E)	6,792	28,003	—	—	6,792	28,003	34,795	(1,917)	2018
Warehouse	Niles, IL	(E)	11,223	16,678	—	—	11,223	16,678	27,901	(988)	2018
Warehouse	Davenport, FL	(E)	3,126	22,481	—	78	3,126	22,559	25,685	(1,446)	2018
Warehouse	Clayton, FL	(E)	—	—	—	—	—	—	—	—	2018
Warehouse	Englewood, CO	(E)	7,097	17,420	—	—	7,097	17,420	24,517	(1,195)	2018
Warehouse	Englewood, CO	(E)	6,948	17,281	—	1	6,948	17,282	24,230	(1,182)	2018
Warehouse	Greenwood, IN	(E)	2,174	21,869	—	42	2,174	21,911	24,085	(1,385)	2018
Warehouse	Hodgkins, IL	(E)	7,040	21,744	—	—	7,040	21,744	28,784	(1,152)	2018
Warehouse	Lithia Springs, GA	(E)	5,594	18,685	—	27	5,594	18,712	24,306	(1,142)	2018
Warehouse	Englewood, CO	(E)	6,282	15,371	—	95	6,282	15,466	21,748	(1,012)	2018
Warehouse	Ontario, CA	(E)	5,766	16,688	—	112	5,766	16,800	22,566	(955)	2018
Warehouse	Puyallup, WA	(E)	3,611	18,207	—	—	3,611	18,207	21,818	(987)	2018
Warehouse	Carson, CA	(E)	15,959	7,447	—	—	15,959	7,447	23,406	(475)	2018
Warehouse	Naperville, IL	(E)	4,125	17,768	—	—	4,125	17,768	21,893	(1,144)	2018
Warehouse	Coppell, TX	(E)	1,841	14,694	—	1,829	1,841	16,523	18,364	(1,571)	2018
Warehouse	Austell, GA	(E)	2,598	17,964	—	505	2,598	18,469	21,067	(1,029)	2018
Warehouse	Winchester, VA	(E)	3,347	17,763	—	140	3,347	17,903	21,250	(992)	2018
Warehouse	Hatfield, PA	(E)	2,431	16,102	—	150	2,431	16,252	18,683	(895)	2018
Warehouse	Lebanon, IN	(E)	2,273	18,491	—	1,198	2,273	19,689	21,962	(1,109)	2018
Warehouse	Rancho Cucamonga, CA	(E)	4,962	13,018	—	54	4,962	13,072	18,034	(756)	2018
Warehouse	San Bernardino, CA	(E)	7,363	10,063	—	—	7,363	10,063	17,426	(577)	2018
Warehouse	Mahwah, NJ	(E)	3,672	11,139	—	—	3,672	11,139	14,811	(667)	2018
Warehouse	Irving, TX	(E)	3,858	14,623	—	23	3,858	14,646	18,504	(858)	2018

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Somerset, NJ	(E)	11,100	5,044	—	—	11,100	5,044	16,144	(641)	2018
Warehouse	Tampa, FL	(E)	2,558	18,601	—	—	2,558	18,601	21,159	(1,022)	2018
Warehouse	Houston, TX	(E)	1,918	14,391	—	414	1,918	14,805	16,723	(900)	2018
Warehouse	Logan Township, NJ	(E)	3,713	13,206	—	—	3,713	13,206	16,919	(937)	2018
Warehouse	Groveport, OH	(E)	2,455	14,574	—	1,326	2,455	15,900	18,355	(946)	2018
Warehouse	Snrise, FL	(E)	6,916	10,491	—	946	6,916	11,437	18,353	(681)	2018
Warehouse	Mahwah, NJ	(E)	3,647	11,882	—	—	3,647	11,882	15,529	(682)	2018
Warehouse	Winchester, VA	(E)	1,830	15,296	—	—	1,830	15,296	17,126	(944)	2018
Warehouse	Fairburn, GA	(E)	1,034	15,747	—	—	1,034	15,747	16,781	(1,061)	2018
Warehouse	West Chicago, IL	(E)	3,055	12,863	—	303	3,055	13,166	16,221	(800)	2018
Warehouse	Rialto, CA	(E)	4,538	10,073	—	—	4,538	10,073	14,611	(591)	2018
Warehouse	Grand Prairie, TX	(E)	2,915	13,886	—	1,496	2,915	15,382	18,297	(734)	2018
Warehouse	Mahwah, NJ	(E)	4,226	9,939	—	—	4,226	9,939	14,165	(737)	2018
Warehouse	Tampa, FL	(E)	3,171	11,017	—	—	3,171	11,017	14,188	(624)	2018
Warehouse	Grand Prairie, TX	(E)	2,868	12,244	—	—	2,868	12,244	15,112	(713)	2018
Warehouse	Irving, TX	(E)	2,663	7,457	—	13	2,663	7,470	10,133	(465)	2018
Warehouse	Fort Worth, TX	(E)	1,744	11,298	—	—	1,744	11,298	13,042	(673)	2018
Warehouse	West Chicago, IL	(E)	3,091	6,985	—	558	3,091	7,543	10,634	(635)	2018
Warehouse	Alsip, IL	(E)	3,375	10,713	—	774	3,375	11,487	14,862	(664)	2018
Warehouse	Plano, TX	(E)	1,640	10,542	—	—	1,640	10,542	12,182	(623)	2018
Warehouse	Mahwah, NJ	(E)	4,357	8,369	—	—	4,357	8,369	12,726	(634)	2018
Warehouse	Elkridge, MD	(E)	2,165	9,448	—	263	2,165	9,711	11,876	(539)	2018
Warehouse	Naperville, IL	(E)	2,959	8,247	—	374	2,959	8,621	11,580	(703)	2018
Warehouse	Chicago, IL	(E)	1,292	9,416	—	—	1,292	9,416	10,708	(533)	2018
Warehouse	Simi Valley, CA	(E)	3,450	7,390	—	487	3,450	7,877	11,327	(489)	2018
Warehouse	West Chicago, IL	(E)	2,631	6,142	—	—	2,631	6,142	8,773	(457)	2018
Warehouse	Dallas, TX	(E)	2,874	8,296	—	—	2,874	8,296	11,170	(587)	2018
Warehouse	Arlington Heights, IL	(E)	1,957	8,373	—	100	1,957	8,473	10,430	(455)	2018
Warehouse	Tacoma, WA	(E)	2,380	10,368	—	—	2,380	10,368	12,748	(611)	2018
Warehouse	Elkridge, MD	(E)	1,873	9,918	—	246	1,873	10,164	12,037	(749)	2018
Warehouse	Oakland, NJ	(E)	1,725	8,336	—	—	1,725	8,336	10,061	(491)	2018
Warehouse	Aurora, CO	(E)	2,185	8,706	—	14	2,185	8,720	10,905	(582)	2018
Warehouse	Devens, MA	(E)	2,520	8,604	—	—	2,520	8,604	11,124	(654)	2018
Warehouse	St. Charles, IL	(E)	2,255	7,559	—	—	2,255	7,559	9,814	(581)	2018
Warehouse	Exton, PA	(E)	2,946	7,647	—	—	2,946	7,647	10,593	(549)	2018
Warehouse	Carrollton, TX	(E)	1,382	9,429	—	—	1,382	9,429	10,811	(569)	2018
Warehouse	Denver, CO	(E)	2,212	9,525	—	69	2,212	9,594	11,806	(572)	2018
Warehouse	Phoenix, AZ	(E)	3,406	7,520	—	68	3,406	7,588	10,994	(540)	2018
Warehouse	Landover, MD	(E)	2,848	6,215	—	106	2,848	6,321	9,169	(449)	2018
Warehouse	San Bernardino, CA	(E)	5,325	6,349	—	—	5,325	6,349	11,674	(448)	2018
Warehouse	Franklin Park, IL	(E)	3,254	7,017	—	103	3,254	7,120	10,374	(400)	2018

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Landover, MD	(E)	2,790	6,526	—	81	2,790	6,607	9,397	(448)	2018
Warehouse	Houston, TX	(E)	1,207	8,299	—	812	1,207	9,111	10,318	(560)	2018
Warehouse	Charlotte, NC	(E)	1,465	9,055	—	331	1,465	9,386	10,851	(545)	2018
Warehouse	Houston, TX	(E)	1,481	8,418	—	2,308	1,481	10,726	12,207	(546)	2018
Warehouse	Farmers Branch, TX	(E)	1,328	8,774	—	—	1,328	8,774	10,102	(543)	2018
Warehouse	Batavia, IL	(E)	1,407	8,221	—	60	1,407	8,281	9,688	(610)	2018
Warehouse	Houston, TX	(E)	1,179	7,848	—	785	1,179	8,633	9,812	(468)	2018
Warehouse	Houston, TX	(E)	1,204	8,334	—	751	1,204	9,085	10,289	(540)	2018
Warehouse	Farmers Branch, TX	(E)	1,174	7,951	—	—	1,174	7,951	9,125	(539)	2018
Warehouse	Erlanger, KY	(E)	1,431	7,595	—	145	1,431	7,740	9,171	(506)	2018
Warehouse	Grand Prairie, TX	(E)	1,582	8,328	—	174	1,582	8,502	10,084	(524)	2018
Warehouse	Upper Chichester, PA	(E)	1,746	6,924	—	25	1,746	6,949	8,695	(427)	2018
Warehouse	Baltimore, MD	(E)	1,001	6,016	—	4	1,001	6,020	7,021	(411)	2018
Warehouse	Federal Way, WA	(E)	2,687	6,465	—	401	2,687	6,866	9,553	(440)	2018
Warehouse	Carrollton, TX	(E)	1,336	7,407	—	—	1,336	7,407	8,743	(434)	2018
Warehouse	San Diego, CA	(E)	3,284	6,130	—	—	3,284	6,130	9,414	(343)	2018
Warehouse	Mahwah, NJ	(E)	2,812	5,786	—	—	2,812	5,786	8,598	(420)	2018
Warehouse	Houston, TX	(E)	1,163	6,738	—	—	1,163	6,738	7,901	(432)	2018
Warehouse	Erlanger, KY	(E)	925	5,934	—	158	925	6,092	7,017	(407)	2018
Warehouse	Baltimore, MD	(E)	1,259	6,430	—	—	1,259	6,430	7,689	(423)	2018
Warehouse	Auburn, WA	(E)	1,991	6,873	—	—	1,991	6,873	8,864	(391)	2018
Warehouse	Largo, FL	(E)	2,052	5,554	—	—	2,052	5,554	7,606	(398)	2018
Warehouse	Mechanicsburg, PA	(E)	1,257	5,981	—	—	1,257	5,981	7,238	(390)	2018
Warehouse	Annapolis Junction, MD	(E)	1,227	5,022	—	1,141	1,227	6,163	7,390	(523)	2018
Warehouse	San Bernardino, CA	(E)	2,023	5,767	—	—	2,023	5,767	7,790	(355)	2018
Warehouse	Frederick, MD	(E)	1,008	5,549	—	—	1,008	5,549	6,557	(310)	2018
Warehouse	Elk Grove Village, IL	(E)	3,150	3,193	—	10	3,150	3,203	6,353	(223)	2018
Warehouse	Sanford, FL	(E)	1,137	5,628	—	—	1,137	5,628	6,765	(349)	2018
Warehouse	Erlanger, KY	(E)	855	5,671	—	80	855	5,751	6,606	(354)	2018
Warehouse	Carrollton, TX	(E)	956	5,467	—	—	956	5,467	6,423	(389)	2018
Warehouse	Aurora, CO	(E)	1,116	5,455	—	—	1,116	5,455	6,571	(357)	2018
Warehouse	Coppell, TX	(E)	799	4,848	—	1,800	799	6,648	7,447	(498)	2018
Warehouse	Lakewood, WA	(E)	618	6,264	—	—	618	6,264	6,882	(362)	2018
Warehouse	Wood Dale, IL	(E)	2,460	3,404	—	—	2,460	3,404	5,864	(214)	2018
Warehouse	Addison, TX	(E)	928	5,880	—	—	928	5,880	6,808	(413)	2018
Warehouse	Gurnee, IL	(E)	954	4,418	—	449	954	4,867	5,821	(301)	2018
Warehouse	Aurora, CO	(E)	1,135	4,788	—	—	1,135	4,788	5,923	(302)	2018
Warehouse	Sanford, FL	(E)	893	5,053	—	—	893	5,053	5,946	(325)	2018
Warehouse	Baltimore, MD	(E)	905	4,454	—	334	905	4,788	5,693	(339)	2018
Warehouse	Dallas, TX	(E)	1,432	4,942	—	—	1,432	4,942	6,374	(376)	2018
Warehouse	Wood Dale, IL	(E)	2,312	3,814	—	—	2,312	3,814	6,126	(242)	2018

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Baltimore, MD	(E)	957	4,398	—	48	957	4,446	5,403	(360)	2018
Warehouse	Simi Valley, CA	(E)	1,558	4,273	—	—	1,558	4,273	5,831	(259)	2018
Warehouse	Baltimore, MD	(E)	913	3,281	—	—	913	3,281	4,194	(240)	2018
Warehouse	Erlanger, KY	(E)	798	4,821	—	23	798	4,844	5,642	(295)	2018
Warehouse	San Bernardino, CA	(E)	1,686	3,826	—	90	1,686	3,916	5,602	(248)	2018
Warehouse	Erlanger, KY	(E)	628	5,117	—	143	628	5,260	5,888	(330)	2018
Warehouse	Houston, TX	(E)	1,022	3,917	—	34	1,022	3,951	4,973	(262)	2018
Warehouse	Grand Prairie, TX	(E)	1,606	3,708	—	118	1,606	3,826	5,432	(276)	2018
Warehouse	Fort Lauderdale, FL	(E)	1,347	3,889	—	98	1,347	3,987	5,334	(230)	2018
Warehouse	Garland, TX	(E)	907	4,097	—	—	907	4,097	5,004	(267)	2018
Warehouse	Houston, TX	(E)	1,045	3,795	—	—	1,045	3,795	4,840	(228)	2018
Warehouse	Rosedale, MD	(E)	1,214	3,140	—	12	1,214	3,152	4,366	(206)	2018
Warehouse	Itasca, IL	(E)	981	3,751	—	—	981	3,751	4,732	(226)	2018
Warehouse	Clearwater, FL	(E)	1,357	3,355	—	—	1,357	3,355	4,712	(209)	2018
Warehouse	Tampa, FL	(E)	787	3,584	—	—	787	3,584	4,371	(252)	2018
Warehouse	San Diego, CA	(E)	1,749	3,260	—	325	1,749	3,585	5,334	(212)	2018
Warehouse	Elk Grove Village, IL	(E)	1,696	2,831	—	—	1,696	2,831	4,527	(190)	2018
Warehouse	Wood Dale, IL	(E)	1,796	2,784	—	125	1,796	2,909	4,705	(202)	2018
Warehouse	Fort Worth, TX	(E)	691	4,545	—	—	691	4,545	5,236	(333)	2018
Warehouse	Suwanee, GA	(E)	305	4,057	—	255	305	4,312	4,617	(262)	2018
Warehouse	Baltimore, MD	(E)	705	2,828	—	80	705	2,908	3,613	(197)	2018
Warehouse	West Chicago, IL	(E)	1,308	2,906	—	—	1,308	2,906	4,214	(241)	2018
Warehouse	San Bernardino, CA	(E)	1,513	2,665	—	179	1,513	2,844	4,357	(186)	2018
Warehouse	West Chester, PA	(E)	769	2,626	—	—	769	2,626	3,395	(163)	2018
Warehouse	Suwanee, GA	(E)	271	3,484	—	—	271	3,484	3,755	(206)	2018
Warehouse	Frederick, MD	(E)	593	3,222	—	32	593	3,254	3,847	(213)	2018
Warehouse	Frederick, MD	(E)	425	2,522	—	584	425	3,106	3,531	(232)	2018
Warehouse	Frederick, MD	(E)	441	2,526	—	85	441	2,611	3,052	(160)	2018
Warehouse	Dallas, TX	(E)	903	2,774	—	—	903	2,774	3,677	(179)	2018
Warehouse	Dallas, TX	(E)	757	2,352	—	—	757	2,352	3,109	(153)	2018
Warehouse	Simi Valley, CA	(E)	813	2,740	—	14	813	2,754	3,567	(164)	2018
Warehouse	Erlanger, KY	(E)	278	2,001	—	47	278	2,048	2,326	(126)	2018
Warehouse	West Chicago, IL	(E)	719	2,247	—	—	719	2,247	2,966	(150)	2018
Warehouse	Dallas, TX	(E)	800	2,484	—	24	800	2,508	3,308	(161)	2018
Warehouse	Erlanger, KY	(E)	323	2,586	—	22	323	2,608	2,931	(166)	2018
Warehouse	Jacksonville, FL	(B)	3,056	20,161	—	44	3,056	20,205	23,261	(1,201)	2017
Warehouse	Jonesboro, GA	(B)	2,804	14,537	—	—	2,804	14,537	17,341	(1,111)	2017
Warehouse	La Vergne, TN	(B)	3,574	16,037	—	210	3,574	16,247	19,821	(1,264)	2017
Warehouse	Jacksonville, FL	(B)	2,261	15,933	—	—	2,261	15,933	18,194	(1,058)	2017
Warehouse	Jacksonville, FL	(B)	3,291	22,985	—	29	3,291	23,014	26,305	(1,559)	2017
Warehouse	Aurora, IL	(B)	17,424	43,812	—	—	17,424	43,812	61,236	(3,071)	2018
Warehouse	Aurora, IL	(B)	8,455	34,026	—	—	8,455	34,026	42,481	(2,169)	2018
Warehouse	Aurora, IL	(B)	10,116	23,150	—	—	10,116	23,150	33,266	(1,793)	2018

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Hebron, KY	(F)	1,551	10,318	—	—	1,551	10,318	11,869	(112)	2019
Warehouse	Hebron, KY	(F)	1,106	4,903	—	—	1,106	4,903	6,009	(62)	2019
Warehouse	Hebron, KY	(F)	2,056	7,744	—	—	2,056	7,744	9,800	(159)	2019
Warehouse	Hebron, KY	(F)	1,181	9,455	—	—	1,181	9,455	10,636	(137)	2019
Warehouse	Cincinnati, OH	(F)	2,937	27,172	—	—	2,937	27,172	30,109	(292)	2019
Warehouse	Cincinnati, OH	(F)	1,114	8,004	—	—	1,114	8,004	9,118	(89)	2019
Warehouse	West Chester, OH	(F)	947	5,888	—	—	947	5,888	6,835	(76)	2019
Warehouse	West Chester, OH	(F)	812	3,623	—	38	812	3,661	4,473	(50)	2019
Warehouse	Grove City, OH	(F)	1,532	14,716	—	—	1,532	14,716	16,248	(176)	2019
Warehouse	Grove City, OH	(F)	1,364	10,919	—	—	1,364	10,919	12,283	(168)	2019
Warehouse	Grove City, OH	(F)	1,501	11,155	—	—	1,501	11,155	12,656	(164)	2019
Warehouse	Indianapolis, IN	(F)	1,775	5,410	—	—	1,775	5,410	7,185	(101)	2019
Warehouse	Indianapolis, IN	(F)	2,828	10,418	—	—	2,828	10,418	13,246	(176)	2019
Warehouse	Indianapolis, IN	(F)	3,613	15,816	—	—	3,613	15,816	19,429	(247)	2019
Warehouse	Indianapolis, IN	(F)	1,904	5,350	—	—	1,904	5,350	7,254	(70)	2019
Warehouse	Indianapolis, IN	(F)	1,248	3,266	—	—	1,248	3,266	4,514	(57)	2019
Warehouse	Indianapolis, IN	(F)	5,841	15,477	—	—	5,841	15,477	21,318	(386)	2019
Warehouse	Indianapolis, IN	(F)	1,244	4,790	—	—	1,244	4,790	6,034	(137)	2019
Warehouse	Stone Mountain, GA	(G)	2,536	2,732	—	—	2,536	2,732	5,268	(107)	2019
Warehouse	Stone Mountain, GA	(G)	2,520	2,000	—	—	2,520	2,000	4,520	(89)	2019
Warehouse	Stone Mountain, GA	(G)	2,559	1,748	—	—	2,559	1,748	4,307	(49)	2019
Warehouse	Stone Mountain, GA	(G)	4,677	4,419	—	—	4,677	4,419	9,096	(127)	2019
Warehouse	Stone Mountain, GA	(G)	1,647	2,234	—	—	1,647	2,234	3,881	(81)	2019
Warehouse	Stone Mountain, GA	(G)	2,590	3,873	—	—	2,590	3,873	6,463	(95)	2019
Warehouse	Stone Mountain, GA	(G)	867	1,173	—	—	867	1,173	2,040	(31)	2019
Warehouse	Stone Mountain, GA	(G)	927	1,182	—	—	927	1,182	2,109	(37)	2019
Warehouse	Stone Mountain, GA	(G)	890	940	—	—	890	940	1,830	(26)	2019
Warehouse	Stone Mountain, GA	(G)	2,411	4,065	—	19	2,411	4,084	6,495	(108)	2019
Warehouse	Stone Mountain, GA	(G)	992	1,846	—	—	992	1,846	2,838	(49)	2019
Warehouse	Stone Mountain, GA	(G)	419	696	—	—	419	696	1,115	(18)	2019
Warehouse	Stone Mountain, GA	(G)	222	328	—	—	222	328	550	(10)	2019
Warehouse	Stone Mountain, GA	(G)	907	1,717	—	—	907	1,717	2,624	(43)	2019
Warehouse	Stone Mountain, GA	(G)	957	1,757	—	—	957	1,757	2,714	(45)	2019
Warehouse	Stone Mountain, GA	(G)	3,334	7,998	—	—	3,334	7,998	11,332	(182)	2019
Warehouse	Stone Mountain, GA	(G)	5,039	8,078	—	—	5,039	8,078	13,117	(211)	2019
Warehouse	Stone Mountain, GA	(G)	321	508	—	—	321	508	829	(15)	2019
Warehouse	Stone Mountain, GA	(G)	344	437	—	—	344	437	781	(11)	2019
Warehouse	Stone Mountain, GA	(G)	1,338	2,950	—	—	1,338	2,950	4,288	(73)	2019

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Warehouse	Stone Mountain, GA	(G)	693	1,662	—	—	693	1,662	2,355	(49)	2019
Warehouse	Stone Mountain, GA	(G)	1,283	2,760	—	—	1,283	2,760	4,043	(88)	2019
Warehouse	Stone Mountain, GA	(G)	679	1,168	—	—	679	1,168	1,847	(23)	2019
Warehouse	Stone Mountain, GA	(G)	501	942	—	—	501	942	1,443	(24)	2019
Warehouse	Stone Mountain, GA	(G)	899	2,208	—	—	899	2,208	3,107	(51)	2019
Warehouse	Stone Mountain, GA	(G)	519	1,059	—	—	519	1,059	1,578	(21)	2019
Warehouse	Stone Mountain, GA	(G)	670	1,157	—	—	670	1,157	1,827	(33)	2019
Warehouse	Stone Mountain, GA	(G)	482	811	—	—	482	811	1,293	(19)	2019
Warehouse	Stone Mountain, GA	(G)	1,046	2,271	—	—	1,046	2,271	3,317	(53)	2019
Warehouse	Stone Mountain, GA	(G)	1,455	3,673	—	—	1,455	3,673	5,128	(110)	2019
Warehouse	Stone Mountain, GA	(G)	1,678	4,341	—	—	1,678	4,341	6,019	(172)	2019
Warehouse	Stone Mountain, GA	(G)	205	338	—	—	205	338	543	(12)	2019
Warehouse	Stone Mountain, GA	(G)	420	1,356	—	—	420	1,356	1,776	(31)	2019
Warehouse	Stone Mountain, GA	(G)	418	464	—	—	418	464	882	(15)	2019
Warehouse	Stone Mountain, GA	(G)	760	627	—	—	760	627	1,387	(22)	2019
Warehouse	Stone Mountain, GA	(G)	2,083	4,557	—	—	2,083	4,557	6,640	(101)	2019
Warehouse	Stone Mountain, GA	(G)	620	562	—	—	620	562	1,182	(18)	2019
Warehouse	Tucker, GA	(G)	797	700	—	—	797	700	1,497	(18)	2019
Warehouse	Tucker, GA	(G)	625	935	—	—	625	935	1,560	(23)	2019
Warehouse	Tucker, GA	(G)	1,382	3,591	—	—	1,382	3,591	4,973	(102)	2019
Warehouse	Tucker, GA	(G)	1,781	2,845	—	—	1,781	2,845	4,626	(74)	2019
Warehouse	Tucker, GA	(G)	1,814	3,280	—	—	1,814	3,280	5,094	(82)	2019
Warehouse	Tucker, GA	(G)	1,940	3,395	—	15	1,940	3,410	5,350	(89)	2019
Warehouse	Tucker, GA	(G)	2,478	525	—	—	2,478	525	3,003	(32)	2019
Warehouse	Tucker, GA	(G)	515	276	—	—	515	276	791	(10)	2019
Warehouse	Tucker, GA	(G)	385	384	—	—	385	384	769	(11)	2019
Warehouse	Tucker, GA	(G)	1,940	4,198	—	—	1,940	4,198	6,138	(97)	2019
Warehouse	Tucker, GA	(G)	1,017	1,047	—	—	1,017	1,047	2,064	(32)	2019
Warehouse	Tucker, GA	(G)	1,597	2,995	—	—	1,597	2,995	4,592	(77)	2019
Warehouse	Tucker, GA	(G)	309	354	—	—	309	354	663	(13)	2019
Warehouse	Tucker, GA	(G)	473	1,049	—	—	473	1,049	1,522	(26)	2019
Warehouse	Tucker, GA	(G)	536	642	—	—	536	642	1,178	(16)	2019
Warehouse	Tucker, GA	(G)	2,382	4,121	—	—	2,382	4,121	6,503	(99)	2019
Warehouse	Tucker, GA	(G)	2,518	2,731	—	—	2,518	2,731	5,249	(74)	2019
Warehouse	Tucker, GA	(G)	296	469	—	—	296	469	765	(12)	2019
Warehouse	Tucker, GA	(G)	391	724	—	—	391	724	1,115	(20)	2019
Warehouse	Tucker, GA	(G)	478	834	—	—	478	834	1,312	(16)	2019
Warehouse	Tucker, GA	(G)	731	377	—	—	731	377	1,108	(13)	2019
Warehouse	Tucker, GA	(G)	817	1,270	—	—	817	1,270	2,087	(37)	2019
Warehouse	Tucker, GA	(G)	324	225	—	—	324	225	549	(10)	2019
Warehouse	Tucker, GA	(G)	973	1,844	—	—	973	1,844	2,817	(48)	2019



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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Denver, CO	(D)	1,141	6,265	—	—	1,141	6,265	7,406	(63)	2019
Warehouse	Denver, CO	(D)	1,200	6,624	—	—	1,200	6,624	7,824	(68)	2019
Warehouse	Denver, CO	(D)	2,172	14,053	—	—	2,172	14,053	16,225	(120)	2019
Warehouse	Aurora, CO	(D)	1,457	7,862	—	114	1,457	7,976	9,433	(65)	2019
Warehouse	Aurora, CO	(D)	1,288	8,523	—	—	1,288	8,523	9,811	(71)	2019
Warehouse	Aurora, CO	(D)	1,442	8,481	—	—	1,442	8,481	9,923	(74)	2019
Warehouse	Houston, TX	(D)	1,865	12,821	—	—	1,865	12,821	14,686	(125)	2019
Warehouse	Houston, TX	(D)	1,342	9,229	—	—	1,342	9,229	10,571	(99)	2019
Warehouse	Houston, TX	(D)	897	6,341	—	—	897	6,341	7,238	(62)	2019
Warehouse	Houston, TX	(D)	1,915	12,028	—	—	1,915	12,028	13,943	(107)	2019
Warehouse	Houston, TX	(D)	1,687	10,404	—	—	1,687	10,404	12,091	(98)	2019
Warehouse	Houston, TX	(D)	1,700	11,419	—	20	1,700	11,439	13,139	(121)	2019
Warehouse	Houston, TX	(D)	3,418	24,959	—	17	3,418	24,976	28,394	(241)	2019
Warehouse	Houston, TX	(D)	1,639	5,993	—	—	1,639	5,993	7,632	(64)	2019
Warehouse	San Antonio, TX	(D)	608	4,965	—	—	608	4,965	5,573	(37)	2019
Warehouse	San Antonio, TX	(D)	336	2,432	—	—	336	2,432	2,768	(24)	2019
Warehouse	San Antonio, TX	(D)	276	1,366	—	—	276	1,366	1,642	(14)	2019
Warehouse	San Antonio, TX	(D)	767	6,325	—	—	767	6,325	7,092	(66)	2019
Warehouse	San Antonio, TX	(D)	1,352	11,787	—	—	1,352	11,787	13,139	(110)	2019
Warehouse	San Antonio, TX	(D)	806	5,974	—	1	806	5,975	6,781	(72)	2019
Warehouse	San Antonio, TX	(D)	422	3,369	—	—	422	3,369	3,791	(60)	2019
Warehouse	San Antonio, TX	(D)	639	4,778	—	—	639	4,778	5,417	(50)	2019
Warehouse	San Antonio, TX	(D)	914	7,058	—	—	914	7,058	7,972	(61)	2019
Warehouse	San Antonio, TX	(D)	759	5,713	—	—	759	5,713	6,472	(80)	2019
Warehouse	Denver, CO	(D)	910	5,994	—	—	910	5,994	6,904	(51)	2019
Warehouse	Denver, CO	(D)	3,570	23,626	—	—	3,570	23,626	27,196	(195)	2019
Warehouse	Denver, CO	(D)	1,290	8,533	—	11	1,290	8,544	9,834	(75)	2019
Warehouse	Aurora, CO	(D)	2,145	14,675	—	—	2,145	14,675	16,820	(131)	2019
Warehouse	Aurora, CO	(D)	1,765	12,037	—	—	1,765	12,037	13,802	(105)	2019
Warehouse	Aurora, CO	(D)	914	6,287	—	—	914	6,287	7,201	(52)	2019
Warehouse	Aurora, CO	(D)	1,387	10,144	—	—	1,387	10,144	11,531	(85)	2019
Warehouse	Denver, CO	(D)	2,182	13,525	—	—	2,182	13,525	15,707	(247)	2019
Warehouse	Denver, CO	(D)	1,073	6,663	—	—	1,073	6,663	7,736	(120)	2019
Warehouse	Denver, CO	(D)	6,000	35,892	—	106	6,000	35,998	41,998	(500)	2019
Warehouse	Reno, NV	(D)	3,822	11,058	—	28	3,822	11,086	14,908	(177)	2019
Warehouse	Reno, NV	(D)	1,884	6,848	—	—	1,884	6,848	8,732	(176)	2019
Warehouse	Reno, NV	(D)	1,900	6,911	—	—	1,900	6,911	8,811	(177)	2019
Warehouse	Reno, NV	(D)	1,499	4,176	—	47	1,499	4,223	5,722	(35)	2019
Warehouse	Reno, NV	(D)	1,251	2,923	—	—	1,251	2,923	4,174	(25)	2019
Warehouse	Reno, NV	(D)	631	1,546	—	—	631	1,546	2,177	(14)	2019
Warehouse	Reno, NV	(D)	1,274	2,870	—	—	1,274	2,870	4,144	(26)	2019

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Reno, NV	(D)	648	1,666	—	—	648	1,666	2,314	(14)	2019
Warehouse	Reno, NV	(D)	1,183	2,878	—	100	1,183	2,978	4,161	(70)	2019
Warehouse	Reno, NV	(D)	2,241	4,479	—	—	2,241	4,479	6,720	(37)	2019
Warehouse	Reno, NV	(D)	3,672	9,435	—	—	3,672	9,435	13,107	(215)	2019
Warehouse	Reno, NV	(D)	2,670	4,863	—	—	2,670	4,863	7,533	(130)	2019
Warehouse	Reno, NV	(D)	2,216	4,928	—	—	2,216	4,928	7,144	(104)	2019
Warehouse	Reno, NV	(D)	2,451	5,554	—	46	2,451	5,600	8,051	(112)	2019
Warehouse	Reno, NV	(D)	2,015	3,847	—	32	2,015	3,879	5,894	(79)	2019
Warehouse	Reno, NV	(D)	2,539	7,015	—	—	2,539	7,015	9,554	(61)	2019
Warehouse	Reno, NV	(D)	2,895	5,674	—	—	2,895	5,674	8,569	(54)	2019
Warehouse	Reno, NV	(D)	2,007	2,003	—	—	2,007	2,003	4,010	(20)	2019
Warehouse	Reno, NV	(D)	2,939	6,071	—	13	2,939	6,084	9,023	(56)	2019
Warehouse	Reno, NV	(D)	3,457	8,168	—	—	3,457	8,168	11,625	(153)	2019
Warehouse	Reno, NV	(D)	2,980	7,056	—	—	2,980	7,056	10,036	(122)	2019
Warehouse	Reno, NV	(D)	2,947	7,001	—	—	2,947	7,001	9,948	(121)	2019
Warehouse	Reno, NV	(D)	2,263	2,591	—	18	2,263	2,609	4,872	(24)	2019
Warehouse	San Antonio, TX	(D)	344	3,189	—	42	344	3,231	3,575	(29)	2019
Warehouse	San Antonio, TX	(D)	407	3,706	—	—	407	3,706	4,113	(35)	2019
Warehouse	San Antonio, TX	(D)	238	2,509	—	—	238	2,509	2,747	(21)	2019
Warehouse	San Antonio, TX	(D)	512	4,670	—	—	512	4,670	5,182	(79)	2019
Warehouse	San Antonio, TX	(D)	169	1,710	—	—	169	1,710	1,879	(16)	2019
Warehouse	San Antonio, TX	(D)	212	1,504	—	—	212	1,504	1,716	(14)	2019
Warehouse	San Antonio, TX	(D)	467	2,517	—	21	467	2,538	3,005	(26)	2019
Warehouse	El Paso, TX	(D)	1,153	4,579	—	—	1,153	4,579	5,732	(38)	2019
Warehouse	El Paso, TX	(D)	1,849	5,877	—	325	1,849	6,202	8,051	(183)	2019
Warehouse	El Paso, TX	(D)	590	5,240	—	—	590	5,240	5,830	(126)	2019
Warehouse	El Paso, TX	(D)	926	8,160	—	—	926	8,160	9,086	(199)	2019
Warehouse	El Paso, TX	(D)	539	4,767	—	—	539	4,767	5,306	(110)	2019
Warehouse	El Paso, TX	(D)	674	5,957	—	—	674	5,957	6,631	(142)	2019
Warehouse	El Paso, TX	(D)	758	6,794	—	—	758	6,794	7,552	(161)	2019
Warehouse	El Paso, TX	(D)	975	8,462	—	—	975	8,462	9,437	(74)	2019
Warehouse	El Paso, TX	(D)	424	3,718	—	—	424	3,718	4,142	(33)	2019
Warehouse	El Paso, TX	(D)	533	4,632	—	—	533	4,632	5,165	(39)	2019
Warehouse	El Paso, TX	(D)	1,270	7,997	—	72	1,270	8,069	9,339	(74)	2019
Warehouse	El Paso, TX	(D)	828	6,543	—	—	828	6,543	7,371	(122)	2019
Warehouse	Grand Prairie, TX	(D)	1,840	9,890	—	56	1,840	9,946	11,786	(118)	2019
Warehouse	Arlington, TX	(D)	603	3,171	—	64	603	3,235	3,838	(29)	2019
Warehouse	Arlington, TX	(D)	1,139	7,141	—	—	1,139	7,141	8,280	(59)	2019
Warehouse	Arlington, TX	(D)	1,054	6,454	—	—	1,054	6,454	7,508	(63)	2019
Warehouse	Arlington, TX	(D)	1,230	7,085	—	35	1,230	7,120	8,350	(60)	2019
Warehouse	Arlington, TX	(D)	617	3,469	—	—	617	3,469	4,086	(35)	2019

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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Arlington, TX	(D)	624	3,417	—	29	624	3,446	4,070	(38)	2019
Warehouse	Grand Prairie, TX	(D)	353	2,529	—	—	353	2,529	2,882	(28)	2019
Warehouse	Grand Prairie, TX	(D)	339	2,560	—	14	339	2,574	2,913	(30)	2019
Warehouse	Dallas, TX	(D)	1,204	6,060	—	77	1,204	6,137	7,341	(59)	2019
Warehouse	Fort Worth, TX	(D)	3,455	26,591	—	—	3,455	26,591	30,046	(224)	2019
Warehouse	Fort Worth, TX	(D)	1,936	12,303	—	—	1,936	12,303	14,239	(109)	2019
Warehouse	Fort Worth, TX	(D)	5,181	39,971	—	299	5,181	40,270	45,451	(314)	2019
Warehouse	Fort Worth, TX	(D)	5,074	37,098	—	—	5,074	37,098	42,172	(328)	2019
Warehouse	Irving, TX	(H)	875	31,181	—	—	875	31,181	32,056	(393)	2019
Warehouse	Irving, TX	(H)	517	18,989	—	—	517	18,989	19,506	(214)	2019
Warehouse	Hanover, MD	(H)	4,767	27,566	—	—	4,767	27,566	32,333	(236)	2019
Warehouse	Frederick, MD	(H)	5,371	12,508	—	22	5,371	12,530	17,901	(207)	2019
Warehouse	Frederick, MD	(H)	5,816	15,008	—	—	5,816	15,008	20,824	(245)	2019
Warehouse	Frederick, MD	(H)	6,983	4,464	—	13	6,983	4,477	11,460	(116)	2019
Warehouse	Alexandria, VA	(H)	4,432	17,495	—	18	4,432	17,513	21,945	(380)	2019
Warehouse	Lockbourne, OH	(H)	7,278	73,541	—	—	7,278	73,541	80,819	(724)	2019
Warehouse	Lenexa, KS	(H)	1,020	7,713	—	92	1,020	7,805	8,825	(125)	2019
Warehouse	Florence, KY	(H)	1,378	8,574	—	—	1,378	8,574	9,952	(73)	2019
Warehouse	Florence, GA	(H)	464	2,737	—	314	464	3,051	3,515	(25)	2019
Warehouse	Florence, GA	(H)	1,186	6,896	—	—	1,186	6,896	8,082	(81)	2019
Warehouse	New Hope, MN	(H)	2,022	6,249	—	—	2,022	6,249	8,271	(68)	2019
Warehouse	New Hope, MN	(H)	1,880	6,080	—	—	1,880	6,080	7,960	(61)	2019
Warehouse	Eden Prairie, MN	(H)	1,377	7,171	—	—	1,377	7,171	8,548	(93)	2019
Warehouse	Glenn Dale, MD	(H)	7,614	5,510	—	126	7,614	5,636	13,250	(66)	2019
Warehouse	Ashland, VA	(H)	566	7,345	—	—	566	7,345	7,911	(177)	2019
Warehouse	Ashland, VA	(H)	579	7,321	—	515	579	7,836	8,415	(117)	2019
Warehouse	Chester, VA	(H)	1,504	10,823	—	—	1,504	10,823	12,327	(166)	2019
Warehouse	Chester, VA	(H)	1,594	12,734	—	—	1,594	12,734	14,328	(221)	2019
Warehouse	Chester, VA	(H)	1,732	11,642	—	5	1,732	11,647	13,379	(156)	2019
Warehouse	Chester, VA	(H)	862	3,711	—	—	862	3,711	4,573	(61)	2019
Warehouse	Chester, VA	(H)	1,159	13,316	—	—	1,159	13,316	14,475	(215)	2019
Warehouse	Chester, VA	(H)	1,072	12,311	—	—	1,072	12,311	13,383	(199)	2019
Warehouse	Chesapeake, VA	(H)	3,434	19,890	—	123	3,434	20,013	23,447	(200)	2019
Warehouse	Chesapeake, VA	(H)	1,099	8,819	—	—	1,099	8,819	9,918	(102)	2019
Warehouse	Chesapeake, VA	(H)	2,107	8,957	—	76	2,107	9,033	11,140	(82)	2019
Warehouse	Chesapeake, VA	(H)	1,886	15,959	—	72	1,886	16,031	17,917	(280)	2019
Warehouse	Chesapeake, VA	(H)	2,377	16,613	—	—	2,377	16,613	18,990	(157)	2019
Warehouse	Chesapeake, VA	(H)	1,123	6,407	—	—	1,123	6,407	7,530	(99)	2019
Warehouse	Hampton, VA	(H)	4,125	20,294	—	—	4,125	20,294	24,419	(411)	2019
Warehouse	Hampton, VA	(H)	2,592	7,121	—	31	2,592	7,152	9,744	(158)	2019
Warehouse	Hampton, VA	(H)	1,412	5,441	—	81	1,412	5,522	6,934	(122)	2019

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			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Marietta, GA	(H)	1,306	8,488	—	—	1,306	8,488	9,794	(67)	2019
Warehouse	Marietta, GA	(H)	1,040	6,779	—	—	1,040	6,779	7,819	(54)	2019
Warehouse	Lawrenceville, GA	(H)	769	4,744	—	—	769	4,744	5,513	(38)	2019
Warehouse	Lawrenceville, GA	(H)	781	4,931	—	—	781	4,931	5,712	(39)	2019
Warehouse	Orlando, FL	(H)	3,146	19,718	—	189	3,146	19,907	23,053	(158)	2019
Warehouse	Orlando, FL	(H)	1,900	11,958	—	—	1,900	11,958	13,858	(95)	2019
Warehouse	Orlando, FL	(H)	2,943	18,634	—	159	2,943	18,793	21,736	(159)	2019
Warehouse	Orlando, FL	(H)	901	5,676	—	—	901	5,676	6,577	(46)	2019
Warehouse	Tampa, FL	(H)	2,811	15,921	—	—	2,811	15,921	18,732	(128)	2019
Warehouse	Atlanta, GA	(H)	1,619	17,944	—	—	1,619	17,944	19,563	(296)	2019
Warehouse	McDonough, GA	(H)	3,897	50,607	—	—	3,897	50,607	54,504	(621)	2019
Warehouse	Swansea, GA	(H)	1,191	6,529	—	—	1,191	6,529	7,720	(84)	2019
Warehouse	Kennesaw, GA	(H)	784	7,102	—	—	784	7,102	7,886	(125)	2019
Warehouse	Kennesaw, GA	(H)	662	6,002	—	—	662	6,002	6,664	(106)	2019
Warehouse	Lakeland, FL	(H)	1,573	16,074	—	—	1,573	16,074	17,647	(374)	2019
Warehouse	Lakeland, FL	(H)	760	9,465	—	28	760	9,493	10,253	(219)	2019
Warehouse	McDonough, GA	(H)	6,583	92,969	—	—	6,583	92,969	99,552	(909)	2019
Warehouse	Orlando, FL	(H)	691	3,827	—	—	691	3,827	4,518	(33)	2019
Warehouse	Orlando, FL	(H)	798	3,590	—	—	798	3,590	4,388	(31)	2019
Warehouse	Orlando, FL	(H)	735	4,416	—	—	735	4,416	5,151	(36)	2019
Warehouse	Orlando, FL	(H)	864	4,212	—	—	864	4,212	5,076	(35)	2019
Warehouse	Orlando, FL	(H)	765	4,280	—	—	765	4,280	5,045	(36)	2019
Warehouse	Orlando, FL	(H)	1,211	6,371	—	56	1,211	6,427	7,638	(50)	2019
Warehouse	Orlando, FL	(H)	1,141	5,641	—	—	1,141	5,641	6,782	(48)	2019
Warehouse	Orlando, FL	(H)	1,203	6,587	—	—	1,203	6,587	7,790	(54)	2019
Warehouse	Orlando, FL	(H)	1,295	7,497	—	—	1,295	7,497	8,792	(61)	2019
Warehouse	Orlando, FL	(H)	8,897	37,911	—	1,140	8,897	39,051	47,948	(415)	2019
Warehouse	Tampa, FL	(H)	489	1,781	—	—	489	1,781	2,270	(14)	2019
Warehouse	Tampa, FL	(H)	1,534	8,500	—	—	1,534	8,500	10,034	(218)	2019
Warehouse	Tampa, FL	(H)	435	2,430	—	—	435	2,430	2,865	(61)	2019
Warehouse	Tampa, FL	(H)	825	6,061	—	—	825	6,061	6,886	(50)	2019
Warehouse	Tampa, FL	(H)	838	6,304	—	5	838	6,309	7,147	(52)	2019
Warehouse	Tampa, FL	(H)	1,234	3,861	—	—	1,234	3,861	5,095	(32)	2019
Warehouse	Tampa, FL	(H)	939	4,361	—	—	939	4,361	5,300	(34)	2019
Warehouse	Tampa, FL	(H)	949	4,995	—	—	949	4,995	5,944	(39)	2019
Warehouse	Tampa, FL	(H)	328	3,384	—	35	328	3,419	3,747	(28)	2019
Warehouse	Tampa, FL	(H)	348	3,681	—	19	348	3,700	4,048	(31)	2019
Warehouse	Lakeland, FL	(H)	1,765	18,029	—	—	1,765	18,029	19,794	(156)	2019
Warehouse	Tampa, FL	(H)	1,434	6,347	—	50	1,434	6,397	7,831	(58)	2019
Warehouse	Tampa, FL	(H)	1,755	12,076	—	—	1,755	12,076	13,831	(101)	2019
Warehouse	Tampa, FL	(H)	1,352	5,760	—	—	1,352	5,760	7,112	(48)	2019

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			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Tampa, FL	(H)	943	2,998	—	—	943	2,998	3,941	(24)	2019
Warehouse	Tampa, FL	(H)	1,481	6,753	—	52	1,481	6,805	8,286	(55)	2019
Warehouse	Tampa, FL	(H)	1,733	9,922	—	—	1,733	9,922	11,655	(81)	2019
Warehouse	Tampa, FL	(H)	687	5,039	—	—	687	5,039	5,726	(39)	2019
Warehouse	Tampa, FL	(H)	2,432	6,326	—	18	2,432	6,344	8,776	(112)	2019
Warehouse	Tampa, FL	(H)	603	3,593	—	9	603	3,602	4,205	(58)	2019
Warehouse	Tampa, FL	(H)	562	2,644	—	72	562	2,716	3,278	(42)	2019
Warehouse	Orlando, FL	(H)	1,893	7,633	—	—	1,893	7,633	9,526	(195)	2019
Warehouse	Orlando, FL	(H)	2,431	12,051	—	—	2,431	12,051	14,482	(258)	2019
Warehouse	Orlando, FL	(H)	1,862	8,683	—	—	1,862	8,683	10,545	(73)	2019
Warehouse	Orlando, FL	(H)	1,932	10,485	—	—	1,932	10,485	12,417	(89)	2019
Warehouse	Orlando, FL	(H)	2,281	10,943	—	—	2,281	10,943	13,224	(91)	2019
Warehouse	Orlando, FL	(H)	5,043	26,535	—	—	5,043	26,535	31,578	(628)	2019
Warehouse	Orlando, FL	(H)	3,509	22,120	—	—	3,509	22,120	25,629	(178)	2019
Warehouse	Orlando, FL	(H)	1,664	9,596	—	—	1,664	9,596	11,260	(80)	2019
Warehouse	Ball Ground, GA	(H)	2,988	2,196	—	—	2,988	2,196	5,184	(26)	2019
Warehouse	Benicia, CA	(H)	6,132	—	—	—	6,132	—	6,132	—	2019
Warehouse	Reading, PA	(H)	272	8,180	—	—	272	8,180	8,452	(140)	2019
Warehouse	Reading, PA	(H)	497	17,111	—	—	497	17,111	17,608	(291)	2019
Warehouse	The Colony, TX	(H)	11,646	—	—	1	11,646	1	11,647	—	2019
Warehouse	Chester, VA	(H)	8,072	—	—	—	8,072	—	8,072	—	2019
Warehouse	Minneapolis, MN	(H)	2,178	7,490	—	2	2,178	7,492	9,670	(83)	2019
Warehouse	Elkwood, VA	(H)	1,548	7,990	—	—	1,548	7,990	9,538	(202)	2019
Warehouse	West Chester, OH	(H)	2,009	10,872	—	—	2,009	10,872	12,881	(102)	2019
Warehouse	Harrison, OH	(H)	1,177	6,574	—	—	1,177	6,574	7,751	(72)	2019
Warehouse	Harrison, OH	(H)	1,103	1,379	—	—	1,103	1,379	2,482	(28)	2019
Warehouse	Bridgewater, NJ	(H)	12,005	37,225	—	17	12,005	37,242	49,247	(343)	2019
Warehouse	Bridgewater, NJ	(H)	1,831	4,428	—	—	1,831	4,428	6,259	(53)	2019
Warehouse	Whippany, NJ	(H)	3,416	10,264	—	148	3,416	10,412	13,828	(104)	2019
Warehouse	Joliet, IL	(H)	4,811	21,868	—	21	4,811	21,889	26,700	(241)	2019
Warehouse	Joliet, IL	(H)	6,390	29,626	—	—	6,390	29,626	36,016	(350)	2019
Warehouse	Joliet, IL	(H)	3,179	—	—	—	3,179	—	3,179	—	2019
Warehouse	Joliet, IL	(H)	630	—	—	—	630	—	630	—	2019
Warehouse	Rochelle, IL	(H)	3,648	28,007	—	127	3,648	28,134	31,782	(335)	2019
Warehouse	Romeoville, IL	(H)	921	4,659	—	—	921	4,659	5,580	(96)	2019
Warehouse	Burr Ridge, IL	(H)	2,673	8,591	—	39	2,673	8,630	11,303	(75)	2019
Warehouse	Lincolnshire, IL	(H)	1,059	4,159	—	—	1,059	4,159	5,218	(33)	2019
Warehouse	Vernon Hills, IL	(H)	2,283	10,356	—	—	2,283	10,356	12,639	(167)	2019
Warehouse	Bolingbrook, IL	(H)	3,078	12,386	—	—	3,078	12,386	15,464	(167)	2019
Warehouse	Bolingbrook, IL	(H)	2,006	11,960	—	—	2,006	11,960	13,966	(151)	2019
Warehouse	Middletown, PA	(H)	3,227	37,526	—	251	3,227	37,777	41,004	(501)	2019

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			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Harrisburg, PA	(H)	5,660	43,333	—	—	5,660	43,333	48,993	(357)	2019
Warehouse	Lemoine, PA	(H)	6,979	67,439	—	—	6,979	67,439	74,418	(1,083)	2019
Warehouse	Carlisle, PA	(H)	6,851	40,448	—	—	6,851	40,448	47,299	(543)	2019
Warehouse	Carlisle, PA	(H)	6,992	36,972	—	—	6,992	36,972	43,964	(467)	2019
Warehouse	Mountain Top, PA	(H)	4,382	23,560	—	—	4,382	23,560	27,942	(443)	2019
Warehouse	Mechanicsburg, PA	(H)	1,102	9,727	—	72	1,102	9,799	10,901	(236)	2019
Warehouse	Mechanicsburg, PA	(H)	3,916	27,686	—	243	3,916	27,929	31,845	(748)	2019
Warehouse	Mechanicsburg, PA	(H)	1,431	9,601	—	10	1,431	9,611	11,042	(249)	2019
Warehouse	Independence, KY	(H)	1,892	13,243	—	—	1,892	13,243	15,135	(180)	2019
Warehouse	Fairfield, OH	(H)	1,721	9,206	—	—	1,721	9,206	10,927	(92)	2019
Warehouse	Shawnee, KS	(H)	2,179	11,911	—	169	2,179	12,080	14,259	(149)	2019
Warehouse	Hebron, OH	(H)	2,309	19,211	—	—	2,309	19,211	21,520	(486)	2019
Warehouse	Erlanger, KY	(H)	672	5,139	—	32	672	5,171	5,843	(84)	2019
Warehouse	Florence, KY	(H)	1,710	13,371	—	—	1,710	13,371	15,081	(208)	2019
Warehouse	Florence, KY	(H)	1,750	19,285	—	1,584	1,750	20,869	22,619	(445)	2019
Warehouse	Florence, KY	(H)	764	1,613	—	—	764	1,613	2,377	(34)	2019
Warehouse	Florence, KY	(H)	782	1,833	—	—	782	1,833	2,615	(38)	2019
Warehouse	Florence, KY	(H)	785	4,932	—	—	785	4,932	5,717	(122)	2019
Warehouse	Mounds View, MN	(H)	366	3,810	—	17	366	3,827	4,193	(90)	2019
Warehouse	Mounds View, MN	(H)	1,464	13,392	—	—	1,464	13,392	14,856	(376)	2019
Warehouse	Mounds View, MN	(H)	738	7,051	—	—	738	7,051	7,789	(168)	2019
Warehouse	Mounds View, MN	(H)	1,406	5,279	—	—	1,406	5,279	6,685	(46)	2019
Warehouse	Plymouth, MN	(H)	3,247	6,024	—	179	3,247	6,203	9,450	(121)	2019
Warehouse	Eagan, MN	(H)	2,716	14,630	—	—	2,716	14,630	17,346	(138)	2019
Warehouse	West Chester, OH	(H)	1,590	10,320	—	9	1,590	10,329	11,919	(266)	2019
Warehouse	West Chester, OH	(H)	1,342	8,382	—	—	1,342	8,382	9,724	(132)	2019
Warehouse	Romeoville, IL	(H)	7,625	17,104	—	1,530	7,625	18,634	26,259	(147)	2019
Warehouse	Romeoville, IL	(H)	2,358	16,127	—	—	2,358	16,127	18,485	(131)	2019
Warehouse	Coppell, TX	(L)	14,809	56,730	—	—	14,809	56,730	71,539	(543)	2019
Warehouse	DFW Airport, TX	(H)	349	12,858	—	—	349	12,858	13,207	(116)	2019
Warehouse	DFW Airport, TX	(H)	438	15,373	—	—	438	15,373	15,811	(139)	2019
Warehouse	DFW Airport,	(H)	348	12,563	—	—	348	12,563	12,911	(108)	2019
Warehouse	Dallas, TX	(G)	1,297	10,933	—	—	1,297	10,933	12,230	(81)	2019
Warehouse	Carrollton, TX	(G)	1,840	9,599	—	17	1,840	9,616	11,456	(92)	2019
Warehouse	Carrollton, TX	(G)	1,648	6,793	—	15	1,648	6,808	8,456	(59)	2019
Warehouse	Allen, KY	(G)	2,933	18,579	—	—	2,933	18,579	21,512	(307)	2019
Warehouse	Dallas, TX	(G)	5,571	41,168	—	118	5,571	41,286	46,857	(571)	2019
Warehouse	El Paso, TX	(G)	883	8,760	—	—	883	8,760	9,643	(157)	2019
Warehouse	El Paso, TX	(G)	1,338	10,012	—	—	1,338	10,012	11,350	(191)	2019
Warehouse	El Paso, TX	(G)	519	4,170	—	—	519	4,170	4,689	(84)	2019
Warehouse	El Paso, TX	(G)	1,007	8,060	—	—	1,007	8,060	9,067	(154)	2019

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			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	El Paso, TX	(G)	1,367	12,476	—	6	1,367	12,482	13,849	(233)	2019
Warehouse	El Paso, TX	(G)	1,631	11,722	—	—	1,631	11,722	13,353	(216)	2019
Warehouse	North Las Vegas, NV	(G)	9,777	57,617	—	16	9,777	57,633	67,410	(479)	2019
Warehouse	Jeffersonville, IN	(G)	5,735	36,458	—	—	5,735	36,458	42,193	(319)	2019
Warehouse	Elgin, IL	(G)	1,788	10,789	—	—	1,788	10,789	12,577	(169)	2019
Warehouse	Broadview, IL	(G)	4,403	5,962	—	—	4,403	5,962	10,365	(51)	2019
Warehouse	North Aurora, IL	(G)	1,718	6,938	—	3	1,718	6,941	8,659	(112)	2019
Warehouse	Schaumburg, IL	(G)	2,639	7,761	—	—	2,639	7,761	10,400	(74)	2019
Warehouse	New Berlin, WI	(G)	1,143	8,597	—	—	1,143	8,597	9,740	(129)	2019
Warehouse	Aurora, IL	(G)	1,454	7,700	—	—	1,454	7,700	9,154	(183)	2019
Warehouse	Aurora, IL	(G)	686	3,311	—	60	686	3,371	4,057	(42)	2019
Warehouse	Bedford Park, IL	(G)	8,125	9,767	—	22	8,125	9,789	17,914	(155)	2019
Warehouse	Bedford Park, IL	(G)	3,764	17,610	—	—	3,764	17,610	21,374	(246)	2019
Warehouse	Bensenville, IL	(G)	2,003	8,149	—	10	2,003	8,159	10,162	(67)	2019
Warehouse	Bedford Park, IL	(G)	3,256	11,031	—	—	3,256	11,031	14,287	(106)	2019
Warehouse	Middletown, PA	(G)	4,459	51,911	—	25	4,459	51,936	56,395	(710)	2019
Warehouse	Addison, IL	(G)	628	1,001	—	29	628	1,030	1,658	(11)	2019
Warehouse	Addison, IL	(G)	1,149	1,846	—	22	1,149	1,868	3,017	(18)	2019
Warehouse	Fremont, OH	(G)	567	7,357	—	—	567	7,357	7,924	(130)	2019
Warehouse	Fremont, OH	(G)	474	5,812	—	—	474	5,812	6,286	(112)	2019
Warehouse	Fremont, OH	(G)	191	1,461	—	—	191	1,461	1,652	(11)	2019
Warehouse	Fremont, OH	(G)	226	1,455	—	—	226	1,455	1,681	(11)	2019
Warehouse	Indianapolis, IN	(G)	635	1,335	—	—	635	1,335	1,970	(13)	2019
Warehouse	Indianapolis, IN	(G)	290	655	—	—	290	655	945	(6)	2019
Warehouse	Indianapolis, IN	(G)	1,242	3,274	—	—	1,242	3,274	4,516	(33)	2019
Warehouse	Indianapolis, IN	(G)	730	2,336	—	1	730	2,337	3,067	(22)	2019
Warehouse	Indianapolis, IN	(G)	849	1,970	—	—	849	1,970	2,819	(20)	2019
Warehouse	Indianapolis, IN	(G)	882	2,357	—	—	882	2,357	3,239	(23)	2019
Warehouse	Indianapolis, IN	(G)	526	1,284	—	—	526	1,284	1,810	(13)	2019
Warehouse	Indianapolis, IN	(G)	1,554	5,286	—	—	1,554	5,286	6,840	(51)	2019
Warehouse	Indianapolis, IN	(G)	369	701	—	—	369	701	1,070	(7)	2019
Warehouse	Sauk Village, IL	(G)	1,822	8,843	—	100	1,822	8,943	10,765	(125)	2019
Warehouse	Columbus, OH	(G)	850	5,210	—	—	850	5,210	6,060	(51)	2019
Warehouse	Columbus, OH	(G)	809	4,254	—	—	809	4,254	5,063	(33)	2019
Warehouse	Columbus, OH	(G)	814	4,594	—	—	814	4,594	5,408	(44)	2019
Warehouse	Columbus, OH	(G)	703	5,022	—	—	703	5,022	5,725	(39)	2019
Warehouse	Columbus, OH	(G)	619	4,390	—	—	619	4,390	5,009	(35)	2019
Warehouse	Columbus, OH	(G)	1,281	6,406	—	—	1,281	6,406	7,687	(49)	2019
Warehouse	Columbus, OH	(G)	1,184	10,712	—	—	1,184	10,712	11,896	(86)	2019
Warehouse	Columbus, OH	(G)	1,392	8,357	—	—	1,392	8,357	9,749	(72)	2019
Warehouse	Columbus, OH	(G)	875	3,958	—	—	875	3,958	4,833	(69)	2019

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			Land and Land	Building and Improvements	Land and Land	Building and Improvements	Land and Land	Building and Improvements			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Plainfield, IN	(G)	6,165	42,337	—	—	6,165	42,337	48,502	(545)	2019
Warehouse	Indianapolis, IN	(G)	2,671	7,987	—	—	2,671	7,987	10,658	(64)	2019
Warehouse	Indianapolis, IN	(G)	4,827	27,999	—	—	4,827	27,999	32,826	(650)	2019
Warehouse	Louisville, KY	(G)	1,882	13,721	—	—	1,882	13,721	15,603	(172)	2019
Warehouse	Louisville, KY	(G)	2,392	19,106	—	18	2,392	19,124	21,516	(258)	2019
Warehouse	Groveport, OH	(G)	3,065	26,553	—	—	3,065	26,553	29,618	(281)	2019
Warehouse	San Bernardino, CA	(G)	4,053	124,288	—	—	4,053	124,288	128,341	(1,040)	2019
Warehouse	York, PA	(I)	14,330	105,771	—	—	14,330	105,771	120,101	(894)	2019
Warehouse	Kennesaw, GA	(I)	1,901	15,871	—	—	1,901	15,871	17,772	(153)	2019
Warehouse	DeSoto, TX	(I)	8,135	76,018	—	—	8,135	76,018	84,153	(678)	2019
Warehouse	Indianapolis, IN	(I)	4,111	21,788	—	—	4,111	21,788	25,899	(250)	2019
Warehouse	Hanover Park, IL	(I)	4,707	34,315	—	—	4,707	34,315	39,022	(450)	2019
Warehouse	Joliet, IL	(I)	9,172	49,191	—	—	9,172	49,191	58,363	(427)	2019
Warehouse	Garland, TX	(I)	2,515	16,087	—	—	2,515	16,087	18,602	(207)	2019
Warehouse	Hanover Park, IL	(I)	2,663	9,508	—	—	2,663	9,508	12,171	(180)	2019
Warehouse	Bolingbrook, IL	(I)	3,105	24,504	—	42	3,105	24,546	27,651	(290)	2019
Warehouse	Joliet, IL	(I)	4,534	25,549	—	—	4,534	25,549	30,083	(294)	2019
Warehouse	Elgin, IL	(I)	2,437	14,505	—	—	2,437	14,505	16,942	(166)	2019
Warehouse	Carol Stream, IL	(I)	3,385	6,796	—	—	3,385	6,796	10,181	(75)	2019
Warehouse	Hanover Park, IL	(I)	4,433	22,731	—	—	4,433	22,731	27,164	(361)	2019
Warehouse	Braselton, GA	(J)	6,808	70,501	—	—	6,808	70,501	77,309	(598)	2019
Warehouse	Atlanta, GA	(J)	3,876	22,104	—	—	3,876	22,104	25,980	(174)	2019
Warehouse	Bedford Park, IL	(J)	6,773	20,325	—	1	6,773	20,326	27,099	(234)	2019
Warehouse	Melrose Park, IL	(J)	3,568	11,536	—	7	3,568	11,543	15,111	(137)	2019
Warehouse	Kurtztown, IL	(J)	10,017	41,567	—	—	10,017	41,567	51,584	(370)	2019
Warehouse	Dallas, TX	(J)	7,885	40,311	—	—	7,885	40,311	48,196	(380)	2019
Warehouse	Dallas, TX	(J)	6,683	24,880	—	—	6,683	24,880	31,563	(272)	2019
Warehouse	Louisville, KY	(J)	2,611	14,870	—	—	2,611	14,870	17,481	(260)	2019
Warehouse	Fairburn, GA	(J)	3,672	22,803	—	—	3,672	22,803	26,475	(206)	2019
Warehouse	Houston, TX	(J)	2,323	11,491	—	42	2,323	11,533	13,856	(189)	2019
Warehouse	North Las Vegas, NV	(J)	14,730	80,458	—	—	14,730	80,458	95,188	(640)	2019
Warehouse	Indianapolis, IN	(J)	5,206	24,991	—	266	5,206	25,257	30,463	(223)	2019
Warehouse	Dallas, TX	(J)	7,302	51,914	—	—	7,302	51,914	59,216	(511)	2019
Warehouse	Louisville, KY	(J)	1,910	9,700	—	—	1,910	9,700	11,610	(80)	2019
Warehouse	Louisville, KY	(J)	891	6,379	—	—	891	6,379	7,270	(132)	2019
Warehouse	Louisville, KY	(J)	1,925	10,498	—	—	1,925	10,498	12,423	(169)	2019
Warehouse	North Las Vegas, NV	(J)	11,297	53,947	—	—	11,297	53,947	65,244	(436)	2019
Warehouse	San Antonio, TX	—	330	—	—	—	330	—	330	—	2019
Warehouse	San Antonio, TX	—	330	—	—	—	330	—	330	—	2019
Warehouse	San Antonio, TX	—	330	—	—	—	330	—	330	—	2019
Warehouse	Austin, TX	—	268	—	—	—	268	—	268	—	2019



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			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Lenexa, KS	(I)	755	5,743	—	—	755	5,743	6,498	(87)	2019
Warehouse	Elk Grove Village, IL	(I)	2,885	10,771	—	—	2,885	10,771	13,656	(85)	2019
Warehouse	Erlanger, KY	(J)	1,694	56,827	—	—	1,694	56,827	58,521	(477)	2019
Warehouse	San Diego, CA	—	27,662	—	—	—	27,662	—	27,662	(5)	2019
Warehouse	Pooler, GA	—	3,896	20,283	—	—	3,896	20,283	24,179	(420)	2019
Warehouse	Durham, NC	(K)	2,164	12,665	—	—	2,164	12,665	14,829	(155)	2019
Warehouse	Durham, NC	(K)	2,117	12,202	—	—	2,117	12,202	14,319	(134)	2019
<b>Total Industrial Properties:</b>			\$ 1,798,472	\$ 8,125,309	\$ —	\$ 70,696	\$ 1,798,472	\$ 8,196,005	\$ 9,994,477	\$ (246,358)	
<b>Multifamily Properties:</b>											
Mid Rise Apartments	Atlanta, GA	\$ 130,000	\$ —	\$ 171,709	\$ 116	\$ 3,397	\$ 116	\$ 175,106	\$ 175,222	\$ (16,900)	2017
High Rise Apartments	Orlando, FL	63,600	10,030	97,652	26	7,313	10,056	104,965	115,021	(9,954)	2017
Garden Style Apartments	Addison, TX	36,140	9,382	37,786	43	1,632	9,425	39,418	48,843	(3,568)	2017
Garden Style Apartments	Orlando, FL	43,225	11,567	57,128	187	4,278	11,754	61,406	73,160	(5,594)	2017
Garden Style Apartments	Palm Beach Gardens, FL	69,777	24,422	73,818	395	5,630	24,817	79,448	104,265	(7,376)	2017
Garden Style Apartments	Gurnee, IL	41,340	10,899	42,850	426	3,937	11,325	46,787	58,112	(4,371)	2017
Garden Style Apartments	Lenexa, KS	20,767	2,156	28,655	149	1,450	2,305	30,105	32,410	(2,801)	2017
Garden Style Apartments	Mesa, AZ	26,455	9,358	30,007	208	916	9,566	30,923	40,489	(3,550)	2017
Garden Style Apartments	Henderson, NV	37,783	4,745	47,195	33	729	4,778	47,924	52,702	(4,605)	2017
Garden Style Apartments	Las Vegas, NV	37,487	6,071	46,952	14	635	6,085	47,587	53,672	(4,630)	2017
Garden Style Apartments	Las Vegas, NV	46,110	6,593	51,158	4	819	6,597	51,977	58,574	(4,944)	2017
Garden Style Apartments	Las Vegas, NV	33,704	6,632	37,909	96	1,324	6,728	39,233	45,961	(3,537)	2017
Garden Style Apartments	Las Vegas, NV	26,281	5,569	29,208	91	1,569	5,660	30,777	36,437	(2,857)	2017
Garden Style Apartments	Las Vegas, NV	75,400	17,565	80,840	212	1,059	17,777	81,899	99,676	(7,972)	2017
Garden Style Apartments	Gilbert, AZ	40,484	16,489	53,056	48	461	16,537	53,517	70,054	(4,432)	2017
Garden Style Apartments	Gilbert, AZ	48,129	15,574	54,663	28	55	15,602	54,718	70,320	(4,437)	2017
Garden Style Apartments	Dallas, TX	47,600	16,678	47,939	39	505	16,717	48,444	65,161	(3,947)	2017
Garden Style Apartments	Richardson, TX	(K)	11,754	49,788	50	791	11,804	50,579	62,383	(4,019)	2017
Garden Style Apartments	Modesto, CA	24,500	2,765	33,720	85	2,130	2,850	35,850	38,700	(2,754)	2017
Garden Style Apartments	Flagstaff, AZ	18,413	3,344	30,331	67	1,016	3,411	31,347	34,758	(2,491)	2017
Garden Style Apartments	Olympia, WA	23,235	3,940	27,206	35	1,195	3,975	28,401	32,376	(2,409)	2017
Garden Style Apartments	Gilbert, AZ	33,232	10,679	28,170	69	1,792	10,748	29,962	40,710	(2,348)	2017
Garden Style Apartments	Jacksonville, FL	43,727	11,548	55,009	501	4,535	12,049	59,544	71,593	(4,775)	2017
Garden Style Apartments	Jacksonville, FL	23,215	4,034	28,288	73	880	4,107	29,168	33,275	(2,258)	2017
Garden Style Apartments	Jacksonville, FL	22,798	3,996	29,314	80	913	4,076	30,227	34,303	(2,319)	2017
Garden Style Apartments	San Antonio, TX	27,202	8,248	29,020	277	3,652	8,525	32,672	41,197	(2,849)	2017
Garden Style Apartments	Nashville, TN	20,987	3,910	20,056	441	1,463	4,351	21,519	25,870	(1,727)	2017
Garden Style Apartments	Grand Prairie, TX	16,503	3,514	18,039	271	2,263	3,785	20,302	24,087	(1,520)	2017
Garden Style Apartments	Sumner, TN	23,357	2,222	32,374	55	337	2,277	32,711	34,988	(2,427)	2017
Garden Style Apartments	Louisville, KY	8,352	1,285	11,025	96	1,108	1,381	12,133	13,514	(922)	2017
Garden Style Apartments	North Richland Hills, TX	15,277	3,566	20,889	207	107	3,773	20,996	24,769	(1,417)	2017

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements				
Garden Style Apartments	Mansfield, TX	26,013	3,810	32,854	74	1,826	3,884	34,680	38,564	(2,698)	2017	
Garden Style Apartments	Austin, TX	49,733	8,371	52,576	1,056	2,329	9,427	54,905	64,332	(4,094)	2017	
Garden Style Apartments	Round Rock, TX	20,502	3,851	25,309	66	1,316	3,917	26,625	30,542	(2,073)	2017	
Garden Style Apartments	Murfreesboro, TN	24,457	2,674	29,863	90	1,254	2,764	31,117	33,881	(2,291)	2017	
Garden Style Apartments	San Antonio, TX	13,308	2,454	14,742	92	904	2,546	15,646	18,192	(1,201)	2017	
Garden Style Apartments	Buda, TX	20,704	3,809	23,117	77	498	3,886	23,615	27,501	(1,947)	2017	
Garden Style Apartments	Fair Oaks Ranch, TX	22,565	4,629	27,813	17	465	4,646	28,278	32,924	(1,948)	2017	
Garden Style Apartments	San Marcos, TX	—	3,147	21,147	123	638	3,270	21,785	25,055	(1,596)	2017	
Garden Style Apartments	Louisville, KY	8,045	2,205	13,227	127	1,181	2,332	14,408	16,740	(1,004)	2017	
Garden Style Apartments	Louisville, KY	10,952	2,118	14,118	22	121	2,140	14,239	16,379	(941)	2017	
Garden Style Apartments	Louisville, KY	9,067	1,680	12,500	10	555	1,690	13,055	14,745	(863)	2017	
Garden Style Apartments	Nashville, TN	5,492	1,795	12,033	102	533	1,897	12,566	14,463	(840)	2017	
Garden Style Apartments	Carrollton, TX	5,557	3,393	9,871	106	1,287	3,499	11,158	14,657	(782)	2017	
Garden Style Apartments	Louisville, KY	—	295	1,927	6	41	301	1,968	2,269	(135)	2017	
Garden Style Apartments	Hillsboro, OR	62,732	9,176	81,990	—	110	9,176	82,100	91,276	(6,011)	2017	
Garden Style Apartments	Las Vegas, NV	33,897	14,447	34,871	89	1,733	14,536	36,604	51,140	(3,035)	2017	
Garden Style Apartments	Las Vegas, NV	41,177	14,801	46,622	53	1,806	14,854	48,428	63,282	(3,990)	2017	
Garden Style Apartments	Thornton, CO	44,325	9,711	47,052	553	2,708	10,264	49,760	60,024	(3,684)	2017	
Garden Style Apartments	Everett, WA	47,705	19,105	46,552	305	3,203	19,410	49,755	69,165	(4,194)	2017	
Garden Style Apartments	Miami, FL	95,299	28,419	103,131	306	177	28,725	103,308	132,033	(8,461)	2017	
Garden Style Apartments	Sacramento, CA	99,990	19,181	124,339	193	2,772	19,374	127,111	146,485	(8,066)	2018	
Garden Style Apartments	Tumwater, WA	53,049	16,515	57,382	76	3,829	16,591	61,211	77,802	(4,288)	2018	
Garden Style Apartments	Las Vegas, NV	46,940	23,755	43,057	78	1,808	23,833	44,865	68,698	(3,160)	2018	
Garden Style Apartments	University Place, WA	32,672	9,427	37,072	30	2,053	9,457	39,125	48,582	(2,474)	2018	
Garden Style Apartments	Milwaukie, OR	26,835	8,306	30,319	102	1,136	8,408	31,455	39,863	(2,105)	2018	
Garden Style Apartments	Liberty Lake, WA	29,904	5,501	31,785	152	2,927	5,653	34,712	40,365	(2,231)	2018	
Garden Style Apartments	Randolph, MA	86,191	16,236	108,066	161	1,699	16,397	109,765	126,162	(6,362)	2018	
Garden Style Apartments	Orlando, FL	36,881	7,989	48,397	271	2,722	8,260	51,119	59,379	(3,055)	2018	
Garden Style Apartments	Jacksonville, FL	37,338	8,186	43,909	144	1,150	8,330	45,059	53,389	(2,779)	2018	
Garden Style Apartments	Gresham, OR	33,458	4,825	49,266	142	1,083	4,967	50,349	55,316	(2,996)	2018	
Garden Style Apartments	Turlock, CA	23,301	2,241	35,067	6	1,084	2,247	36,151	38,398	(2,034)	2018	
Garden Style Apartments	Las Vegas, NV	47,190	22,388	47,128	181	1,982	22,569	49,110	71,679	(3,294)	2018	
Garden Style Apartments	Phoenix, AZ	29,728	8,738	37,766	60	1,429	8,798	39,195	47,993	(2,693)	2018	
Garden Style Apartments	Glendale, AZ	40,671	12,242	49,800	3	120	12,245	49,920	62,165	(3,704)	2018	
Garden Style Apartments	Glendale, AZ	25,610	6,505	32,193	45	1,357	6,550	33,550	40,100	(1,833)	2018	
Garden Style Apartments	Tempe, AZ	42,703	11,457	52,606	96	1,693	11,553	54,299	65,852	(3,006)	2018	
Garden Style Apartments	Phoenix, AZ	35,043	9,847	42,718	119	2,149	9,966	44,867	54,833	(2,460)	2018	
Garden Style Apartments	Chandler, AZ	29,600	7,521	36,794	24	1,386	7,545	38,180	45,725	(2,079)	2018	
Garden Style Apartments	Surprise, AZ	44,982	10,845	55,009	39	2,400	10,884	57,409	68,293	(3,319)	2018	
Garden Style Apartments	Peoria, AZ	22,745	4,833	27,719	35	1,410	4,868	29,129	33,997	(1,488)	2018	
Garden Style Apartments	Las Vegas, NV	44,687	4,630	59,893	147	1,604	4,777	61,497	66,274	(2,330)	2018	

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Garden Style Apartments	Phoenix, AZ	39,179	11,626	46,444	84	19	11,710	46,463	58,173	(1,800)	2019
Garden Style Apartments	Moreno Valley, CA	61,710	9,483	82,211	1	206	9,484	82,417	91,901	(2,688)	2019
Garden Style Apartments	Temecula, CA	43,300	6,541	82,161	33	42	6,574	82,203	88,777	(2,551)	2019
Garden Style Apartments	Santa Fe Springs, CA	28,220	10,795	44,758	19	85	10,814	44,843	55,657	(1,340)	2019
Garden Style Apartments	St. Petersburg, FL	43,506	12,618	50,172	60	1,027	12,678	51,199	63,877	(1,525)	2019
Garden Style Apartments	Orlando, FL	39,260	8,422	59,988	63	122	8,485	60,110	68,595	(1,800)	2019
Garden Style Apartments	Lewisville, TX	31,169	5,777	40,840	20	209	5,797	41,049	46,846	(1,354)	2019
Garden Style Apartments	Englewood, CO	45,500	6,685	65,881	66	85	6,751	65,966	72,717	(1,860)	2019
Garden Style Apartments	Centennial, CO	35,037	6,492	44,555	68	1,276	6,560	45,831	52,391	(1,439)	2019
Garden Style Apartments	Hillsboro, OR	32,299	7,011	45,819	4	310	7,015	46,129	53,144	(1,363)	2019
Garden Style Apartments	Portland, OR	18,200	4,006	24,748	—	123	4,006	24,871	28,877	(724)	2019
Garden Style Apartments	Charlotte, NC	35,463	8,328	43,217	59	800	8,387	44,017	52,404	(1,581)	2019
Garden Style Apartments	Woodstock, GA	34,856	8,236	42,166	12	278	8,248	42,444	50,692	(1,291)	2019
Garden Style Apartments	Ladson, SC	24,500	6,512	35,603	28	452	6,540	36,055	42,595	(1,248)	2019
Garden Style Apartments	Hopkinton, MA	38,675	9,298	52,822	15	176	9,313	52,998	62,311	(1,634)	2019
Garden Style Apartments	Henderson, NV	64,844	13,651	81,360	93	105	13,744	81,465	95,209	(1,667)	2019
Garden Style Apartments	Henderson, NV	63,205	12,949	74,610	107	173	13,056	74,783	87,839	(2,031)	2019
Garden Style Apartments	Henderson, NV	49,374	9,009	55,495	42	148	9,051	55,643	64,694	(1,484)	2019
Garden Style Apartments	Las Vegas, NV	(K)	17,312	72,129	—	—	17,312	72,129	89,441	(452)	2019
Garden Style Apartments	Orlando, FL	51,986	10,521	62,358	22	65	10,543	62,423	72,966	(1,560)	2019
Garden Style Apartments	Lithia Springs, GA	26,046	6,054	31,725	2	208	6,056	31,933	37,989	(877)	2019
Garden Style Apartments	Las Vegas, NV	37,700	12,345	41,864	90	604	12,435	42,468	54,903	(1,225)	2019
Garden Style Apartments	Charlotte, NC	33,000	7,280	31,350	50	780	7,330	32,130	39,460	(760)	2019
Garden Style Apartments	Charlotte, NC	46,600	9,181	56,344	41	455	9,222	56,799	66,021	(888)	2019
Garden Style Apartments	Phoenix, AZ	51,000	18,229	56,120	23	821	18,252	56,941	75,193	(1,064)	2019
Garden Style Apartments	Corona Hills, CA	62,833	14,083	80,264	5	1,188	14,088	81,452	95,540	(2,070)	2019
Garden Style Apartments	Moreno Valley, CA	45,475	10,070	58,439	5	710	10,075	59,149	69,224	(1,409)	2019
Garden Style Apartments	Lakeland, FL	41,800	8,788	49,612	18	1,652	8,806	51,264	60,070	(1,247)	2019
Garden Style Apartments	Peoria, AZ	46,150	11,935	55,630	22	135	11,957	55,765	67,722	(1,819)	2019
Garden Style Apartments	Kennewick, WA	20,131	2,755	24,092	172	1,137	2,927	25,229	28,156	(679)	2019
Garden Style Apartments	Richland, WA	23,254	2,725	27,396	51	1,145	2,776	28,541	31,317	(746)	2019
Garden Style Apartments	Woodland, CA	19,226	3,201	29,394	—	137	3,201	29,531	32,732	(587)	2019
Garden Style Apartments	Puyallup, WA	61,384	14,387	71,631	41	2,209	14,428	73,840	88,268	(1,445)	2019
Garden Style Apartments	Orlando, FL	51,810	8,559	60,029	96	2,783	8,655	62,812	71,467	(1,387)	2019
Garden Style Apartments	Charlotte, NC	(L)	12,883	86,351	65	242	12,948	86,593	99,541	(1,754)	2019
Garden Style Apartments	Chandler, AZ	55,278	17,512	62,049	1	4	17,513	62,053	79,566	(376)	2019
Garden Style Apartments	Ocoee, FL	63,292	17,226	76,229	—	—	17,226	76,229	93,455	(173)	2019
Garden Style Apartments	Huntersville, NC	38,430	8,868	48,880	—	—	8,868	48,880	57,748	(111)	2019
Garden Style Apartments	Arlington, TX	34,000	13,290	35,267	—	—	13,290	35,267	48,557	(80)	2019
Garden Style Apartments	Orlando, FL	35,400	5,197	48,490	—	—	5,197	48,490	53,687	(95)	2019
Garden Style Apartments	Oviedo, FL	38,878	7,594	49,002	—	—	7,594	49,002	56,596	(103)	2019

Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period		Total	Accumulated Depreciation(1)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Garden Style Apartments	Largo, FL	45,600	8,822	56,744	1	3	8,823	56,747	65,570	(433)	2019
Garden Style Apartments	Tampa, FL	37,375	8,514	45,818	—	—	8,514	45,818	54,332	(302)	2019
Garden Style Apartments	Westminster, CO	54,625	6,235	72,861	24	112	6,259	72,973	79,232	(1,451)	2019
Garden Style Apartments	Westminster, CO	52,723	6,523	66,313	—	32	6,523	66,345	72,868	(1,422)	2019
Garden Style Apartments	Loveland, CO	36,127	5,020	42,672	—	31	5,020	42,703	47,723	(930)	2019
Garden Style Apartments	Raleigh, NC	(K)	5,151	34,409	52	30	5,203	34,439	39,642	(870)	2019
Garden Style Apartments	Jacksonville, FL	(K)	4,327	41,150	1	60	4,328	41,210	45,538	(979)	2019
Garden Style Apartments	Henderson, NV	44,050	8,205	49,247	34	40	8,239	49,287	57,526	(1,047)	2019
Garden Style Apartments	Oregon City, OR	(L)	34,849	29,218	2	—	34,851	29,218	64,069	(430)	2019
Garden Style Apartments	Garner, NC	—	6,181	43,921	—	—	6,181	43,921	50,102	(257)	2019
Garden Style Apartments	Northglenn, CO	(L)	14,198	126,170	1	5	14,199	126,175	140,374	(1,253)	2019
Garden Style Apartments	Las Vegas, NV	51,900	16,341	60,038	—	30	16,341	60,068	76,409	(392)	2019
Garden Style Apartments	Las Vegas, NV	42,500	10,559	50,075	—	42	10,559	50,117	60,676	(337)	2019
Garden Style Apartments	Las Vegas, NV	35,500	9,308	43,490	—	32	9,308	43,522	52,830	(288)	2019
Garden Style Apartments	Las Vegas, NV	23,500	6,257	27,266	2	24	6,259	27,290	33,549	(179)	2019
Garden Style Apartments	Miami, FL	66,226	17,618	82,333	26	38	17,644	82,371	100,015	(1,813)	2019
Garden Style Apartments	Miami, FL	69,753	17,721	81,590	80	57	17,801	81,647	99,448	(1,804)	2019
Garden Style Apartments	Dunwoody, GA	27,400	2,837	39,187	3	15	2,840	39,202	42,042	(728)	2019
Garden Style Apartments	Atlanta, GA	34,000	3,332	50,184	5	41	3,337	50,225	53,562	(928)	2019
Garden Style Apartments	Atlanta, GA	35,000	4,203	51,699	1	19	4,204	51,718	55,922	(963)	2019
Garden Style Apartments	Phoenix, AZ	72,818	18,048	78,354	9	26	18,057	78,380	96,437	(1,330)	2019
Garden Style Apartments	Savannah, GA	28,925	5,613	35,434	22	7	5,635	35,441	41,076	(917)	2019
Garden Style Apartments	Glendale, AZ	23,217	9,359	31,129	—	—	9,359	31,129	40,488	(217)	2019
Garden Style Apartments	Austin, TX	—	10,358	51,589	—	—	10,358	51,589	61,947	(118)	2019
Garden Style Apartments	Raleigh, NC	—	12,329	63,193	—	—	12,329	63,193	75,522	(553)	2019
Student Housing	Tempe, AZ	97,149	14,180	111,719	2	201	14,182	111,920	126,102	(4,809)	2018
Student Housing	Tuscaloosa, AL	65,931	16,579	74,404	—	428	16,579	74,832	91,411	(3,281)	2018
Student Housing	Tucson, AZ	67,269	5,956	82,701	—	90	5,956	82,791	88,747	(3,550)	2018
Student Housing	State College, PA	65,018	8,422	76,294	13	1,036	8,435	77,330	85,765	(3,455)	2018
Student Housing	Blacksburg, VA	64,532	12,698	71,693	101	257	12,799	71,950	84,749	(3,283)	2018
Student Housing	State College, PA	51,294	8,456	59,511	—	267	8,456	59,778	68,234	(2,690)	2018
Student Housing	Orlando, FL	48,066	4,854	60,003	69	243	4,923	60,246	65,169	(2,671)	2018
Student Housing	Charlottesville, VA	47,130	175	70,119	—	504	175	70,623	70,798	(3,029)	2018
Student Housing	Boulder, CO	42,221	9,300	47,270	38	83	9,338	47,353	56,691	(2,100)	2018
Student Housing	Greenville, NC	45,961	8,458	45,948	69	87	8,527	46,035	54,562	(2,040)	2018
Student Housing	Tucson, AZ	39,290	5,128	57,842	—	23	5,128	57,865	62,993	(2,488)	2018
Student Housing	Kent, OH	36,477	3,052	41,735	13	203	3,065	41,938	45,003	(1,853)	2018
Student Housing	Riverside, CA	29,818	3,966	40,159	—	298	3,966	40,457	44,423	(1,723)	2018
Student Housing	Louisville, KY	34,266	10,401	31,231	46	51	10,447	31,282	41,729	(1,415)	2018
Student Housing	Charlottesville, VA	6,071	1,809	6,385	—	38	1,809	6,423	8,232	(284)	2018
Student Housing	Boulder, CO	26,742	8,330	26,688	—	109	8,330	26,797	35,127	(1,187)	2018

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Student Housing	Auburn, AL	21,924	3,835	28,175	—	—	3,835	28,175	32,010	(1,246)	2018
Student Housing	Berkeley, CA	12,552	4,584	16,540	6	64	4,590	16,604	21,194	(735)	2018
Student Housing	Charlottesville, VA	15,237	3,134	17,545	—	97	3,134	17,642	20,776	(760)	2018
Student Housing	Athens, GA	46,200	4,931	68,771	4	335	4,935	69,106	74,041	(3,011)	2018
Manufactured Housing Community	Phoenix, AZ	18,185	29,613	739	347	17	29,960	756	30,716	(830)	2018
Manufactured Housing Community	Mesa, AZ	14,742	22,145	782	28	316	22,173	1,098	23,271	(932)	2018
Manufactured Housing Community	Apache Junction, AZ	13,996	19,276	266	49	1,716	19,325	1,982	21,307	(900)	2018
Manufactured Housing Community	Mesa, AZ	9,608	17,180	423	30	1	17,210	424	17,634	(653)	2018
Manufactured Housing Community	Apache Junction, AZ	10,307	14,542	236	8	4	14,550	240	14,790	(466)	2018
Manufactured Housing Community	Mesa, AZ	5,906	8,476	438	17	—	8,493	438	8,931	(337)	2018
Manufactured Housing Community	Indio, CA	7,035	7,220	193	94	29	7,314	222	7,536	(357)	2018
Manufactured Housing Community	San Marcos, CA	5,509	6,236	309	104	32	6,340	341	6,681	(298)	2018
Manufactured Housing Community	Mesa, AZ	5,920	7,820	461	71	14	7,891	475	8,366	(327)	2018
Manufactured Housing Community	Indio, CA	5,929	6,540	113	12	55	6,552	168	6,720	(424)	2018
Manufactured Housing Community	Apache Junction, AZ	3,077	6,400	249	7	2	6,407	251	6,658	(300)	2018
Manufactured Housing Community	Apache Junction, AZ	3,194	8,146	219	—	2	8,146	221	8,367	(320)	2018
Manufactured Housing Community	Apache Junction, AZ	2,195	6,793	206	5	6	6,798	212	7,010	(285)	2018
Manufactured Housing Community	Apache Junction, AZ	2,459	4,163	149	26	8	4,189	157	4,346	(219)	2018
Manufactured Housing Community	Mesa, AZ	6,077	8,763	164	11	1	8,774	165	8,939	(502)	2018
Manufactured Housing Community	Cottonwood, AZ	2,230	3,313	81	16	—	3,329	81	3,410	(175)	2018
Manufactured Housing Community	Cottonwood, AZ	4,541	5,238	244	67	12	5,305	256	5,561	(376)	2018
Manufactured Housing Community	Chandler, AZ	3,334	4,293	78	35	3	4,328	81	4,409	(156)	2018
Manufactured Housing Community	Apache Junction, AZ	2,298	3,835	61	16	—	3,851	61	3,912	(139)	2018
Manufactured Housing Community	Desert Hot Springs, CA	12,342	15,223	707	103	65	15,326	772	16,098	(850)	2018
Manufactured Housing Community	Apache Junction, AZ	5,637	7,527	289	30	13	7,557	302	7,859	(314)	2018
Manufactured Housing Community	Apache Junction, AZ	2,471	5,503	365	11	5	5,514	370	5,884	(292)	2018
Manufactured Housing Community	Las Vegas, NV	6,075	7,682	220	39	91	7,721	311	8,032	(327)	2018
Manufactured Housing Community	Tavares, FL	5,864	4,390	1,244	6	7	4,396	1,251	5,647	(338)	2018
Manufactured Housing Community	Apache Junction, AZ	4,032	5,163	25	3	—	5,166	25	5,191	(204)	2019
Manufactured Housing Community	Peoria, AZ	4,466	8,878	1,229	7	—	8,885	1,229	10,114	(348)	2019
Manufactured Housing Community	Glendale, AZ	11,196	20,791	1,354	11	43	20,802	1,397	22,199	(552)	2019
Manufactured Housing Community	Mesa, AZ	5,564	8,589	1,280	99	92	8,688	1,372	10,060	(387)	2019
Manufactured Housing Community	Phoenix, AZ	6,495	8,996	500	7	—	9,003	500	9,503	(298)	2019
Manufactured Housing Community	Naples, FL	—	3,664	383	—	9	3,664	392	4,056	(53)	2019
Manufactured Housing Community	Waldorf, MD	4,754	5,741	656	13	28	5,754	684	6,438	(117)	2019
Manufactured Housing Community	Winter Haven, FL	8,369	11,585	381	—	11	11,585	392	11,977	(103)	2019
Manufactured Housing Community	Tarpon Springs, FL	7,547	8,980	491	5	181	8,985	672	9,657	(315)	2019
Manufactured Housing Community	Chandler, AZ	—	12,110	321	—	—	12,110	321	12,431	(188)	2019
Manufactured Housing Community	Phoenix, AZ	—	9,757	189	—	—	9,757	189	9,946	(187)	2019
Manufactured Housing Community	Chandler, AZ	—	5,532	584	—	—	5,532	584	6,116	(102)	2019
Total Multifamily Properties:		\$ 6,003,839	\$ 1,737,286	\$ 7,695,295	\$ 13,179	\$ 146,101	\$ 1,750,465	\$ 7,841,396	\$9,591,861	\$ (376,063)	

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Net Lease Properties:											
Bellagio	Las Vegas, NV	\$ 3,010,000	\$ 1,453,421	\$ 2,760,936	\$ —	\$ —	\$ 1,453,421	\$ 2,760,936	\$ 4,214,357	\$ (14,836)	2019
Total Net Lease Properties:		\$ 3,010,000	\$ 1,453,421	\$ 2,760,936	\$ —	\$ -	\$ 1,453,421	\$ 2,760,936	\$ 4,214,357	\$ (14,836)	
Hotel Properties:											
Full Service Hotel	Atlanta, GA	\$ 243,700	\$ 30,482	\$ 289,353	\$ —	\$ 99	\$ 30,482	\$ 289,452	\$ 319,934	\$ (3,184)	2019
Full Service Hotel	San Antonio, TX	202,500	84,221	474,529	350	10,775	84,571	485,304	569,875	(36,639)	2018
Select Service Hotel	Davis, CA	20,500	526	24,778	14	717	540	25,495	26,035	(5,257)	2017
Select Service Hotel	San Jose, CA	26,654	10,746	36,138	58	1,767	10,804	37,905	48,709	(5,749)	2017
Select Service Hotel	Oldsmar, FL	10,300	2,088	13,234	17	316	2,105	13,550	15,655	(2,047)	2017
Select Service Hotel	Oldsmar, FL	6,800	1,069	8,724	—	683	1,069	9,407	10,476	(1,413)	2017
Select Service Hotel	Temple Terrace, FL	10,000	2,706	12,351	87	502	2,793	12,853	15,646	(3,009)	2017
Select Service Hotel	Lake Mary, FL	10,000	1,941	10,979	3	109	1,944	11,088	13,032	(1,891)	2017
Select Service Hotel	Atlanta, GA	21,200	5,714	26,296	—	219	5,714	26,515	32,229	(3,688)	2017
Select Service Hotel	Worcester, MA	14,200	1,646	20,149	15	712	1,661	20,861	22,522	(3,120)	2017
Select Service Hotel	Worcester, MA	10,900	738	14,663	—	130	738	14,793	15,531	(1,611)	2017
Select Service Hotel	Chelsea, MA	24,700	1,825	37,505	—	21	1,825	37,526	39,351	(3,704)	2017
Select Service Hotel	Orlando, FL	21,700	2,836	19,097	—	—	2,836	19,097	21,933	(2,094)	2018
Select Service Hotel	Orlando, FL	18,830	2,786	18,706	10	9	2,796	18,715	21,511	(1,979)	2018
Select Service Hotel	Henderson, NV	11,000	1,764	15,784	—	104	1,764	15,888	17,652	(1,539)	2018
Select Service Hotel	Henderson, NV	10,400	1,576	14,188	4	85	1,580	14,273	15,853	(1,340)	2018
Select Service Hotel	Phoenix, AZ	12,400	3,265	14,456	—	52	3,265	14,508	17,773	(1,711)	2018
Select Service Hotel	Tampa, FL	8,300	1,746	11,796	—	343	1,746	12,139	13,885	(1,048)	2018
Select Service Hotel	Rohnert Park, CA	16,300	2,538	26,306	—	1,808	2,538	28,114	30,652	(1,897)	2018
Select Service Hotel	Reno, NV	17,300	2,462	31,127	5	520	2,467	31,647	34,114	(2,292)	2018
Select Service Hotel	Salt Lake City, UT	10,100	983	16,534	—	1,214	983	17,748	18,731	(1,020)	2018
Select Service Hotel	Federal Way, WA	21,840	2,894	30,395	—	21	2,894	30,416	33,310	(1,666)	2018
Select Service Hotel	Reno, NV	10,482	1,705	14,754	—	917	1,705	15,671	17,376	(1,743)	2018
Select Service Hotel	Salt Lake City, UT	33,603	4,204	40,065	—	32	4,204	40,097	44,301	(2,097)	2018
Select Service Hotel	Salt Lake City, UT	12,563	8,743	16,725	2	87	8,745	16,812	25,557	(1,024)	2018
Select Service Hotel	Salt Lake City, UT	20,709	3,592	24,007	8	28	3,600	24,035	27,635	(1,902)	2018
Select Service Hotel	Chicago, IL	31,425	14,792	26,563	—	53	14,792	26,616	41,408	(457)	2019
Select Service Hotel	Arlington, VA	68,500	55,827	43,821	—	6	55,827	43,827	99,654	(590)	2019
Select Service Hotel	Kailua-Kona, HI	52,918	4,804	94,476	—	3,343	4,804	97,819	102,623	(4,501)	2019
Select Service Hotel	Longmont, CO	3,280	1,779	7,670	10	—	1,789	7,670	9,459	(118)	2019
Select Service Hotel	Miramar, FL	14,251	2,556	12,326	8	20	2,564	12,346	14,910	(199)	2019
Select Service Hotel	Salt Lake City, UT	13,565	1,248	19,229	—	—	1,248	19,229	20,477	(279)	2019
Select Service Hotel	Durham, NC	14,936	2,809	12,407	9	—	2,818	12,407	15,225	(190)	2019
Select Service Hotel	West Palm Beach, FL	13,291	1,004	9,628	—	1	1,004	9,629	10,633	(151)	2019
Select Service Hotel	Fort Walton Beach, FL	12,401	1,966	8,214	13	36	1,979	8,250	10,229	(124)	2019

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Select Service Hotel	West Palm Beach, FL	12,743	1,651	8,083	—	8	1,651	8,091	9,742	(139)	2019
Select Service Hotel	Denver, CO	11,853	3,950	10,417	—	197	3,950	10,614	14,564	(208)	2019
Select Service Hotel	Clearwater, FL	11,167	2,648	8,186	—	13	2,648	8,199	10,847	(138)	2019
Select Service Hotel	Longmont, CO	8,025	1,759	10,115	10	—	1,769	10,115	11,884	(147)	2019
Select Service Hotel	Novi, MI	11,030	3,014	14,185	25	4	3,039	14,189	17,228	(221)	2019
Select Service Hotel	Plantation, FL	15,141	1,675	12,110	9	5	1,684	12,115	13,799	(209)	2019
Select Service Hotel	Miramar, FL	15,415	2,447	12,381	—	—	2,447	12,381	14,828	(199)	2019
Select Service Hotel	Salt Lake City, UT	7,275	906	11,131	—	12	906	11,143	12,049	(165)	2019
Select Service Hotel	Silver Spring, MD	15,415	3,310	11,947	9	—	3,319	11,947	15,266	(185)	2019
Select Service Hotel	Longmont, CO	5,325	1,640	8,540	10	—	1,650	8,540	10,190	(128)	2019
Select Service Hotel	Austin, TX	13,839	6,316	14,808	3	68	6,319	14,876	21,195	(254)	2019
Select Service Hotel	San Antonio, TX	3,289	1,638	7,271	—	17	1,638	7,288	8,926	(109)	2019
Select Service Hotel	San Antonio, TX	7,575	3,069	7,501	3	13	3,072	7,514	10,586	(120)	2019
Select Service Hotel	Oak Brook, IL	17,265	—	21,829	13	3	13	21,832	21,845	(319)	2019
Select Service Hotel	Bloomington, IN	15,141	—	24,783	—	1	—	24,784	24,784	(354)	2019
Select Service Hotel	Glendale, AZ	10,183	4,776	12,590	—	—	4,776	12,590	17,366	(80)	2019
Select Service Hotel	Glendale, AZ	7,374	3,821	10,838	—	—	3,821	10,838	14,659	(70)	2019
Select Service Hotel	Colorado Springs, CO	7,000	4,258	9,733	—	—	4,258	9,733	13,991	(62)	2019
Select Service Hotel	Colorado Springs, CO	8,000	4,434	12,588	—	—	4,434	12,588	17,022	(72)	2019
Select Service Hotel	Colorado Springs, CO	(K)	3,985	6,823	—	—	3,985	6,823	10,808	(47)	2019
Select Service Hotel	Colorado Springs, CO	(K)	4,735	6,842	—	—	4,735	6,842	11,577	(45)	2019
Select Service Hotel	Colorado Springs, CO	(K)	3,185	12,941	—	—	3,185	12,941	16,126	(78)	2019
Select Service Hotel	Colorado Springs, CO	(K)	5,930	10,342	—	—	5,930	10,342	16,272	(60)	2019
Select Service Hotel	Scottsdale, AZ	(K)	5,384	11,639	—	—	5,384	11,639	17,023	(76)	2019
<b>Total Hotel Properties:</b>		<b>\$ 1,254,603</b>	<b>\$ 346,112</b>	<b>\$ 1,774,596</b>	<b>\$ 695</b>	<b>\$ 25,070</b>	<b>\$ 346,807</b>	<b>\$ 1,799,666</b>	<b>\$ 2,146,473</b>	<b>\$ (104,758)</b>	
<b>Retail Properties:</b>											
Open Air Shopping Center	Philadelphia, PA	\$ 32,000	\$ 19,335	\$ 31,757	\$ —	\$ 1,648	\$ 19,335	\$ 33,405	\$ 52,740	\$ (3,735)	2017
Open Air Shopping Center	Burbank, CA	27,390	24,100	18,316	149	900	24,249	19,216	43,465	(2,403)	2017
Open Air Shopping Center	Miami, FL	20,250	17,085	14,996	22	—	17,107	14,996	32,103	(1,059)	2018
Open Air Shopping Center	Brooklyn, NY	80,400	73,427	49,391	—	—	73,427	49,391	122,818	(141)	2019
Open Air Shopping Center	Simi Valley, CA	23,600	22,282	13,400	—	—	22,282	13,400	35,682	(400)	2019
Open Air Shopping Center	Pacoima, CA	31,200	38,015	9,103	—	—	38,015	9,103	47,118	(113)	2019
Open Air Shopping Center	Signal Hill, CA	38,550	32,808	14,722	—	—	32,808	14,722	47,530	(149)	2019
<b>Total Retail Properties:</b>		<b>\$ 253,390</b>	<b>\$ 227,052</b>	<b>\$ 151,685</b>	<b>\$ 171</b>	<b>\$ 2,548</b>	<b>\$ 227,223</b>	<b>\$ 154,233</b>	<b>\$ 381,456</b>	<b>\$ (8,000)</b>	
<b>Office Properties:</b>											
Office	Emeryville, CA	75,900	29,226	86,600	-	2,172	29,226	88,772	117,998	(619)	2019
<b>Total Office Properties:</b>		<b>\$ 75,900</b>	<b>\$ 29,226</b>	<b>\$ 86,600</b>	<b>\$ -</b>	<b>\$ 2,172</b>	<b>\$ 29,226</b>	<b>\$ 88,772</b>	<b>\$ 117,998</b>	<b>\$ (619)</b>	
<b>Other Properties:</b>											
Self Storage	Miami, FL	\$ 10,143	\$ 2,955	\$ 10,622	\$ —	\$ 54	\$ 2,955	\$ 10,676	\$ 13,631	\$ (152)	2019
Self Storage	Fort Pierce, FL	5,903	1,619	7,147	—	—	1,619	7,147	8,766	(122)	2019
Self Storage	Fort Myers, FL	3,914	1,456	4,214	—	—	1,456	4,214	5,670	(68)	2019

Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period		Total	Accumulated Depreciation <sup>(1)</sup>	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements			
Self Storage	Winter Haven, FL	4,266	1,546	4,393	—	—	1,546	4,393	5,939	(99)	2019
Self Storage	Dundee, FL	4,067	1,165	5,773	—	34	1,165	5,807	6,972	(87)	2019
Self Storage	Fayetteville, NC	4,611	1,408	6,092	—	—	1,408	6,092	7,500	(95)	2019
Self Storage	Fayetteville, NC	4,406	1,067	5,836	—	—	1,067	5,836	6,903	(90)	2019
Self Storage	Hope Mills, NC	3,959	1,821	4,821	—	—	1,821	4,821	6,642	(83)	2019
Self Storage	Vinton, VA	4,291	1,177	5,228	—	5	1,177	5,233	6,410	(81)	2019
Self Storage	Raleigh, NC	3,728	1,094	4,344	—	—	1,094	4,344	5,438	(67)	2019
Self Storage	Apex, NC	3,473	1,077	3,522	—	—	1,077	3,522	4,599	(55)	2019
Self Storage	Raleigh, NC	2,744	1,000	1,637	—	—	1,000	1,637	2,637	(25)	2019
Self Storage	Tallahassee, FL	6,715	3,092	7,174	—	—	3,092	7,174	10,266	(123)	2019
Self Storage	Tallahassee, FL	2,942	705	3,735	—	—	705	3,735	4,440	(57)	2019
Self Storage	Pensacola, FL	4,534	324	6,445	—	—	324	6,445	6,769	(93)	2019
Self Storage	Neptune, NJ	7,111	1,997	8,606	—	—	1,997	8,606	10,603	(135)	2019
Self Storage	Saten Island, NY	4,732	4,233	2,681	—	6	4,233	2,687	6,920	(40)	2019
Self Storage	Chattanooga, TN	5,225	1,377	6,244	—	276	1,377	6,520	7,897	(95)	2019
Self Storage	Belcamp, MD	5,001	791	6,503	—	3	791	6,506	7,297	(94)	2019
Self Storage	Summerville, SC	3,306	3,117	2,225	—	20	3,117	2,245	5,362	(34)	2019
Self Storage	Moncks Corner, SC	2,929	1,043	1,499	—	—	1,043	1,499	2,542	(25)	2019
<b>Total Other Properties:</b>		<b>\$ 98,000</b>	<b>\$ 34,064</b>	<b>\$ 108,741</b>	<b>\$ -</b>	<b>\$ 398</b>	<b>\$ 34,064</b>	<b>\$ 109,139</b>	<b>\$ 143,203</b>	<b>\$ (1,720)</b>	
<b>Portfolio Total</b>		<b>\$ 10,924,826</b>	<b>\$ 5,625,633</b>	<b>\$ 20,703,162</b>	<b>\$ 14,045</b>	<b>\$ 246,985</b>	<b>\$ 5,639,678</b>	<b>\$ 20,950,147</b>	<b>\$ 26,589,825</b>	<b>\$ (752,354)</b>	

(1) Refer to Note 2 to our consolidated financial statements for details of depreciable lives.

(2) As of December 31, 2019, the aggregate cost basis for tax purposes was \$27.2 billion.

(A) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$330.0 million. As of December 31, 2019, the Company had \$165.0 million outstanding under such facility.

(B) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$464.2 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$232.1 million.

(C) Certain of the Company's industrial properties collateralize a mortgage totaling \$471.5 million. As of December 31, 2019, such mortgage had a total outstanding balance of \$471.5 million.

(D) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$836.1 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$543.1 million.

(E) Certain of the Company's industrial properties collateralize a \$1.1 billion mortgage and a \$0.2 billion mezzanine loan. As of December 31, 2019, such mortgage and mezzanine loan had a total outstanding balance of \$1.3 billion.

(F) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$142.9 million. As of December 31, 2019, the Company had \$71.4 million outstanding under such facility.

(G) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$679.0 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$601.5 million.

(H) Certain of the Company's industrial properties collateralize a mortgage loan totaling \$1.2 billion and a \$400 million secured revolving credit facility. As of December 31, 2019, such mortgage loan and secured revolving credit facility had a total outstanding balance of \$1.6 billion.

(I) Certain of the Company's industrial properties collateralize a mortgage totaling \$445.0 million. As of December 31, 2019, such mortgage had a total outstanding balance of \$445.0 million.

(J) Certain of the Company's industrial properties collateralize a mortgage totaling \$385.0 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$385.0 million.



- (K) Certain of the Company's multifamily, industrial and hotel properties collateralize a secured revolving credit facility with a maximum capacity of \$300.0 million. As of December 31, 2019, the Company had \$171.8 million outstanding under such facility.
- (L) Three of the Company's multifamily properties collateralize a term loan and secured revolving credit facility totaling \$210.0 million. As of December 31, 2019, the Company had \$210.0 million outstanding under such facility.

The total included on Schedule III does not include Furniture, Fixtures and Equipment totaling \$377.6 million. Accumulated Depreciation does not include \$53.4 million of accumulated depreciation related to Furniture, Fixtures and Equipment.

The following table summarizes activity for real estate and accumulated depreciation for the year ended December 31, 2019 (\$ in thousands):

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
<b>Real Estate:</b>		
Balance at the beginning of year	\$ 10,351,841	\$ 3,389,601
<b>Additions during the year:</b>		
Land and land improvements	3,719,256	1,387,724
Building and building improvements	12,714,877	5,574,516
<b>Dispositions during the year:</b>		
Land and land improvements	(11,959)	—
Building and building improvements	(33,287)	—
Assets held for sale	(150,903)	—
Balance at the end of the year	<u>\$ 26,589,825</u>	<u>\$ 10,351,841</u>
<b>Accumulated Depreciation:</b>		
Balance at the beginning of year	\$ (257,011)	\$ (44,184)
Accumulated depreciation	(507,550)	(212,827)
Dispositions	1,657	—
Assets held for sale	10,550	—
Balance at the end of the year	<u>\$ (752,354)</u>	<u>\$ (257,011)</u>

**DESCRIPTION OF REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF  
THE SECURITIES EXCHANGE ACT OF 1934**

The following is a brief description of the securities of Blackstone Real Estate Income Trust, Inc. (the "Company" or "we," "us" or "our") registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This description of the terms of our stock does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable provisions of Maryland General Corporation Law ("MGCL"), and the full text of our charter and bylaws.

**General**

Under our charter, we have authority to issue a total of 3,100,000,000 shares of capital stock. Of the total shares of stock authorized, 3,000,000,000 shares are classified as common stock with a par value of \$0.01 per share, 500,000,000 of which are classified as Class T shares, 1,000,000,000 of which are classified as Class S shares, 500,000,000 of which are classified as Class D shares and 1,000,000,000 of which are classified as Class I shares, and 100,000,000 shares are classified as preferred stock with a par value \$0.01 per share. In addition, our board of directors may amend our charter from time to time, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

**Common Stock**

Subject to the restrictions on ownership and transfer of stock set forth in our charter and except as may otherwise be specified in our charter, the holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including election of our directors. Our charter does not provide for cumulative voting in the election of our directors. Therefore, the holders of a majority of the outstanding shares of our common stock can elect our entire board of directors. Subject to any preferential rights of any outstanding class or series of shares of stock and to the provisions in our charter regarding the restriction on ownership and transfer of stock, the holders of common stock are entitled to such distributions as may be authorized from time to time by our board of directors (or a committee of the board of directors) and declared by us out of legally available funds and, upon liquidation, are entitled to receive all assets available for distribution to our stockholders. All outstanding shares of our common stock are fully paid and non-assessable. Holders of our common stock do not have preemptive rights, which means that such holders will not have an automatic option to purchase any new shares of stock that we issue.

Our charter also contains a provision permitting our board of directors, without any action by our stockholders, to classify or reclassify any unissued common stock into one or more classes or series by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of repurchase of any new class or series of shares of stock.

We generally do not issue certificates for shares of our common stock. Shares of our common stock are held in "uncertificated" form, which eliminates the physical handling and safekeeping responsibilities inherent in owning transferable stock certificates and eliminates the need to return a duly executed stock certificate to effect a transfer. DST Systems, Inc. currently acts as our registrar and as the transfer agent for our shares.

***Class T Shares***

Each Class T share issued in our primary offering is subject to an upfront selling commission of up to 3.0%, and an upfront dealer manager fee of 0.5%, of the transaction price of each Class T share sold in the offering on the date of the purchase, however such amounts may vary at certain participating broker-dealers provided that the sum will not exceed 3.5% of the transaction price. Blackstone Advisory Partners L.P. (the "Dealer Manager") anticipates that all or a portion of the upfront selling commissions and dealer manager fees will be retained by, or reallocated (paid) to, participating broker-dealers.

We pay the Dealer Manager selling commissions over time as a stockholder servicing fee with respect to our outstanding Class T shares equal to 0.85% per annum of the aggregate net asset value ("NAV") of our outstanding

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Class T shares. For each Class T share, this stockholder servicing fee consists of an advisor stockholder servicing fee and a dealer stockholder servicing fee. We expect that generally the advisor stockholder servicing fee will equal 0.65% per annum and the dealer stockholder servicing fee will equal 0.20% per annum, of the aggregate NAV for each Class T share. However, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares. The stockholder servicing fees are paid monthly in arrears. The Dealer Manager realloves (pays) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services.

The upfront selling commission and dealer manager fee are each not payable in respect of any Class T shares sold pursuant to our distribution reinvestment plan, but such shares will be charged the stockholder servicing fee payable with respect to all our outstanding Class T shares.

We will cease paying the stockholder servicing fee with respect to any Class T share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or a lower limit as set forth in the applicable agreement between the Dealer Manager and a participating broker-dealer at the time such Class T shares were issued) of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class T share will convert into a number of Class I shares (including any fractional shares) with an equivalent aggregate NAV as such share. Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class T share (in the case of a limit of 8.75% of gross proceeds) over approximately 7 years from the date of purchase, assuming payment of the full upfront selling commissions and dealer manager fees, opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for this time period, this fee with respect to a Class T share would total approximately \$0.91.

### ***Class S Shares***

Each Class S share issued in our primary offering is subject to an upfront selling commission of up to 3.5% of the transaction price of each Class S share sold in the offering on the date of the purchase. The Dealer Manager anticipates that all or a portion of the upfront selling commissions will be retained by, or reallocated (paid) to, participating broker-dealers.

We pay the Dealer Manager selling commissions over time as a stockholder servicing fee with respect to our outstanding Class S shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class S shares. The stockholder servicing fees are paid monthly in arrears. The Dealer Manager realloves (pays) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services. The upfront selling commission is not payable in respect of any Class S shares sold pursuant to our distribution reinvestment plan, but such shares will be charged the stockholder servicing fee payable with respect to all our outstanding Class S shares.

We will cease paying the stockholder servicing fee with respect to any Class S share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class S share will convert into a number of Class I shares (including any fractional shares) with an equivalent aggregate NAV as such share. Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class S share over approximately 7 years from the date of purchase, assuming payment of the full

upfront selling commissions, opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for this time period, this fee with respect to a Class S share would total approximately \$0.91.

### ***Class D Shares***

Each Class D share issued in our primary offering is subject to an upfront selling commission of up to 1.5% of the transaction price of each Class D share sold in the offering on the date of the purchase. The Dealer Manager anticipates that all or a portion of the upfront selling commissions will be retained by, or reallocated (paid) to, participating broker-dealers.

We pay the Dealer Manager selling commissions over time as a stockholder servicing fee with respect to our outstanding Class D shares equal to 0.25% per annum of the aggregate NAV of all our outstanding Class D shares, including any Class D shares sold pursuant to our distribution reinvestment plan. The stockholder servicing fees are paid monthly in arrears. The Dealer Manager realloves (pays) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services.

We will cease paying the stockholder servicing fee with respect to any Class D share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class D share will convert into a number of Class I shares (including any fractional shares) with an equivalent aggregate NAV as such share. Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class D share over approximately 30 years from the date of purchase, assuming opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for this time period, this fee with respect to a Class D share would total approximately \$0.89.

### ***Class I Shares***

No upfront selling commissions or stockholder servicing fees are paid for sales of any Class I shares.

### ***Other Terms of Common Stock***

If not already converted into Class I shares upon a determination that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to such shares would exceed the applicable limit as described in the "—Class T Shares," "—Class S Shares" and "—Class D Shares" sections above, each Class T share, Class S share and Class D share held in a stockholder's account will automatically and without any action on the part of the holder thereof convert into a number of Class I shares (including any fractional shares) with an equivalent NAV as such share on the earliest of (i) a listing of Class I shares, (ii) our merger or consolidation with or into another entity or the sale or other disposition of all or substantially all of our assets or (iii) after termination of the primary portion of our offering in which such Class T shares, Class S shares and Class D shares were sold, the end of the month in which we, with the assistance of the dealer manager, determine that all underwriting compensation from all sources in connection with our offering, including upfront selling commissions, the stockholder servicing fee and other underwriting compensation, is equal to 10% of the gross proceeds of the primary portion of our offering. In addition, immediately before any liquidation, dissolution or winding up, each Class T share, Class S share and Class D share will automatically convert into a number of Class I shares (including any fractional shares) with an equivalent NAV as such share.

### ***Preferred Stock***

Our charter authorizes our board of directors to designate and issue one or more classes or series of preferred stock without stockholder approval, and to establish the preferences, conversion or other rights, voting powers,

restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of repurchase of each class or series of preferred stock so issued. Because our board of directors has the power to establish the preferences and rights of each class or series of preferred stock, it may afford the holders of any series or class of preferred stock preferences, powers and rights senior to the rights of holders of common stock.

However, the voting rights per share of any series or class of preferred stock sold in a private offering may not exceed voting rights which bear the same relationship to the voting rights of a publicly held share as the consideration paid to us for each privately-held preferred share bears to the book value of each outstanding publicly held share. If we ever created and issued preferred stock with a distribution preference over common stock, payment of any distribution preferences of outstanding preferred stock would reduce the amount of funds available for the payment of distributions on the common stock. Further, holders of preferred stock are normally entitled to receive a liquidation preference in the event we liquidate, dissolve or wind up before any payment is made to the common stockholders, likely reducing the amount common stockholders would otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of preferred stock may render more difficult or tend to discourage a merger, offer or proxy contest, the assumption of control by a holder of a large block of our securities, or the removal of incumbent management. Our board of directors has no present plans to issue any preferred stock, but may do so at any time in the future without stockholder approval.

#### **Meetings and Special Voting Requirements**

An annual meeting of the stockholders will be held each year, upon reasonable notice to our stockholders, but no sooner than 30 days after delivery of our annual report to stockholders. Special meetings of stockholders may be called only upon the request of a majority of our directors, a majority of our independent directors or our chief executive officer, president or chairman of the board of directors and must be called by our secretary to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast at least 10% of the votes entitled to be cast on such matter at the meeting. Upon receipt of a written request stating the purpose of any such special meeting, our secretary shall provide a written notice to our stockholders within 10 days of receipt of such written request, stating the purpose of the meeting and setting a meeting date not less than 15 nor more than 60 days after the distribution of such notice. The presence either in person or by proxy of stockholders entitled to cast at least 50% of all the votes entitled to be cast on such matter at the meeting on any matter will constitute a quorum. Generally, the affirmative vote of a majority of all votes cast is necessary to take stockholder action, except as described in the next paragraph and except that the affirmative vote of a majority of the shares represented in person or by proxy at a meeting at which a quorum is present is required to elect a director.

Under the MGCL and our charter, stockholders generally are entitled to vote at a duly held meeting at which a quorum is present on (1) amendments to our charter, (2) our liquidation and dissolution, (3) a merger, consolidation, conversion, statutory share exchange or sale or other disposition of all or substantially all of our assets, (4) election or removal of our directors, and (5) such other matters that our board of directors have declared advisable and directed that the matter be submitted to our stockholders for approval or ratification. Except with respect to the election of directors or as otherwise provided in the MGCL or our charter, the vote of stockholders holding a majority of the outstanding shares of our stock entitled to vote is required to approve any such action, and no such action can be taken by our board of directors without such majority vote of our stockholders. In addition, although the North American Securities Administrators Association's Statement of Policy Regarding Real Estate Investment Trusts, as revised and adopted on May 7, 2007 indicate that stockholders are permitted to amend our charter or dissolve us without the necessity for concurrence by our board of directors, we are required to comply with the MGCL, which provides that any amendment to our charter or any dissolution of our company must first be declared advisable by our board of directors. Therefore, except with respect to the election or removal of our directors, prior to a stockholder vote, our board of directors must first adopt a resolution that the proposed action is advisable and directing the matter to be submitted to the stockholders. Accordingly, the only proposals to amend our charter or to dissolve our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors. Stockholders are not entitled to exercise any of the rights of an objecting stockholder provided for in Title 3, Subtitle 2 of the MGCL unless our board of directors determines that such rights apply, with respect to all or any classes or series of stock, to one or more transactions occurring after the date of the determination in connection with which stockholders would otherwise be entitled to exercise such rights. Stockholders have the power, without the concurrence of the directors, to remove a director from our board of

directors with or without cause, by the affirmative vote of a majority of the shares of stock entitled to vote generally in the election of directors.

Stockholders are entitled to receive a copy of our stockholder list upon request. The list provided by us will include each stockholder's name, address and telephone number and number of shares of stock owned by each stockholder and will be sent within 10 days of our receipt of the request. The stockholder list shall be maintained as part of our books and records and shall be available for inspection by any stockholder or the stockholder's designated agent at our corporate offices upon the request of a stockholder. The stockholder list will be updated at least quarterly to reflect changes in the information contained therein. The copy of the stockholder list will be printed in alphabetical order, on white paper, and in a readily readable type size (in no event smaller than ten-point type). A stockholder requesting a list will be required to pay reasonable costs of postage and duplication. The purposes for which a stockholder may request a copy of the stockholder list include, but are not limited to, matters relating to stockholders' voting rights, the exercise of stockholder rights under federal proxy laws and any other proper purpose. If the Adviser or our board of directors neglects or refuses to exhibit, produce or mail a copy of our stockholder list as requested, the Adviser and/or our board of directors, as the case may be, shall be liable to any stockholder requesting our stockholder list for the costs, including reasonable attorneys' fees, incurred by that stockholder for compelling the production of our stockholder list, and for actual damages suffered by any such stockholder by reason of such refusal or neglect. It shall be a defense that the actual purpose and reason for the requests for inspection or for a copy of our stockholder list is to secure such list or other information for the purpose of selling our stockholder list or copies thereof, or of using the same for a commercial purpose other than in the interest of the applicant as a stockholder relative to our affairs. We have the right to request that a requesting stockholder represent to us that the list will not be used to pursue commercial interests unrelated to such stockholder's interest in us. The remedies provided by our charter to stockholders requesting copies of our stockholder list are in addition to, and shall not in any way limit, other remedies available to stockholders under federal law, or the laws of any state.

In addition to the foregoing, stockholders have rights under Rule 14a-7 under the Exchange Act, which provides that, upon the request of a stockholder and the payment of the expenses of the distribution, we are required to distribute specific materials to stockholders in the context of the solicitation of proxies by a stockholder for voting on matters presented to stockholders or, at our option, provide requesting stockholders with a copy of the list of stockholders so that the requesting stockholder may make the distribution of such materials.

Furthermore, pursuant to our charter, any stockholder and any designated representative thereof shall be permitted access to our corporate records to which such stockholder is entitled under applicable law at all reasonable times, and may inspect and copy any of them for a reasonable charge. Under Maryland law, stockholders are entitled to inspect and copy only our bylaws, minutes of stockholder proceedings, annual statements of affairs, voting trust agreements and statements of stock and securities issued by us during the period specified by the requesting stockholder, which period may not be longer than 12 months prior to the date of the stockholder's request. Because our stockholders are entitled to inspect only those corporate records that stockholders are entitled to inspect and copy under Maryland law, our stockholders will not be entitled to inspect and copy the minutes of the meetings of our board of directors, which are records that certain states other than Maryland allow corporate stockholders to inspect and copy. Requests to inspect and/or copy our corporate records must be made in writing to: Blackstone Real Estate Income Trust, Inc., 345 Park Avenue, New York, NY 10154. It is the policy of our board of directors to comply with all proper requests for access to our corporate records in conformity with our charter and Maryland law.

#### **Restrictions on Ownership and Transfer**

Our charter contains restrictions on the number of shares of our stock that a person or group may own. No person or group may acquire or hold, directly or indirectly through application of constructive ownership rules, in excess of 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or 9.9% in value or number of shares, whichever is more restrictive, of our outstanding stock of all classes or series unless they receive an exemption (prospectively or retroactively) from our board of directors.

Subject to certain limitations, our board of directors, in its sole discretion, may exempt a person prospectively or retroactively from, or modify, these limits, subject to such terms, conditions, representations and undertakings as

required by our charter and as our board of directors may determine. Our board of directors has granted limited exemptions to certain persons who directly or indirectly own our stock, including directors, officers and stockholders controlled by them or trusts for the benefit of their families.

Our charter further prohibits any person from beneficially or constructively owning shares of our stock that would result in our being “closely held” under Section 856(h) of the Code or otherwise cause us to fail to qualify as a real estate investment trust (“REIT”) for U.S. federal income tax purposes and any person from transferring shares of our stock if the transfer would result in our stock being beneficially owned by fewer than 100 persons. Any person who acquires or intends to acquire shares of our stock that may violate any of these restrictions, or who is the intended transferee of shares of our stock which are transferred to the trust, as described below, is required to give us immediate written notice, or in the case of a proposed or attempted transaction, give at least 15 days prior written notice, and provide us with such information as we may request in order to determine the effect of the transfer on our status as a REIT. The above restrictions will not apply if our board of directors determines that it is no longer in our best interests to continue to qualify as a REIT or that compliance with such restrictions is no longer required for us to qualify as a REIT.

Any attempted transfer of our stock which, if effective, would result in violation of the above limitations, except for a transfer which results in shares being beneficially owned by fewer than 100 persons, in which case such transfer will be void and of no force and effect and the intended transferee shall acquire no rights in such shares, will cause the number of shares causing the violation, rounded to the nearest whole share, to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries designated by us and the proposed transferee will not acquire any rights in the shares. The automatic transfer will be deemed to be effective as of the close of business on the business day, as defined in our charter, prior to the date of the transfer. Shares of our stock held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares of stock held in the trust, will have no rights to dividends and no rights to vote or other rights attributable to the shares of stock held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiaries. Any dividend or other distribution paid prior to our discovery that shares of stock have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or distribution paid to the trustee will be held in trust for the charitable beneficiaries. Subject to Maryland law, the trustee will have the authority to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiaries. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that shares of our stock have been transferred to the trust, the trustee will sell the shares to a person designated by the trustee, whose ownership of the shares will not violate the above ownership limitations. Upon the sale, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiaries as follows. The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust, such as a gift, devise or other similar transaction, the market price, as defined in our charter, of the shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee from the sale or other disposition of the shares. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions which have been paid to the proposed transferee and are owed by the proposed transferor to the transferee. Any net sale proceeds in excess of the amount payable per share to the proposed transferee will be paid immediately to the charitable beneficiaries. If, prior to our discovery that shares of our stock have been transferred to the trust, the shares are sold by the proposed transferee, then the shares shall be deemed to have been sold on behalf of the trust and, to the extent that the proposed transferee received an amount for the shares that exceeds the amount he was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares of our stock held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust, or, in the case of a devise or gift, the market price at the time of the devise or gift and (ii) the market price on



the date we, or our designee, accept the offer. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee. We may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions which have been paid to the proposed transferor and are owed to the proposed transferor to the trustee. We may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiaries.

If the transfer to the trust as described above is not automatically effective for any reason to prevent violation of the above limitations or our failing to qualify as a REIT, then the transfer of the number of shares that otherwise cause any person to violate the above limitations will be void and the intended transferee shall acquire no rights in such shares.

All certificates, if any, representing shares of our stock issued in the future will bear a legend referring to the restrictions described above.

Every owner of more than 5% of the outstanding shares of our stock during any taxable year, or such lower percentage as required by the Code or the regulations promulgated thereunder or as otherwise required by our board of directors, within 30 days after the end of each taxable year, is required to give us written notice, stating his or her name and address, the number of shares of each class and series of our stock which he or she beneficially owns and a description of the manner in which the shares are held. Each such owner shall provide us with such additional information as we may request in order to determine the effect, if any, of its beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, each stockholder shall, upon demand, be required to provide us with such information as we may request in good faith in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

No transfer of shares of our common stock for a value of less than \$2,500 (or such other amounts as determined by our board of directors) will be permitted. Any transferee of shares of our stock must also comply with the suitability standards we have established for our stockholders. We require that any transferee of shares of our common stock have either:

- a net worth of at least \$250,000; or
- a gross annual income of at least \$70,000 and a net worth of at least \$70,000.

Certain states have established suitability standards in addition to the minimum income and net worth standards described above. Shares may be transferred to investors in these states only if they meet these additional suitability standards.

## **Distributions**

Distributions are made on all classes of our common stock at the same time. The per share amount of distributions on Class T, Class S, Class D and Class I shares will likely differ because of different class-specific stockholder servicing fees that are deducted from the gross distributions for each share class. We expect to use the "record share" method of determining the per share amount of distributions on Class T shares, Class S shares, Class D shares and Class I shares, although our board of directors may choose any other method. The "record share" method is one of several distribution calculation methods for multiple-class funds recommended, but not required, by the American Institute of Certified Public Accountants. Under this method, the amount to be distributed on our common stock will be increased by the sum of all class-specific stockholder servicing fees for such period. Such amount will be divided by the number of our common shares outstanding on the record date. Such per share amount will be reduced for each class of common stock by the per share amount of any class-specific stockholder servicing fees allocable to such class.

Distributions are authorized at the discretion of our board of directors, in accordance with our earnings, cash flows and general financial condition. There is no assurance we will pay distributions in any particular amount, if at all.

Under the MGCL, our board of directors may delegate to a committee of directors the power to fix the amount and other terms of a distribution. In addition, if our board of directors gives general authorization for a distribution and provides for or establishes a method or procedure for determining the maximum amount of the distribution, our board of directors may delegate to one of our officers the power, in accordance with the general authorization, to fix the amount and other terms of the distribution.

Distributions in kind shall not be permitted, except for distributions of readily marketable securities, distributions of beneficial interests in a liquidating trust established for our dissolution and the liquidation of our assets in accordance with the terms of our charter or distributions in which (a) our board of directors advises each stockholder of the risks associated with direct ownership of the property, (b) our board of directors offers each stockholder the election of receiving such in-kind distributions, and (c) in-kind distributions are made only to those stockholders that accept such offer. Our stockholders who receive distributions in kind of marketable securities may incur transaction expenses in liquidating the securities.

#### **Restrictions on Roll-Up Transactions**

In connection with any proposed transaction considered a “Roll-up Transaction” involving us and the issuance of securities of an entity that would be created or would survive after the successful completion of the Roll-up Transaction, an appraisal of all of our assets must be obtained from a competent independent appraiser. If the appraisal will be included in a prospectus used to offer the securities of the roll-up entity, the appraisal shall be filed with the Securities and Exchange Commission and the states. The assets will be appraised on a consistent basis, and the appraisal will be based on the evaluation of all relevant information and shall indicate the value of the assets as of a date immediately prior to the announcement of the proposed Roll-up Transaction. The appraisal will assume an orderly liquidation of assets over a 12-month period. The terms of the engagement of the independent appraiser shall clearly state that the engagement is for our benefit and the benefit of our stockholders. A summary of the appraisal, indicating all material assumptions underlying the appraisal, will be included in a report to stockholders in connection with any proposed Roll-up Transaction.

A “Roll-up Transaction” is a transaction involving the acquisition, merger, conversion or consolidation, directly or indirectly, of us and the issuance of securities of another entity, or a “Roll-up Entity,” that would be created or would survive after the successful completion of such transaction. The term Roll-up Transaction does not include:

- a transaction involving our securities that have been for at least 12 months listed on a national securities exchange; or
- a transaction involving our conversion to a corporate, trust, or association form if, as a consequence of the transaction, there will be no significant adverse change in any of the following: stockholder voting rights; the term of our existence; compensation to the Adviser; or our investment objectives.

In connection with a proposed Roll-up Transaction, the person sponsoring the Roll-up Transaction must offer to common stockholders who vote “against” the Roll-up Transaction the choice of:

- accepting the securities of a Roll-up Entity offered in the proposed Roll-up Transaction; or
- one of the following:
  - remaining as holders of our stock and preserving their interests therein on the same terms and conditions as existed previously; or
  - receiving cash in an amount equal to the stockholder’s pro rata share of the appraised value of our net assets.

We are prohibited from participating in any proposed Roll-up Transaction:

- that would result in the common stockholders having democracy rights in a Roll-up Entity that are less than those provided in our charter and bylaws and described elsewhere in this prospectus, including rights with respect to the election and removal of directors, annual reports, annual and special meetings, amendment of our charter, and our dissolution;

- that includes provisions that would operate to materially impede or frustrate the accumulation of shares of stock by any purchaser of the securities of the Roll-up Entity, except to the minimum extent necessary to preserve the tax status of the Roll-up Entity, or which would limit the ability of an investor to exercise the voting rights of its securities of the Roll-up Entity on the basis of the number of shares of stock held by that investor;
- in which investor's rights to access of records of the Roll-up Entity will be less than those provided in the "—Meetings and Special Voting Requirements" section above; or
- in which any of the costs of the Roll-up Transaction would be borne by us if the Roll-up Transaction is rejected by our common stockholders.

## **Certain Provisions of Maryland Law and Our Charter and Bylaws**

### **Business Combinations**

Under the MGCL, business combinations between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10.0% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10.0% or more of the voting power of the then outstanding stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which he otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80.0% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares of stock held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares of our common stock in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares of our common stock.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution providing that any business combination between us and any other person is exempted from this statute, provided that such business combination is first approved by our board of directors. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed or our board of directors fails to first approve the business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

### **Control Share Acquisitions**

The MGCL provides that a holder of control shares of a Maryland corporation acquired in a control share acquisition has no voting rights except to the extent approved by a vote of stockholders entitled to cast two-thirds of the votes entitled to be cast on the matter. Shares of stock owned by the acquiror, by officers or by employees who are directors of the corporation are excluded from shares of stock entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;

- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares of stock the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A control share acquisition means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares of stock. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders' meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of any meeting of stockholders at which the voting rights of the shares of stock are considered and not approved or, if no such meeting is held, as of the date of the last control share acquisition by the acquiror. If voting rights for control shares are approved at a stockholders' meeting and the acquiror becomes entitled to vote a majority of the shares of stock entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares of stock as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (1) to shares of stock acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (2) to acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

#### **Subtitle 8**

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act, and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board of directors;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board of directors be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- a majority requirement for the calling of a stockholder-requested special meeting of stockholders.

In our charter, we have elected that vacancies on our board of directors be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred. Through provisions in our charter and bylaws unrelated to Subtitle 8, we vest in our board of directors the exclusive power to fix the number of directorships, provided that the number is not less than three. We have not elected to be subject to any of the other provisions of Subtitle 8.

**Vacancies on Board of Directors; Removal of Directors**

Any vacancy on our board of directors may be filled only by a vote of a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is duly elected and qualifies. Our independent directors will choose the nominees to fill vacancies in our independent director positions.

Any director may resign at any time and may be removed with or without cause by our stockholders upon the affirmative vote of stockholders entitled to cast at least a majority of all the votes entitled to be cast generally in the election of directors. The notice of any special meeting called for the purpose of the proposed removal shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed.

**Advance Notice of Director Nominations and New Business**

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of individuals for election to the board of directors and the proposal of business to be considered by our stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of directors or (3) by a stockholder who is a stockholder of record at the record date set by our board of directors for the purpose of determining stockholders entitled to vote at the annual meeting, at the time of giving the advance notice required by the bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual nominated or on such other business and who has complied with the advance notice procedures of the bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting.

Nominations of individuals for election to our board of directors at a special meeting may be made only (1) by or at the direction of our board of directors or (2) provided that the meeting has been called for the purpose of electing directors, by a stockholder who is a stockholder of record at the record date set by our board of directors for the purpose of determining stockholders entitled to vote at the special meeting, at the time of giving the advance notice required by the bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual nominated and who has complied with the advance notice provisions of the bylaws.

**Tender Offers**

Our charter provides that any tender offer made by any person, including any “mini-tender” offer, must comply with the provisions of Regulation 14D of the Exchange Act, including the notice and disclosure requirements. Among other things, the offeror must provide us notice of such tender offer at least ten business days before initiating the tender offer. If a person makes a tender offer that does not comply with such provisions, we may elect to grant tendering stockholders a rescission right with respect to their tendered shares. In addition, the non-complying offeror will be responsible for all of our expenses in connection with that offeror’s noncompliance.

**Effect of Certain Provisions of Maryland Law and of our Charter and Bylaws**

The business combination provisions and the control share acquisition provisions of Maryland law, the provision of our charter electing to be subject to a provision of Subtitle 8, and the advance notice provisions of our bylaws could delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for stockholders or otherwise be in their best interest.

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## LEASE

This **LEASE** (the “**Lease**”) is entered into as of November 15, 2019, by and between **BCORE PARADISE LLC**, a Delaware limited liability company (together with its permitted successors and assigns, “**Landlord**”), and **BELLAGIO, LLC**, a Nevada limited liability company (together with its permitted successors and assigns, “**Tenant**”).

## RECITALS

A. Capitalized terms used in this Lease and not otherwise defined herein are defined in **Article II** hereof.

B. Pursuant to that certain Master Transaction Agreement, dated as of the date hereof, between MGM Resorts International, Tenant and BCore Paradise Parent LLC (the “**Master Transaction Agreement**”), Landlord desires to lease the Leased Property to Tenant and Tenant desires to lease the Leased Property from Landlord upon the terms set forth in this Lease.

C. The facility covered by this Lease is described in **Exhibit A** attached hereto (the “**Facility**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## ARTICLE I

### LEASED PROPERTY

#### **1.1 Leased Property**

. Upon and subject to the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant accepts and leases from Landlord all of Landlord’s rights and interests in and to the following with respect to the Facility (collectively, the “**Leased Property**”):

(a) the real property or properties described in **Part I** of **Exhibit B** attached hereto together with the leasehold estates described in **Part II** of **Exhibit B** (as to which this Lease will constitute a sublease) (collectively, the “**Land**”);

(b) all buildings, structures, and other improvements of every kind now or hereafter located on the Land or connected thereto including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site to the extent Landlord has obtained any interest in the same), parking areas and roadways appurtenant to such buildings and structures of the Facility (collectively, the “**Leased Improvements**”); provided, however, that the foregoing shall not affect or contradict the provisions of this Lease which specify that Tenant shall be entitled to certain benefits of and rights with respect to the Tenant Capital Improvements;

(c) all easements, rights and appurtenances, covenants, development rights, mineral, gas and oil rights, water rights conveyed pursuant to the Master Transaction Agreement

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and other rights appurtenant to the Land and the Leased Improvements, all right, title and interest of Landlord, if any, in and to any land lying in the bed of any street, road, avenue or alley, open or closed, relating to, in front of or adjoining the Land and the Leased Improvements and to the center line thereof;

(d)all equipment, machinery, fixtures, and other items of property, including all components thereof, that are now or hereafter located in, on or used in connection with and permanently affixed to or otherwise incorporated into the Leased Improvements, together with all replacements, modifications, alterations and additions thereto (collectively, the “**Fixtures**”); provided, however, that the foregoing shall not affect Tenant’s rights with respect to Tenant Capital Improvements pursuant to **Section 11.1(b)**;

(e)all other properties or rights, real, personal or otherwise, conveyed to Landlord or Landlord’s Subsidiaries pursuant to the Master Transaction Agreement; and

(f)all rights in and related to the beneficial use of the water rights (collectively, the “**Water Rights**”) pursuant to the permits issued by the Nevada State Engineer described on **Exhibit I** attached hereto and incorporated herein by this reference (collectively, the “**Water Permits**”), which consist of approximately 299.98 acre-feet annually of underground water, together with all existing water related infrastructure, facilities, equipment and fixtures, including, without limitation, pumps, pump stations, pipes, reservoirs and vaults used to extract the water rights from their permitted points of diversion and to place the Water Rights appropriated under the Water Permits to beneficial use at their permitted places of use (collectively, the “**Water Infrastructure**”);

The Leased Property shall not, for any purposes under this Lease, include those assets described on **Schedule 1** attached hereto (collectively, “**Excluded Assets**”), the Bellagio Trademarks or any other Intellectual Property.

The Leased Property is leased subject to all covenants, conditions, restrictions, easements and other matters affecting the Leased Property as of the Commencement Date and such subsequent covenants, conditions, restrictions, easements and other matters permitted by this Lease or as may be agreed to by Landlord or Tenant in accordance with the terms of this Lease, whether or not of record, including any matters which would be disclosed by an inspection or accurate survey of the Leased Property.

### **1.2Single, Indivisible Lease**

. This Lease constitutes one indivisible lease of the Leased Property and not separate leases governed by similar terms. The Leased Property constitutes one economic unit, and the Rent and all other provisions have been negotiated and agreed upon based on a demise of all of the Leased Property to Tenant as a single, composite, inseparable transaction and would have been substantially different had separate leases or a divisible lease been intended. Except as expressly provided in this Lease for specific, isolated purposes (and then only to the extent expressly otherwise stated), all provisions of this Lease apply equally and uniformly to all components of the Leased Property collectively as one unit. The Parties intend that the provisions of this Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of all of the Leased Property and, in particular but without limitation, that, for purposes of any assumption, rejection

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or assignment of this Lease under 11 U.S.C. Section 365, or any successor or replacement thereof or any analogous state law, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit and that this Lease must be assumed, rejected or assigned as a whole with respect to all (and only as to all) of the Leased Property. The Parties may elect to amend this Lease from time to time to modify the boundaries of the Land, to exclude one or more components or portions thereof, and/or to include one or more additional components as part of the Leased Property, and any such future addition to the Leased Property shall not in any way change the indivisible and nonseverable nature of this Lease and all of the foregoing provisions shall continue to apply in full force. For the avoidance of doubt, the Parties acknowledge and agree that this **Section 1.2** is not intended to and shall not be deemed to limit, vitiate or supersede anything contained in **Section 41.15** hereof.

### **1.3Term**

. The “**Term**” of this Lease is the Initial Term *plus* all Renewal Terms, to the extent exercised. The initial term of this Lease (the “**Initial Term**”) shall commence on the date of execution of this Lease (the “**Commencement Date**”) and end on the last day of the calendar month in which the thirtieth (30th) anniversary of the Commencement Date occurs, subject to renewal as set forth in **Section 1.4** below.

### **1.4Renewal Terms**

. (a) The term of this Lease may be extended for two (2) separate terms (each a “**Renewal Term**”) of ten (10) years each if: (i) at least thirty six (36) months prior to the end of the then current Term, Tenant delivers to Landlord an irrevocable written notice that Tenant is exercising its right to extend this Lease for one (1) Renewal Term (a “**Renewal Notice**”); and (ii) no Event of Default shall have occurred and be continuing on the date Landlord receives the Renewal Notice (the “**Exercise Date**”) or on the last day of the then current Term; provided, however, that if Tenant fails to deliver to Landlord a Renewal Notice prior to the date that is thirty six (36) months prior to the then current expiration date of the Term that Tenant does not intend to renew in accordance with this **Section 1.4**, then it shall automatically and without further action be deemed for all purposes that Tenant has delivered the Renewal Notice required by this **Section 1.4(a)(i)**. During any such Renewal Term, except as otherwise specifically provided for herein, all of the terms and conditions of this Lease shall remain in full force and effect. After the last Renewal Term, Tenant shall have no further right to renew or extend the Term.

(b) During each Renewal Term, Base Rent shall continue to be determined pursuant to the definition of such term set forth in this Lease.

## **ARTICLE II**

### **DEFINITIONS**

#### **2.1Definitions**

. For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this **Article II** have the meanings assigned to them in this Article and include the plural as well as the singular; all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; (ii) all references in this Lease to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease; (iii) the word “including” shall have the same meaning as the phrase “including, without limitation,” and

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other similar phrases; (iv) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision; (v) for the calculation of any financial ratios or tests referenced in this Lease (including the Adjusted EBITDA to Rent Ratio), this Lease, regardless of its treatment under GAAP, shall be deemed to be an operating lease and the Rent and Additional Charges payable hereunder shall be treated as Operating Expenses; (vi) all uses of the term “EBITDA” herein shall have the meaning of the definition of “EBITDA” in this Lease; (vii) all references herein to items to be prepared or determined “in accordance with GAAP” are intended to mean “in accordance with GAAP and the Existing Accounting Guidelines; and (viii) all Exhibits, Schedules and other attachments annexed to the body of this Lease are hereby deemed to be incorporated into and made an integral part of this Lease.

“Accounts”: All accounts, including deposit accounts, all rents, profits, income, revenues or rights to payment or reimbursement derived from the use of any space within the Leased Property and/or from goods sold or leased or services rendered from the Leased Property (including, without limitation, from goods sold or leased or services rendered from the Leased Property by any subtenant) and all accounts receivable, in each case whether or not evidenced by a contract, document, instrument or chattel paper and whether or not earned by performance, including without limitation, the right to payment of management fees and all proceeds of the foregoing.

“Additional Charges”: All Impositions and all other amounts, liabilities and obligations which Tenant assumes or agrees to pay under this Lease and, in the event of any failure on the part of Tenant to pay any of those items, (except (i) where such failure is due to the wrongful or negligent acts or omissions of Landlord and (ii) where Tenant shall have furnished Landlord with no less than ten (10) days’ notice of such act or omission of which Tenant is aware), every fine, penalty, interest and cost which may be added for non-payment or late payment of such items pursuant to the terms hereof, applicable law or otherwise.

“Adjusted EBITDA”: For any Test Period, with respect to any Person or the Facility, EBITDA plus, without duplication, any rent associated with this Lease (as may be amended from time to time) reflected in Net Income, and, without duplication, in each case as determined in accordance with GAAP, consistently applied using the Existing Accounting Guidelines.

“Adjusted EBITDA to Rent Ratio”: For any date, the ratio of (i) Adjusted EBITDA derived from the Facility by Tenant or its Affiliates (without duplication) for the Test Period most recently ended prior to such date to (ii) Rent for the Test Period most recently ended prior to such date. For purposes of the calculation of Rent in clause (ii) above for the first year following the Commencement Date, Rent shall be \$245,000,000.

“Affiliate”: When used with respect to any corporation, limited liability company, partnership or any other Person, the term “**Affiliate**” shall mean any Person which, directly or indirectly, controls or is controlled by or is under common control with such other Person. For the purposes of this definition, “**control**” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of

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the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.

“Affiliate Agreements”: Any contract between Affiliates of Tenant’s Parent with respect to the Facility.

“Ancillary Space”: Those portions of the Facility that are not Primary Space.

“Annual Certificate”: A certificate of Tenant, signed by an authorized officer of Tenant, certifying to Tenant’s knowledge in all material respects as to the matters described in **Sections 8.5** and **22.3(d)** to be included in such certificate.

“Applicable Coverage Ratio”: As defined in **Section 23.3**.

“Applicable CPI Adjustment Factor”: For any Lease Year beginning with the eleventh Lease Year, the quotient of (A) the CPI as of the date which is thirty (30) days prior to the commencement of such Lease Year divided by (B) the CPI as of the date which is one year prior to the date described in the preceding clause (A).

“Appraiser”: As defined in **Section 3.5**.

“Approved Accounting Firm”: (1) A “big four” accounting firm designated by Tenant or (2) one of the other largest independent public accounting firms in the United States selected by Tenant’s Parent or Tenant and reasonably approved by Landlord.

“Architect”: As defined in **Section 10.1(b)(iii)**.

“Award”: All compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation.

“Bank Secrecy Act”: As defined in **Section 8.2(c)**.

“Base Rent”: An annual amount equal to Two Hundred Forty Five Million Dollars (\$245,000,000); provided, however, that commencing on the first day of the calendar month immediately following the first anniversary of the Commencement Date and continuing at the beginning of each Lease Year thereafter during the Term, the Base Rent shall increase to an annual amount equal to the sum of (i) the Base Rent for the immediately preceding Lease Year, and (ii) the Escalation.

At the commencement of each Renewal Term, Base Rent shall be reset to be equal to the greater of (i) the amount determined pursuant to the immediately preceding paragraph, and (ii) the Fair Market Rent as determined pursuant to **Section 3.5** hereof. The Base Rent determined in accordance with the preceding sentence shall be payable throughout the remainder of the Renewal Term except that the Base Rent shall increase on the first day of each Lease Year to an amount equal to the sum of (x) the Base Rent for the immediately preceding Lease Year, and (y) the Escalation.

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“Bellagio Trademarks”: (i) The “Bellagio” brand and Trademarks containing “BELLAGIO” or the stylized “B” and all variations and derivations thereof, in any format, font, style or design, whether alone or in combination with any other terms, phrases, symbols, logos, styles or designs, including all registrations and applications therefor, and (ii) associated copyrights.

“Bellagio Trademark License Agreement”: That certain Bellagio Trademark License Agreement, dated as of the Closing Date (as defined in the Master Transaction Agreement), by and between Mirage Resorts, LLC, as licensor, and Landlord, as licensee, as amended from time to time, along with all sublicenses granted pursuant thereto.

“Bookings”: Reservations, bookings, exhibitions or other short-term arrangements with conventions, conferences, hotel guests, tours, vendors and other groups or individuals (it being understood that whether or not such arrangements or agreements are short-term or temporary shall be determined without regard to how long in advance such arrangements or agreements are entered into).

“Business Day”: Each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in the City of New York, New York are authorized, or obligated, by law or executive order, to close.

“CapEx Certification Date”: As defined in **Section 9.1(e)(i)**.

“CapEx Disbursement Request”: As defined in **Section 9.1(e)(v)**.

“CapEx Reserve”: An Eligible Account for the benefit of Tenant.

“CapEx Reserve Funds”: As defined in **Section 9.1(e)(iv)**.

“CapEx Testing Period”: Each four (4) year period (on a rolling basis) through the Term, with the first period commencing on January 1, 2020 and expiring on December 31, 2023 and the second period commencing on January 1, 2021 and expiring on December 31, 2024.

“CapEx Testing Period Certificate”: As defined in **Section 9.1(e)(i)**.

“CapEx Testing Period Net Revenues”: As defined in **Section 9.1(e)(i)**.

“Capital Improvement Notice”: As defined in **Section 10.5(a)**.

“Capital Improvements”: Any improvements or alterations or modifications of the Leased Improvements, including without limitation capital improvements and structural alterations, modifications or improvements, or one or more additional structures annexed to any portion of any of the Leased Improvements, or the expansion of existing improvements, which are constructed on any parcel or portion of the Land, during the Term, including construction of a new wing or new story, in each case which are permanently affixed to the Leased Property such that they constitute real property under applicable Legal Requirements.

“Capital Improvements Threshold”: As defined in **Section 10.1(b)(vi)**.

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**“Capital Lease”**: As applied to any Person, any lease of any Property by that Person as lessee that is required to be classified and accounted for as a finance lease in conformity with GAAP; and provided, that, for the avoidance of doubt, this Lease will not be deemed to be a Capital Lease.

**“Cash”**: Cash and cash equivalents and all instruments evidencing the same or any right thereto and all proceeds thereof.

**“Casualty Event”**: Any loss of title or any loss of or damage to or destruction of, or any Condemnation or other taking (including by any governmental authority) of, any portion of the Leased Property. **“Casualty Event”** shall include, but not be limited to, any taking of all or any portion of the Leased Property, in or by Condemnation or other eminent domain proceedings pursuant to any applicable law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of or any part thereof by any governmental authority, civil or military.

**“Code”**: The Internal Revenue Code of 1986 as amended from time to time.

**“Commencement Date”**: As defined in **Section 1.3**.

**“Competitor Restriction Open Date”**: As defined in **Section 18.1**.

**“Competitor Restriction Termination Date”**: The earlier to occur of (x) the Competitor Restriction Open Date and (y) an Event of Default.

**“Condemnation”**: A taking by the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

**“Condemnor”**: Any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

**“Confidential Information”**: Any and all financial, technical, proprietary, confidential, and other information, including data, reports, interpretations, forecasts, analyses, compilations, studies, summaries, extracts, records, know-how, statements (written or oral) or other documents of any kind, that contain information concerning the business and affairs of Landlord or Tenant or their respective Related Persons, whether furnished before or after the date of this Lease, and regardless of the manner in which it was furnished, and any material prepared by either Landlord or Tenant or their respective Related Persons, in whatever form maintained, containing, reflecting or based upon, in whole or in part, any such information; provided, however, that **“Confidential Information”** shall not include information which: (i) was or becomes generally available to the public other than as a result of a disclosure by either Landlord or Tenant or their respective Related Persons in breach of this Lease; (ii) was or becomes available to either Landlord or Tenant or their respective Related Persons on a non-confidential basis prior to its disclosure hereunder as evidenced by the written records of Landlord or Tenant or their Related Persons, provided, that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information

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by a contractual, legal or fiduciary duty; or (iii) was independently developed by the other without the use of any Confidential Information, as evidenced by its written records.

**“Construction Security”**: (A) cash, (B) cash equivalents, (C) a Letter of Credit or (D) an alternative security reasonably acceptable to Landlord (or a combination thereof), in an amount equal to (x) in the case of Capital Improvements, the cost by which the budgeted cost of such Capital Improvements exceeds the Capital Improvements Threshold and (y) in the case of a Restoration Deficiency, the amount of such deficiency.

**“Construction Security Escrow Account”**: As defined in **Section 10.1(c)**.

**“Control”**: The ability, directly or indirectly, whether through the ownership of voting securities or other Equity Interests, by contract, or otherwise (including by being the managing member or general partner of the Person in question), to direct or cause the direction of the management and policies of a Person.

**“Covenant Failure Period”**: the period beginning upon the failure of the Financial Covenant or the Listing Covenant and ending upon a Covenant Security Coverage Cure with respect to such failure.

**“Covenant Security Coverage Cure”**: (1) following the failure of the Financial Covenant, (A) (i) as of the last day of the most recent Test Period and the last day of the Test Period immediately preceding the most recent Test Period, the Adjusted EBITDA to Rent Ratio shall have been equal to or greater than the Applicable Coverage Ratio or (ii) Tenant’s Parent’s Market Capitalization, on the last day of the most recent Test Period and the last day of the Test Period immediately preceding the most recent Test Period, shall exceed \$6,000,000,000; and (B) Tenant’s satisfaction of the Listing Covenant; or (2) following the failure of the Listing Covenant, as of the last day of the most recent Test Period and the last day of the Test Period immediately preceding the most recent Test Period, the Adjusted EBITDA to Rent Ratio shall have been greater than 2.5:1.

**“Covenant Security Escrow Account”**: An escrow account established by Tenant with a reputable, nationally recognized title insurance company selected by Tenant and approved by Landlord (such approval not to be unreasonably withheld, conditioned or delayed) with an office located in Las Vegas, Nevada. Fidelity Title Insurance Company is hereby preapproved by Landlord and Tenant.

**“Covenant Security Escrow Instructions”**: Whenever Tenant has deposited sums as required hereunder into a Covenant Security Escrow Account, irrevocable escrow instructions (reasonably satisfactory to Tenant and Landlord) to the title company holding the Covenant Security Escrow Account to hold such funds in escrow, and to release them directly to Landlord promptly upon written demand by Landlord certifying that an Event of Default exists hereunder, without any further instructions, action or approval from Tenant, or to release them to Tenant upon the joint written instructions of Tenant and Landlord (which, upon Tenant’s request, Landlord shall execute and deliver when a Covenant Security Coverage Cure shall have occurred or following the expiration of this Lease).

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“CPI”: The United States Department of Labor, Bureau of Labor Statistics Revised Consumer Price Index for All Urban Consumers (1982-84=100), U.S. City Average, All Items, or, if that index is not available at the time in question, the index designated by such Department as the successor to such index, and if there is no index so designated, an index for an area in the United States that most closely corresponds to the entire United States, published by such Department, or if none, by any other instrumentality of the United States, all as reasonably determined by Landlord and Tenant.

“Customary Hotel Art”: All art, artwork, paintings, sculptures or other artistic installments or displays which are (x) generally affixed to the walls of guest rooms, hallways, convention rooms, casino areas and ancillary spaces which are consistent with the Operating Standard or (y) otherwise located at the Facility, and, in each case, not costing in excess of \$10,000 for any individual item.

“Data”: As defined in the definition of Intellectual Property.

“Date of Taking”: The date the Condemnor has the right to possession of the property being condemned.

“Debt Agreement”: If designated by Tenant to Landlord in writing to be included in the definition of “**Debt Agreement**,” one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers’ acceptances), or (C) instruments or agreements evidencing any other indebtedness, in each case, with the same or different borrowers or issuers and, in each case, (i) entered into from time to time by Tenant and/or its Subsidiaries, (ii) as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time, (iii) which are secured by assets of Tenant and/or its Subsidiaries, including, but not limited to, their Cash, Accounts, Tenant’s Property, real property and leasehold estates in real property (including this Lease) and (iv) which shall provide Landlord, (x), the right to receive copies of notices of Specified Debt Agreement Defaults thereunder in accordance with **Section 17.3** hereof and (y) the right to cure such defaults in accordance with **Section 17.2** hereof.

“Debt Facilities”: One or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers’ acceptances), or (C) instruments or agreements evidencing any other indebtedness, in each case, with the same or different borrowers or issuers.

“Disclosure Documents”: Collectively, any written materials used or provided to any prospective investors and/or the rating agencies in connection with any public offering or private placement in connection with a securitization (including, without limitation, a prospectus,

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prospectus supplement, private placement memorandum, offering memorandum, offering circular, term sheet, road show presentation materials or other offering documents, marketing materials or information provided to prospective investors), in each case in preliminary or final form and including any amendments, supplements, exhibits, annexes and other attachments thereto.

“Dispute Notice”: As defined in **Section 16.1(b)**.

“Dollars” and “\$”: The lawful money of the United States.

“EBITDA”: For any Test Period and with respect to any Person or Facility (as applicable), the sum of (a) Net Income of such Person or Facility for that period, plus or minus the following (without duplication in each case) to the extent reflected in Net Income for that period, plus (b) any extraordinary loss, and, without duplication, any loss associated with the early retirement of Indebtedness and with any disposition not in the ordinary course of business, minus (c) any extraordinary gain, and, without duplication, any gains associated with the early retirement of Indebtedness and with any disposition not in the ordinary course of business, plus (d) interest charges of such Person or Facility for that period, less (e) interest income of such Person or Facility for that period, plus (f) the aggregate amount of expense for federal, foreign, state and local taxes on or measured by income of such Person or Facility for that period excluding gaming taxes (whether or not payable during that period), minus (g) the aggregate amount of benefit for federal, foreign, state and local taxes on or measured by income of such Person or Facility for that period excluding gaming taxes (whether or not receivable during that period), plus (h) depreciation, amortization, plus (i) all non-recurring and/or other non-cash expenses which shall be limited to third party expenses in connection with an acquisition or disposition of an asset, plus (j) loss on sale or disposal of an asset, and write downs and impairments of an asset, minus (k) all non-recurring and/or other non-cash income in connection with an acquisition or disposition, and gain on sale of an asset, plus (l) expenses classified as “pre-opening and start-up expenses” on the applicable financial statements of that Person or Facility for that fiscal period which shall be limited to costs related directly to the Facility’s Primary Intended Use, minus (m) non-cash reversal of an accrual or reserve not recorded in the ordinary course, plus or minus (n) the impact of any foreign currency gains or losses and related swaps, plus (o) all long-term non-cash expenses realized in connection with or resulting from equity or equity-linked compensation plans, employee benefit plans or agreements or post-employment benefit plans or agreements, stock appreciation or similar rights, stock options, restricted stock, preferred stock, stock appreciation or other similar rights, in each case as determined in accordance with GAAP, consistently applied using the Existing Accounting Guidelines.

“Eligible Account”: A separate and identifiable account from all other funds held by the holding institution that is either (a) an account or accounts maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution or (b) a segregated trust account or accounts maintained with a federal or state chartered depository institution or trust company acting in its fiduciary capacity that has a Moody’s rating of at least “Baa2” and which, in the case of a state chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. §9.10(b), having in either case a combined capital and surplus of at least Fifty Million and No/100 Dollars

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(\$50,000,000.00) and subject to supervision or examination by federal and state authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

**“Eligible Institution”**: Either (a) a depository institution or trust company insured by the Federal Deposit Insurance Corporation, the short-term unsecured debt obligations or commercial paper of which are rated at least “A-1+” by S&P and “P-1” by Moody’s in the case of accounts in which funds are held for thirty (30) days or less (or, in the case of letters of credit and accounts in which funds are held for more than thirty (30) days, the long-term unsecured debt obligations of which are rated at least “A+” by S&P and “Aa3” by Moody’s), or (b) Wells Fargo Bank, National Association, JPMorgan Chase Bank, N.A. or Bank of America, N.A. or any of their affiliates or successors provided that the rating by S&P and Moody’s for the short term unsecured debt obligations or commercial paper and long term unsecured debt obligations of the same does not decrease below the ratings set forth in clause (a) hereof.

**“Encumbrance”**: Any mortgage, deed of trust, lien, encumbrance or other matter affecting title to the Leased Property, or any portion thereof or interest therein.

**“Environmental Costs”**: As defined in **Section 32.4**.

**“Environmental Laws”**: Any and all federal, state, municipal and local laws, statutes, ordinances, rules, regulations, guidances, policies, orders, decrees or judgments, whether statutory or common law, as amended from time to time, now or hereafter in effect, or promulgated, pertaining to the environment, public health and safety and industrial hygiene, including the use, generation, manufacture, production, storage, release, discharge, disposal, handling, treatment, removal, decontamination, cleanup, transportation or regulation of any Hazardous Substance, including the Industrial Site Recovery Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and the Occupational Safety and Health Act, NRS Chapters 444, 445A, 445B, 445C, 445D, 459, 590 and NRS Sections 618.750 to 618.850.

**“Equity Interests”**: With respect to any Person, any and all shares, interests, participations or other equivalents, including ownership or membership interests (however designated, whether voting or non-voting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

**“ERISA Affiliate”**: Any entity which, together with another entity, would be treated as a single employer under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of the Employee Retirement Income Security Act of 1974, as amended from time to time.

**“Escalated Base Rent”**: For each of the first ten (10) Lease Years (other than the first Lease Year), an amount equal to one hundred and two percent (102%) of the Base Rent as of the end of the immediately preceding Lease Year, as set forth on **Schedule 12** hereto. Thereafter, **“Escalated Base Rent”** for each Lease Year shall mean (A) the greater of (1) an

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amount equal to one hundred and two percent (102%) of the Base Rent as of the end of the immediately preceding Lease Year, and (2) the Applicable CPI Adjustment Factor multiplied by the Base Rent as of the end of the immediately preceding Lease Year; provided, however, that (x) during the eleventh (11th) through the twentieth (20th) Lease Years, in no event shall the Escalated Base Rent for any Lease Year increase by more than three percent (3%) of the Base Rent payable for the immediately preceding Lease Year and (y) thereafter, in no event shall the Escalated Base Rent for any Lease Year increase by more than four percent (4%) of the Base Rent payable for the immediately preceding Lease Year, as shown in the Theoretical Example of Year 11 Rent Calculation attached hereto in **Schedule 12**. The applicable caps in the increase set forth in clause (x) and (y) shall be referred to herein as the “**Escalation Caps**”.

“**Escalation**”: For any Lease Year (other than the first Lease Year), an amount equal to the difference between (i) the Escalated Base Rent for such Lease Year and (ii) the Base Rent for the immediately preceding Lease Year. For purposes of determining the Escalations pursuant to Section 23.3, the Escalated Base Rent during the 11th Lease Year until the expiration of the Term shall be calculated using the applicable Escalation Caps.

“**Escalation Caps**”: As defined in the definition of “Escalated Base Rent.”

“**Estoppel Certificate**”: As defined in **Section 23.1(a)**.

“**Event of Default**”: As defined in **Article XVI**.

“**Event of Default Notice**”: As defined in **Section 16.2(b)**.

“**Exchange Act**”: The U.S. Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time.

“**Excluded Assets**”: As defined in **Section 1.1**.

“**Exercise Date**”: As defined in **Section 1.4**.

“**Existing Accounting Guidelines**”: Tenant’s accounting guidelines and policies in effect as of the Commencement Date, as more particularly set forth on **Schedule 4** hereto and which shall be subject to change to the extent not material or to the extent needed to reflect changes in GAAP.

“**Existing Management Agreement**”: any management agreement with a third party not affiliated with Tenant with respect to a portion of the Facility in effect as of the date of this Lease and described on **Schedule 11** hereto.

“**Existing Sublease**”: any sublease with a third party not affiliated with Tenant with respect to a portion of the Facility in effect as of the date of this Lease and described on **Schedule 10** hereto.

“**Expert**”: An independent third party professional, with expertise in respect of a matter at issue, appointed by the agreement of Landlord and Tenant or otherwise in accordance with **Article XXXIV** hereof.

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“Expert Fair Market Rent”: As defined in **Section 34.1(b)(i)**.

“Facility”: As defined in the Recitals. **“Facility”** shall not include any off-track betting facilities located off-site or other offsite gaming facilities.

“Facility Mortgage”: As defined in **Section 13.1**.

“Facility Mortgage Documents”: With respect to each Facility Mortgage and Facility Mortgagee, the applicable Facility Mortgage, loan agreement, debt agreement, credit agreement or indenture, lease, note, collateral assignment instruments, guarantees, indemnity agreements and other documents or instruments evidencing, securing or otherwise relating to the loan made, credit extended, or lease or other financing vehicle entered into pursuant thereto.

“Facility Mortgagee”: As defined in **Section 13.1**.

“Fair Market Rent”: With respect to the Facility, at any time in question, the prevailing fair market Base Rent which would be determined in an arm’s-length negotiation by Landlord and Tenant if neither party were under any compulsion to enter into a lease, taking into account all of the material terms and conditions of this Lease (including the obligation to pay Additional Charges and the presence of any remaining Renewal Terms) and, taking into account the fact that Landlord will not be entitled to the benefit of any of Tenant’s Property other than its rights with respect to Tenant’s Property pursuant to **Section 6.4** and **Article XXXVI**, for a ten (10) year term beginning as of the commencement of the applicable Renewal Term, such Fair Market Rent to be determined by mutual agreement by the parties or in accordance with **Section 3.5**.

“Fair Market Rent Assumptions” The Expert shall assume the following (1) neither the tenant nor landlord is under any compulsion to lease and that both have reasonable knowledge of all relevant facts, are acting prudently and knowledgeably in a competitive and open market, and assuming price is not affected by undue stimulus, (2) such lease contained terms and conditions identical to the terms and conditions of this Lease, other than with respect to the length of term and payment of Rent, (3) neither party is paying any broker a commission in connection with the transaction, (4) that the tenant thereunder will pay such Fair Market Rent for the entire term of such demise (i.e., no early termination)), (5) the Leased Property to be valued pursuant hereto (as improved by all then existing Leased Improvements, and all Capital Improvements thereto), shall be valued as (or as part of) a fully-permitted Facility operated in accordance with the provisions of this Lease for the Primary Intended Use, free and clear of any lien or encumbrance evidencing a debt (including any Permitted Leasehold Mortgage) or judgment (including any mortgage, security interest, tax lien, or judgment lien), (6) in determining the Fair Market Rent respect to damaged or destroyed Leased Property, such value shall be determined as if such Leased Property had not been so damaged or destroyed, (7) the Fair Market Rent shall represent the normal rent for the Leased Property unaffected by sales (or leasing) concessions granted by anyone associated with the transaction, (8) the following specific matters shall be factored in or out, as appropriate, in determining Fair Market Rent as the case may be: (i) the negative value of (x) any deferred maintenance or other items of repair or replacement of the Leased Property to the extent arising from breach or failure of Tenant to perform or observe its obligations hereunder, (y) any then current or prior Gaming or other

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licensure violations by Tenant, Guarantor or any of their Affiliates, and (z) any breach or failure of Tenant to perform or observe its obligations hereunder (in each case with respect to the foregoing clauses (x), (y) and (z), without giving effect to any applicable cure periods hereunder), shall not be taken into account; rather, the Leased Property and every part thereof shall be deemed to be in the condition required by this Lease and Tenant shall at all times be deemed to have operated the Facility in compliance with and to have performed all obligations of Tenant under this Lease, and (ii) such determination shall be without reference to any savings Landlord may realize as a result of any extension of the Term of this Lease, such as savings in free rent and tenant concessions, and without reference to any "start-up" costs a new tenant would incur were it to replace the existing Tenant for any Renewal Term or otherwise, and (9) the Leased Property will be leased as a whole or substantially as a whole to a single user.

"FASB": As defined in the definition of GAAP.

"Fee Mortgage": Any mortgage, pledge agreement, security agreement, assignment of leases and rents, fixture filing or similar document creating or evidencing a lien on Landlord's interest in the Leased Property or any portion thereof (or an indirect interest therein, including without limitation, a lien on direct or indirect interests in Landlord pursuant to a mezzanine loan or otherwise) in accordance with the provisions of Article XXXI hereof.

"Fee Mortgage Documents": With respect to each Fee Mortgage and Fee Mortgagee, the applicable Fee Mortgage, loan agreement, debt agreement, credit agreement or indenture, lease, note, collateral assignment instruments, guarantees, indemnity agreements and other documents or instruments evidencing, securing or otherwise relating to the loan made, credit extended, or lease or other financing vehicle entered into pursuant thereto.

"Fee Mortgagee": The holder(s) or lender(s) under any Fee Mortgage (which for the avoidance of doubt may include the holder(s) or lender(s) under any mezzanine loan) or the agent or trustee acting on behalf of any such holder(s) or lender(s).

"Fee Mortgagee Securitization": Any sale or financing by a Fee Mortgagee (including, without limitation, issuing one or more participations) of all or a portion of the loan secured by a Fee Mortgage, including, without limitation, a public or private securitization of rated single- or multi-class securities secured by or evidencing ownership interests in all or any portion of the loan secured by a Fee Mortgage or a pool of assets that includes such loan.

"Fee Mortgagee Securitization Indemnatee": Any Fee Mortgagee, any Affiliate of a Fee Mortgagee that has filed any registration statement relating to a Fee Mortgagee Securitization or has acted as the sponsor or depositor in connection with a Fee Mortgagee Securitization, any Affiliate of a Fee Mortgagee that acts as an underwriter, placement agent or initial purchaser of securities issued in a Fee Mortgagee Securitization, any other co-underwriters, co-placement agents or co-initial purchasers of securities issued in a Fee Mortgagee Securitization, in each case under or relating to the Fee Mortgage, and each of their respective officers, directors and Affiliates and each Person or entity who "controls" any such Person within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act.

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**“FF&E”**: Collectively, furnishings, fixtures, inventory, and equipment located in the guest rooms, hallways, lobbies, restaurants, lounges, meeting and banquet rooms, parking facilities, public areas or otherwise in any portion of the Facility, including (without limitation) all beds, chairs, bookcases, tables, carpeting, drapes, couches, luggage carts, luggage racks, bars, bar fixtures, radios, television sets, intercom and paging equipment, electric and electronic equipment, heating, lighting and plumbing fixtures, fire prevention and extinguishing apparatus, cooling and air-conditioning systems, elevators, escalators, stoves, ranges, refrigerators laundry machines, tools, machinery, boilers, incinerators, switchboards, conduits, compressors, vacuum cleaning systems, floor cleaning, waxing and polishing equipment, cabinets, lockers, shelving, dishwashers, garbage disposals, washer and dryers, Gaming Equipment and other casino equipment and all other hotel and casino resort equipment, supplies and other tangible property owned by Tenant, or in which Tenant has or shall have an interest, now or hereafter located at the Leased Property or used or held for use in connection with the present or future operation and occupancy of the Facility; provided, however, that FF&E shall not include Excluded Assets or items owned by subtenants that are neither Tenant nor Affiliates of Tenant, by guests or by other third parties.

**“FF&E Disbursement Request”**: As defined in **Section 9.1(f)**.

**“FF&E Reserve”**: As defined in **Section 9.1(f)**.

**“FF&E Reserve Funds”**: As defined in **Section 9.1(f)**.

**“Final Financial Covenant Report”**: As defined in **Section 23.1(b)(iv)**.

**“Financial Covenant”**: As defined in **Section 23.3**.

**“Financial Statements”**: (i) For a Fiscal Year, consolidated statements of operations, shareholders’ equity and cash flows of Tenant’s Parent and its Subsidiaries for such Fiscal Year and the related consolidated balance sheet as at the end of such Fiscal Year, prepared in accordance with GAAP as at such date and audited by an Approved Accounting Firm, and (ii) for each fiscal quarter (other than the fourth fiscal quarter in any Fiscal Year), the consolidated statements of operations and cash flows of Tenant’s Parent and its Subsidiaries for such fiscal quarter and for the portion of the Fiscal Year ended with such fiscal quarter, and the related consolidated balance sheet as at the end of such fiscal quarter, prepared in accordance with GAAP and Existing Accounting Guidelines.

**“Fiscal Year”**: The annual period commencing January 1 and terminating December 31 of each year.

**“Fixtures”**: As defined in **Section 1.1(d)**.

**“Foreclosure Assignment”**: As defined in **Section 22.2(a)(i)**.

**“Foreclosure COC”**: As defined in **Section 22.2(a)(i)**.

**“Foreclosure Purchaser”**: As defined in **Section 31.1**.

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"Foreclosure Transferee": A transferee that meets all of the following requirements:

(a) such transferee is or has engaged a Qualified Operator with respect to the operation of the Facility;

(b) such transferee (directly or through one or more of its Subsidiaries) is licensed or certified by each Gaming Authority with jurisdiction over any portion of the Leased Property as of the date of any proposed assignment or transfer to such entity (or will be so licensed upon its assumption of this Lease);

(c) such transferee is Solvent, and, other than in the case of a Permitted Leasehold Mortgagee Foreclosing Party, if such transferee has a Parent Company, the Parent Company of such transferee is Solvent, and

(d) such transferee is, or is Controlled by, a Qualified Transferee and such Qualified Transferee has executed and delivered a Guaranty.

"GAAP": Generally accepted accounting principles in the United States set forth in the Financial Accounting Standards Board ("**FASB**") Accounting Standards Codification® and rules and interpretive releases of the SEC under authority of federal securities laws, that are applicable to the circumstances as of the date of determination, consistently applied; provided, that if any change in accounting principles is required by the promulgation of any rule, regulation, pronouncement or opinion by the FASB or the SEC and such change results in a change in the method of calculation of any financial ratio or term in this Lease, then Tenant and Landlord shall negotiate in good faith in order to amend such provision so as to equitably reflect such change with the desired result that the criteria for evaluation the relevant Person's financial condition shall be the same after such change as if such change had not occurred; provided further that until such time as an amendment shall have been executed, all such financial covenants and terms in this Lease shall continue to be calculated or construed as if such change had not occurred.

"Gaming": Casino, racetrack, racino, video lottery terminal or other gaming activities, including, but not limited to, the operation of slot machines, video lottery terminals, table games, pari-mutuel wagering or other applicable types of wagering (including, but not limited to, sports wagering). For avoidance of doubt, the terms "gaming" and "gambling" as used in this Lease are intended to include the meanings of such terms under NRS Section 463.0153.

"Gaming Authorities": Any of the Nevada Gaming Commission, the Nevada State Gaming Control Board, the Clark County Liquor and Gaming Licensing Board, and any other gaming regulatory body or any agency or governmental authority which has, or may at any time after the Commencement Date have, jurisdiction over the gaming activities at the Leased Property or any successor to such authority.

"Gaming Corridor": shall mean the greater Las Vegas Strip area bounded on the south by St. Rose Parkway (but, for the avoidance of doubt, including the M Resort), the north by US 95, on the east by Paradise Road or Maryland Parkway, as applicable, and on the west by Decatur Boulevard.

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"Gaming Equipment": all equipment, software systems and/or gaming devices, gaming devices parts inventory and other related gaming equipment and supplies used to conduct gambling games authorized by applicable Gaming Regulations at a Gaming Facility including without limitation, all slot machines, video lottery terminals, table games, cards, dice, chips, tables, player tracking systems, cashless wagering systems, electronic betting systems, mobile gaming systems, gaming kiosks, pari-mutuel wagering systems, and/or other software systems and devices used now or in the future (including any variation or derivative of any of the foregoing, or any newly created equipment, software system or gaming device) for the purposes of conducting gambling games, slot machines, gaming devices and live games.

"Gaming Facility": The portion of any property upon which Gaming Equipment is utilized to generate gaming revenues in accordance with a required Gaming License.

"Gaming License": Any license, permit, approval, finding of suitability, finding of qualification or other authorization issued by Gaming Authorities to operate, carry on or conduct any gambling game, race book or sports pool, pari-mutuel wagering and/or offer for play any Gaming Equipment on the Leased Property, as required by any Gaming Regulation, including each of the licenses, permits or other authorizations set forth on **Exhibit D**, as amended from time to time, and those related to the Facility that are added to this Lease after the date hereof.

"Gaming Regulation(s)": Any and all laws, statutes, ordinances, rules, regulations, policies, orders, resolutions, codes, decrees or judgments, and Gaming License conditions or restrictions, and requirements of any agreement with a local municipality, as amended from time to time, now or hereafter in effect or promulgated, pertaining to the operation, control, maintenance or Capital Improvement of a Gaming Facility or the conduct of a Person holding a Gaming License, including, without limitation, any contractual requirements or requirements imposed by a regulatory agency, commission, board, municipality, county, parish or other governmental body (including any Gaming Authority) pursuant to the jurisdiction and authority granted to it under applicable law.

"Government List": (1) any list or annex to Presidential Executive Order 13224 issued on September 24, 2001 ("**EO13224**"), including any list of Persons who are determined to be subject to the provisions of EO13224 or any other similar prohibitions contained in the rules and regulations of OFAC (as defined below) or in any enabling legislation or other Presidential Executive Orders in respect thereof, (2) the Specially Designated Nationals and Blocked Persons Lists maintained by OFAC, (3) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC, or (4) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to any Executive Order of the President of the United States of America.

"Ground Leased Property": The real property leased pursuant to the Ground Leases.

"Ground Leases": Those certain leases with respect to real property that is a portion of the Leased Property, pursuant to which Landlord is a tenant and which leases have

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either been approved by Tenant or are in existence as of the date hereof and listed on **Part II** of **Exhibit B** hereto, in each case, solely during the term of such Ground Lease, including, for the avoidance of doubt, the MKB Ground Lease.

**“Ground Lessor”**: As defined in **Section 8.4(a)**.

**“Guarantor”**: Tenant’s Parent or any Qualified Transferee which delivers a Guaranty in accordance with this Lease or consented to by Landlord.

**“Guaranty”**: That certain Guaranty of Lease dated as of the date hereof by and between Guarantor and Landlord, a form of which is attached as **Exhibit E** hereto, as the same may be amended or supplemented or restated from time to time in accordance with the terms of this Lease and the Guaranty, and any other form of guaranty in form and substance satisfactory to Landlord in its sole discretion (it being acknowledged by Landlord that a Guaranty in the form of **Exhibit E** attached hereto is satisfactory) executed by a Guarantor in favor of Landlord (as the same may be amended or supplemented or restated from time to time in accordance with this Lease and the Guaranty) pursuant to which such Guarantor agrees to guaranty all of the obligations of Tenant hereunder.

**“Guest Data”**: Any and all information and data identifying, describing, concerning or generated by website visitors or prospective, actual or past guests or customers of casinos, hotels, retail locations, restaurants, bars, spas, entertainment venues, or other facilities or services, including without limitation any and all guest or customer profiles, contact information (*e.g.* addresses, phone numbers, facsimile numbers and email addresses), histories, preferences, game play and patronage patterns, experiences, results and demographic information, whether or not any of the foregoing constitutes personally identifiable information, together with any and all other guest or customer information in any database of Tenant, Tenant’s Parent or their respective Affiliates, regardless of the source or location thereof, and including without limitation such information obtained or derived by Tenant, Tenant’s Parent or any of their respective Affiliates from (i) guests or customers of the Facility (for the avoidance of doubt, including Property Specific Guest Data); or (ii) any other sources and databases, including websites, central reservations databases, operational data bases (ODS) and any player loyalty programs (*e.g.* the Tenant Rewards Program).

**“Handling”**: As defined in **Section 32.4**.

**“Hazardous Substances”**: Collectively, any petroleum, petroleum product or by product or any substance, material or waste that is defined, regulated or classified pursuant to any applicable Environmental Law as “hazardous,” “toxic,” a “pollutant,” a “contaminant,” or words of similar meaning and regulatory effect.

**“Impositions”**: All taxes, special and general assessments, including assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term, rents or other amounts payable under any Property Documents, water rents, rates and charges, commercial rent taxes, sewer and other utility rents, rates and charges, excise tax levies, fees including license, permit, inspection, authorization and similar fees, and other governmental impositions, levies and charges of every

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kind and nature whatsoever, that may be assessed, levied, confirmed, imposed or become a lien on the Leased Property or any part thereof or any rent therefor or any estate, right, title or interest therein or any occupancy, operation, use or possession of, or sales from or activity conducted on or in connection with the Leased Property or the leasing or use of the Leased Property or any part thereof prior to, during or with respect to any period during the Term hereof through the expiration or earlier termination of this Lease together with (i) any taxes and assessments that may be levied, assessed or imposed upon the gross income arising from any Rent or in lieu of or as a substitute, in whole or in part, for any Imposition and (ii) all interest and penalties on the foregoing attributable to any failure in payment by Tenant (other than failures arising from the wrongful or negligent acts of Landlord where Tenant shall have furnished Landlord with no less than ten (10) days' notice of such act which Tenant is aware). Except as described in clause (ii) above, the term "Impositions" shall, however, not include any of the following, all of which the parties agree shall be the responsibility of (and paid, before any fine, penalty, interest or cost may be added for non-payment, by) Landlord: (a) any franchise, income, excess profits, estate, inheritance, succession, transfer, gift, corporation, business, capital levy, or profits tax of Landlord, (b) any tax imposed with respect to the sale, exchange or other disposition by Landlord of the fee estate in the Leased Property or Landlord Change of Control, and (c) interest, penalties and other charges with respect to the foregoing items "a" and "b".

"**Indebtedness**": Of any Person, without duplication, (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding (x) trade accounts payable and accrued obligations incurred in the ordinary course of business or other accounts payable in the ordinary course of business in accordance with ordinary trade terms, (y) financing of insurance premiums and (z) any earn-out obligation or purchase price adjustment until such obligation becomes a liability on the balance sheet (excluding the footnotes thereto) in accordance with GAAP); (e) all Indebtedness of others to the extent secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed; provided, that if such obligations have not been assumed, the amount of such Indebtedness included for the purposes of this definition will be the amount equal to the lesser of the fair market value of such property and the amount of the Indebtedness secured; (f) with respect to any Capital Lease of such Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP; (g) the net amount of the obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements (including swap contracts); (h) all obligations of such Person as an account party in respect of letters of credit and bankers' acceptances, except obligations in respect of letters of credit issued in support of obligations not otherwise constituting Indebtedness shall not constitute Indebtedness except to the extent such letter of credit is drawn and not reimbursed within ten (10) Business Days; and (i) all guaranty obligations of such Person in respect of Indebtedness of others of the kinds referred to in clauses (a) through (h) above (other than, for the avoidance of doubt, in connection with any completion guarantee); provided, that for purposes of this definition, deferred purchase price obligations shall be calculated based on the net present value thereof. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner unless

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recourse is limited, in which case the amount of such Indebtedness shall be the amount such Person is liable therefor (except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor). The amount of Indebtedness of the type described in clause (d) shall be calculated based on the net present value thereof. The amount of Indebtedness of the type referred to in clause (g) above of any Person shall be zero unless and until such Indebtedness becomes due, in which case the amount of such Indebtedness shall be the amount due that is payable by such Person. For the avoidance of doubt, it is understood and agreed that (x) unredeemed casino chips and tokens and gaming winnings of customers, (y) any obligations of such Person in respect of cash management agreements and (z) any obligations of such Person in respect of employee deferred compensation and benefit plans shall not constitute Indebtedness. For all purposes hereof, the Indebtedness of the Tenant shall exclude (i) any obligations under this Lease and any similar lease and (ii) intercompany liabilities arising from the Tenant's cash management, tax, and accounting operations and intercompany loans, advances.

**"Initial Term"**: As defined in **Section 1.3**.

**"Insurance Requirements"**: The terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy and of any insurance board, association, organization or company necessary for the maintenance of any such policy.

**"Intellectual Property"** or **"IP"**: All rights, title and interests in, to and under any intellectual property, as they exist anywhere in the world, whether registered or unregistered, including: (i) all patents and applications therefor and all reissues, divisions, divisionals, renewals, extensions, provisionals, continuations and continuations-in-part thereof, (ii) all inventions (whether or not patentable), invention disclosures, improvements, business information, know-how, trade secrets, Confidential Information, designs, plans, blueprints, formulas, drawings, research and development, business and marketing plans, proposals and surveys, customer lists, tangible and intangible proprietary information, and all documentation relating to any of the foregoing, (iii) all copyrights, works of authorship, copyrightable works, copyright registrations and applications therefor, and all other rights corresponding thereto, (iv) all industrial designs and any registrations and applications therefor, (v) all trademarks, service marks, trade dress, trade styles, logos, trade names, brand names, assumed names, corporate names, Internet domain names and other indicia of commercial source or origin (whether registered, arising under common law or statutory law, or otherwise) and general intangibles of like nature, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith (collectively, **"Trademarks"**), (vi) all databases and data collections (including all Guest Data) and all rights therein (collectively, **"Data"**), (vii) all moral and economic rights of authors and inventors, however denominated, (viii) all social media user names and accounts, (ix) all computer software, firmware, microcode, operating systems, embedded applications or other programs, including all source code, object code, specifications, databases, designs and documentation related thereto (collectively, **"Software"**), (x) all Internet addresses, electronic addresses, uniform resource locators and alphanumeric designations associated therewith and all registrations for any of the foregoing, (xi) all rights of privacy and publicity, (xii) any other similar intellectual property and proprietary rights of any kind, nature or

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description and (xiii) any copies of tangible embodiments therefrom (in whatever form or medium).

“Intercreditor Agreement”: As defined in **Section 17.1(a)**.

“Investment Fund”: A bona fide private equity fund or bona fide investment vehicle arranged by and managed by or controlled by, or under common control with, a private equity fund (excluding any private equity fund investment vehicle the primary assets of which are Tenant and its Subsidiaries and/or this Lease and assets related thereto) that is engaged in making, purchasing, funding or otherwise investing in a diversified portfolio of businesses and companies and is organized primarily for the purpose of making equity investments in companies.

“IP Licenses”: Collectively, any agreements or arrangements pursuant to which Tenant or its Subsidiaries is granted a license to use any System-wide IP other than readily available off-the-shelf software.

“Item Subject to Deemed Consent”: As defined in **Section 35.2**.

“Land”: As defined in **Section 1.1(a)**.

“Landlord”: As defined in the preamble.

“Landlord Approved Capital Improvements”: As defined in **Section 10.1(b)**.

“Landlord Change of Control”: (i) Any Person or “group” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) other than Landlord’s Parent and its Affiliates, shall have acquired direct or indirect beneficial ownership or control of greater than fifty percent (50%) on a fully diluted basis of the direct or indirect voting power in the Equity Interests of Landlord entitled to vote in an election of directors of Landlord or Landlord’s Parent, (ii) except as permitted or required hereunder, the direct or indirect sale by Landlord or Landlord’s Parent of all or substantially all of Landlord’s assets, whether held directly or through Subsidiaries of Landlord, relating to the Facility in one transaction or in a series of related transactions (excluding sales to Landlord or its Subsidiaries) to a Person that is not wholly owned and controlled (directly or indirectly) by Landlord’s Parent, (iii) Landlord ceasing to be majority owned and Controlled (directly or indirectly) by Landlord’s Parent, or (iv) Landlord or Landlord’s Parent consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, Landlord or Landlord’s Parent, in any such event pursuant to a transaction in which any of the outstanding Equity Interests of Landlord or Landlord’s Parent ordinarily entitled to vote in an election of directors of Landlord or Landlord’s Parent or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Equity Interests of Landlord or Landlord’s Parent ordinarily entitled to vote in an election of directors of Landlord or Landlord’s Parent outstanding immediately prior to such transaction constitute or are converted into or exchanged into or exchanged for a majority (determined by voting power in an election of directors) of the outstanding Equity Interests ordinarily entitled to vote in an election of directors of such surviving or transferee Person (immediately after giving effect to such transaction). Notwithstanding the foregoing, no issuance or acquisition of shares of or transfer of any interest

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in Blackstone Real Estate Income Trust Inc. (“**BREIT**”) or any other publicly reporting Person in one or more transactions shall result in a Landlord Change of Control.

“Landlord Indemnified Party” As defined in **Section 21.1**.

“Landlord’s Parent”: BREIT Operating Partnership L.P. and its successors and assigns from time to time.

“Landlord Party”: As defined in the definition of Licensing Event.

“Landlord Representatives”: As defined in **Section 23.4**.

“Landlord Tax Returns”: As defined in **Section 4.1(b)**.

“Landlord Work”: As defined in **Section 10.6**.

“Lease”: As defined in the preamble.

“Lease Year”: The first Lease Year shall be the period commencing on the Commencement Date and ending on the last day of the twelfth (12th) full calendar month following the Commencement Date, and each subsequent Lease Year shall be each period of twelve (12) full calendar months thereafter.

“Leased Improvements”: As defined in **Section 1.1(b)**.

“Leased Property”: As defined in **Section 1.1**.

“Leasehold Estate”: As defined in **Section 17.1(a)**.

“Legal Requirements”: All applicable federal, state, county, municipal and other governmental statutes, laws, rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions (including common law, Gaming Regulations and Environmental Laws) affecting any parties to this Lease (or the Guaranty), the Leased Property, Tenant’s Property or Capital Improvements or the construction, use or alteration thereof, whether now or hereafter enacted and in force, including any which may (i) require repairs, modifications or alterations in or to the Leased Property and Tenant’s Property, (ii) in any way adversely affect the use and enjoyment thereof, or (iii) regulate the transport, handling, use, storage or disposal or require the cleanup or other treatment of any Hazardous Substance.

“Lessor Lien”: Any lien, encumbrance, attachment, title retention agreement or claim (other than any of the foregoing that arise as a result of a Ground Lease or Facility Mortgage (or other security interest filing in relationship to a Ground Lease or Facility Mortgage), or result from the transactions contemplated by this Lease, or that consist of liens and encumbrances of record or based on facts or occurrences affecting or relating to the Facility as of the Commencement Date or liens or encumbrances which are consented to by Tenant in writing, which consent shall not be unreasonably withheld, conditioned or delayed as provided in **Section 7.2(c)**) encumbering the Leased Property and that arises after the Commencement Date

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solely as a result of (a) any act or omission of Landlord or any of its Affiliates which is in violation of any of the terms of this Lease after notice from Tenant and failure to cure within all applicable cure periods, (b) any third-party claim against Landlord or its Affiliates that is unrelated to the use, ownership, operation or maintenance of the Leased Property and (i) for which Tenant is not required to indemnify Landlord pursuant to this Lease, and (ii) that is unrelated to the acts or omissions of Tenant, Tenant's Subsidiaries or any of their respective Affiliates, or (c) any third-party claim against Landlord arising out of any transfer, sale, assignment, encumbrance or disposition by Landlord of all or any portion of the interest of Landlord in the Leased Property or any portion thereof (or any Landlord Change of Control) in violation of this Lease.

**"Letter of Credit"**: An irrevocable, unconditional, clean sight draft letter of credit reasonably acceptable to Landlord and Fee Mortgagee (as applicable) in favor of Landlord or, at Landlord's direction, Fee Mortgagee and entitling Landlord or Fee Mortgagee (as applicable) to draw thereon based solely on a statement executed by an officer of Landlord or Fee Mortgagee (as applicable) stating that it has the right to draw thereon under this Lease in a location in the United States reasonably acceptable to Landlord or Fee Mortgagee (as applicable), issued by one or more domestic Eligible Institutions or the U.S. agency or branch of a foreign Eligible Institution, and upon which letter of credit Landlord or Fee Mortgagee (as applicable) shall have the right to draw in full: (a) if Landlord or Fee Mortgagee (as applicable) has not received at least thirty (30) days prior to the date on which the then outstanding letter of credit is scheduled to expire, a notice from the issuing financial institution that it has renewed the applicable letter of credit; (b) thirty (30) days prior to the date of termination following receipt of notice from the issuing financial institution that the applicable letter of credit will be terminated; and (c) thirty (30) days after Landlord or Fee Mortgagee (as applicable) has given a proper notice to Tenant that any of the financial institutions issuing the applicable letter of credit ceases to either be an Eligible Institution or meet the rating requirement set forth above.

**"Licensing Event"**: A communication (whether oral or in writing) by or from any Gaming Authority to Tenant or any of their respective Affiliates (each, a **"Tenant Party"**) or to a Landlord Party (as defined below) or other action by any Gaming Authority that indicates that such Gaming Authority has found that the association of a Tenant Party with Landlord is likely to (A) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any Gaming License or any other rights or entitlements held or required to be held by Landlord or any of its Affiliates (each, a **"Landlord Party"**) under any Gaming Regulations or (B) violate any Gaming Regulations to which a Landlord Party is subject; or (ii) a Tenant Party is required to be licensed, registered, qualified or found suitable under any Gaming Regulations, and such Tenant Party does not remain so licensed, registered, qualified or found suitable or, after becoming so licensed, registered, qualified or found suitable, fails to remain so, and, solely for purposes of determining whether an Event of Default has occurred under **Section 16.1(a)(xii)**, the same causes cessation of Gaming activity at the Facility and would reasonably be expected to have a material adverse effect on the Facility.

**"Lien"**: As defined in **Section 11.1**.

**"Liquor Authority"**: As defined in **Section 41.13(a)**.

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“Liquor Laws”: As defined in **Section 41.13(a)**.

“Listing Covenant”: As defined in **Section 23.3**.

“Market Capitalization”: With respect to a Person, the number of shares outstanding as reflected on the balance sheet included in such Person’s Financial Statements for the applicable fiscal quarter multiplied by the closing price of such Person’s shares on the applicable stock exchange on the last trading day of the applicable fiscal quarter.

“Master Transaction Agreement”: As defined in the Recitals.

“Material Indebtedness”: Any Indebtedness of the type referenced in clauses (a), (b), or (e) of the definition of Indebtedness of Tenant the outstanding principal amount of which is in excess of One Hundred Million Dollars (\$100,000,000).

“MKB”: MKB Company, a Nevada limited liability company.

“MKB Ground Lease”: That certain lease with respect to real property that is a portion of the Leased Property, pursuant to which Landlord is a tenant and MKB is a landlord as listed on **Part II** of **Exhibit B** hereto.

“Net Income”: With respect to any fiscal period and with respect to any Person, the net income (or net loss) of that Person, determined in accordance with GAAP, consistently applied using the Existing Accounting Guidelines.

“Net Revenue”: With respect to any fiscal period, the net revenue derived from the Facility by Tenant or its Affiliates (without duplication) for that period, determined in accordance with GAAP, consistently applied using the Existing Accounting Guidelines.

“Net Worth”: (i) An entity’s equity as its total assets (including any available uncalled or unfunded capital commitments of investors) minus its total actual liabilities including the capitalization of any operating lease rent obligations at ten times (10x) the rent amount but excluding any operating lease liability recorded in total actual liabilities, in each case calculated in accordance with GAAP, and (ii) as it relates to an entity publicly traded and listed on the New York Stock Exchange, AMEX or NASDAQ, its Market Capitalization.

“New Lease”: As defined in **Section 17.1(f)**.

“Non-Discriminatory”: Consistent, commercially reasonable treatment of all Persons regardless of the ownership, control or affiliations of any such Persons (i) subject to the same or substantially similar policies and procedures, including policies and procedures related to the standards of service and quality required to be provided by such Persons or (ii) participating jointly in the same transactions or relationships or participating in separate, but substantially similar, transactions or relationships for the procurement of goods or services (and whether such goods are purchased or leased), in each case, including, without limitation, the unbiased and consistent allocation of costs, expenses, savings and benefits of any such policies, procedures, relationships or transactions on the basis of a reasonable methodology; provided, however, that goods and services shall not be required to be provided in a manner that exceeds

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the standard of service required to be provided at the Leased Property under the terms of this Agreement to be deemed “Non-Discriminatory” nor shall the standard of service and quality provided at the facilities owned or operated by each such Person be required to be similar so long as, in each case, both (x) a commercially reasonable business justification (without giving effect to Lease economics) that is not discriminatory to Landlord or the Leased Property exists for the manner in which such goods and services are provided, as reasonably determined by Tenant in good faith, and (y) the manner in which such goods and services are provided is not intended or designed to frustrate, vitiate or reduce the rights of Landlord under this Lease, as reasonably determined by Tenant in good faith.

“Notice”: A notice given in accordance with **Article XXXV**.

“Notice of Termination”: As defined in **Section 17.1(f)**.

“NRS”: As defined in **Section 41.14**.

“OFAC”: As defined in **Section 8.2(c)**.

“Officer’s Certificate”: A certificate of Tenant or Landlord, as the case may be, signed by an authorized officer of such party.

“Operating Expenses”: With respect to any fiscal period, the operating expenses from the Facility by Tenant or its Affiliates (without duplication) for that period, determined in accordance with GAAP, consistently applied using the Existing Accounting Guidelines.

“Operating Standard”: Operation of the Leased Property for the Primary Intended Use in a first class manner and at least substantially consistent with the standard of operations of the Facility on the date hereof and which shall be performed in a Non-Discriminatory manner with other assets owned, leased, managed or operated by Tenant’s Parent or its Subsidiaries, including without limitation, with respect to the usage and allocation of proprietary information and systems related to the operating of gaming, hotel and related businesses, Tenant Rewards Program, centralized services, purchasing programs, insurance programs, Intellectual Property, Guest Data, complimentaries, room rates and cross-marketing and cross-promotional activities with other properties owned, leased or operated by Tenant’s Parent and its Subsidiaries.

“Overdue Rate”: On any date, a rate equal to five (5) percentage points above the Prime Rate, but in no event greater than the maximum rate then permitted under Legal Requirements.

“Ownership Term”: As defined in **Section 36.1**.

“Parent Company”: With respect to any Person in question, any other Person (other than an Investment Fund) (x) as to which such Person in question is a Subsidiary; and (y) which other Person is not a Subsidiary of any other Person (other than an Investment Fund, which shall be deemed not to have any Parent Company and, in the case of a Foreclosure Transferee that is an Investment Fund, no parent of such Investment Fund shall be required to provide a Guaranty pursuant to **Section 22.2**, if applicable).

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“Patriot Act Offense”: Any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism, (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the U.S.A. Patriot Act. “Patriot Act Offense” also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense.

“Payment Date”: Any due date for the payment of the installments of Rent or any other sums payable under this Lease.

“PCAOB”: The Public Company Accounting Oversight Board.

“Permitted Affiliate Agreement”: Any Affiliate Agreement entered into prior to the date of this Lease or after the date hereof, in each case which (i) is for a bona fide purpose consistent with the Operating Standard and not used by Tenant to evade or avoid the Financial Covenant or the Listing Covenant or to distort the economic performance of the Facility in any material respect, (ii) does not subject Landlord to any obligations or liabilities with respect thereto, (iii) will not bind Landlord upon expiration or earlier termination of this Lease, (iv) is not otherwise designed to frustrate Landlord’s ability to enter into a new lease or management agreement at the expiration of this Lease and (v) will not result in a violation of Legal Requirements.

“Permitted Capital Improvements”: As defined in **Section 10.1(a)**.

“Permitted Credit Facility Lender”: The lender or agent or trustee or similar representative on behalf of one or more lenders or noteholders or other investors under a Debt Agreement secured in part by a Permitted Credit Facility Pledge, in each case as and to the extent such Person has the power to act on behalf of all lenders under such Debt Agreement pursuant to the terms thereof; provided, such lender, agent or trustee or similar representative (but not necessarily the lenders, noteholders or other investors which it represents), and is a banking institution or other eligible indenture trustee under the Trust Indenture Act of 1940, as amended, in each case, in the business of generally acting as a lender, agent or trustee or similar representative (in each case, on behalf of a group of lenders) under debt agreements or instruments similar to the Debt Agreement.

“Permitted Credit Facility Pledge”: A document creating or evidencing an encumbrance on the direct or indirect interests in Tenant, granted to or for the benefit of a Permitted Credit Facility Lender as security for the obligations under a Debt Agreement; provided, however, such Debt Agreement must be a bona fide corporate credit facility of Tenant’s Parent which is recourse to Tenant’s Parent.

“Permitted FF&E Expenditures”: As defined in **Section 9.1(f)**.

“Permitted Leasehold Mortgage”: A document creating or evidencing an encumbrance on Tenant’s leasehold interest in the Leased Property, granted to or for the benefit of a Permitted Leasehold Mortgagee as security for the obligations under a Debt Agreement;

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provided, however, such Debt Agreement must be secured by assets of Tenant's Parent such that the Leased Property accounts for no more than one-third of the fair market value of the assets of Tenant's Parent securing such Debt Agreement at the time such Debt Agreement is executed.

"Permitted Leasehold Mortgagee": The lender or agent or trustee or similar representative on behalf of one or more lenders or noteholders or other investors under a Permitted Leasehold Mortgage, in each case as and to the extent such Person has the power to act on behalf of all lenders under such Debt Agreement pursuant to the terms thereof; provided, such lender, agent or trustee or similar representative (but not necessarily the lenders, noteholders or other investors which it represents), and is a banking institution or other eligible indenture trustee under the Trust Indenture Act of 1940, as amended, in each case, in the business of generally acting as a lender, agent or trustee or similar representative (in each case, on behalf of a group of lenders) under debt agreements or instruments similar to the Debt Agreement.

"Permitted Leasehold Mortgagee Designee": An entity designated by a Permitted Leasehold Mortgagee and acting for the benefit of the Permitted Leasehold Mortgagee, or the lenders, noteholders or investors represented by the Permitted Leasehold Mortgagee.

"Permitted Leasehold Mortgagee Foreclosing Party": A Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee that forecloses on this Lease and assumes this Lease or a Subsidiary of a Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee that assumes this Lease in connection with a foreclosure on this Lease by a Permitted Leasehold Mortgagee.

"Permitted Management Agreement": Any (x) Existing Management Agreement or (y) new management agreement or amendment or modification of an Existing Management Agreement which is entered into after the date of this Lease and which (i) is for a bona fide purpose consistent with the Operating Standard, (ii) in the event of any new management agreement or an amendment or renewal which could extend the term of an Existing Management Agreement (including any grants of additional renewal or extension options), is expressly subject and subordinate to this Lease (with Landlord having no obligations or liabilities with respect thereto and such manager having no rights after expiration or termination of this Lease, except to the extent provided by any subordination, non-disturbance and attornment agreement delivered by Landlord in accordance with this Lease), (iii) is not otherwise designed to frustrate Landlord's ability to enter into a new lease or management agreement at the expiration or earlier termination of this Lease, (v) does not grant any right to purchase, right of first offer or right of first refusal with respect to the purchase of any portion of the Leased Property, and (vi) does not result in a violation of any Legal Requirements.

"Permitted Sublease": Any (x) Existing Sublease or (y) any new sublease or amendment or renewal of an Existing Sublease which is entered into after the date of this Lease and which, (i) if the sublessee is not an Affiliate of Tenant, is on commercially reasonable, arms' length terms and with respect to Primary Space only, with market rent as determined by Tenant in good faith, (ii) is for a bona fide purpose consistent with the Operating Standard, (iii) in the event of any new sublease or an amendment or renewal which could extend the term of an Existing Sublease (including any grants of additional renewal or extension options), is expressly subject and subordinate to this Lease (with Landlord having no obligations or liabilities with

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respect thereto and such subtenant having no rights after expiration or termination of this Lease, except to the extent provided by any subordination, non-disturbance and attornment agreement delivered by Landlord in accordance with this Lease), (iv) is not otherwise designed to frustrate Landlord's ability to enter into a new lease or management agreement at the expiration of this Lease, (v) does not grant any right to purchase, right of first offer or right of first refusal with respect to the purchase of any portion of the Leased Property, and (vi) does not result in a violation of any Legal Requirements.

**"Person" or "person"**: Any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

**"Preliminary Financial Covenant Compliance Report"**: As defined in **Section 23.1(b)(iii)**.

**"Primary Intended Use"**: Hospitality, entertainment, entertainment venues, gaming and/or pari-mutuel use generally consistent with prevailing hospitality, entertainment or gaming industry use at any time, together with all ancillary or complementary uses consistent with such use and operations (including hotels, resorts, convention centers, retail facilities, restaurants, spas, clubs, bars, etc.), together with any other uses in effect on the date hereof and together with any other uses otherwise generally consistent with the Operating Standard.

**"Primary Space"**: Those portions of the Facility that are used primarily for hotel, casino or convention purposes as of the Commencement Date (as may be reasonably adjusted from time to time in accordance with the Primary Intended Use).

**"Prime Rate"**: On any date, a rate equal to the annual rate on such date publicly announced by JPMorgan Chase Bank, N.A. (provided, that if JPMorgan Chase Bank, N.A. ceases to publish such rate, the Prime Rate shall be determined according to the Prime Rate of another nationally known money center bank reasonably selected by Landlord), to be its prime rate for ninety (90)-day unsecured loans to its corporate borrowers of the highest credit standing, but in no event greater than the maximum rate then permitted under applicable law.

**"Proceeding"**: As defined in **Section 23.1(b)(ix)**.

**"Prohibited Persons"**: As defined in **Section 39.1(a)**.

**"Property"**: any right, title or interest in or to property or assets of any kind whatsoever, whether real, Personal (as defined in the UCC) or mixed and whether tangible or intangible and including all contract rights, income or revenue rights, real property interests, trademarks, trade names, equipment and proceeds of the foregoing and, with respect to any Person, equity interests or other ownership interests of any other Person owned by the first Person.

**"Property Documents"**: Reciprocal easement and/or operating agreements, easements, covenants, exceptions, conditions and restrictions in each case affecting the Leased Property or any portion thereof (i) that are listed on the title policies obtained on or about the

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Commencement Date, or (ii) made after the date hereof in accordance with the terms of this Lease, but excluding, in any event, all Fee Mortgage Documents.

**“Property Specific Guest Data”:** Any and all Guest Data, to the extent owned by or under the possession or control of Tenant, Tenant’s Parent or their respective Affiliates, identifying, describing, concerning or generated by website visitors or prospective, actual or past guests and/or customers, in each case, of the Facility and which is used with respect to the Facility, including retail locations, restaurants, bars, casino and Gaming Facilities, spas and entertainment venues therein, but excluding, in all cases, (i) Guest Data that has been integrated into analytics, reports, or other similar forms, including in connection with the Tenant Rewards Program (it being understood that this exception shall not apply to such Guest Data itself, i.e., in its original form prior to integration into such analytics, reports, or other similar forms in connection with the Tenant Rewards Program), (ii) Guest Data that concerns facilities other than the Facility and (iii) Guest Data that concerns proprietary information and systems related to the operation of gaming, hotel and related businesses and is not related to the Facility.

**“Property Specific IP”:** All Intellectual Property (other than Data) that is both (i) exclusively related to the Facility and (ii) currently or hereafter owned by Tenant, Tenant’s Parent or any of their respective Affiliates, including the Intellectual Property set forth on **Schedule 3**, attached hereto, but excluding the Bellagio Trademarks.

**“Qualified Operator”:** A Person that (A) has revenues derived from hotels or facilities for gaming (or both), in accordance with GAAP, of not less than One Billion and No/100 Dollars (\$1,000,000,000.00) per year for each of the preceding three (3) years as of the date of determination and (B) leases, operates or manages resorts with at least 2,500 rooms and casino operations of at least 100,000 square feet of gaming area, 1,300 slots and 100 gaming tables. At the time of appointment, such Person (a) shall not be subject to a bankruptcy, insolvency or similar proceeding, (b) shall have never been convicted of, or pled guilty or no contest to, a Patriot Act Offense and shall not be on any Government List, (c) shall not be, and shall not be controlled by, a Prohibited Person or a person that has been found “unsuitable,” for any reason, by any applicable Gaming Authority, (d) shall have not been the subject of a material governmental or regulatory investigation which resulted in a conviction for criminal activity involving moral turpitude, (e) shall have not been found liable pursuant to a non-appealable judgment in a civil proceeding for attempting to hinder, delay or defraud creditors, (f) shall have all required licenses and approvals required under applicable law (including Gaming Regulations), including all required Gaming Licenses for itself, its officers, directors, and Affiliates (including officers and directors of its Affiliates) to manage the Facility.

**“Qualified Transferee”:** A Person that satisfies each of the following requirements: (a) a Net Worth (exclusive of the Leased Property) of no less than Five Billion Dollars (\$5,000,000,000) of which at least Two Billion Dollars (\$2,000,000,000) relates to assets located in the United States (exclusive of the Leased Property), (b) such transferee and all of its applicable officers, directors, Affiliates (including the officers and directors of its Affiliates), to the extent required under applicable Gaming Regulations or other Legal Requirements, are licensed by the Gaming Authority or otherwise found suitable to lease the Leased Property in accordance herewith, (c) such transferee has not been the subject of a material governmental or regulatory investigation which resulted in a conviction for criminal activity involving moral

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turpitude and has not been found liable pursuant to a non-appealable judgment in a civil proceeding for attempting to hinder, delay or defraud creditors, (d) such transferee has never been convicted of, or pled guilty or no contest to, a Patriot Act Offense and is not on any Government List; (e) such transferee has not been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding during the prior five (5) years from the applicable date of determination; (f) is not, and is not Controlled by a Prohibited Person or a person that has been found “unsuitable” for any reason or has had any application for a Gaming License withdrawn “with prejudice” by any applicable Gaming Authority; (g) it and its equity holders comply with any Fee Mortgagee’s customary “know your customer” requirements; and (h) such transferee is not associated with a person who has been found “unsuitable”, denied a Gaming License or otherwise precluded from participation in the Gaming Industry by any Gaming Authority where such association would reasonably be expected to adversely affect any of Landlord’s or its Affiliates’ Gaming Licenses or Landlord’s or its Affiliates’ then-current standing with any Gaming Authority.

“Qualifying CapEx”: Expenditures relating to the installation or restoration of Capital Improvements or FF&E with respect to the Leased Property, which shall (x) exclude any costs incurred that (A) are related to ordinary course maintenance and repairs and not capitalized in accordance with GAAP, (B) are included in Operating Expenses, determined in accordance with GAAP, consistently applied using the Existing Accounting Guidelines, (C) relate to Permitted Leasehold Mortgages, purchase money financing, equipment financing, equipment lease, or financing secured by liens on Capital Improvements or FF&E (but excluding any Permitted Credit Facility Pledge), or (D) would constitute capitalized interest, and (y) be limited to costs which are with third parties dealing at arms’ length or with Affiliates dealing on arms’ length terms (with any costs paid to Affiliates not exceeding market rates) and capitalized in accordance with GAAP, consistently applied using the Existing Accounting Guidelines.

“Related Persons”: With respect to a party, such party’s Affiliates and Subsidiaries and the directors, officers, employees, agents, partners, managers, members, advisors and controlling persons of such party and its Affiliates and Subsidiaries.

“Renewal Notice”: As defined in **Section 1.4**.

“Renewal Term”: A period for which the Term is renewed in accordance with **Section 1.4**.

“Rent”: The Base Rent.

“Representative”: With respect to the lenders or holders under a Debt Agreement, a Person designated as agent or trustee or a Person acting in a similar capacity or as representative for such lenders or holders.

“Required CapEx”: An aggregate amount of Qualifying CapEx spent during the applicable CapEx Testing Period equal to the product of (x) the Specified CapEx Percentage (based on the applicable Specified CapEx Percentage for each Lease Year during such CapEx Testing Period) and (y) the actual Net Revenue of the Leased Property during such CapEx

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Testing Period; provided, however, the Required CapEx during the CapEx Testing Period ending December 31, 2023, shall not be less than \$275,000,000.

“Required CapEx Funding Deadline”: As defined in **Section 9.1(e)(i)**.

“Reserve Control Trigger Period”: (A) Any Covenant Failure Period, or (B) any period during which an Event of Default exists (provided that, with respect to **Sections 16.1(a)(v)** and **(vi)**, for purposes of this definition only, the cure periods provided in **Sections 16.1(a)(v)** and **(vi)**, respectively, shall not be taken into account).

“Reserve Disbursement Requirements”: The requirements for disbursements of CapEx Reserve Funds and FF&E Reserve Funds identified on **Schedule 9**.

“Responsible Officer”: Tenant’s Parent’s chief executive officer, chief operating officer, treasurer, assistant treasurer, secretary, assistant secretary, executive vice presidents and senior vice presidents and, regardless of designation, the chief financial officer of the Tenant’s Parent, provided, that the Tenant’s Parent may designate one or more other officers as Responsible Officers.

“Restricted Information”: As defined in **Section 23.1(c)**.

“Restricted Reserve Accounts”: As defined in **Section 9.1(g)**.

“Schedule 8 Capital Improvements”: As defined in **Section 10.1(a)**.

“SEC”: The United States Securities and Exchange Commission.

“SEC Filing Deadline”: As defined in **Section 23.1(b)(i)**.

“SEC Reports”: All quarterly and annual reports required under the Exchange Act and related rules and regulations to be filed with the SEC on Forms 10-Q and 10-K.

“Securities Act”: The Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Solvent”: With respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person, on a going-concern basis, is greater than the total amount of liabilities (including contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person, on a going-concern basis, is not less than the amount that will be required to pay the probable liability of such Person on its debts (including contingent liabilities) as they become absolute and matured, (c) such Person has not incurred, and does not intend to, and does not believe that it will, incur, debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital and (e) such Person is “solvent” within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability shall be computed as the amount that, in light of all the facts and circumstances existing at such

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time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Accounting Standards Codification No. 450).

“Specified Debt Agreement Default”: Any event or occurrence under a Debt Agreement that enables or permits the lenders or holders (or Representatives of such lenders or holders) to accelerate the maturity of the Indebtedness outstanding under a Debt Agreement.

“Specified CapEx Percentage”: (a) with respect to each calendar year during the period from January 1, 2020 through December 31, 2023, 5%, (b) with respect to each calendar year during the period from January 1, 2024 through December 31, 2031, 3%, (c) with respect to each calendar year during the period from January 1, 2032 through December 31, 2039, 3.5%, and (d) thereafter, 4% per calendar year.

“Specified Tenant Securitization Matters”: Those portions of the Disclosure Documents for a Fee Mortgage which specifically describe (i) Tenant, (ii) Tenant Parent or (iii) historical financial performance of the Facility (including occupancy, ADR, Revpar, revenues by department, departmental expenses, operating expenses and fixed expenses, (iv) the gaming overview of the Facility (including slot units, table units and historical hold percentage) and (v) historical capital expenditures at the Facility.

“State”: Nevada.

“Subsidiary”: As to any Person, (i) any corporation at least fifty percent (50%) of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time of determination owned by such Person and/or one or more Subsidiaries of such Person, and (ii) any partnership, limited liability company, association, joint venture or other entity in which such person and/or one or more Subsidiaries of such Person has at least a fifty percent (50%) equity interest at the time of determination. Unless otherwise qualified, all references to a “**Subsidiary**” or to “**Subsidiaries**” in this Lease shall refer to a Subsidiary or Subsidiaries of Tenant.

“System-wide IP”: All of the Intellectual Property (in each case, excluding Property Specific IP, Property Specific Guest Data and Bellagio Trademarks) that (i) Tenant’s Parent or any of its Affiliates (other than Tenant or its Subsidiaries) currently license or otherwise provide to Tenant or its Subsidiaries pursuant to a written agreement or otherwise in order to provide services to the Facility or (ii) is otherwise licensed to, but not owned by, Tenant or its Subsidiaries for their respective properties, including any and all such Intellectual Property comprising and/or related to the Tenant Rewards Program.

“Tenant”: As defined in the preamble.

“Tenant Capital Improvement”: A Capital Improvement constructed by or at the direction of Tenant at the Facility after the date hereof.

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**“Tenant Change of Control”**: (i) Any Person or “group” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) other than Tenant’s Parent and its Affiliates, shall have acquired direct or indirect beneficial ownership or control of thirty-five percent (35%) or more on a fully diluted basis of the direct or indirect voting power in the Equity Interests of Tenant entitled to vote in an election of directors of Tenant or Tenant’s Parent, (ii) the direct or indirect sale by Tenant or Tenant’s Parent of all or substantially all of Tenant’s assets, whether held directly or through Subsidiaries, relating to the Facility in one transaction or in a series of related transactions (excluding sales to Tenant or its Subsidiaries) to a Person that is not wholly owned and controlled (directly or indirectly) by Tenant’s Parent, or (iii) Tenant ceasing to be a wholly-owned and controlled Subsidiary (directly or indirectly) of Tenant’s Parent. Notwithstanding the foregoing, no acquisition of shares of or transfer of any interest in Tenant’s Parent or any other publicly traded Person in one or more transactions shall result in a Tenant Change of Control, provided that after giving effect to such Tenant Change of Control, Tenant would be able to make the representations in **Section 39.1** of this Lease without qualification.

**“Tenant Competitor”**: A Person or Affiliate of any Person (other than an Affiliate of Tenant) (i) which is among the top 10 global gaming companies by annual revenues or (ii) operates, leases or manages resorts with at least 1,000 rooms in the Gaming Corridor; provided, that notwithstanding anything to the contrary contained herein, “Tenant Competitor” shall not include (x) commercial or corporate banks, pension funds, mutual funds and any other funds that are managed or controlled by a commercial or corporate banks which funds principally invest in commercial loans or debt securities or (y) any Person that has elected to be treated as a real estate investment trust and whose primary business activity is limited to acting as a landlord of properties under long-term triple-net leases that may include Gaming Facilities.

**“Tenant Information”**: Information concerning Tenant, Tenant’s Parent or their respective Affiliates, or any of their respective assets or businesses, including, without limitation, the operation of the Leased Property.

**“Tenant Party”**: As defined in the definition of Licensing Event.

**“Tenant Representatives”**: As defined in **Section 23.4**.

**“Tenant Rewards Program”**: The “M-Life Rewards” program or any other customer loyalty program of Tenant’s Parent and its Affiliates to the extent used at, or in connection with the marketing, advertising or promotion of, the Leased Property.

**“Tenant’s Intellectual Property”**: As defined in **Section 6.3**.

**“Tenant’s Parent”**: (i) MGM Resorts International, (ii) any successor by operation of law (whether through a merger, consolidation or similar transaction) to the obligations of MGM Resorts International under the Guaranty, (iii) any other entity that acquires all or substantially all of the assets of MGM Resorts International and delivers a Guaranty to Landlord (with any such entity being required hereunder to deliver a Guaranty to Landlord), or (iv) in connection with any Foreclosure Assignment or Foreclosure COC, the Qualified Transferee that delivers a Guaranty to Landlord (with any such Qualified Transferee being required hereunder to deliver a Guaranty to Landlord) .

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**“Tenant’s Pledged Property”**: All now owned and hereafter acquired FF&E not otherwise part of the Leased Property and all other now owned and hereafter acquired personal property (including all gaming equipment), licenses, permits, subleases, concessions, and contracts, in each case, located at the Leased Property or primarily used or held for use in connection with the operation of the business conducted on or about the Leased Property as then being operated (including all Property Specific IP and Property Specific Guest Data) owned by or licensed or granted to Tenant, but not any cash, securities or investments; provided, that, Tenant’s Pledged Property shall exclude the following: all Excluded Assets, all products and proceeds of Tenant’s Pledged Property, Bellagio Trademarks, all other Intellectual Property other than Property Specific IP and Property Specific Guest Data, and any Gaming Licenses. Notwithstanding the foregoing, in no event shall Tenant’s Pledged Property include (i) any asset or property to the extent the grant of a security interest is prohibited by any Legal Requirements or requires a consent not obtained by any governmental authority pursuant to any Legal Requirements; (ii) any asset or property subject to shared services on a Non-Discriminatory basis consistent with past practice and in accordance with the Operating Standard; and (iii) any lease, license or other agreement or contract (including joint venture agreements) or any property subject to a purchase money security interest or similar arrangement (including equipment financing) entered into in the ordinary course of business consistent with the Operating Standard and does not impair in any material respect Landlord’s rights under **Section 36.1**.

**“Tenant’s Property”**: All assets, including the Tenant’s Pledged Property and Gaming Equipment (in each case other than the Leased Property and property owned by a third party (other than any Affiliate of Tenant) and Bellagio Trademarks) located at the Leased Property primarily related to or used in connection with the operation of the business conducted on or about the Leased Property, together with all replacements, modifications, additions, alterations and substitutes therefor, but specifically excluding the Excluded Assets.

**“Term”**: As defined in **Section 1.3**.

**“Termination Notice”**: As defined in **Section 17.1(d)**.

**“Test Period”**: For any date of determination, the period of the four (4) most recently ended consecutive fiscal quarters of such Person for which financial statements are available or are required to have been delivered hereunder. By way of example, with respect to the Preliminary Financial Covenant Compliance Report and the Final Financial Covenant Compliance Report, delivered on April 15, 2020 and May 30, 2020, the Test Period shall be April 1, 2019 through March 31, 2020.

**“Transition Services Agreement”**: Any transition services agreement to be entered into between Landlord and Tenant pursuant to **Article XXXVI**.

**“Treasury Regulations”**: The regulations promulgated under the Code, as such regulations may be amended from time to time.

**“UCC”**: Uniform Commercial Code as in effect in the State of New York; provided, that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any collateral is governed by the Uniform Commercial Code as in effect in a

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jurisdiction other than the State of New York, “UCC” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“Unavoidable Delay”: Delays due to strikes, lock-outs, inability to procure materials, power failure, acts of God, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty or other causes beyond the reasonable control of the party responsible for performing an obligation hereunder; provided, that lack of funds shall not be deemed a cause beyond the reasonable control of a party.

“Unsuitable for Its Primary Intended Use”: A state or condition of the Facility such that by reason of damage or destruction, or a partial Condemnation, the Facility cannot, following restoration thereof (to the extent commercially practical), be operated on a commercially practicable basis for its Primary Intended Use, taking into account, among other relevant factors, the amount of square footage and the estimated revenue affected by such damage or destruction.

“U.S.A. Patriot Act”: As defined in **Section 8.2(c)**.

“Water Infrastructure”: As defined in **Section 1.1(f)**.

“Water Permits”: As defined in **Section 1.1(f)**.

“Water Rights”: As defined in **Section 1.1(f)**.

### ARTICLE III

#### RENT

##### **3.1**Rent

. During the Term, Tenant will pay to Landlord the Rent and Additional Charges in lawful money of the United States of America and legal tender for the payment of public and private debts, in the manner provided in **Section 3.3**. The Base Rent during any Lease Year is payable in advance in consecutive equal monthly installments on the first (1st) Business Day of each calendar month during that Lease Year. Unless otherwise agreed by the parties, Rent and Additional Charges shall be prorated as to any partial months at the beginning and end of the Term. Rent payable during any Lease Year consisting of more or less than twelve (12) calendar months shall be adjusted such that the portion of the Rent for each calendar month in any such Lease Year is equal to the Rent divided by twelve (12).

##### **3.2**Late Payment of Rent

. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent or Additional Charges will cause Landlord to incur costs not contemplated hereunder, the exact amount of which is presently anticipated to be extremely difficult to ascertain. Accordingly, if any installment of Rent or Additional Charges (other than Additional Charges payable to a Person other than Landlord) shall not be paid within five (5) days after its due date, Tenant will pay Landlord on demand a late charge equal to the lesser of (a) five percent (5%) of the amount of such installment or (b) the maximum amount permitted by law. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. The parties further agree that such

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late charge is Rent and not interest and such assessment does not constitute a lender or borrower/creditor relationship between Landlord and Tenant. Thereafter, if any installment of Rent or Additional Charges shall not be paid within ten (10) days after its due date, the amount unpaid, including any late charges previously accrued, shall bear interest at the Overdue Rate from the due date of such installment to the date of payment thereof, and Tenant shall pay such interest to Landlord on demand. The payment of such late charge or such interest shall not constitute waiver of, nor excuse or cure, any default under this Lease, nor prevent Landlord from exercising any other rights and remedies available to Landlord.

### **3.3 Method of Payment of Rent**

. Rent and Additional Charges to be paid to Landlord shall be paid by electronic funds transfer debit transactions through wire transfer of immediately available funds and shall be initiated by Tenant for settlement on or before the Payment Date; provided, however, if the Payment Date is not a Business Day, then settlement shall be made on the next succeeding day which is a Business Day. Landlord shall provide Tenant with appropriate wire transfer information in a Notice from Landlord to Tenant. If Landlord directs Tenant to pay any Rent to any party other than Landlord, Tenant shall send to Landlord, simultaneously with such payment, a copy of the transmittal letter or invoice and a check whereby such payment is made or such other evidence of payment as Landlord may reasonably require.

### **3.4 Net Lease**

. Landlord and Tenant acknowledge and agree that (i) this Lease is and is intended to be what is commonly referred to as a "net, net, net" or "triple net" lease, and (ii) the Rent shall be paid absolutely net to Landlord, so that this Lease shall yield to Landlord the full amount or benefit of the installments of Rent and Additional Charges throughout the Term, all as more fully set forth in **Article IV** and subject to any other provisions of this Lease which expressly provide for adjustment or abatement of Rent or other charges. If Landlord commences any proceedings for non-payment of Rent, Tenant will not interpose any counterclaim or cross complaint or similar pleading of any nature or description in such proceedings unless Tenant would lose or waive such claim by the failure to assert it. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in a separate action brought by Tenant. The covenants to pay Rent and other amounts hereunder are independent covenants, and Tenant shall have no right to hold back, offset or fail to pay any such amounts for default by Landlord or for any other reason whatsoever.

### **3.5 Fair Market Rent**

. In the event that it becomes necessary to determine the Fair Market Rent of the Facility for any purpose of this Lease, and the parties cannot agree among themselves on such Fair Market Rent within twenty (20) days after the first request made by one of the parties to do so, then either party may notify the other of a person selected to act as appraiser (such person, and each other person selected as provided herein, an "**Appraiser**") on its behalf. Within fifteen (15) days after receipt of any such Notice, the other party shall by notice to the first party appoint a second person as Appraiser on its behalf. The Appraisers thus appointed, each of whom must be a member of The Appraisal Institute/American Institute of Real Estate Appraisers (or any successor organization thereto, or, if no such organization exists, a similarly nationally recognized real estate appraisal organization) with at least ten (10) years of experience appraising properties similar to the Facility, shall, within forty-five (45) days after the date of the notice appointing the first appraiser, proceed to appraise the Facility to determine the Fair Market Rent thereof as of the relevant date; provided, that if one Appraiser shall have been

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so appointed, or if two Appraisers shall have been so appointed but only one such Appraiser shall have made such determination within fifty (50) days after the making of the initial appointment, then the determination of such Appraiser shall be final and binding upon the parties. If two (2) Appraisers shall have been appointed and shall have made their determinations within the respective requisite periods set forth above and if the difference between the amounts so determined shall not exceed five percent (5%) of the lesser of such amounts, then the Fair Market Rent shall be an amount equal to fifty percent (50%) of the sum of the amounts so determined. If the difference between the amounts so determined shall exceed five percent (5%) of the lesser of such amounts, either party may request the appointment of Experts pursuant to **Article XXXIV** to determine Fair Market Rent.

## **ARTICLE IV**

### **IMPOSITIONS**

#### **4.1 Impositions**

. (a) Subject to **Article XII** relating to permitted contests, Tenant shall pay, or cause to be paid, all Impositions as and when due before any fine, penalty, interest or cost may be added for non-payment. Tenant shall make such payments directly to the taxing authorities (or such other party imposing the same), and, on a quarterly basis shall promptly, where feasible, furnish to Landlord copies of official receipts or other satisfactory proof evidencing such payments. If Tenant is not permitted to, or it is otherwise not feasible for Tenant to, make such payments directly to the taxing authorities or other applicable party, then Tenant shall make such payments to Landlord at least ten (10) Business Days prior to the due date, and Landlord shall make such payments to the taxing authorities or other applicable party prior to the due date. Tenant's obligation to pay Impositions shall be absolutely fixed upon the date such Impositions become a lien upon the Leased Property or any part thereof subject to **Article XII**. If any Imposition may, at the option of the taxpayer, lawfully be paid in installments, whether or not interest shall accrue on the unpaid balance of such Imposition, Tenant may pay the same, and any accrued interest on the unpaid balance of such Imposition, in installments as the same respectively become due and before any fine, penalty, premium, further interest or cost may be added thereto.

(b) Landlord or Landlord's Parent shall prepare and file all tax returns and reports as may be required by Legal Requirements with respect to Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock and any other returns required to be filed by or in the name of Landlord with respect to or relating to the Leased Property (the "**Landlord Tax Returns**"), and Tenant or Tenant's Parent shall prepare and file all other tax returns and reports as may be required by Legal Requirements with respect to or relating to the Leased Property (including all Capital Improvements), and Tenant's Property.

(c) Any refund due from any taxing authority in respect of any Imposition paid by or on behalf of Tenant shall be paid over to or retained by Tenant (and any refund due from any taxing authority in respect of any Imposition paid by or on behalf of Landlord, if any, shall be paid over to or retained by Landlord (unless Tenant has subsequently reimbursed Landlord therefor)) if no Event of Default has occurred and is continuing. If an Event of Default shall have been declared by Landlord and be continuing, any such refund shall be paid over to or retained by Landlord.

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(d) Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the party to whom the request is made with respect to the Leased Property as may be necessary to prepare any required returns and reports. If any property covered by this Lease is classified as personal property for tax purposes, Tenant shall file all personal property tax returns in such jurisdictions where it must legally so file. Landlord, to the extent it possesses the same, and Tenant, to the extent it possesses the same, shall provide the other party, upon request, with cost and depreciation records necessary for filing returns for any property so classified as personal property. Where Landlord is legally required to file personal property tax returns, Tenant shall be provided with copies of assessment notices indicating a value in excess of the reported value in sufficient time for Tenant to file a protest.

(e) Billings for reimbursement by Tenant to Landlord of personal property or real property taxes and any taxes due under Landlord Tax Returns, if and to the extent Tenant is responsible for such taxes under the terms of this **Section 4.1**, shall be accompanied by copies of a bill therefor and payments thereof which identify the personal property or real property or other tax obligations of Landlord with respect to which such payments are made.

(f) Impositions imposed or assessed in respect of the tax-fiscal period during which the Term terminates shall be adjusted and prorated between Landlord and Tenant, whether or not such Imposition is imposed or assessed before or after such termination, and Tenant's obligation to pay its prorated share thereof in respect of a tax-fiscal period during the Term shall survive such termination. Landlord will not voluntarily enter into agreements that will result in additional Impositions without Tenant's consent, which shall not be unreasonably withheld, conditioned or delayed (it being understood that it shall not be reasonable to withhold consent to customary additional Impositions that other property owners of properties similar to the Leased Property customarily consent to in the ordinary course of business); provided, Tenant is given reasonable opportunity to participate in the process leading to such agreement. Impositions imposed or assessed in respect of any tax fiscal period occurring (in whole or in part) prior to the Commencement Date shall be Tenant's obligation to pay or cause to be paid.

#### **4.2 Utilities and other Matters**

. Tenant shall pay or cause to be paid when due and payable all charges for electricity, power, gas, oil, water and other utilities used in the Leased Property (including all Capital Improvements). Tenant shall also pay when due and payable or promptly reimburse Landlord for all costs and expenses of any kind whatsoever which at any time with respect to the Term hereof with respect to the Facility may be imposed against Landlord by reason of any of the Property Documents, including any and all costs and expenses associated with any utility, drainage and parking easements.

#### **4.3 Compliance Certificate**

. Landlord shall deliver to Tenant, promptly following Landlord's receipt thereof, any bills received by Landlord for items required to be paid by Tenant hereunder, including, without limitation, Impositions, utilities and insurance. Tenant shall furnish to Landlord on a quarterly basis (at the time of the quarterly reporting contemplated to be delivered pursuant to **Section 23.1(b)(iii)**), a certification (together with reasonable evidence of payment) stating that in all material respects all or a specified portion of Impositions, utilities, insurance premiums or, to the extent specified by Landlord, any other amounts payable by Tenant hereunder that have, in each case, come due prior to the date of such certification have

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been paid (or that such payments are being contested in good faith by Tenant in accordance herewith).

#### **4.4 Impound Account**

. At Landlord's option following the occurrence and during the continuation of an Event of Default (to be exercised by thirty (30) days' Notice to Tenant), Tenant shall be required to deposit with Landlord (or its Fee Mortgagee), at the time of any payment of Base Rent, an amount equal to one-twelfth of the sum of (i) Tenant's estimated annual Impositions required pursuant to **Section 4.1** hereof (as reasonably determined by Landlord), and (ii) Tenant's estimated annual maintenance expenses and insurance premium costs pursuant to **Articles IX and XIII** hereof (as reasonably determined by Landlord). Such amounts shall be applied to the payment of the obligations in respect of which said amounts were deposited in such order of priority as Landlord shall reasonably determine, on or before the respective dates on which the same or any of them would become delinquent. The reasonable cost of administering such impound account shall be paid by Tenant. Nothing in this **Section 4.4** shall be deemed to affect any right or remedy of Landlord hereunder.

### **ARTICLE V**

#### **NO ABATEMENT**

##### **5.1 No Termination, Abatement, etc**

. Except as specifically provided in **Article XIV** and **Article XV** in this Lease, Tenant shall remain bound by this Lease in accordance with its terms and shall not seek or be entitled to any abatement, deduction, deferment or reduction of Rent, or set-off against the Rent. Except as expressly provided in **Article XIV** and **Article XV** in this Lease, the respective obligations of Landlord and Tenant shall not be affected by reason of (i) any damage to or destruction of the Leased Property or any portion thereof from whatever cause or any Condemnation of the Leased Property, any Capital Improvement or any portion thereof; (ii) other than to the extent arising as a result of Landlord's willful misconduct or gross negligence (which Landlord does not cure after notice from Tenant), the lawful or unlawful prohibition of, or restriction upon, Tenant's use of the Leased Property, any Capital Improvement or any portion thereof, the interference with such use by any Person or by reason of eviction by paramount title; (iii) any claim that Tenant has or might have against Landlord by reason of any default or breach of any warranty by Landlord hereunder or under any other agreement between Landlord and Tenant or to which Landlord and Tenant are parties; (iv) any bankruptcy, insolvency, reorganization, consolidation, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord; or (v) for any other cause, whether similar or dissimilar to any of the foregoing. Tenant hereby specifically waives all rights arising from any occurrence whatsoever which may now or hereafter be conferred upon it by law (a) to modify, surrender or terminate this Lease or quit or surrender the Leased Property or any portion thereof, or (b) which may entitle Tenant to any abatement, deduction, reduction, suspension or deferment of or defense, counterclaim, claim or set-off against the Rent or other sums payable by Tenant hereunder except in each case as may be otherwise specifically provided in **Article XIV** and **Article XV** in this Lease. Notwithstanding the foregoing, nothing in this **Article V** shall preclude Tenant from bringing a separate action against Landlord for any matter described in the foregoing clauses (ii), (iii) or (v) and Tenant is not waiving other rights and remedies not expressly waived herein, subject to Tenant's indemnification obligations in this Lease and **Section 41.3** of this Lease. The

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obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and the Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events unless the obligations to pay the same shall be terminated pursuant to the express provisions of this Lease or by termination of this Lease as to all or any portion of the Leased Property other than by reason of an Event of Default. Tenant's agreement that, except as may be otherwise specifically provided in this Lease, any eviction by paramount title as described in item (ii) above shall not affect Tenant's obligations under this Lease, shall not in any way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord for any damages incurred by any such eviction, Tenant shall be entitled to a credit for any sums recovered by Landlord under any such policy of title or other insurance up to the maximum amount paid by Tenant to Landlord under this **Section 5.1**,

## **ARTICLE VI**

### **OWNERSHIP OF LEASED PROPERTY**

#### **6.1 Ownership of the Leased Property**

. (a) Landlord and Tenant acknowledge and agree that they have executed and delivered this Lease with the understanding that (i) the Leased Property (including any Tenant Capital Improvements) is the property of Landlord, (ii) Tenant has only the right to the possession and use of the Leased Property upon the terms and conditions of this Lease, (iii) this Lease is intended to be a "true lease" for all applicable legal and federal state and local tax purposes and is not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Lease are those of a true lease, (iv) the business relationship created by this Lease and any related documents is and at all times shall remain that of landlord and tenant, (v) this Lease has been entered into by each party in reliance upon the mutual covenants, conditions and agreements contained herein, and (vi) none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership between Landlord and Tenant, to make them joint venturers, to make Tenant an agent, legal representative, partner, subsidiary or employee of Landlord, or to make Landlord in any way responsible for the debts, obligations or losses of Tenant. Notwithstanding anything to the contrary herein, Landlord is the fee or leasehold (as applicable) and record owner of the Leased Property.

(b) Each of the parties hereto covenants and agrees not to (i) file any income tax return or other associated documents; (ii) file any other document with or submit any document to any governmental body or authority; (iii) enter into any written contractual arrangement with any Person; or (iv) release any financial statements of Tenant, in each case that takes a position other than that this Lease is a "true lease" for federal, state and local tax purposes with Landlord as owner of the Leased Property and Tenant as the tenant of the Leased Property unless otherwise required by a final "determination" within the meaning of Section 1313 of the Code. The parties agree that the foregoing includes the agreement of the parties that (x) Landlord will be treated as the owner of such Leased Property eligible to claim depreciation deductions under Sections 167 or 168 of the Code with respect to such Leased Property (except as otherwise provided in **Section 11.1(b)**), (y) Tenant will report its Rent payments as rent

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expense under Section 162 of the Code, and (z) Landlord will report the Rent payments as rental income under Section 61 of the Code.

(c) Landlord and Tenant acknowledge and agree that the Rent is the fair market rent for the use of the Leased Property and was agreed to by Landlord and Tenant on that basis, and the execution and delivery of, and the performance by Tenant of its obligations under, this Lease does not constitute a transfer of all or any part of the Leased Property but rather the creation of the Leasehold Estate subject to the terms and conditions of this Lease.

(d) Tenant waives any claim or defense based upon the characterization of this Lease as anything other than a true lease for all applicable legal and federal, state and local tax purposes and as a lease of all of the Leased Property. Tenant stipulates and agrees (1) not to challenge the validity, enforceability or characterization of the lease of the Leased Property as a true lease, and (2) not to assert or take or omit to take any action inconsistent with the agreements and understandings set forth in **Section 3.4** or this **Section 6.1**. The expressions of intent, the waivers, the representations and warranties, the covenants, the agreements and the stipulations set forth in this **Section 6.1** are a material inducement to Landlord and Tenant entering into this Lease.

## **6.2 Tenant's Property**

. Tenant and its Subsidiaries may sell, transfer, convey or otherwise dispose of Tenant's Property (including in connection with selling, replacing or disposing of Tenant's Property as it becomes surplus, worn or obsolete or as a part of a refurbishment or renovation of the Facility or portion thereof that contemplates replacement of certain items of Tenant's Property with newly purchased Tenant's Property), or if the same is no longer used, useful or economically practicable) in their discretion in the ordinary course of business in a manner that does not impair the compliance of the Facility with the Operating Standard and Landlord shall have no rights to such Tenant's Property except as set forth herein (including in **Section 6.4** and **Section 36.1** and Landlord's lien with respect to such property will be automatically released as set forth in **Section 6.4(f)**). Pursuant to **Section 36.1**, at the end of the Term, Tenant (i) shall transfer and assign or license to Landlord, for no consideration, certain portions of Tenant's Property (as and only to the extent described in **Section 36.1**) and (ii) shall remove the remaining portion of Tenant's Property from the Leased Property at the end of the Term at Tenant's sole cost and expense. Subject to **Section 36.1**, any Tenant's Property left on the Leased Property at the end of the Term whose ownership was not transferred to a successor tenant or landlord shall be deemed abandoned by Tenant and shall become the property of Landlord. Notwithstanding anything in the foregoing to the contrary, any transfer, conveyance or other disposition by Landlord or Tenant of any Gaming Equipment will be subject to the approval, to the extent required, of any applicable Gaming Authority. All references to Tenant's Property in this **Section 6.2** shall exclude Intellectual Property.

## **6.3 Tenant's Intellectual Property**

. Except as otherwise specifically provided in this Lease, in the Bellagio Trademark License Agreement or in the Transition Services Agreement, Landlord and Tenant acknowledge and agree that (a) as between Tenant, Tenant's Parent and their respective Affiliates, and the Landlord and its Affiliates, Tenant, Tenant's Parent and their respective Affiliates, as applicable, shall be the sole and exclusive owners of all Property Specific IP Bellagio Trademarks and their respective rights to the System-wide IP, (b) Tenant, Tenant's Parent and their respective Affiliates may sell, transfer, convey or otherwise

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dispose of, modify, use or discontinue use of, Property Specific IP, Bellagio Trademarks and System-wide IP in their sole discretion in the ordinary course of business in a manner that does not materially adversely affect the Facility's compliance with the Operating Standard, (c) Landlord shall have no rights in or to the Property Specific IP, Bellagio Trademarks or System-wide IP, (d) Landlord shall not claim any rights in or to, or challenge, contest or otherwise interfere with Tenant's, Tenant's Parent's or their respective Affiliates', as applicable, sole and exclusive ownership of the Property Specific IP, Bellagio Trademarks or their respective rights to the System-wide IP and (e) Tenant may remove or otherwise dispose of Property Specific IP, Bellagio Trademarks and System-wide IP from the Leased Property at the end of the Term, or may modify the Leased Property at the end of the Term such that Landlord's or any successor tenant's use of the Leased Property does not infringe upon, dilute, or adversely affect Tenant's, Tenant's Parent's or their respective Affiliates' rights in the Property Specific IP, Bellagio Trademarks or System-wide IP. Notwithstanding the foregoing, Tenant shall, during the entire Term, undertake commercially reasonable efforts to abide by (or cause its Subsidiaries, if any, to abide by) the terms and conditions of any IP Licenses. Landlord's prior written consent shall be required in order for Tenant to take any action that would, or could reasonably be expected to, result in the Leased Property no longer being identified as "Bellagio" or which would, or could otherwise be reasonably expected to, materially adversely affect Tenant's rights under any material IP Licenses during the Term of the Lease.

#### **6.4 Landlord's Security Interest in Tenant's Pledged Property**

(a) Tenant represents and warrants that as of the date hereof, substantially all of Tenant's Pledged Property (other than any Intellectual Property) that is primarily related to the Leased Property and reasonably necessary to operate the Leased Property in accordance with the Operating Standard is owned by Tenant. Following the date hereof, (i) Tenant shall use commercially reasonable efforts to cause to be transferred to Tenant any Tenant's Pledged Property (other than any Intellectual Property) that was not owned by Tenant but is primarily related to the Leased Property and reasonably necessary to operate the Leased Property in accordance with the Operating Standard on a Non-Discriminatory basis consistent with past practice as soon as reasonably practical, but in no event later than one (1) year after the date hereof and (ii) Tenant shall cause all Property Specific IP to be transferred to Tenant within thirty (30) days after the date hereof.

(b) Tenant covenants and agrees that any replacements, substitutions and additions of FF&E and all personal property (including all gaming equipment), licenses, permits, subleases, concessions, and contracts, in each case, to be located at the Leased Property or primarily used or held for use in connection with the operation of the business conducted on or about the Leased Property as then being operated (including all Property Specific IP and Property Specific Guest Data) (but excluding property used in providing shared services to other assets of Affiliates of Tenant's Parent on a Non-Discriminatory basis) shall be acquired by and owned by Tenant (or licensed or granted to Tenant with respect to certain Property Specific IP) (and not by any Affiliate of Tenant) and all such items shall be included in Tenant's Pledged Property.

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(c) To secure the performance of Tenant's obligations under this Lease, including, without limitation, Tenant's obligation to pay Rent hereunder, Tenant, as debtor, hereby grants to Landlord, as secured party, a first priority security interest in all of Tenant's right, title and interest in and to Tenant's Pledged Property now owned or in which Tenant hereafter acquires an interest or right. This Lease constitutes a security agreement covering all such Tenant's Pledged Property. Tenant shall grant no security interest in Tenant's Pledged Property except pursuant to a Permitted Leasehold Mortgage. The Parties acknowledge that any security interest granted pursuant to a Permitted Leasehold Mortgage shall be a subordinate lien and subject to the terms of any Intercreditor Agreement.

(d) Tenant shall pay all filing fees and record search fees and other reasonable costs for such additional security agreements, financing statements, fixture filings, and other documents as Landlord may reasonably require to perfect or to continue the perfection of Landlord's security interest in Tenant's Pledged Property. Landlord shall have the right to collaterally assign such security interest granted to Landlord in Tenant's Pledged Property to any Fee Mortgagee.

(e) Notwithstanding anything herein to the contrary, the lien and security interest granted to Landlord pursuant to this Lease in the Tenant's Pledged Property and the exercise of any right or remedy by Landlord hereunder against the Tenant's Pledged Property are subject to the provisions of any Intercreditor Agreement and Tenant's right to operate the Property in the ordinary course of business consistent with the Operating Standard. In the event of any conflict between the terms of the Intercreditor Agreement and this Lease, the terms of the Intercreditor Agreement shall govern and control.

(f) Any Tenant's Pledged Property that is sold, transferred, conveyed or otherwise disposed of in accordance with **Section 6.2** or **Section 6.3** or in a manner not otherwise prohibited by this Lease shall be automatically released from the security interest granted to Landlord in Tenant's Pledged Property and Landlord shall, at Tenant's request, execute such documents and instruments to evidence, acknowledge and/or confirm such release. Landlord acknowledges that a Permitted Leasehold Mortgagee may have a subordinate lien on Tenant's Pledged Property, provided that such lien in favor of a Permitted Leasehold Mortgagee is subject and subordinate to the first-priority lien thereon in favor of Landlord on the terms and conditions set forth in any Intercreditor Agreement.

(g) The security interest granted to Landlord in Tenant's Pledged Property shall not apply to any Tenant's Pledged Property which is subject to a bona fide purchase money financing with respect thereto (including equipment leases or equipment financing) permitted pursuant to **Section 11.1(a)(i)**. Any funds spent by Tenant from purchase money financing (including equipment leases or equipment financing) permitted pursuant to **Section 11.1(a)(i)**, which is superior to the security interest granted to Landlord in Tenant's Pledged Property, shall not be applied toward the minimum Required CapEx set forth in **Section 9.1(e)**.

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(h) Notwithstanding the foregoing or anything herein to the contrary, Landlord shall have no right to foreclose upon (or commence any foreclosure proceedings) or exercise any remedies against or in respect of Landlord's security interest in Tenant's Pledged Property at any time prior to the effective date of termination of this Lease pursuant to **Section 16.2(a)(i)**.

## **ARTICLE VII**

### **CONDITION AND USE OF LEASED PROPERTY**

#### **7.1 Condition of the Leased Property**

. Tenant acknowledges receipt and delivery of possession of the Leased Property and confirms that Tenant has examined and otherwise has knowledge of the condition of the Leased Property prior to the execution and delivery of this Lease and has found the same to be in good order and repair and, to the best of Tenant's knowledge, free from Hazardous Substances not in compliance with Legal Requirements and satisfactory for its purposes hereunder, it being understood and acknowledged by Tenant that, immediately prior to Landlord's acquisition of the Leased Property and contemporaneous entry into this Lease, Tenant (or its Affiliates) was the owner of all of Landlord's interest in and to the Leased Property and, accordingly, Tenant is charged with, and deemed to have, full and complete knowledge of all aspects of the condition and state of the Leased Property as of the Commencement Date. Regardless, however, of any examination or inspection made by Tenant and whether or not any patent or latent defect or condition was revealed or discovered thereby, Tenant is leasing the Leased Property "as is" in its present condition. Tenant waives any claim or action against Landlord in respect of the condition of the Leased Property including any defects or adverse conditions not discovered or otherwise known by Tenant as of the Commencement Date. **LANDLORD MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, INCLUDING AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, OR AS TO THE NATURE OR QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE STATUS OF TITLE TO THE LEASED PROPERTY OR THE PHYSICAL CONDITION OR STATE OF REPAIR THEREOF, OR THE ZONING OR OTHER LAWS, ORDINANCES, BUILDING CODES, REGULATIONS, RULES AND ORDERS APPLICABLE THERETO OR TO ANY CAPITAL IMPROVEMENTS WHICH MAY BE NOW OR HEREAFTER CONTEMPLATED, THE IMPOSITIONS LEVIED IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, OR THE USE THAT MAY BE MADE OF THE LEASED PROPERTY OR ANY PART THEREOF, THE INCOME TO BE DERIVED FROM THE FACILITY OR THE EXPENSE OF OPERATING THE SAME, OR THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, IT BEING AGREED THAT ALL SUCH RISKS, LATENT OR PATENT, ARE TO BE BORNE SOLELY BY TENANT INCLUDING ALL RESPONSIBILITY AND LIABILITY FOR ANY ENVIRONMENTAL REMEDIATION AND COMPLIANCE WITH ALL ENVIRONMENTAL LAWS.**

#### **7.2 Use of the Leased Property**

. (a) Tenant shall use or cause to be used the Leased Property and the improvements thereon for its Primary Intended Use in accordance with the Operating Standard. Tenant shall not use or permit the use of the Leased Property or any portion

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thereof or any Capital Improvement thereto for any other use without the prior written consent of Landlord, which consent Landlord may withhold in its sole discretion. Landlord acknowledges that operation of each Gaming Facility for its Primary Intended Use generally requires a Gaming License under applicable Gaming Regulations and that without such a license neither Landlord nor any Affiliate of Landlord may operate, control or participate in the conduct of a Gaming Facility. Tenant acknowledges that operation of the Facility for its Primary Intended Use generally may require a Gaming License under applicable Gaming Regulations and that without such a license, if applicable, Tenant may not operate, control or participate in the conduct of the gaming operations at the Facility.

(b) Tenant shall not commit or suffer to be committed any waste on the Leased Property (including any Capital Improvement thereto) or cause or permit any nuisance thereon or to, except as required by law, take or suffer any action or condition that will diminish the ability of the Leased Property to be used as a Gaming Facility or otherwise for the Primary Intended Use (except in connection with any use, or change of use, permitted pursuant to **Section 7.2(a)** above) during the Term or after the expiration or earlier termination of the Term.

(c) Tenant shall neither suffer nor permit the Leased Property or any portion thereof to be used in such a manner as (i) would reasonably be expected to impair Landlord's title thereto or to any portion thereof or (ii) would reasonably be expected to result in a claim of adverse use or possession, or an implied dedication of the Leased Property or any portion thereof. Without the prior written consent of Landlord, Tenant may not impose or permit the imposition of any restrictive covenants, easements or other encumbrances which would encumber Landlord's interest in the Leased Property, Landlord shall have the right to approve any restrictive covenant, easement or other encumbrance on the Leased Property if such matter would survive the expiration or termination of this Lease or requires any signature or other action by Landlord, such approval not to be unreasonably withheld, conditioned or delayed unless in Landlord's good faith judgment (x) there is more than a de minimis effect on the value or use of the Leased Property or (y) such matter benefits a Tenant Competitor or Affiliate of Tenant or Tenant's Parent. Tenant may impose or permit the imposition of any restrictive covenants, easements or other similar encumbrances (excluding, for the avoidance of doubt, any mortgages unless such mortgage is a Permitted Leasehold Mortgage) which would encumber Tenant's leasehold estate and shall (x) expressly provide that they do not affect Landlord's interest in the Leased Property and (y) not result in any physical structures or other matters which may need to be removed or restored after the expiration of the Lease. Other than any liens or other encumbrances granted to a Fee Mortgagee, Landlord will not enter into agreements that will encumber the Leased Property without Tenant's consent, which shall not be unreasonably withheld, conditioned or delayed if the proposed matter would not reasonably be expected to interfere with Tenant's conduct of its business on the Leased Property or with the use of the Leased Property for its Primary Intended Use (it being agreed and understood that any proposed encumbrance related to, or for the benefit of, any Tenant Competitor, would require Tenant's consent, which Tenant may grant or withhold in its sole discretion), provided, that, Tenant is given reasonable opportunity to participate in the process leading to such agreement. Nothing in the foregoing is intended to vitiate or supersede Tenant's right to enter into Permitted Leasehold Mortgages or Landlord's right to enter into Fee Mortgages in each case as and to the extent provided herein. In addition, each of Landlord and Tenant agrees to, at the sole cost and expense

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of the other, reasonably cooperate with the other party and all applicable authorities in connection with the foregoing, including the provision and execution of such documents and other information as may be requested by such other party or such authorities relating to the Leased Property and which are within such party's reasonable control to obtain and provide. Landlord further agrees to use commercially reasonable efforts (at Tenant's sole cost and expense) to obtain the consent of the Fee Mortgage should Fee Mortgage's consent be required in connection with any restrictive covenant, easement or other encumbrance.

(d) Except as a result of a Casualty Event or other Unavoidable Delay, Tenant shall continuously operate the Facility for the Primary Intended Use in accordance with the Operating Standard.

(e) Subject to **Article XII** regarding permitted contests, Tenant, at its sole cost and expense, shall promptly (i) comply in all material respects with all Legal Requirements and Insurance Requirements affecting the Facility and the business conducted thereat (taking into account any "grandfather" rights with respect to any applicable Legal Requirements), including those regarding the use, operation, maintenance, repair and restoration of the Leased Property or any portion thereof (including all Capital Improvements) and Tenant's Property whether or not compliance therewith may require structural changes in any of the Leased Improvements or interfere with the use and enjoyment of the Leased Property or any portion thereof (taking into account any "grandfather" rights with respect to any applicable Legal Requirements), and (ii) procure, maintain and comply in all material respects with all Gaming Regulations and Gaming Licenses, and other authorizations required for the use of the Leased Property (including all Capital Improvements) and Tenant's Property for the applicable Primary Intended Use and any other use of the Leased Property (and Capital Improvements then being made) and Tenant's Property, and for the proper erection, installation, operation and maintenance of the Leased Property and Tenant's Property.

(f) Tenant shall not, without the prior written consent of Landlord, cease to operate or permit the Facility to cease to be operated under the "Bellagio" brand.

(g) Without limitation of any of the other provisions of this Lease, Tenant shall comply in all material respects with all Property Documents and Landlord shall reasonably cooperate with Tenant (at Tenant's sole cost and expense) to the extent necessary for to Tenant to so comply.

(h) Any Affiliate Agreements relating to the Leased Property between Tenant and its Affiliates (or between the Facility and Tenant's Affiliates) must be Permitted Affiliate Agreements. Any other Affiliate Agreements entered into after the date of this Lease shall require Landlord's consent, such consent not to be unreasonably withheld, conditioned or delayed.

### **7.3 Additional Facilities**

Nothing contained in this Lease shall restrict Tenant's Affiliates' ability to develop, acquire, operate or sell any new Gaming Facilities (or any other property) which are not owned or operated by Tenant as of the date hereof and not subject to this Lease, provided that (x)

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Tenant and Tenant's Affiliates' are not permitted to brand another Gaming Facility in Nevada as "Bellagio" (or any Trademark confusingly similar thereto) until the later of the expiration of the Term or the expiration of the Bellagio Trademark License Agreement and (y) except as provided in **Section 7.2(d)**, at all times Tenant shall operate the Facility in accordance with the Operating Standard. Notwithstanding anything to the contrary contained herein, Landlord shall not have any right to purchase, nor shall Tenant have any obligation to make any offer to Landlord, in connection with any such other property or asset referenced in the preceding sentence. Further, neither Landlord nor any Affiliates of Landlord shall be restricted from participating in opportunities, including, without limitation, developing, building, purchasing or operating Gaming Facilities or any other property or asset, at any time; provided, however, that in no event shall Landlord at any time during the Term own or operate any Gaming Facility. For the avoidance of doubt, Affiliates of Landlord shall not be restricted from developing, building, purchasing, owning or opening Gaming Facilities.

## **ARTICLE VIII**

### **REPRESENTATIONS AND WARRANTIES; COMPLIANCE WITH LAW; GROUND LEASES**

#### **8.1 Representations and Warranties**

. Each party represents and warrants to the other that: (i) this Lease and all other documents executed or to be executed by it in connection herewith have been duly authorized and shall be binding upon it; (ii) it is duly organized, validly existing and in good standing under the laws of the state of its formation and is duly authorized and qualified to perform this Lease within the State; and (iii) neither this Lease nor any other document executed or to be executed in connection herewith violates the terms of any other agreement of such party.

#### **8.2 Compliance with Legal and Insurance Requirements, etc**

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(a) Subject to **Article XII** regarding permitted contests, Tenant, at its expense, shall promptly (a) comply in all material respects with all Legal Requirements and Insurance Requirements affecting the Facility and the business conducted therein, including those regarding the use, operation, maintenance, repair and restoration of the Leased Property (including all Capital Improvements thereto) and Tenant's Property whether or not compliance therewith may require structural changes in any of the Leased Improvements or interfere with the use and enjoyment of the Leased Property, and (b) procure, maintain and comply in all material respects with all Gaming Regulations and Gaming Licenses, and other authorizations required for the use of the Leased Property (including all Capital Improvements) and Tenant's Property for the applicable Primary Intended Use and any other use of the Leased Property (including Capital Improvements then being made) and Tenant's Property, and for the proper erection, installation, operation and maintenance of the Leased Property and Tenant's Property. In an emergency which Landlord determines is not being reasonably addressed by Tenant or in the event of a breach by Tenant of its obligations under this **Section 8.2** which is not cured within any applicable cure period, Landlord or its representatives (and any Fee Mortgagee) may, but shall not be obligated to, subject to all Legal Requirements, applicable Gaming Regulations and the rights of subtenants, enter upon the Leased Property and take such reasonable actions and incur such reasonable costs and expenses to effect such compliance as it reasonably deems

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advisable to protect its interest in the Leased Property, and Tenant shall reimburse Landlord for all such reasonable costs and expenses incurred by Landlord in connection with such actions. Tenant covenants and agrees that the Leased Property and Tenant's Property shall not be used for any unlawful purpose. Tenant shall comply with any Gaming Regulations or other regulatory requirements required of it in all material respects as a tenant of the Facility taking into account their Primary Intended Use. In the event that a Gaming Authority notifies Tenant that Tenant is in jeopardy of losing a Gaming License material to this Lease or the continued operation of the Facility, Tenant shall immediately notify Landlord and, assuming no Event of Default has occurred and is continuing, Tenant shall be given reasonable time to address the regulatory issue, after which period (but in all events prior to an actual revocation of such Gaming License), Tenant shall take reasonable steps to avoid the loss of such Gaming License (subject to the provisions of **Section 7.2(d)**).

(b) Landlord shall comply with any Gaming Regulations or other regulatory requirements required of it as owner of the Facility taking into account their Primary Intended Use (except to the extent Tenant fulfills or is required to fulfill any such requirements hereunder). In the event that a Gaming Authority notifies Landlord that it is in jeopardy of failing to comply with any such Gaming Regulation or other regulatory requirements material to the continued operation of the Facility for its Primary Intended Use, Landlord shall be given reasonable time to address the regulatory issue, after which period (but in all events prior to an actual cessation of the use of the Facility for its Primary Intended Use as a result of the failure by Landlord to comply with such regulatory requirements) Landlord shall be required to sell the Leased Property to a buyer that is in compliance with all Gaming Regulations and subject to this Lease. In the event during the period in which Landlord is complying with the preceding sentence, such regulatory agency notifies Landlord and Tenant that Tenant may not pay any portion of the Rent to Landlord, Tenant shall be entitled to fund such amount into an escrow account, to be released to Landlord or the party legally entitled thereto at or upon resolution of such regulatory issues and otherwise on terms reasonably satisfactory to the parties. Notwithstanding anything in the foregoing to the contrary, no transfer of Tenant's Property used in the conduct of gaming (including the purported or attempted transfer of a Gaming License) or the operation of a Gaming Facility shall be effected or permitted without receipt of all necessary approvals and/or Gaming Licenses in accordance with applicable Gaming Regulations.

(c) In connection with this Agreement, Tenant shall not take any action, directly or indirectly, that would result in a violation of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**U.S.A. Patriot Act**"), the Bank Secrecy Act of 1970 (the "**Bank Secrecy Act**"), the regulations or orders issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("**OFAC**"), or any other law that is designed to prevent bribery, terrorism, drug trafficking or money laundering.

### **8.3 Zoning and Uses**

. Tenant shall not, without the prior written consent of Landlord (i) initiate or support any limiting change in the permitted uses of the Leased Property (or to the extent applicable, limiting zoning reclassification of the Leased Property); (ii) seek any variance under existing land use restrictions, laws, rules or regulations (or, to the extent applicable, zoning ordinances) applicable to the Leased Property; (iii) execute or file any subdivision plat affecting the Leased Property, or institute, or permit the institution of, proceedings to alter any tax lot

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comprising the Leased Property; or (iv) knowingly permit or suffer the Leased Property or any portion thereof to be used by the public or any Person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement (provided that the proscription in this clause; provided, however, such consent shall not be unreasonably withheld, conditioned or delayed with respect to clauses (i)-(iv) provided that there is no more than a de minimis effect on the value or use of the Leased Property; and, provided, further, that Tenant may take an action described in the foregoing clauses (i) and (ii) if the same and any effect on the Facility and the Leased Property is de minimis and limited in the duration such that it would expressly not survive the expiration or earlier termination of this Lease. In the event any matter expressly permitted or consented to by Landlord requires any signature or other action by Landlord, Landlord agrees to, at Tenant's sole cost and expense, reasonably cooperate with Tenant and all applicable authorities in connection with the foregoing clauses (i)-(iv), including the provision and execution of such customary documents and other information as may be requested by Tenant or such authorities relating to the Leased Property and which are within Landlord's reasonable control to obtain and provide, provided that Tenant acknowledges and agrees that any third-party claims arising under such documents are expressly covered by Tenant's indemnification obligations under **Section 21.1**. Landlord further agrees to use commercially reasonable efforts (at Tenant's sole cost and expense) to obtain the consent of the Fee Mortgagee should Fee Mortgagee's consent be required in connection with the foregoing clauses (i)-(iv).

#### **8.4 Compliance with Ground Leases**

(a) This Lease, to the extent affecting and solely with respect to any Ground Leased Property, is and shall be subject and subordinate to all of the terms and conditions of the Ground Leases. Tenant hereby acknowledges that Tenant has reviewed and agreed to all of the terms and conditions of the Ground Leases. Tenant hereby agrees that Tenant shall not do, or fail to do, anything that would cause any violation of the Ground Leases. Without limiting the foregoing, (i) Tenant shall pay Landlord on demand as an Additional Charge hereunder all rent required to be paid by, and other monetary obligations of, Landlord as tenant under the Ground Leases (and, at Landlord's or Tenant's option, Tenant shall make such payments directly to the Ground Lessors); provided, however, such Additional Charges payable by Tenant shall exclude any additional costs under the Ground Leases which are caused solely by Landlord after the date hereof without consent or fault of or omission by Tenant unless Tenant had prior knowledge of the action or omission of Landlord and had a reasonable opportunity to notify Landlord that such action or omission will result in additional costs under the Ground Lease and failed to so notify, (ii) to the extent Landlord is required to obtain the written consent of the lessor under any Ground Lease (a "**Ground Lessor**") to alterations of or the subleasing of all or any portion of the Ground Leased Property pursuant to a Ground Lease, Tenant shall likewise obtain such Ground Lessor's written consent to alterations of or the subleasing of all or any portion of the Ground Leased Property, and (iii) Tenant shall carry and maintain general liability, automobile liability, property and casualty, worker's compensation and employer's liability insurance in amounts and with policy provisions, coverages and certificates as required of Landlord as tenant under the Ground Leases.

(b) In the event of cancellation or termination of a Ground Lease for any reason whatsoever whether voluntary or involuntary (by operation of law or otherwise) prior

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to the expiration date of this Lease, including extensions and renewals granted thereunder, then, at the applicable Ground Lessor's option, Tenant shall make full and complete attornment to such Ground Lessor with respect to the obligations of Landlord to such Ground Lessor in connection with the applicable Ground Leased Property for the balance of the term of such Ground Lease (notwithstanding that this Lease shall have expired with respect to such Ground Leased Property as a result of the cancellation or termination of such Ground Lease) provided Ground Lessor agrees not to disturb Tenant's leasehold interest or possession of the Leased Property in accordance with the terms hereof. Tenant's attornment and Ground Lessor's non-disturbance shall be evidenced by a written agreement which shall provide that Tenant is in direct privity of contract with such Ground Lessor (i.e., that Landlord recognizes Tenant's rights under this Lease and that all obligations previously owed to Landlord under this Lease with respect to such Ground Lease or such Ground Leased Property shall be obligations owed to such Ground Lessor for the balance of the Term of this Lease, notwithstanding that this Lease shall have expired with respect to such Ground Leased Property as a result of the cancellation or termination of such Ground Lease) and which shall otherwise be in form and substance reasonably satisfactory to such Ground Lessor and Tenant. Tenant and Ground Lessor shall execute and deliver such written attornment and non-disturbance within thirty (30) days after request by such Ground Lessor. Unless and until such time as an attornment and non-disturbance agreement is executed by Tenant and Ground Lessor pursuant to this **Section 8.4(b)**, nothing contained in this Lease shall create, or be construed as creating, any privity of contract or privity of estate between any Ground Lessor and Tenant.

(c) With respect to any Ground Leased Property, the Ground Lease for which has an expiration date (taking into account any renewal options exercised thereunder as of the Commencement Date or hereafter exercised) prior to the expiration of the Term (taking into account any exercised renewal options hereunder), this Lease shall expire solely with respect to such Ground Leased Property concurrently with such Ground Lease expiration date (taking into account the terms of the following sentences of this **Section 8.4(c)** subject to the later provisions of this paragraph). There shall be no reduction in Rent nor Required CapEx by reason of such expiration with respect to, and the corresponding removal from this Lease of, any such Ground Leased Property. Notwithstanding the removal of an expired Ground Lease from this Lease, any costs, expenses or obligations under a Ground Lease that expires or otherwise terminates (including with respect to any obligation to restore such premises and remove any improvements) shall be borne by Tenant under this Lease and all indemnification obligations of Tenant with respect to such Ground Lease (including without limitation, **Section 8.4(e)** and **Section 21.1**) shall continue notwithstanding the expiration or termination of such Ground Lease (without limiting any rights Tenant may have against third parties with respect thereto). Landlord (as ground lessee) shall be required to exercise all renewal options contained in each Ground Lease so as to extend the term thereof (provided, that Tenant shall furnish to Landlord written notice of the outside date by which any such renewal option must be exercised in order to validly extend the term of any such Ground Lease; such notice shall be delivered no earlier than one hundred twenty (120) days prior to the earliest date any such option may be validly exercised and no later than forty-five (45) days prior to the outside date by which such option must be validly exercised, which notice shall be followed by a second notice from Tenant to Landlord of such outside date, such notice to be furnished to Landlord no later than fifteen (15) days prior to the outside date), and Landlord shall (promptly after sending) provide Tenant with a copy of Landlord's exercise of such renewal option. With respect to any Ground Lease that otherwise

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would expire during the Term, Tenant, on Landlord's behalf (but in consultation with Landlord and with cooperation from Landlord, as reasonably requested or needed by the parties hereto), shall have the right to negotiate for a renewal or replacement of such Ground Lease with the third-party ground lessor, on terms satisfactory to Tenant (subject, (i) to Landlord's reasonable consent with respect to the provisions, terms and conditions thereof which would reasonably be expected to (x) materially and adversely affect Landlord or the Leased Property or which would disproportionately impose rent or other obligations on Landlord following the Term (or early termination of this Lease), or (y) impose any obligations upon Landlord or the Leased Property which would not be satisfied by Tenant as an Additional Charge, and (ii) in the case of any such renewal or replacement that would extend the term of such Ground Lease beyond the Term, to Landlord's sole right to approve any such provisions, terms and conditions that would be applicable beyond the Term).

(d) Nothing contained in this Lease amends, or shall be construed to amend, any provision of the Ground Leases.

(e) Tenant shall indemnify, defend and hold harmless the Landlord Indemnified Parties, the Ground Lessor, any master lessor to Ground Lessor and any other party entitled to be indemnified by Landlord pursuant to the terms of any Ground Lease from and against any and all claims arising from or in connection with the Facility and/or this Lease with respect to which such party is entitled to indemnification by Landlord pursuant to the terms of any Ground Lease, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon to the extent provided in the applicable Ground Lease; and in case any such action or proceeding be brought against any of the Landlord Indemnified Parties, any Ground Lessor or any master lessor to Ground Lessor or any such party by reason of any such claim, Tenant, upon notice from Landlord or any of its Affiliates or such other Landlord Indemnified Party, such Ground Lessor or such master lessor to Ground Lessor or any such party, shall defend the same at Tenant's expense by counsel reasonably satisfactory to the party or parties indemnified pursuant to this paragraph or the Ground Lease. Notwithstanding the foregoing, in no event shall Tenant be required to indemnify, defend or hold harmless the Landlord Indemnified Parties, the Ground Lessor, any master lessor to Ground Lessor or any other party from or against any claims to the extent resulting from (i) the gross negligence or willful misconduct of Landlord or such other parties, (ii) the actions of Landlord or such other parties except if such actions are the result of Tenant's failure, in violation of this Lease, to act, or (iii) Landlord's breach of any provisions of this Lease.

(f) In no event shall Landlord amend or modify any provision of any Ground Lease or take any other action under any Ground Lease without Tenant's consent (which may be granted or withheld in Tenant's sole discretion).

### **8.5 Third-Party Reports**

. Upon Landlord's reasonable request from time to time, but not more frequently than once each year in connection with the Annual Certificate, Tenant shall provide Landlord with copies of any final third-party surveys, environmental, engineering, zoning, seismic or property condition reports (other than any which are subject to privilege) obtained by Tenant with respect to the Leased Property.

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## ARTICLE IX

### MAINTENANCE AND REPAIR

#### **9.1 Maintenance and Repair**

. (a) Subject to Landlord's right to approve certain Capital Improvements in **Section 10.1**, Tenant, at its expense and without the prior consent of Landlord, shall maintain the Leased Property and every portion thereof, and all private roadways, sidewalks and curbs appurtenant to the Leased Property, and which are under Tenant's or any subtenant's control in reasonably good order and repair whether or not the need for such repairs occurs as a result of Tenant's or any subtenant's use, any prior use, the elements or the age of the Leased Property, and, with reasonable promptness, make all reasonably necessary and appropriate repairs thereto of every kind and nature, including those necessary to ensure continuing compliance in all material respects with all Legal Requirements, (including, without limitation, all Gaming Regulations and Environmental Laws) (to the extent required hereunder), Insurance Requirements, the Ground Leases and Property Documents whether now or hereafter in effect, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior or after the Commencement Date. All repairs shall be at least equivalent in quality to the original work in the aggregate. Tenant will not take or omit to take any action the taking or omission of which would reasonably be expected to materially impair the value or the usefulness of the Leased Property or any part thereof or any Capital Improvement thereto for its Primary Intended Use. Tenant shall (i) maintain Tenant's Property (except Intellectual Property, which is subject to **Section 6.3**) (x) in a manner consistent with the Operating Standard throughout the Term, and (ii) as necessary for conduct of the Primary Intended Use at the Facility throughout the Term and (ii) not take any action which is intended or designed to materially frustrate, vitiate or reduce the rights of Landlord under **Section 36.1** of this Lease. Landlord acknowledges that the condition of the Facility and the other matters described in the first sentence of this **Section 9.1** on the date hereof satisfies the requirements of this **Article IX**.

(b) Landlord shall not under any circumstances be required to (i) build or rebuild any improvements on the Leased Property; (ii) make any repairs, replacements, alterations, restorations or renewals of any nature to the Leased Property, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto; or (iii) maintain the Leased Property in any way. Tenant hereby waives, to the extent permitted by law, the right to make repairs at the expense of Landlord pursuant to any law in effect at the time of the execution of this Lease or hereafter enacted.

(c) Subject to the specific provisions of **Section 41.14**, nothing contained in this Lease and no action or inaction by Landlord shall be construed as (i) constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Property or any part thereof or any Capital Improvement thereto; or (ii) giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim

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or other encumbrance upon the estate of Landlord in the Leased Property, or any portion thereof or upon the estate of Landlord in any Capital Improvement thereto.

(d) Tenant shall, upon the expiration or earlier termination of the Term, vacate and surrender and relinquish in favor of Landlord all rights to the Leased Property (including all Capital Improvements), to Landlord in the condition in which such Leased Property was originally received from Landlord and Capital Improvements were originally introduced to the Facility, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Lease and except for ordinary wear and tear, subject to casualty and Condemnation as provided in **Article XIV** and **XV**.

(e)(i) Without limiting Tenant's obligations to maintain the Leased Property and Tenant's Property under this Lease, Tenant is required to expend the Required CapEx during each CapEx Testing Period. To enable Landlord to monitor and confirm compliance with the foregoing within thirty (30) days after the end of each calendar year (the "**CapEx Certification Date**"), commencing with the calendar year ending December 31, 2023, Tenant shall provide Landlord with an Officer's Certificate (a "**CapEx Testing Period Certificate**"), certifying in reasonable detail to (A) the aggregate amount expended by Tenant on Qualifying CapEx during the immediately preceding CapEx Testing Period and (B) the actual Net Revenues of the Leased Property during such CapEx Testing Period (the "**CapEx Testing Period Net Revenues**"), including a certification of the information delivered to Landlord substantially in the form attached hereto as **Exhibit K**, together with evidence satisfactory to Landlord in the reasonable exercise of Landlord's discretion documenting the amount of the Qualifying CapEx during the CapEx Testing Period. Commencing on January 1, 2024, Tenant shall be required to deposit additional funds into the CapEx Reserve in an amount equal to the deficiency between the Required CapEx for a CapEx Testing Period and the aggregate amount expended on Qualifying CapEx during such CapEx Testing Period, with such deposit to occur no later than the date (the "**Required CapEx Funding Deadline**") which is the earliest to occur of (x) the date that Tenant delivers a CapEx Testing Period Certificate indicating a deficiency, (y) the CapEx Certification Date if Tenant fails to timely deliver the CapEx Testing Period Certificate, in which event, until a CapEx Testing Period Certificate is actually delivered, Landlord shall determine the deficiency (and the Qualifying CapEx for any period for which a CapEx Testing Period Certificate has not previously been delivered shall be deemed to equal zero), and (z) after delivery of a CapEx Testing Period Certificate, the date that it is reasonably determined by the parties that a CapEx Testing Period Certificate inaccurately reflected that a deficiency did not exist (and in the event of any dispute regarding an alleged deficiency, either party shall be entitled to submit such dispute to the Experts for determination).

(ii) The Parties acknowledge that Tenant's agreement to satisfy the Required CapEx during the CapEx Testing Period as required in this Lease is a material inducement to Landlord's agreement to enter into this Lease, and, accordingly, if Tenant fails to expend Qualifying CapEx (or deposit the required funds into the CapEx Reserve) as and when required by this Lease (including for the avoidance of doubt, any failure to expend funds in the CapEx Reserve on Qualifying CapEx by the CapEx Grace Period as provided in **Section 9.1(e)(iii)**), then the same shall constitute an Event of Default hereunder subject to the notice and cure rights specified in **Section 16.1(a)(xv)**, and without limitation of any of Landlord's other rights and remedies, Landlord shall have the right in its discretion to exercise its rights and

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remedies under this Lease, including without limitation, (x) seek the remedy of specific performance to require Tenant to expend the Required CapEx (or to deposit funds into the CapEx Reserve and to utilize funds in the CapEx Reserve on Required CapEx) and (y) withdraw funds from the CapEx Reserve and retain such funds after an Event of Default. Furthermore, for the avoidance of doubt, and without limitation of Guarantor's obligations under the Guaranty, Tenant acknowledges and agrees that the obligation of Tenant to expend the Required CapEx (or deposit funds into the CapEx Reserve) as provided in this Lease in each case constitutes a part of the monetary obligations of Tenant under this Lease, shall be guaranteed by the Guarantor under the Guaranty (together with all other obligations of Tenant under this Lease).

(iii) Notwithstanding anything to the contrary set forth in this Lease, if Tenant fails to make at least the amount of expenditures required by this **Section 9.1(e)**, then, so long as, as of the Required CapEx Funding Deadline, there are CapEx Reserve Funds on deposit in the CapEx Reserve in an aggregate amount at least equal to such deficiency, then Tenant shall not be deemed to be in breach or default of its obligations hereunder to satisfy the Required CapEx, provided that Tenant, shall spend such amounts so deposited in the CapEx Reserve on Qualifying CapEx within six (6) months after Required CapEx Funding Deadline (subject to extension in the event of an Unavoidable Delay during such six (6) month period, on a day-for-day basis, for the same amount of time that such Unavoidable Delay affects Tenant's ability to perform the required Qualifying CapEx) (the "**CapEx Grace Period**"). For the avoidance of doubt, any funds disbursed from the CapEx Reserve and spent on required Qualifying CapEx as described in this Section shall be applied to the Required CapEx for the period for which such funds were deposited (and shall be deemed to be the funds that have been in the CapEx Reserve for the longest period of time) and shall not be applied to the Required CapEx for the subsequent period in which they are actually spent.

(iv) Tenant (x) shall, if required by **Section 9.1(e)** and (y) may, at its election, at any other time, deposit funds (the "**CapEx Reserve Funds**") into a segregated Eligible Account held by a Depository Institution (the "**CapEx Reserve**"). All interest on CapEx Reserve Funds shall be for the benefit of Tenant and added to and become a part of the CapEx Reserve and shall be disbursed in the same manner as other monies deposited in the CapEx Reserve. Tenant shall be responsible for payment of any federal, state or local income or other tax applicable to the interest earned on the CapEx Reserve Funds credited or paid to Tenant.

(v) Tenant shall be entitled to use CapEx Reserve Funds solely for the purpose of paying for (or reimbursing Tenant for) the cost of Required CapEx. So long as no Event of Default exists, Tenant shall be entitled to receive within ten (10) days of submitting a request in writing directly to Landlord and the Depository Institution a disbursement of CapEx Reserve Funds from the CapEx Reserve to pay for Required CapEx or a reimbursement for Required CapEx, and any such request shall specify the amount of the requested disbursement and a general description of the type of Required CapEx to be paid or reimbursed using such CapEx Reserve Funds (a "**CapEx Disbursement Request**"). So long as no Event of Default exists, any CapEx Reserve Funds remaining in the CapEx Reserve following the satisfaction of the Required CapEx for which such CapEx Reserve Funds were deposited shall be returned by Landlord or the Depository Institution to Tenant. In the event that as of the expiration or earlier termination of the Lease the Required CapEx for which such CapEx Reserve Funds were

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deposited has not be satisfied, then Landlord shall be entitled to receive and retain such CapEx Reserve Funds to the extent not satisfied and any remainder shall be released to and retained by Tenant.

(f) Tenant shall deposit monthly, in arrears, on the first (1st) Business Day of each calendar month, with a Depository Institution an amount equal to one and one-half percent (1.5%) of the Net Revenue of the Leased Property during the second preceding calendar month (e.g., the FF&E Reserve Funds to be deposited on April 1, 2020 shall be calculated using Net Revenues for February 2020) (the **“FF&E Reserve Funds”**) into a segregated Eligible Account held by a Depository Institution (the **“FF&E Reserve”**). All interest on FF&E Reserve Funds shall be for the benefit of Tenant and added to and become a part of the FF&E Reserve and shall be disbursed in the same manner as other monies deposited in the FF&E Reserve. Tenant shall be responsible for payment of any federal, state or local income or other tax applicable to the interest earned on the FF&E Reserve Funds credited or paid to Tenant. Tenant shall be entitled to use FF&E Reserve Funds solely for the purpose of paying for (or reimbursing Tenant for) the cost of any Required CapEx and FF&E (the **“Permitted FF&E Expenditures”**). So long as no Event of Default exists, Tenant shall be entitled to receive within ten (10) days of submitting a request in writing directly to Landlord and the Depository Institution a disbursement of FF&E Reserve Funds from the FF&E Reserve to pay for Permitted FF&E Expenditures or a reimbursement for Permitted FF&E Expenditures, and any such request shall specify the amount of the requested disbursement and a general description of the type of Permitted FF&E Expenditures to be paid or reimbursed using such FF&E Reserve Funds (an **“FF&E Disbursement Request”**). For the avoidance of doubt, any funds disbursed from the FF&E Reserve and spent on and/or as reimbursement for the costs of Permitted FF&E Expenditures shall be applied toward the minimum Required CapEx set forth in **Section 9.1(e)**. So long as no Event of Default exists and Tenant has satisfied the Required CapEx, any FF&E Reserve Funds remaining in the FF&E Reserve on the expiration or earlier termination of this Lease be released to Tenant and Tenant shall be entitled to retain such funds.

(g) Tenant grants to Landlord a first-priority security interest in the CapEx Reserve and all CapEx Reserve Funds and the FF&E Reserve and all FF&E Reserve Funds, as additional security for performance of Tenant’s obligations under this Lease during the existence of an Event of Default. Landlord shall have the right to collaterally assign the security interest granted to Landlord in the CapEx Reserve and CapEx Reserve Funds and FF&E Reserve and FF&E Reserve Funds to any Fee Mortgagee. Notwithstanding anything to the contrary contained in **Section 9.1(e)** and **Section 9.1(f)**, Landlord, Tenant and the applicable Eligible Institution shall enter into a customary and reasonable deposit account control agreement with respect to the FF&E Reserve and the CapEx Reserve (the **“Restricted Reserve Accounts”**) which shall provide that (x) Landlord has “control” over the account within the meaning of Section 9-104 of the New York Uniform Commercial Code, (y) the Eligible Institution shall disburse funds to Tenant pursuant to a CapEx Disbursement Request or FF&E Disbursement Request (as applicable) in accordance with **Section 9.1(e)** and **9.1(f)** (as applicable) except during Reserve Control Trigger Period and (z) during the Reserve Control Trigger Period, Eligible Institution shall only make disbursements from the account upon written direction from Landlord. During the Reserve Control Trigger Period, so long as no Event of Default has occurred, Landlord shall request disbursements of funds from the Restricted Reserve Accounts to Tenant within five (5) Business Days of (i) Tenant’s delivery of a CapEx Disbursement Request

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or FF&E Disbursement Request (as applicable) in connection with **Section 9.1(e)** and **Section 9.1(f)** (as applicable) and (ii) Tenant's satisfaction of the Reserve Disbursement Requirements.

### **9.2 Encroachments, Restrictions, Mineral Leases, etc**

2. If any of the Leased Improvements shall, at any time, encroach upon any property, street or right-of-way, or shall violate any restrictive covenant or other agreement affecting the Leased Property, or any part thereof or any Capital Improvement thereto, or shall impair the rights of others under any easement or right-of-way to which the Leased Property is subject, or the use of the Leased Property or any Capital Improvement thereto is impaired, limited or interfered with by reason of the exercise of the right of surface entry or any other provision of a lease or reservation of any oil, gas, water or other minerals, then promptly upon the request of Landlord or any Person affected by any such encroachment, violation or impairment, Tenant shall, subject to its right to contest the existence of any such encroachment, violation or impairment, shall protect, indemnify, save harmless and defend Landlord from and against, all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment. In the event of an adverse final determination with respect to any such encroachment, violation or impairment, either (a) each of Tenant and Landlord shall be entitled to obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation or impairment, whether the same shall affect Landlord or Tenant or (b) Tenant shall make such changes in the Leased Improvements, and take such other actions, as Tenant in the good faith exercise of its judgment deems reasonably practicable, to remove such encroachment or to end such violation or impairment, including, if necessary, the alteration of any of the Leased Improvements, and in any event take all such actions as may be necessary in order to be able to continue the operation of the Leased Improvements for the Primary Intended Use substantially in the manner and to the extent the Leased Improvements were operated prior to the assertion of such encroachment, violation or impairment. Tenant's obligations under this **Section 9.2** shall be in addition to and shall in no way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord for any damages incurred by any such encroachment, violation or impairment. Landlord agrees to use reasonable efforts to seek recovery under any policy of title or other insurance under which Landlord is an insured party for all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment as set forth in this **Section 9.2**; provided, however, that in no event shall Landlord be obligated to institute any litigation, arbitration or other legal proceedings in connection therewith unless Landlord is reasonably satisfied that Tenant has the financial resources needed to fund such litigation and Tenant and Landlord have agreed upon the terms and conditions on which such funding will be made available by Tenant, including, but not limited to, the mutual approval of a litigation budget.

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## ARTICLE X

### CAPITAL IMPROVEMENTS

#### **10.1 Construction of Capital Improvements to the Leased Property**

(a) Tenant shall, with respect to the Facility, have the right to make Capital Improvements, including, without limitation, any Capital Improvement required by **Section 8.2** or **9.1(a)**, without the consent of, or any notice to, Landlord if the Capital Improvement (i) does not involve the removal of any material existing structures (unless Tenant reasonably promptly proceeds to replace such removed structures with structures of at least reasonably comparable value or utility), (ii) does not have a material adverse effect on the structural integrity of any remaining Leased Improvements (other than as contemplated to be maintained or improved in connection with such Capital Improvement), (iii) is not reasonably likely to reduce the value of the Facility when completed, (iv) is consistent with the Primary Intended Use and (v) does not involve a total budgeted cost in excess of \$100,000,000; each of the foregoing (i)-(v) as reasonably determined by Tenant, subject to Landlord's reasonable review and approval of such determination. Any Capital Improvements (1) described in the preceding sentence or (2) which are described on **Schedule 8** (the "**Schedule 8 Capital Improvements**") are referred to as, "**Permitted Capital Improvements**".

(b) If Tenant or any subtenant desires to make a Capital Improvement that is not a Permitted Capital Improvement (a "**Landlord Approved Capital Improvement**"), Tenant shall submit to Landlord in reasonable detail a general description of the proposal, the projected cost of construction and such plans and specifications, permits, licenses, contracts and other information concerning the proposal as Landlord may reasonably request. Such description shall indicate the use or uses to which such Capital Improvement will be put and the impact, if any, on current and forecasted Net Revenue and EBITDA attributable thereto. All proposed Landlord Approved Capital Improvements shall be subject to Landlord's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. It shall be reasonable for Landlord to condition its approval of any Capital Improvement upon any or all of the following terms and conditions:

(i) Such construction shall be effected substantially in accordance with detailed plans and specifications approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed;

(ii) No Capital Improvement will result in the Leased Property becoming a "limited use" property for purposes of United States federal income taxes as of the date such Capital Improvement is placed in service;

(iii) the Work shall be conducted under the supervision of a licensed architect or engineer selected by Tenant (the "**Architect**") and, for purposes of this **Section 10.2** only, approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed;

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(iv) Landlord's receipt of reasonable evidence of Tenant's or Tenant's Parent's financial ability to complete the Work without materially and adversely affecting Tenant's cash flow position or financial viability;

(v) All Capital Improvements will become Landlord's property when made; provided, however, that the foregoing shall not affect the provisions of **Section 11.1(b)**; and

(vi) Any Capital Improvement which exceeds a total budgeted cost in excess of \$100,000,000 (the "**Capital Improvements Threshold**") (x) may be subject to the approval of Fee Mortgagee, which Landlord agrees it will use commercially reasonable efforts to obtain and (y) shall require that Tenant deliver Construction Security to Landlord, provided no Construction Security shall be required in connection with the Schedule 8 Capital Improvements.

(c) If the Construction Security is in the form of cash, if required by Fee Mortgagee, such security may be deposited into the FF&E Reserve or an Eligible Account of Landlord (or Fee Mortgagee) (a "**Construction Security Escrow Account**"). On a monthly basis during the construction of any such Capital Improvement for which Construction Security has been deposited, Tenant shall be entitled (either pursuant to a separate agreement to be entered into directly between Tenant and Fee Mortgagee, in form and substance reasonably acceptable to Tenant, or, if no such agreement is entered into, then as an obligation of Landlord hereunder) to receive a portion of such Construction Security, to be disbursed to Tenant (in the case of cash or cash equivalents) or reduced (in the case of a Letter of Credit), as applicable, on a dollar-for-dollar basis, in the amount required to reimburse Tenant for (or to enable Tenant to pay) the cost of such Capital Improvement in amounts equal to the actual costs incurred by Tenant for such Capital Improvement, subject to delivery by Tenant to Landlord of the Reserve Disbursement Requirements related to the work performed, and subject: (a) to compliance by Tenant with the applicable provisions of any Fee Mortgage Documents then in effect to the extent and only to the extent Tenant is required to comply therewith pursuant to **Article XXXI** hereof, and (b) in the event no Fee Mortgage then exists and Landlord is holding the Construction Security, to the condition that no Event of Default exist at the time of determination and subject to the other applicable provisions of this **Article X**. To the extent a construction consultant is required by any Fee Mortgagee, Landlord shall have the right (in addition to any construction consultant engaged by Tenant) to also select and engage (subject to any Fee Mortgagee requirements), at Landlord's cost and expense, construction consultants to conduct inspections of the Leased Property during the construction of any Capital Improvements, provided that (x) such inspections shall be conducted in a manner as to not unreasonably interfere with such construction or the operation of the Facility and Tenant may have Tenant's representative escort such consultant at all times, (y) prior to entering the Leased Property, such consultants shall deliver to Tenant evidence of insurance reasonably satisfactory to Tenant and (z) (irrespective of whether the consultant was engaged by Landlord, Tenant or otherwise) Landlord and Tenant shall be entitled to receive copies of such consultants' work product and shall have direct access to and communication with such consultants.

#### **10.2 Construction Requirements for Capital Improvements**

. Tenant's or any subtenant's construction of Capital Improvements shall be performed in compliance with the

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following requirements which shall be applicable to Permitted Capital Improvements and Landlord Approved Capital Improvements except as indicated below:

(a) Such construction shall not be commenced until Tenant shall have procured and paid for all municipal and other governmental permits and authorizations required to be obtained prior to such commencement, including those permits and authorizations required pursuant to any Gaming Regulations, and Landlord shall join in the application for such permits or authorizations whenever such action is necessary; provided, however, that (i) any such joinder shall be at no cost or expense to Landlord; and (ii) any plans required to be filed in connection with any such application in respect of any Landlord Approved Capital Improvements shall have been so approved by Landlord;

(b) Such construction shall not and, if an Architect has been engaged for such Work, the Architect shall certify to Landlord that such construction shall not, impair the structural strength of any component of the Facility or overburden the electrical, water, plumbing, HVAC or other building systems of any such component in a manner that would violate applicable building codes or prudent industry practices;

(c) If an Architect has been engaged for such Work and if plans and specifications have been obtained in connection with such Work, the Architect shall certify to Landlord that the plans and specifications conform to, and comply with, in all material respects all applicable building, subdivision and zoning codes, laws, ordinances and regulations imposed by all governmental authorities having jurisdiction over the Leased Property

(d) During and following completion of such construction, the parking and other amenities which are located in the Facility or on the Land shall remain adequate for the operation of the Facility for its Primary Intended Use and in no event shall such parking be less than that which is required by law (including any variances with respect thereto); provided, however, that to the extent additional parking is not already a part of a Capital Improvement, Tenant may construct additional parking on the Land in accordance with **Section 10.1(a)**; or Tenant may acquire off-site parking to serve the Facility as long as such parking shall be reasonably proximate to, and dedicated to, or otherwise made available to serve, the Facility;

(e) All work done in connection with such construction shall be done as soon as reasonably practicable and using materials and resulting in work that is at least as good product and condition as the remaining areas of the Facility and in conformity with all Legal Requirements, including, without limitation, any applicable non-discrimination laws; and

(f) Promptly following the completion of any Landlord Approved Capital Improvements only, Tenant shall deliver to Landlord "as built" drawings of such addition (or written confirmation from the relevant general contractor or architect that such Capital Improvement has been built in accordance with the plans and specifications), certified as accurate by the licensed architect or engineer selected by Tenant, and copies of any new or revised certificates of occupancy.

### **10.3 Intentionally Omitted**

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#### **10.4 Ownership of Tenant Capital Improvements**

. Subject to **Section 11.1(b)**, all Tenant Capital Improvements shall be the property of Landlord upon completion and upon the expiration or earlier termination of this Lease, all Tenant Capital Improvements shall remain the property of Landlord (without any obligation to reimburse Tenant for the costs thereof).

#### **10.5 Funding of Tenant Capital Improvements**

(a) Tenant shall notify Landlord of any proposed Tenant Capital Improvements for which Landlord's prior approval is required, which notice (the "**Capital Improvement Notice**") shall be accompanied by (i) a reasonably detailed description of the proposed Tenant Capital Improvement, (ii) the then-projected cost of construction of the proposed Tenant Capital Improvement, (iii) copies of the plans and specifications, permits, licenses, contracts and Preliminary Studies concerning the proposed Tenant Capital Improvement, to the extent then-available, (iv) reasonable evidence that such proposed Tenant Capital Improvement will, upon completion, comply with all applicable Legal Requirements, and (v) reasonably detailed information regarding the terms upon which Tenant is considering seeking financing therefor, if any. To the extent in Tenant's possession or control, Tenant shall provide to Landlord any additional information about such proposed Tenant Capital Improvements which Landlord may reasonably request. Landlord (or Landlord's Affiliate) shall have the right (but not the obligation) to fund the cost of any proposed Tenant Capital Improvements on such arms-length terms and conditions as may be agreed to by Landlord and Tenant.

(b) Within thirty (30) days of receipt of a Capital Improvement Notice pursuant to this **Section 10.5**, Landlord shall have the right to notify Tenant as to whether it would be willing to fund all or a portion of such proposed Capital Improvement and, if so, the terms and conditions upon which it would do so. Any waiver of the right to fund or any failure to fund with respect to a specific Tenant Capital Improvement shall not affect Landlord's rights under this Lease, including, without limitation, any continued rights under this **Section 10.5**. If Landlord proposes to fund such proposed Capital Improvement, Tenant shall have ten (10) Business Days to accept or reject Landlord's funding proposal.

(c) In connection with any funding of Capital Improvements by Landlord, Landlord and Tenant may make agreed upon modifications to the Rent to reflect Landlord's funding of the cost of such Tenant Capital Improvements.

#### **10.6 Self Help**

. In order to facilitate Landlord's completion of any work, repairs or restoration of any nature that are required to be performed by Tenant in accordance with any provisions hereof, upon the occurrence of the earlier of (i) an Event of Default by Tenant hereunder and (ii) any default by Tenant in the performance of such work under this Lease (so long as in the case of this clause (ii) Landlord has provided Tenant thirty (30) days' prior written notice thereof and Tenant has not cured such default within such thirty day period), Landlord shall have the right, from and after such occurrence, to enter onto the Leased Property in compliance with all applicable laws and perform any and all such work and labor necessary as reasonably determined by Landlord to complete any work required by Tenant hereunder or expend any sums therefor and/or employ watchmen to protect the Leased Property from damage

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(collectively, the “**Landlord Work**”). In connection with the foregoing, Landlord shall have the right, in each case, in its reasonable discretion: (i) to use any funds in the FF&E Reserve, CapEx Reserve, or the Construction Security (as applicable) for the purpose of making or completing such Landlord Work; (ii) to employ such contractors, subcontractors, agents, architects and inspectors as shall be required for such purposes; (iii) to pay, settle or compromise all existing bills and claims which are or may become Liens against the Leased Property, or as may be necessary or desirable for the completion of such Landlord Work, or for clearance of title; (iv) to execute all applications and certificates in the name of Tenant which may be required by any of the contract documents; (v) to prosecute and defend all actions or proceedings in connection with the Leased Property or the rehabilitation and repair of the Leased Property; (vi) to do any and every act which Tenant might do in its own behalf to complete the Landlord Work; and (vii) charge Tenant with any costs incurred in connection with such Landlord Work and the exercise of Landlord’s rights under this **Section 10.6** as Additional Charges. Nothing in this Lease shall: (1) make Landlord responsible for making or completing any Landlord Work; (2) require Landlord to expend funds from or in addition to the FF&E Reserve, CapEx Reserve, or Construction Reserve (as applicable) to make or complete any Landlord Work; (3) obligate Landlord to proceed with any Landlord Work; or (4) obligate Landlord to demand from Tenant additional sums to make or complete any Landlord Work (but nothing herein shall prevent Landlord from demanding such amounts from Tenant as Additional Charges).

## ARTICLE XI

### NO LIENS

#### **11.1 Liens**

. (a) Subject to the provisions of **Article XII** relating to permitted contests and **Article XVII** with respect to Tenant’s financing, Tenant will not directly or indirectly create and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim (“**Lien**”) upon the Leased Property or any Capital Improvement thereto or upon the Gaming Licenses or upon Tenant’s Property (other than Intellectual Property, which is governed by **Section 6.3**) to be transferred and assigned to Landlord pursuant to **Section 6.4** and **Section 36.1** or any attachment, levy, claim or encumbrance in respect of the Rent, excluding, however, (a) this Lease and the Liens granted to Landlord pursuant hereto; (b) the Property Documents; (c) restrictions, liens and other encumbrances which are expressly permitted by this Lease or consented to in writing by Landlord (such consent not to be unreasonably withheld unless otherwise provided herein); (d) [reserved]; (e) Permitted Subleases and Permitted Management Agreements and related matters permitted by **Article XXII**; (f) liens for Impositions not yet delinquent or being contested in accordance with **Article XII**, provided that Tenant has provided appropriate reserves as required under GAAP and any foreclosure or similar remedies with respect to such Impositions have not been instituted and no notice as to the institution or commencement thereof has been issued except to the extent such institution or commencement is stayed no later than sixty (60) days after such notice is issued; (g) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either not yet due or being contested in accordance with **Article XII**; (h) any Lessor Liens or other liens created by Landlord; (i) liens related to purchase money financing and equipment leases or equipment financing for Tenant’s Property which are used or useful in Tenant’s business on the Leased Property and consistent with the Operating Standard, and does not impair in any material respect Landlord’s rights under **Section 36.1**; (j) liens of any Permitted Leasehold Mortgage or

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Permitted Credit Facility Pledge; provided, however, in no event shall the foregoing be deemed or construed to permit Tenant to encumber its leasehold interest in the Leased Property or its direct or indirect interest (or the interest of any of its Subsidiaries or subtenants) in the Gaming Licenses (other than, in each case, to a Permitted Leasehold Mortgagee or a Permitted Credit Facility Pledge), without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion; and provided, further, that Tenant shall be required to provide Landlord with fully executed copies of any and all Permitted Leasehold Mortgages, Permitted Credit Facility Pledges, and related principal Debt Agreements; (k) provisions of any easement agreements, street dedications or vacations, entitlements, public and/or private utility easements, licenses, declarations of covenants, conditions and restrictions, and other similar provisions, in each case expressly permitted or consented to pursuant to this Lease; and (l) non-exclusive licenses or sublicenses of patents, patent applications, trademarks, trademark applications, service marks, service mark applications, trade names, URLs, copyrights, computer software, trade secrets, know-how and processes granted by Tenant or any of its Subsidiaries in the ordinary course of business or on terms that, taken together with all related transactions, are commercially reasonable. For the avoidance of doubt, the parties acknowledge and agree that, except as expressly set forth herein, Tenant has not granted any liens in favor of Landlord as security for its obligations hereunder and nothing contained herein shall be deemed or construed to prohibit the issuance of a lien on the Equity Interests in Tenant (or direct or indirect interests in Tenant) pursuant to a Permitted Credit Facility Pledge (it being agreed that any foreclosure by a lien holder on such interests in Tenant shall be subject to the restriction on Tenant Change of Control set forth in **Article XXII**) or any direct or indirect parent of Tenant owning an interest in the Gaming Licenses pursuant to a Permitted Credit Facility Pledge (it being agreed that any foreclosure by a lien holder on such interests in Tenant shall be subject to the restriction on Tenant Change of Control set forth in **Article XXII**) or to prohibit Tenant from pledging its Accounts (other than, for the avoidance of doubt, the CapEx Reserve, the FF&E Reserve, the Covenant Security Escrow Account and any Construction Security or Construction Security Escrow Account) and other Tenant's Property and other property of Tenant to the extent it does not constitute Tenant's Pledged Property.

(b) Landlord and Tenant intend that this Lease be an indivisible true lease that affords the parties hereto the rights and remedies of landlord and tenant hereunder and does not represent a financing arrangement. This Lease is not an attempt by Landlord or Tenant to evade the operation of any aspect of the law applicable to any of the Leased Property. Except as otherwise required by applicable law or any accounting rules or regulations, Landlord and Tenant hereby acknowledge and agree that this Lease is intended to constitute a "true lease" for all other purposes, including federal, state and local tax purposes, commercial purposes, and bankruptcy purposes and that Landlord shall be entitled to all the benefits of ownership of the Leased Property, including depreciation with respect to the Leased Property (but not with respect to any Tenant Capital Improvements, except as provided in the next sentence) for all federal, state and local tax purposes. Without prejudice to **Sections 10.1(b)(v) or 10.4**, Tenant shall be entitled to all benefits of ownership of any Tenant Capital Improvements during the Term, including depreciation for all federal, state and local tax purposes, except to the extent of any Tenant Capital Improvements that are actually paid for by Landlord (it being understood that Landlord has no right or obligation to pay for any Tenant Capital Improvements except in accordance with **Section 10.5**).

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(c) If, notwithstanding (a) the form and substance of this Lease and (b) the intent of the parties, and the language contained herein providing that this Lease shall at all times be construed, interpreted and applied to create an indivisible lease of all of the Leased Property, any court of competent jurisdiction finds that this Lease is a financing arrangement, this Lease shall be considered a secured financing agreement and Landlord's title to the Leased Property shall constitute a perfected first priority lien in Landlord's favor on the Leased Property to secure the payment and performance of all the obligations of Tenant hereunder (and to that end in such event, but only in such event, Tenant hereby grants, assigns and transfers to the Landlord a security interest in all right, title or interest in or to any and all of the Leased Property, as security for the prompt and complete payment and performance when due of Tenant's obligations hereunder). If, notwithstanding (a) the form and substance of this Lease and (b) the intent of the parties, and the language contained herein providing that this Lease shall at all times be construed, interpreted and applied to create an indivisible lease of all of the Leased Property, any court of competent jurisdiction finds that this Lease is a financing arrangement, Tenant (and each Permitted Leasehold Mortgagee) authorizes Landlord, at the expense of Tenant, to make any filings or take other actions as Landlord reasonably determines are necessary or advisable in order to effect fully this Lease or to more fully perfect or renew the rights of the Landlord, and to subordinate to the Landlord the lien of any Permitted Leasehold Mortgagee, with respect to the Leased Property (it being understood that nothing herein shall affect the rights of a Permitted Leasehold Mortgagee under **Article XVII** hereof).

(d) At any time and from time to time upon the request of Landlord or Tenant, and at the expense of the requesting party, Tenant or Landlord, as applicable, shall promptly execute, acknowledge and deliver such further documents and do such other acts as the requesting party may reasonably request in order to effect fully this Lease or to more fully perfect or renew the rights of the requesting party with respect to the Leased Property. Upon the exercise by Landlord or Tenant of any power, right, privilege or remedy pursuant to this Lease which requires any consent, approval, recording, qualification or authorization of any governmental authority, Tenant or Landlord, as applicable, will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the exercising party may be required to obtain from such other party for such consent, approval, recording, qualification or authorization.

### **11.2 Landlord Encumbrance Obligations**

. Landlord agrees that Landlord shall not create or permit to exist at any time any Lessor Lien and Landlord shall, at its own cost and expense, promptly take such action as may be reasonably necessary duly to discharge, or to cause to be discharged, all Lessor Liens attributable to it or any of its Affiliates (and Tenant shall not be responsible for any monetary or other obligations under or in connection with any Lessor Lien); provided, however, that Landlord shall not be required to so discharge any such Lessor Lien(s) (i) while the same is being contested in good faith by appropriate proceedings diligently prosecuted (so long as neither the Leased Property, nor any Capital Improvement thereto, nor any part or interest in either thereof, would be in any imminent danger of being sold, forfeited, attached or lost pending the outcome of such proceedings and provided that Tenant would not be in any imminent danger of civil or criminal liability on account thereof pending the outcome of such proceedings) or (ii) if such Lessor's Lien(s) would not be reasonably expected to materially adversely affect the rights of Tenant under this Lease, impair in any material respect Tenant's ability to perform its obligations under this Lease or impose additional obligations on Tenant

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under this Lease or result in the termination of this Lease. Lessor shall indemnify and hold harmless Tenant from and against any actual loss, cost or expense (including reasonable legal fees and expenses) which may be suffered or incurred by Tenant as the result of Landlord's failure to discharge and satisfy any such Lessor Lien to the extent Landlord is required to do so in accordance with the terms hereof.

## ARTICLE XII

### PERMITTED CONTESTS

#### **12.1 Permitted Contests**

. Tenant, upon prior Notice to Landlord, on its own or in Landlord's name, at Tenant's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any licensure or certification decision (including pursuant to any Gaming Regulation), Imposition, Legal Requirement, Insurance Requirement, or Lien (but not Liens granted to Landlord pursuant to this Lease); provided, however, that (a) in the case of an unpaid Imposition or Lien, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Leased Property or any Capital Improvement thereto; (b) neither the Leased Property or any Capital Improvement thereto, the Rent therefrom nor any part or interest in either thereof would be in any danger of being sold, forfeited, attached or lost pending the outcome of such proceedings; (c) in the case of a Legal Requirement, neither Landlord nor Tenant would be in any imminent danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (d) in the case of a Legal Requirement, Imposition or Lien, Tenant shall give such reasonable security as may be required by Landlord to insure ultimate payment of the same and to prevent any sale or forfeiture of the Leased Property or any Capital Improvement thereto or the Rent by reason of such non-payment or noncompliance; (e) in the case of an Insurance Requirement, the coverage required by **Article XIII** shall be maintained; (f) Tenant shall keep Landlord reasonably informed as to the status of the proceedings; (g) if such contest be finally resolved against Landlord or Tenant, Tenant shall promptly pay any applicable amount required to be paid, together with all interest and penalties accrued thereon, and comply with any applicable Legal Requirement or Insurance Requirement; and (h) in the case of any Lien, no foreclosure of similar remedies shall have been instituted and no notice as to the institution or commencement thereof have been issued except to the extent such institution is stayed no later than ten (10) Business Days after such notice is issued. Notwithstanding anything to the contrary contained herein (but without limiting Landlord's obligations under **Section 41.14** of this Lease, with respect to any Liens under **clause (g) of Section 11.1**, such Lien must be discharged or bonded over within sixty (60) days of the filing of such Lien. Landlord, at Tenant's expense, shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest, and, if reasonably requested by Tenant or if Landlord so desires, Landlord shall join as a party therein. The provisions of this **Article XII** shall not be construed to permit Tenant to contest the payment of Rent or any other amount (other than Impositions or Additional Charges which Tenant may from time to time be required to impound with Landlord) payable by Tenant to Landlord hereunder. Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such contest and any loss resulting therefrom, except in any instance where Landlord opted

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to join and joined as a party in the proceeding despite Tenant's having sent Notice to Landlord of Tenant's preference that Landlord not join in such proceeding.

## **ARTICLE XIII**

### **INSURANCE**

#### **13.1 Property Insurance Requirements**

. During the Term, Tenant or a Tenant Party shall at all times keep the Leased Property, and all property located in or on the Leased Property, including Capital Improvements, the Fixtures and Tenant's Property, insured with the kinds and amounts of insurance described below. Each element of insurance described in this **Article XIII** shall be maintained with respect to the Leased Property and Tenant's Property and operations thereon. Such insurance shall be written by companies permitted to conduct business in the State. All policies required under this Lease must name Landlord as an "additional named insured" or "additional insured" as appropriate. All business interruption policies shall name Landlord as "loss payee" with respect to Rent only. Property losses shall be payable to Landlord and/or Tenant as provided in **Article XIV**. In addition, the policies, as appropriate, shall name as an "additional named insured" or "additional insured" as appropriate and "mortgagee/loss payee", as their interest may appear, each Permitted Leasehold Mortgagee and as an "additional insured" and/or "mortgagee/loss payee" as their interest may appear, the holder of any mortgage, deed of trust or other security agreement ("**Facility Mortgagee**") securing any indebtedness or any other Encumbrance placed on the Leased Property in accordance with the provisions of **Article XXXI** ("**Facility Mortgage**") by way of a standard form of mortgagee's loss payable endorsement. Except as otherwise set forth herein, any property insurance loss adjustment settlement shall require the written consent of Landlord, Tenant, and each Facility Mortgagee (to the extent required under the applicable Facility Mortgage Documents) unless the amount of the loss net of the applicable deductible is less than Fifty Million Dollars (\$50,000,000) in which event no such consent shall be required. Evidence of insurance shall be deposited with Landlord and, if requested, with any Facility Mortgagee(s). The insurance policies required to be carried by Tenant or a Tenant Party hereunder shall insure against all the following risks with respect to the Facility:

(a) Loss or damage by fire, vandalism and malicious mischief, extended coverage perils commonly known as "All Risk," and all physical loss perils normally included in such All Risk insurance, including, but not limited to, sprinkler leakage, collapse, windstorm (including named storm) and terrorism in an amount not less than the full replacement of the Improvements (but in no event less than a minimum amount of Four Billion Dollars (\$4,000,000,000) and including a building ordinance coverage endorsement, coverage for loss to the undamaged portion in an amount equal to the full replacement cost for the undamaged portion and for coverage for demolition costs and coverage for increased costs of construction in amounts acceptable to Landlord, provided, that Tenant shall have the right (i) to limit maximum insurance coverage for loss or damage by earthquake (including earth movement) in an amount not less than the annual aggregate gross loss estimates for a 475 year event as indicated in a seismic risk analysis (such analysis to be approved by Landlord and secured by the Tenant utilizing the most current RMS software, or its equivalent), including loss amplification, at the expense of the Tenant and, to the extent the Leased Property is covered under a blanket policy, such seismic risk analysis shall include all high risk locations covered by the earthquake limit or

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as may be requested by Landlord and commercially available; provided, further, with respect to the terrorism coverage required herein, in the event TRIPRA is no longer in effect, Tenant shall be required to carry terrorism insurance as required herein, provided that in the event the premium cost of any terrorism peril coverages are available only for a premium that is more than 2 times the current premium paid by Tenant, then Tenant shall be entitled and required to purchase the maximum amount of insurance coverage it reasonably deems most efficient and prudent to purchase for such peril and Tenant shall not be required to spend additional funds to purchase additional coverages insuring against such risks; and provided, further, that certain property coverages other than earthquake, flood and windstorm may be sub-limited as long as each sub-limit (x) is commercially available and prudent as determined by Tenant and (y) to the extent that the amount of such sub-limit is less than the amount of such sub-limit in effect as of the Commencement Date, such sub-limit is approved by Landlord, such approval not to be unreasonably withheld;

(b) Loss or damage by explosion of steam boilers, pressure vessels or similar apparatus, now or hereafter installed in the Facility, in such limits with respect to any one accident as may be reasonably requested by Landlord from time to time;

(c) Flood, if any portion of the Improvements is currently or at any time in the future located in a federally designated "special flood hazard area," flood hazard insurance in an amount equal to the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended plus such greater amount as may be requested by Landlord and commercially available;

(d) Loss of rental value, on an actual loss sustained basis, covering the twenty four (24) month period from the date of any Casualty Event, in an amount not less than 100% of the rent payable hereunder and normal Operating Expenses (including ninety (90) days ordinary payroll) for a period of twenty four (24) months with an extended period of indemnity coverage of at least three hundred sixty five (365) days necessitated by the occurrence of any of the hazards described in **Sections 13.1(a), 13.1(b) or 13.1(c)**;

(e) Claims for injury to persons or property damage under a policy of commercial general liability insurance including but not limited to coverage for terrorism, premises/operations, blanket contractual liability, liquor liability, special events or activities to the extent insurable, independent contractors and personal injury with limits not less than Four Hundred Million Dollars (\$400,000,000) each occurrence and Four Hundred Million Dollars (\$400,000,000) in the annual aggregate, provided, that such requirements may be satisfied through the purchase of a primary general liability policy and excess liability policies;

(f) Claims for bodily injury and property damage under a policy of business automobile liability including garage and garagekeepers liability and containing provisions and endorsements in accordance with state legal requirements, with primary limits not less than One Million Dollars (\$1,000,000) per accident and excess limits provided in the excess liability policies referred to above;

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(g) During such time as Tenant or any subtenant is constructing any improvements at the Facility, Tenant, at its sole cost and expense, shall carry, or cause to be carried (a) workers' compensation insurance and employers' liability insurance covering all persons employed in connection with the improvements in statutory limits, (b) a completed operations endorsement to the commercial general liability insurance policy referred to above, (c) builder's risk insurance, completed value form (or its equivalent), covering all physical loss, in an amount and subject to policy conditions satisfactory to Landlord, and (d) such other insurance, in such amounts, as Landlord deems reasonably necessary to protect Landlord's interest in the Leased Property from any act or omission of Tenant's or such subtenant's contractors or subcontractors;

(h) If any operations of Tenant or any subtenant require the use of any aircraft or watercraft that is owned, leased or chartered by Tenant or any subtenant with respect to the Leased Property, Tenant shall maintain or cause to be maintained aircraft liability insurance, as appropriate, with limits not less than One Hundred Million Dollars (\$100,000,000) combined single limit for bodily injury and property damage including passengers and crew and watercraft liability insurance, as appropriate, with limits not less than Ten Million Dollars (\$10,000,000) combined single limit for bodily injury and property damage including passengers and crew;

(i) Tenant may provide or cause to be provided self-insured retentions for portions of the insurance contemplated under this **Section 13.1** in commercially reasonable amounts, it being agreed that the amounts of the self-insured retentions in effect as of the Commencement Date are commercially reasonable. Upon (i) the termination of this Lease with respect to the Facility pursuant to **Section 14.2**, (ii) the election of any Facility Mortgagee pursuant to **Section 14.1** to apply any proceeds payable under any property policy of insurance in accordance with the applicable Facility Mortgage, or (iii) any proceeds payable under any property policy of insurance being retained by Landlord pursuant to **Section 14.2(f)**, Tenant shall pay to Landlord the amount of any self-insured retentions;

(j) During the Term, Tenant shall maintain or cause to be maintained environmental impairment liability ("EIL") pollution liability insurance on the Leased Property in the form of a pollution legal liability or pollution and remedial legal liability (or similar product) ("PLL") insurance policy. Such PLL insurance shall cover the Facility and provide coverage for on and off site cleanup costs for new and historical pollution conditions, and shall include coverage for first- and third- party bodily injury and property damage claims related to pollution conditions. The PLL policy in effect on the date hereof shall run to expiration and shall be renewed (or replaced with a policy of the same or superior terms and conditions as the existing policy) in five (5) year policy period intervals. The PLL policy will have a per claim limit of no less than Twenty-Five Million Dollars (\$25,000,000) and an aggregate policy limit of no less than Twenty-Five Million Dollars (\$25,000,000), with a self-insured retention or deductible of no greater than Fifty Thousand Dollars (\$50,000). Such policy shall include coverage for claims for microbial matter and legionella, with the same combined single limits as referenced above, with a self-insured retention or deductible of no greater than One Million Dollars (\$1,000,000), although for the Fee Mortgagee it shall be no greater than One Hundred Thousand Dollars (\$100,000). The PLL policy shall have the Tenant as First Named Insured and Landlord, with its successors, assigns and/or affiliates (as their interests may appear) as Additional Named Insureds ("ANI") (with the Fee Mortgagee as ANI as may be required). The

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PLL policy (i) shall not be permitted to cover any additional locations during the policy terms, (ii) shall name the Fee Mortgagee as ANI with an automatic right of assignment to the Fee Mortgagee in the event of default throughout the policy term, (iii) in the event the policy is cancelled by the insurers, a copy of such cancellation notice shall also be mailed to the Fee Mortgagee, (iv) shall not be cancelled or materially modified by Tenant without the prior written consent of the Fee Mortgagee, (v) shall, during the Term, include the same coverages, terms, conditions and endorsements (and shall not be amended in any way without the prior written consent of the Fee Mortgagee) as the PLL policy approved as of the date hereof. Any Underground Storage Tanks (USTs) located on the Leased Property shall be covered on the PLL policy, or be covered as a separate UST policy that shall be maintained during the Term; and

(k) During the Term, Tenant shall maintain or cause to be maintained cyber liability insurance, with limits not less than \$75,000,000 per claim. Coverage shall be sufficiently broad to respond to the duties and obligations undertaken by Tenant in this Lease, and shall include, but not be limited to, claims involving network security and privacy liability. If the Tenant maintains broader coverage and/or higher limits than the minimum shown above, the Landlord requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Landlord.

### **13.2 Workers' Compensation**

. In addition to the insurance described above, Tenant shall at all times maintain or cause to be maintained adequate workers' compensation coverage and any other coverage required by Legal Requirements for all Persons employed by Tenant on the Leased Property in accordance with Legal Requirements.

### **13.3 Waiver of Subrogation**

. All insurance policies carried by either party covering the Leased Property or Tenant's Property, including, without limitation, contents, fire and liability insurance, shall expressly waive any right of subrogation on the part of the insurer against the other party. Each party, respectively, shall pay any additional costs or charges for obtaining such waiver.

### **13.4 Policy Requirements**

. All of the policies of insurance referred to in this **Article XIII** shall be written in form reasonably satisfactory to Landlord and any Facility Mortgagee and issued by insurance companies with (1) a financial strength and claims paying ability rating of (x) "A" or better by S&P and (y) "A2" or better by Moody's, to the extent Moody's rates the applicable insurance company, and (z) "A" or better by Fitch, to the extent Fitch rates the applicable insurance company, (provided, however for multi-layered policies, (A) if four (4) or fewer insurance companies issue the Policies, then at least 75% of the insurance coverage represented by the Policies must be provided by insurance companies with a rating of "A" or better by S&P and "A2" or better by Moody's, to the extent Moody's rates the applicable insurance company, and "A" or better by Fitch, to the extent Fitch rates the applicable insurance company, with no remaining carrier below "BBB" by S&P and "Baa2" or better by Moody's, to the extent Moody's rates the applicable insurance company, and "BBB" or better by Fitch, to the extent Fitch rates the applicable insurance company, or (B) if five (5) or more insurance companies issue the Policies, then at least sixty percent (60%) of the insurance coverage represented by the Policies must be provided by insurance companies with a rating of "A" or better by S&P and "A2" or better by Moody's, to the extent Moody's rates the applicable

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insurance company, and “A” or better by Fitch, to the extent Fitch rates the applicable insurance company, with no remaining carrier below “BBB” by S&P and “Baa2” or better by Moody’s, to the extent Moody’s rates the applicable insurance company, and “BBB” or better by Fitch, to the extent Fitch rates the applicable insurance company, and (2) a rating of A:VIII or better in the current Best’s Insurance Reports. If Tenant obtains and maintains the general liability insurance described in **Section 13.1(e)** above on a “claims made” basis, Tenant shall provide continuous liability coverage for claims arising during the Term. In the event such “claims made” basis policy is canceled or not renewed for any reason whatsoever (or converted to an “occurrence” basis policy), Tenant shall either obtain (a) “tail” insurance coverage converting the policies to “occurrence” basis policies providing coverage for a period of at least three (3) years beyond the expiration of the Term, or (b) an extended reporting period of at least three (3) years beyond the expiration of the Term. Tenant shall pay all of the premiums therefor, and deliver certificates thereof to Landlord prior to their effective date (and with respect to any renewal policy, deliver certificates thereof to Landlord within ten (10) days of binding insurance), and in the event of the failure of Tenant either to effect such insurance in the names herein called for or to pay the premiums therefor, or to deliver such certificates thereof to Landlord, at the times required, Landlord shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums therefor, in which event the cost thereof, together with interest thereon at the Overdue Rate, shall be repayable to Landlord upon demand therefor. Tenant shall obtain, to the extent available on commercially reasonable terms, the agreement of each insurer, by endorsement on the policy or policies issued by it, or by independent instrument furnished to Landlord, that it will give to Landlord thirty (30) days’ (or ten (10) days’ in the case of non-payment of premium) Notice before the policy or policies in question shall be altered, allowed to expire or cancelled.

### **13.5 Increase in Limits**

. If, from time to time after the Commencement Date, but not more than once in any 12-month period, Landlord determines in the exercise of its reasonable business judgment that the limits of the personal injury or property damage-public liability insurance then carried pursuant to **Section 13.1(e)** hereof are insufficient, Landlord may give Tenant Notice of acceptable limits for the insurance to be carried, provided that such limits are then available and commercially reasonable, and within one hundred eighty (180) days after the receipt of such Tenant Notice, the insurance shall thereafter be carried with limits as prescribed by Landlord until further increase pursuant to the provisions of this **Section 13.5**.

### **13.6 Blanket Policy**

. Any blanket insurance policy shall specifically allocate to the Leased Property the amount of coverage from time to time required hereunder or shall otherwise provide the same protection as would a separate policy insuring only the Leased Property hereof, subject to review and approval by Landlord based on the schedule of locations and values, and such other documentation required by Landlord. Further, to the extent the policies are maintained pursuant to a blanket insurance policy that covers more than one location within a one thousand foot radius of the Leased Property (the “Radius”), the limits of such blanket insurance policy must be sufficient to maintain property and terrorism coverage as set forth in this Section for the Leased Property and any and all other locations combined within the Radius that are covered by such blanket insurance policy calculated on a total insured value basis.

### **13.7 No Separate Insurance**

. Tenant shall not, on Tenant’s own initiative or pursuant to the request or requirement of any third party, (i) take out separate insurance concurrent in form or contributing in the event of loss with that required in this **Article XIII** to be furnished

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by, or which may reasonably be required to be furnished by, Tenant or (ii) increase the amounts of any then existing insurance by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Landlord and all Facility Mortgagees, are included therein as additional insureds or additional named insureds, as appropriate, and the loss is payable under such insurance in the same manner as losses are payable under this Lease. Notwithstanding the foregoing, nothing herein shall prohibit Tenant from insuring against risks not required to be insured hereby, and as to such insurance, Landlord and any Facility Mortgagee need not be included therein as additional insureds, nor must the loss thereunder be payable in the same manner as losses are payable hereunder except to the extent required to avoid a default under the Facility Mortgage. In addition, nothing contained herein shall limit Tenant's ability to procure policies of insurance with limits in excess of the requirements set forth in this **Article XIII**.

### **13.8 Captive insurance company Requirements**

. With respect to any captive insurance company providing the terrorism insurance required pursuant to Section 13.1 above, such captive insurance company must meet the requirements set forth on **Schedule N** attached hereto.

## **ARTICLE XIV**

### **CASUALTY**

#### **14.1 Property Insurance Proceeds**

. All proceeds (except business interruption insurance proceeds not allocated to rent expenses which shall be payable to and retained by Tenant) payable by reason of any property loss or damage to the Leased Property, or any portion thereof, under any property policy of insurance required to be carried hereunder shall be paid to Fee Mortgagee or to an escrow account held by a third party depository reasonably acceptable to Landlord and Tenant (pursuant to an escrow agreement acceptable to the parties and intended to implement the terms hereof) and made available to Tenant upon request for the reasonable costs of preservation, stabilization, emergency restoration, business interruption, reconstruction and repair, as the case may be, of any damage to or destruction of the Leased Property, or any portion thereof; provided, however, that the portion of such proceeds that are attributable to Tenant's obligation to pay Rent and Additional Charges shall be applied against Rent and Additional Charges due by Tenant hereunder as Rent and Additional Charges become due; and provided, further, that if the total amount of proceeds payable net of the applicable deductibles is Fifty Million Dollars (\$50,000,000) or less, and, if no Event of Default has occurred and is continuing, the proceeds shall notwithstanding the foregoing provisions be paid to Tenant and, subject to the limitations set forth in this **Article XIV** used for the repair of any damage to the Leased Property; provided, further, that, in each case, the Leased Property is rebuilt in a manner at least substantially equivalent to the condition of the Leased Property that existed immediately prior to the casualty and with materials and workmanship of like kind and quality and as otherwise reasonably satisfactory to Landlord. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property to substantially the condition described in the preceding sentence shall be paid to Tenant. All salvage resulting from any risk covered by insurance for damage or loss to the Leased Property shall belong to

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Landlord. Tenant shall have the right to prosecute and settle insurance claims, provided that Tenant shall consult with and involve Landlord in the process of adjusting any insurance claims under this **Article XIV** and any final settlement with the insurance company shall be subject to Landlord's consent, such consent not to be unreasonably withheld.

#### **14.2 Tenant's Obligations Following Casualty**

. (a) If the Facility and/or any Tenant Capital Improvements to the Facility are damaged, whether or not from a risk covered by insurance carried by Tenant, except as otherwise provided herein, (i) Tenant shall restore such Leased Property (including any Tenant Capital Improvements and all Required CapEx), to substantially the condition required by **Section 14.1**, (ii) such damage shall not terminate this Lease and (iii) subject to **Section 14.5**, Landlord shall cause the Fee Mortgagee to make the proceeds of any insurance held in accordance with **Section 14.1** available to Tenant for such restoration in accordance with **Section 14.1**.

(b) In the event that the Facility is damaged during the final two years of the then-current Term (after giving effect to any Renewal Notice that has been delivered) and Tenant reasonably determines that the cost to restore such damage will exceed twenty percent (20%) of the then fair market value of the Facility immediately prior to such Casualty Event, either Landlord or Tenant may terminate this Lease as of the date of such damage (and all obligations of Tenant to pay Rent and Additional Charges shall cease as of the day before the date of such termination), which may be exercised by written notice to the other party no later than thirty (30) days following the determination of the cost reasonably expected to restore. If so terminated, all proceeds of insurance with respect to such Casualty Event (except business interruption not allocated to rent expenses which shall be payable to and retained by Tenant) shall be paid to Landlord (including, for the avoidance of doubt, any proceeds paid to Tenant pursuant to the second proviso in **Section 14.1**). Any dispute between Landlord and Tenant with respect to fair market value or the costs of restoration will be determined by Experts pursuant to **Section 34.1**.

(c) If Tenant is required, or elects to, restore the Facility and the reasonably anticipated cost of the repair or restoration exceeds the amount of proceeds reasonably expected to be received from the insurance required to be carried hereunder, Tenant shall provide Landlord with evidence reasonably acceptable to Landlord that Tenant has available to it any excess amounts needed to restore the Facility (a "**Restoration Deficiency**"). Such excess amounts necessary to restore the Facility shall be paid by Tenant and, if required by Landlord, Tenant shall deposit Construction Security for such excess amounts (in the same manner as described in **Section 10.1(c)**). If Tenant elects or is required, to restore the Facility, Landlord shall only be required to make insurance proceeds available to Tenant for such restoration in accordance with **Section 14.1** if Tenant reasonably demonstrates that such restoration can be completed within four (4) years of the date on which Tenant can reasonably access the Facility for the purpose of commencing restoration.

(d) If Tenant has not restored the affected Leased Property and the Primary Intended Use has not recommenced by the date that is the fourth (4th) anniversary of the date on which Tenant can reasonably access the Facility for the purpose of commencing restoration, all remaining insurance proceeds and the Construction Security shall be paid to and retained by Landlord free and clear of any claim by or through Tenant unless Tenant is continuing to prosecute the rebuilding or restoration with reasonable diligence.

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(e) In the event that Tenant is neither required nor elects to repair and restore the Leased Property, all property insurance proceeds (and, subject to no Event of Default having occurred and being continuing, any business interruption proceeds in excess of Tenant's Rent and Additional Charges obligations hereunder which shall be retained by Tenant), shall be paid to and retained by Landlord free and clear of any claim by or through Tenant except as otherwise specifically provided below in this **Article XIV**.

#### **14.3 No Abatement of Rent**

. This Lease shall remain in full force and effect and Tenant's obligation to pay the Rent, Additional Charges and all other charges required by this Lease shall remain unabated during the period required for adjusting insurance, satisfying Legal Requirements, repair and restoration.

#### **14.4 Waiver**

. Tenant waives any statutory rights of termination which may arise by reason of any damage or destruction of the Leased Property but such waiver shall not affect any contractual rights granted to Tenant under this **Article XIV**.

#### **14.5 Insurance Proceeds Paid to Fee Mortgagee**

. Notwithstanding anything herein to the contrary, in the event that any Fee Mortgagee is entitled to any insurance proceeds, or any portion thereof, under the terms of any Fee Mortgage, such proceeds (except business interruption not allocated to rent expenses which shall be payable to and retained by Tenant) shall be applied, held and/or disbursed in accordance with the terms of the Fee Mortgage but in all events subject to Tenant's right to such insurance proceeds (including Tenant's right to receive all insurance proceeds for a Casualty Event less than Fifty Million Dollars (\$50,000,000) in accordance with **Section 14.1**) and provided, that, (i) in the event of a Casualty Event involving proceeds of Fifty Million Dollars (\$50,000,000) or more where Tenant elects to restore the Facility in accordance with this **Article XIV** and Tenant reasonably demonstrates that such restoration can be completed within four (4) years of the date on which Tenant can reasonably access the Facility for the purpose of commencing restoration (after the date of such Casualty Event but without regard to the date on which Tenant elects to restore the Facility), or (ii) in the event of a Casualty Event involving proceeds of Fifty Million Dollars (\$50,000,000) or more where Tenant is required by this Lease to restore the Facility, Landlord will cause, subject to **Section 14.2(e)**, any Fee Mortgagee that has received, or thereafter does receive, insurance proceeds to make such proceeds available to Tenant for the reasonable costs of preservation, stabilization, emergency restoration, reconstruction and repair for the Facility.

#### **14.6 Termination of Lease; Abatement of Rent**

. In the event this Lease is terminated, all obligations of Tenant to pay Rent and Additional Charges shall cease as of the date of the Casualty Event and Landlord shall retain any claim which Landlord may have against Tenant for failure to insure such Leased Property as required by **Article XIII**.

#### **14.7 Multiple Fee Mortgagees**

. In any provisions of this **Article XIV, XV** or any other provision of this Lease providing for any determination, decision or election by a Fee Mortgagee, the determination, decision or election of the Fee Mortgagee of the highest priority with respect to the Facility in question shall be controlling.

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## ARTICLE XV

### CONDEMNATION

#### **15.1**Condemnation

(a)Total Taking. If there is a permanent Condemnation of Leased Property with respect to all or substantially all of the Facility, this Lease shall terminate as of the day before the Date of Taking for the Facility and all obligations of Tenant to pay Rent and Additional Charges shall cease as of the day before the Date of Taking.

(b)Partial Taking.

(i) If there is a Condemnation of a portion of the Facility, this Lease shall remain in effect if the Facility is not thereby rendered, in the reasonable determination of Tenant, Unsuitable for Its Primary Intended Use, but if the Facility is thereby rendered Unsuitable for Its Primary Intended Use, this Lease shall at Tenant's option terminate as of the date on which Notice of such determination is delivered to Landlord (and all obligations of Tenant to pay Rent and Additional Charges shall cease as of the date on which Notice of such determination is delivered to Landlord).

(ii) In the event of a Condemnation of a portion of the Facility representing twenty percent (20%) or more of the fair market value of the Facility during the final two years of the then-current Term (after giving effect to any Renewal Notice that has been delivered), either Landlord or Tenant may terminate this Lease as of the day before the Date of Taking (and all obligations of Tenant to pay Rent and Additional Charges shall cease as of the day before the Date of Taking). Any dispute between Landlord and Tenant with respect to the extent of a Condemnation will be determined by Experts pursuant to **Section 34.1**.

(c)Restoration. If there is a partial Condemnation of the Facility and this Lease remains in full force and effect with respect to the Facility, Landlord shall make available to Tenant the portion of the Award applicable to restoration of the Leased Property, and Tenant shall accomplish all necessary restoration whether or not the amount provided by the Condemnor for restoration is sufficient and, if such restoration is not capable of being completed and such Condemnation results in a material adverse effect on the operations of the Facility, the Base Rent shall be reduced by such amount as may be agreed upon by Landlord and Tenant or, if they are unable to reach such an agreement within a period of ninety (90) days after the occurrence of the Condemnation, then the Base Rent for the Facility shall be proportionately reduced based on the relative values of the property taken by condemnation and the portion of the Facility remaining subject to the Lease. In the event that Landlord and Tenant are unable to agree on such relative values within such ninety (90) day period, either Landlord or Tenant may request that such relative values be determined by an Expert in accordance with **Section 34.1**. Tenant shall restore such Leased Property (as nearly as possible under the circumstances) to a complete architectural unit of the same general character and condition as such Leased Property existing immediately prior to such Condemnation. If Tenant has not so restored the Leased Property and the Primary Intended Use has not recommenced by the date that is the fourth (4th) anniversary of the date on which Tenant can reasonably access the Facility for the purpose of commencing restoration, any

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remaining Award shall be paid to and retained by Landlord free and clear of any claim by or through Tenant unless Tenant is continuing to prosecute the rebuilding or restoration with reasonable diligence.

#### **15.2 Award Distribution**

. The entire Award shall belong to and be paid to Landlord. Tenant shall, however, be entitled to pursue its own claim with respect to the Condemnation for Tenant's lost profits value and moving expenses and Excluded Assets and, the portion of the Award, if any, allocated to any Tenant's Property not required to be transferred at the end of the Term.

#### **15.3 Temporary Taking**

. The taking of the Leased Property, or any part thereof, shall constitute a Condemnation only when the use and occupancy by the taking authority is reasonably expected to exceed 180 consecutive days. During any shorter period, which shall be a temporary taking, all the provisions of this Lease shall remain in full force and effect and the Award allocable to the Term shall be paid to Tenant.

#### **15.4 No Abatement of Rent**

. This Lease shall remain in full force and effect and Tenant's obligation to pay the Rent, Additional Charges and all other charges required by this Lease shall remain unabated during the period required for claiming an Award, satisfying Legal Requirements and restoration.

#### **15.5 Waiver**

. Tenant waives any statutory rights of termination which may arise by reason of any Condemnation of the Leased Property but such waiver shall not affect any contractual rights granted to Tenant under this **Article XV**.

#### **15.6 Award Paid to Fee Mortgagee**

. Notwithstanding anything herein to the contrary, in the event that any Fee Mortgagee is entitled to any Award, or any portion thereof, under the terms of any Fee Mortgage, such Award shall be applied, held and/or disbursed in accordance with the commercially reasonable terms of the Fee Mortgage; provided, that, (i) in the event of a Condemnation where Tenant elects to restore the Facility in accordance with **Article XIV** and Tenant reasonably demonstrates that such restoration can be completed within four (4) years of the date on which Tenant can reasonably access the Facility for the purpose of commencing restoration (after the date of such Condemnation but without regard to the date on which Tenant elects to restore the Facility), or (ii) in the event of a Condemnation where Tenant is required by this Lease to restore the Facility, Landlord will cause, subject to the final sentence of **Section 15.1(c)**, the Fee Mortgagee that has received, or thereafter does receive, any Award to make such Award available to Tenant for the reasonable costs of preservation, stabilization, emergency restoration, reconstruction and repair for the Facility.

### **ARTICLE XVI**

#### **DEFAULT; REMEDIES**

##### **16.1 Events of Default**

. (a) Any one or more of the following shall constitute an "Event of Default":

(i) Tenant shall fail to pay any installment of Rent within five (5) Business Days of when due and such failure is not cured within three (3) Business Days after

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Notice from Landlord of Tenant's failure to pay such amount when due; provided, that Tenant shall be entitled to only one (1) such notice and additional three (3) Business Day cure period in any Lease Year;

(ii) Tenant shall fail to pay any Additional Charge when due and such failure is not cured within five (5) Business Days after Notice from Landlord of Tenant's failure to pay such amount when due;

(iii) a default shall occur under the Guaranty which is not cured within fifteen (15) days after Notice from Landlord to Guarantor;

(iv) Tenant or Guarantor shall:

(1) admit in writing its inability to pay its debts generally as they become due;

(2) file a petition in bankruptcy or a petition to take advantage of any insolvency law or act or otherwise commences any proceeding under such law or act;

(3) make an assignment for the benefit of its creditors;

(4) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; or

(5) file a petition or answer seeking reorganization or arrangement under the United States bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof or of any applicable foreign jurisdiction;

(v) Tenant or Guarantor shall be adjudicated as bankrupt or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of Tenant or Guarantor, a receiver of Tenant or Guarantor or of the whole or substantially all of Tenant's or Guarantor's property, or approving a petition filed against Tenant or Guarantor seeking reorganization or arrangement of Tenant or Guarantor under the United States bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof or of any applicable foreign jurisdiction, and such judgment, order or decree shall not be vacated or set aside within sixty (60) days from the date of the entry thereof;

(vi) Tenant or Guarantor shall be liquidated or dissolved (except that Guarantor may be liquidated or dissolved into Tenant or any other Person so long as its assets are distributed following such liquidation or dissolution to Tenant or such other Person), or entry of a judgment, order or decree liquidating or dissolving Tenant or Guarantor and such judgment, order or decree shall not be vacated or set aside within sixty (60) days from the date of the entry thereof;

(vii) the estate or interest of Tenant in the Leased Property or any part thereof shall be levied upon or attached as a result of a judgment in any proceeding relating to more than Ten Million Dollars (\$10,000,000) and the same shall not be vacated, discharged or stayed pending appeal (or bonded or otherwise similarly secured) within the later of ninety (90) days after such judgment is entered or thirty (30) days after receipt by Tenant of

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notice thereof from Landlord; provided, however, that such notice shall be in lieu of and not in addition to any notice required under applicable law;

(viii)if Tenant or Guarantor shall fail to pay, bond, escrow or otherwise similarly secure payment of one or more final judgments aggregating in excess of the amount of Seventy-Five Million and No/100 Dollars (\$75,000,000.00), which judgments are not discharged or effectively waived or stayed for a period of forty-five (45) consecutive days;

(ix)except as permitted in accordance with **Section 7.2(d)**, Tenant voluntarily ceases operations at the Facility for its Primary Intended Use; and

(x)any representation made by Tenant hereunder or by Guarantor under the Guaranty proves to be untrue when made in any material respect and the same materially and adversely affects Landlord;

(xi)any applicable license material to the Facility's operation for its Primary Intended Use is at any time terminated or revoked or suspended or placed under a trusteeship for more than thirty (30) days (and causes cessation of gaming activity at the Facility) and such termination, revocation or suspension is not stayed pending appeal and would reasonably be expected to have a material adverse effect on Tenant, the Facility, or on the Leased Property, taken as a whole;

(xii)if a Licensing Event with respect to the Tenant shall occur and is not cured within the period prescribed by the applicable Gaming Authority or, if no such period is prescribed by the applicable Gaming Authority, then within 90 days;

(xiii)except to a permitted assignee pursuant to **Section 22.2** or a permitted subtenant, or with respect to the granting of a permitted pledge hereunder to a Permitted Leasehold Mortgagee, the sale or transfer, without Landlord's consent, of all or any portion of any Gaming License or similar certificate or license relating to the Leased Property;

(xiv)a transfer of Tenant's interest in this Lease (including pursuant to a Change in Control) shall have occurred without the consent of Landlord to the extent such consent is required under **Article XXII** or Tenant is otherwise in default of the provisions set forth in **Section 22.1** below and in either case the same is not cured within 30 days after written notice from Landlord to Tenant;

(xv)the occurrence of an Event of Default pursuant to **Section 9.1(e)** which continues for 30 days after written notice from Landlord to Tenant; and

(xvi)if Tenant shall fail to observe or perform any other term, covenant or condition of this Lease in any material respect and such failure is not cured by Tenant within thirty (30) days after Notice thereof from Landlord, unless such failure cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to be an Event of Default if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within one hundred twenty (120) days after such notice from Landlord; provided, however, that such notice shall be in lieu of and not in addition to any notice required under applicable law. No Event of Default shall be deemed to

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exist under this clause (xvi) during any time the curing thereof is prevented by an Unavoidable Delay, provided, that upon the cessation of the Unavoidable Delay, Tenant remedies the default without further delay.

(b)Notwithstanding the foregoing, in the event that Landlord believes that there has been a breach that would constitute an Event of Default under **Section 16.1(a), (iii), subclause (1) of (iv), (x), (xi), (xii), (xiii), (xiv), (xv) or (xvi)** above, Landlord shall notify Tenant of such breach and, if Tenant disagrees as to the existence of such breach or that such breach would constitute an Event of Default, Tenant may, provide prompt written notice of such dispute to Landlord (a **"Dispute Notice"**). The time period during which Tenant may cure any default shall be tolled from the date of the Dispute Notice until the date of final resolution of the dispute by the Experts. Each of Landlord and Tenant shall be entitled to promptly submit the determination of whether or not there exists an Event of Default to Experts pursuant to **Section 34.1**. If the Expert determines that the matter in question is or would give rise to an Event of Default, Tenant shall have the remaining portion of the applicable cure period in which to cure such breach before such breach constitutes an Event of Default.

## **16.2 Certain Remedies**

(a)If an Event of Default shall have occurred and be continuing, Landlord may (i) terminate this Lease by giving Tenant no less than ten (10) days' Notice of such termination and the Term shall terminate and all rights of Tenant under this Lease shall cease, (ii) seek damages as provided in **Section 16.3** hereof, and/or (iii) exercise any other right or remedy at law or in equity available to Landlord as a result of any Event of Default. Tenant shall pay as Additional Charges all costs and expenses incurred by or on behalf of Landlord, including reasonable attorneys' fees and expenses, as a result of any Event of Default hereunder. If an Event of Default shall have occurred and be continuing, whether or not this Lease has been terminated pursuant to the first sentence of this **Section 16.2**, Tenant shall, to the extent permitted by law (including applicable Gaming Regulations), if required by Landlord to do so, immediately surrender to Landlord possession of all or any portion of the Leased Property (including any Tenant Capital Improvements) as to which Landlord has so demanded and quit the same and Landlord may, to the extent permitted by law (including applicable Gaming Regulations), enter upon and repossess such Leased Property and any Capital Improvement thereto by reasonable force, summary proceedings, ejectment or otherwise, and, to the extent permitted by law (including applicable Gaming Regulations), may remove Tenant and all other Persons and any of Tenant's Property from such Leased Property.

(b)Notwithstanding anything contained herein to the contrary, Landlord shall not be entitled to terminate this Lease by reason of an Event of Default (but Landlord may exercise all other rights and remedies), unless and until Landlord has, following the occurrence of an Event of Default, delivered a notice (**"Event of Default Notice"**) to Tenant stating the Event of Default, and containing the following caption (in bold 16 point type):

**"THIS IS AN EVENT OF DEFAULT NOTICE. FAILURE TO TAKE IMMEDIATE ACTION AND TO CURE THE EVENT(S) OF DEFAULT AS SPECIFIED BELOW WITHIN TEN (10) DAYS OF**

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**RECEIPT OF THIS NOTICE MAY LEAD TO LANDLORD'S TERMINATION OF THE LEASE  
AND/OR THE EXERCISE OF OTHER REMEDIES THEREUNDER."**

**16.3 Damages**

(a) None of (i) the termination of this Lease, (ii) the repossession of the Leased Property (including any Capital Improvements to the Facility), (iii) the failure of Landlord to relet the Leased Property or any portion thereof, (iv) the reletting of all or any portion of the Leased Property, or (v) the inability of Landlord to collect or receive any rentals due upon any such reletting, shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive any such termination, repossession or reletting. Landlord and Tenant agree that Landlord shall have no obligation to mitigate Landlord's damages under this Lease, and Tenant hereby waives any duty of Landlord to mitigate damages under any Legal Requirements to the full extent that such duty may be waived. If any such termination of this Lease occurs (whether or not Landlord terminates Tenant's right to possession of the Leased Property), Tenant shall forthwith pay to Landlord (x) all Rent due and payable under this Lease to and including the date of such termination (together with interest thereon at the Overdue Rate from the date the applicable amount was due) and (y) pay on demand all damages to which Landlord shall be entitled at law or in equity; provided, however, with respect to unpaid Rent from and after the date of termination, at Landlord's option, Tenant shall forthwith pay to Landlord as and for liquidated and agreed current damages, for the occurrence of an Event of Default, either:

(A) the sum of:

(i) the worth at the time of award of the unpaid Rent (and Additional Charges) which had been earned at the time of termination to the extent not previously paid by Tenant under this **Section 16.3**;

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; *plus*

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

As used in clauses (i) and (ii) above, the "worth at the time of award" shall be computed by allowing interest at the Overdue Rate. As used in clause (iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal

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Reserve Bank of New York at the time of award plus one percent (1%) and reducing such amount by the portion of the unpaid Rent that Tenant proves could be reasonably avoided.

or

(B) if Landlord chooses not to terminate Tenant's right to possession of the Leased Property (whether or not Landlord terminates the Lease), each installment of said Rent and other sums payable by Tenant to Landlord under this Lease as the same becomes due and payable, together with interest at the Overdue Rate from the date when due until paid, and Landlord may enforce, by action or otherwise, any other term or covenant of this Lease (and Landlord may at any time thereafter terminate Tenant's right to possession of the Leased Property and seek damages under subparagraph (A) hereof, to the extent not already paid for by Tenant under this subparagraph (B)).

(b) If, as of the date of any termination of this Lease pursuant to **Section 16.2**, the Leased Property shall not be in the condition in which Tenant has agreed to surrender the same to Landlord at the expiration or earlier termination of this Lease pursuant to **Section 9.1(d)**, then Tenant, shall pay, as damages therefor, the cost (as estimated by an independent contractor reasonably selected by Landlord) of placing the Leased Property in the condition in which Tenant is required to surrender the same hereunder.

#### **16.4 Receiver**

. Upon the occurrence and continuance of an Event of Default, and upon commencement of proceedings to enforce the rights of Landlord hereunder, but subject to any limitations of applicable law, Landlord shall be entitled, as a matter of right, to the appointment of a receiver or receivers acceptable to Landlord of the Leased Property and of the revenues, earnings, income, products and profits thereof, pending the outcome of such proceedings, with such powers as the court making such appointment shall confer.

#### **16.5 Waiver**

. If Landlord initiates judicial proceedings or if this Lease is terminated by Landlord pursuant to this **Article XVI**, Tenant waives, to the extent permitted by applicable law, (i) any right of redemption, re-entry or repossession; (ii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt; and (iii) any duty of Landlord to mitigate damages to the extent such duty may legally be waived.

#### **16.6 Application of Funds**

. Any payments received by Landlord under any of the provisions of this Lease during the existence or continuance of any Event of Default which are made to Landlord rather than Tenant due to the existence of an Event of Default shall be applied to Tenant's obligations in the order which Landlord may reasonably determine or as may be prescribed by the laws of the State.

#### **16.7 Landlord's Right to Cure Tenant's Default**

. If Tenant shall fail to make any payment or to perform any act required to be made or performed hereunder when due including, without limitation, if Tenant fails to expend any Required CapEx as required hereunder or fails to complete any work or restoration or replacement of any nature as required hereunder, or if Tenant shall take any action prohibited hereunder, and such failure shall have resulted in an Event of Default, Landlord and/or its Affiliates, without waiving or releasing any obligation or default, may, but shall be under no obligation to, make such payment or perform such act (or

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reimburse any Fee Mortgagee for making such payment or performing such act) for the account and at the expense of Tenant (including, in the event of a breach of any such representation or warranty, taking actions to cause such representation or warranty to be true), and may, to the extent permitted by law, after an Event of Default enter upon the Leased Property for such purpose and take all such action thereon as, in Landlord's reasonable opinion, may be necessary or appropriate therefor provided same is undertaken in accordance with the applicable law. All sums so paid (or reimbursed) by Landlord and/or any of its Affiliates and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord and/or any of its Affiliates, shall be paid by Tenant to Landlord on demand as an Additional Charge.

#### **16.8 Miscellaneous**

(a) Suit or suits for the recovery of damages, or for any other sums payable by Tenant to Landlord pursuant to this Lease, may be brought by Landlord from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this Lease and the Term would have expired by limitation had there been no Event of Default, reentry or termination.

(b) No failure by either party to insist upon the strict performance of any agreement, term, covenant or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance by Landlord of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Lease to be performed or complied with by either party, and no breach thereof, shall be or be deemed to be waived, altered or modified except by a written instrument executed by the parties. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. If an Event of Default is continuing, Landlord shall be entitled to seek to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though reentry, summary proceedings or other remedies were not provided for in this Lease.

(c) Except to the extent otherwise expressly provided in this Lease, each right and remedy of a party provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease.

(d) Nothing contained in this **Article XVI** or otherwise shall vitiate or limit Tenant's obligation to pay Landlord's attorneys' fees as and to the extent provided in **Article XXXVII** hereof, or any indemnification obligations under any express indemnity made by Tenant of Landlord or of any Landlord Indemnified Parties as contained in this Lease.

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## ARTICLE XVII

### TENANT'S FINANCING

#### **17.1 Permitted Leasehold Mortgagees**

(a) On one or more occasions without Landlord's prior consent Tenant may mortgage or otherwise encumber Tenant's estate in and to the Leased Property (the "**Leasehold Estate**") to one or more Permitted Leasehold Mortgagees under one or more Permitted Leasehold Mortgages and pledge its right, title and interest under this Lease as security for such Permitted Leasehold Mortgages or any Debt Agreement secured thereby; provided, that no Person shall be considered a Permitted Leasehold Mortgagee unless (1) such Person delivers to Landlord a written agreement providing (i) that (unless this Lease has been terminated) such Permitted Leasehold Mortgagee and any lenders for whom it acts as representative, agent or trustee, will not use or dispose of any Gaming License for use at a location other than at the Facility, (ii) an express acknowledgment that, in the event of the exercise by the Permitted Leasehold Mortgagee of its rights under the Permitted Leasehold Mortgage, the Permitted Leasehold Mortgagee shall be required to (except for a transfer that meets the requirements of **Section 22.2(a)(i)**) secure the approval of Landlord for the replacement of Tenant with respect to the affected portion of the Leased Property and contain the Permitted Leasehold Mortgagee's acknowledgment that such approval may be granted or withheld by Landlord in accordance with the provisions of **Article XXII** of this Lease, and (iii) an express acknowledgment, on behalf of itself, its successors and assigns and all beneficiaries of the Permitted Leaseholder Mortgage of the priorities and waivers described in **Section 17.1(n)**, (2) the underlying Permitted Leasehold Mortgage includes an express acknowledgment that (A) any exercise of remedies thereunder that would affect the Leasehold Estate shall be subject and subordinate to the terms of the Lease, and (B) that any foreclosure or realization by any Permitted Leasehold Mortgagee pursuant to a Permitted Leasehold Mortgage or upon Tenant's interest under this Lease or that would result in a transfer of all or any portion of Tenant's interest in the Leased Property or this Lease shall in any case be subject to the applicable provisions, terms and conditions of **Article XXII** hereof, and (3) such Person executes a joinder to any existing intercreditor agreement between any Permitted Leasehold Mortgagee and any Facility Mortgagee ("**Intercreditor Agreement**"). Any Facility Mortgagee and its successors and assigns, by accepting any Facility Mortgage, shall be deemed without executing any further document or instrument, to have also agreed to recognize the rights of any Permitted Leasehold Mortgagee as provided in this **Article XVII** and to have agreed not to disturb such rights in any way except through the exercise of the rights expressly granted to Landlord in this Lease or available at law or in equity to Landlord by reason of the default by Tenant under this Lease.

(b) Notice to Landlord.

(i) (1) If Tenant shall, on one or more occasions, mortgage Tenant's Leasehold Estate pursuant to a Permitted Leasehold Mortgage and if the holder of such Permitted Leasehold Mortgage shall provide Landlord with Notice of such Permitted Leasehold Mortgage together with a true copy of such Permitted Leasehold Mortgage and the name and address of the Permitted Leasehold Mortgagee, Landlord and Tenant agree that, following receipt of such

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Notice by Landlord, the provisions of this **Section 17.1** shall apply in respect of each such Permitted Leasehold Mortgage.

(2) In the event of any assignment of a Permitted Leasehold Mortgage or in the event of a change of address of a Permitted Leasehold Mortgagee or of an assignee of such Mortgage, Notice of the new name and address shall be provided to Landlord.

(ii) Landlord shall promptly upon receipt of a communication purporting to constitute the notice provided for by **subsection (b)(i)** above acknowledge by an executed and notarized instrument receipt of such communication as constituting the notice provided for by **subsection (b)(i)** above and confirming the status of the Permitted Leasehold Mortgagee as such or, in the alternative, notify Tenant and the Permitted Leasehold Mortgagee of the rejection of such communication as not conforming with the provisions of this **Section 17.1** and specify the specific basis of such rejection.

(iii) After Landlord has received the notice provided for by **subsection (b)(i)** above, Tenant, upon reasonable request to do so by Landlord, shall with reasonable promptness provide Landlord with copies of the material definitive documentation for the loans, notes or other debt obligations secured by such Permitted Leasehold Mortgage. If requested to do so by Landlord, Tenant shall thereafter also provide, with reasonable promptness, Landlord from time to time with a copy of each material amendment, modification or supplement to such documentation. From time to time upon reasonable request by Landlord, Tenant shall also notify Landlord, with reasonable promptness, of the date and place of recording and other pertinent recording data with respect to such instruments as have been recorded.

(c) Default Notice. Landlord, upon providing Tenant any notice of: (i) default under this Lease or (ii) a termination of this Lease, shall at the same time provide a copy of such notice to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof. No such notice by Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been sent, in the manner prescribed in **Section 35.1** of this Lease, to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof. From and after such notice has been sent to a Permitted Leasehold Mortgagee, such Permitted Leasehold Mortgagee shall have the same period, after the giving of such notice upon its remedying any default or acts or omissions which are the subject matter of such notice or causing the same to be remedied, as is given Tenant after the giving of such notice to Tenant, plus in each instance, the additional periods of time specified in **subsections (d) and (e)** of this **Section 17.1** to remedy, commence remedying or cause to be remedied the defaults or acts or omissions which are the subject matter of such notice specified in any such notice. Landlord shall accept such performance by or at the instigation of such Permitted Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes each Permitted Leasehold Mortgagee (to the extent such action is authorized under the applicable Debt Agreement) to take any such action at such Permitted Leasehold Mortgagee's option and does hereby authorize entry upon the premises by the Permitted Leasehold Mortgagee for such purpose.

(d) Notice to Permitted Leasehold Mortgagee. Anything contained in this Lease to the contrary notwithstanding, if any default shall occur which entitles Landlord to

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terminate this Lease, Landlord shall have no right to terminate this Lease on account of such default unless, following the expiration of the period of time given Tenant to cure such default or the act or omission which gave rise to such default, Landlord shall notify every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof of Landlord's intent to so terminate at least thirty (30) days in advance of the proposed effective date of such termination if such default is capable of being cured by the payment of money, and at least ninety (90) days in advance of the proposed effective date of such termination if such default is not capable of being cured by the payment of money ("**Termination Notice**"). The provisions of **subsection (e)** below of this **Section 17.1** shall apply if, during such thirty (30) or ninety (90) days (as the case may be) Termination Notice period, any Permitted Leasehold Mortgagee shall:

(i) notify Landlord of such Permitted Leasehold Mortgagee's desire to nullify such Termination Notice;  
and

(ii) pay or cause to be paid all Rent, Additional Charges, and other payments (i) then due and in arrears as specified in the Termination Notice to such Permitted Leasehold Mortgagee and (ii) which may become due during such thirty (30) or ninety (90) day (as the case may be) period (as the same may become due) (in each case, regardless of whether such amount is allowed under any insolvency or bankruptcy law); and

(iii) comply or in good faith, with reasonable diligence and continuity, commence to comply with all nonmonetary requirements of this Lease then in default and reasonably susceptible of being complied with by such Permitted Leasehold Mortgagee, provided, however, that such Permitted Leasehold Mortgagee shall not be required during such ninety (90) day period to cure or commence to cure any default consisting of Tenant's failure to satisfy and discharge any lien, charge or encumbrance against Tenant's interest in this Lease or the Leased Property, or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee or any matter which Permitted Leasehold Mortgagee is prevented from performing because of any injunction or stay applicable during any bankruptcy or other judicial proceeding; and

(iv) during such thirty (30) or ninety (90) day period, the Permitted Leasehold Mortgagee shall respond, with reasonable diligence, to requests for information from Landlord as to the Permitted Leasehold Mortgagee's (and related lenders') intent to pay such Rent and other charges and comply with this Lease.

**(e) Procedure on Default.**

(i) If Landlord shall elect to terminate this Lease by reason of any Event of Default of Tenant that has occurred and is continuing, and a Permitted Leasehold Mortgagee shall have proceeded in the manner provided for by **subsection (d)** of this **Section 17.1**, the specified date for the termination of this Lease as fixed by Landlord in its Termination Notice shall be extended for a period not to exceed three (3) months; provided, that such Permitted Leasehold Mortgagee shall, during such extension period:

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(1) pay or cause to be paid the Rent, Additional Charges and other monetary obligations of Tenant under this Lease as the same become due (in each case, regardless of whether such amount is allowed under any insolvency or bankruptcy law), and continue its good faith efforts to perform or cause to be performed all of Tenant's other obligations under this Lease, excepting (A) obligations of Tenant to satisfy or otherwise discharge any lien, charge or encumbrance against Tenant's interest in this Lease or the Leased Property or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee and (B) past nonmonetary obligations then in default and not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee; and

(2) if not enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order, diligently continue to pursue acquiring or selling Tenant's interest in this Lease and the Leased Property by foreclosure of the Permitted Leasehold Mortgage or other appropriate means and diligently prosecute the same to completion.

(ii) If at the end of such three (3) month period such Permitted Leasehold Mortgagee is complying with **subsection (e)(i)** above, this Lease shall not then terminate, and the time for completion by such Permitted Leasehold Mortgagee of its proceedings shall continue (provided that for the time of such continuance, such Permitted Leasehold Mortgagee is in compliance with **subsection (e)(i)** above) (x) so long as such Permitted Leasehold Mortgagee is enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order and if so enjoined or stayed, thereafter for so long as such Permitted Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interest in this Lease by foreclosure of the Permitted Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity but not to exceed twelve (12) months after the Permitted Leasehold Mortgagee is no longer so enjoined or stayed from prosecuting the same and in no event longer than twenty-four (24) months from the date of Landlord's initial notification to Permitted Leasehold Mortgagee pursuant to **Section 17.1(d)** hereof, and (y) if such Permitted Leasehold Mortgagee is not so enjoined or stayed, thereafter for so long as such Permitted Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interests in this Lease by foreclosure of the Permitted Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity but not to exceed twelve (12) months from the date of Landlord's initial notification to Permitted Leasehold Mortgagee pursuant to **Section 17.1(d)** hereof. Nothing in this **subsection (e)** of this **Section 17.1**, however, shall be construed to extend this Lease beyond the original term thereof as extended by any options to extend the Term of this Lease properly exercised by Tenant or a Permitted Leasehold Mortgagee in accordance with **Section 1.4**, nor to require a Permitted Leasehold Mortgagee to continue such foreclosure proceeding after the default has been cured. If the default shall be cured pursuant to the terms and within the time periods allowed in **subsections (d)** and **(e)** of this **Section 17.1** and the Permitted Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease.

(iii) If a Permitted Leasehold Mortgagee is complying with **subsection (e)(i)** of this **Section 17.1**, upon the acquisition of Tenant's Leasehold Estate herein by a Foreclosure Transferee this Lease shall continue in full force and effect as if Tenant had not

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defaulted under this Lease, provided, that such Foreclosure Transferee cures all outstanding defaults that can be cured through the payment of money and all other defaults that are reasonably susceptible of being cured.

(iv) For the purposes of this **Section 17.1**, the making of a Permitted Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease nor of the Leasehold Estate hereby created, nor shall any Permitted Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate hereby created so as to require such Permitted Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder; but the purchaser at any sale of this Lease (including a Permitted Leasehold Mortgagee if it is the purchaser at foreclosure) and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignee or transferee of this Lease and of the Leasehold Estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall be subject to **Article XXII** hereof (including the requirement that such purchaser assume the performance of the terms, covenants or conditions on the part of Tenant to be performed hereunder and meet the qualifications of **Section 22.2** or be reasonably consented to by Landlord in accordance with **Section 22.1** hereof).

(v) Any Permitted Leasehold Mortgagee or other acquirer of the Leasehold Estate of Tenant pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings in accordance with the requirements of **Section 22.2(a)(i)** of this Lease may, upon acquiring Tenant's Leasehold Estate, sell and assign the Leasehold Estate solely in accordance with the requirements of **Article XXII** of this Lease and enter into Permitted Leasehold Mortgages in the same manner as the original Tenant, subject to the terms hereof.

(vi) Notwithstanding any other provisions of this Lease, any sale of this Lease and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignment or transfer of this Lease and of the Leasehold Estate hereby created in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall be deemed to be a permitted sale, transfer or assignment of this Lease and of the Leasehold Estate hereby created solely to the extent the successor tenant under this Lease is a Foreclosure Transferee and the transfer otherwise complies with the requirements of **Section 22.2(a)(i)** of this Lease or the transferee is consented to by Landlord (in its sole discretion) in accordance with **Section 22.1** hereof.

(f)New Lease. In the event of the termination of this Lease other than due to a default as to which the Permitted Leasehold Mortgagee had the opportunity to, but did not, cure the default as set forth in **Sections 17.1(d)** and **17.1(e)** above, Landlord shall provide each Permitted Leasehold Mortgagee with Notice that this Lease has been terminated ("**Notice of Termination**"), together with a statement of all sums which would at that time be due under this Lease but for such termination, and of all other defaults, if any, then known to Landlord. Landlord agrees to enter into a new lease ("**New Lease**") of the Leased Property with such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee (in each case only if such entity is a Foreclosure Transferee) for the remainder of the Term (including any Renewal Terms) of this Lease, effective as of the date of termination, at the rent and additional

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rent, and upon the terms, covenants and conditions (including all options to renew but excluding requirements which have already been fulfilled) of this Lease, provided:

(i) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall make a binding, written, irrevocable commitment to Landlord for such New Lease within thirty (30) days after the date such Permitted Leasehold Mortgagee receives Landlord's Notice of Termination of this Lease given pursuant to this **Section 17.1(f)**;

(ii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Lease but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorney's fees, which Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant; and

(iii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall agree to remedy any of Tenant's defaults of which said Permitted Leasehold Mortgagee was notified by Landlord's Notice of Termination (or in any subsequent notice) and which can be cured through the payment of money or are reasonably susceptible of being cured by Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee.

(g)New Lease Priorities. It is the intention of the parties that such New Lease shall continue to maintain the same priority as this Lease with regard to any Facility Mortgage or any other lien, charge or encumbrance created by the acts of Landlord on the Leased Property or any part thereof or this Lease (but Landlord shall not be deemed to make any representation or warranty to that effect). If more than one Permitted Leasehold Mortgagee shall request a New Lease pursuant to **subsection (f)(i)** of this **Section 17.1**, Landlord shall enter into such New Lease with the Permitted Leasehold Mortgagee whose mortgage is senior in lien, or with its Permitted Leasehold Mortgagee Designee acting for the benefit of such Permitted Leasehold Mortgagee prior in lien foreclosing on Tenant's interest in this Lease. Landlord, without liability to Tenant or any Permitted Leasehold Mortgagee with an adverse claim, may rely upon a title insurance policy issued by a reputable title insurance company as the basis for determining the appropriate Permitted Leasehold Mortgagee who is entitled to such New Lease.

(h)Permitted Leasehold Mortgagee Need Not Cure Specified Defaults. Nothing herein contained shall require any Permitted Leasehold Mortgagee as a condition to its exercise of the right hereunder to cure any default of Tenant not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee (including but not limited to the default referred to in **Section 16.1(a)(iii), (iv), (v), (vi), (vii)**, (if the levy or attachment is in favor of such Permitted Leasehold Mortgagee (provided, such levy is extinguished upon foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure) or is junior to the lien of such Permitted Leasehold Mortgagee and would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such Permitted Leasehold Mortgagee), **(viii), (x), (xii), and (xiv)** and any other sections of this Lease which may impose conditions of default not susceptible to being cured by a Permitted

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Leasehold Mortgagee or a subsequent owner of the Leasehold Estate through foreclosure hereof), in order to comply with the provisions of **Sections 17.1(d) and 17.1(e)**, or as a condition of entering into the New Lease provided for by **Section 17.1(f)**.

(i)Contest of Event of Default. Notwithstanding anything to the contrary contained in this Lease, any Permitted Leasehold Mortgagee (and if more than one, the Permitted Leasehold Mortgagee whose lien is most senior) may, in good faith, contest through appropriate proceedings whether an alleged non-monetary default in fact constitutes an Event of Default, and the cure period available under the terms hereof to such Permitted Leasehold Mortgagee shall be extended so long as such Permitted Leasehold Mortgagee shall be diligently pursuing such contest, provided, that: (i) such Permitted Leasehold Mortgagee shall have commenced such contest prior to the expiration of the applicable notice and cure period herein for such alleged non-monetary Event of Default; (ii) Tenant shall not be, or shall not have, separately contested such alleged non-monetary Event of Default; (iii) pending the outcome of such contest, such Permitted Leasehold Mortgagee shall make payment of all Rent due and payable hereunder, as and when due and payable, and shall make payment and shall otherwise cure all non-monetary Events of Default which are not being contested by such Permitted Leasehold Mortgagee within applicable cure periods provided herein for such non-monetary Events of Default; and (iv) such Permitted Leasehold Mortgagee shall make payment to Landlord of all reasonable attorneys' fees and costs incurred by Landlord in connection with such contest in the event that such Permitted Leasehold Mortgagee is not successful in such contest.

(j)Casualty Loss. A standard mortgagee clause naming each Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof may be added to any and all insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Lease and the Permitted Leasehold Mortgagee shall so provide; except that the Permitted Leasehold Mortgagee may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to Tenant (but not such proceeds, if any, payable jointly to Landlord and Tenant or to Landlord, to the Fee Mortgagee or to a third-party escrowee) pursuant to the provisions of this Lease.

(k)Arbitration; Legal Proceedings. Landlord shall give prompt notice to each Permitted Leasehold Mortgagee (for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof) of any arbitration or legal proceedings between Landlord and Tenant involving obligations under this Lease.

(l)No Merger. So long as any Permitted Leasehold Mortgage is in existence, unless all Permitted Leasehold Mortgagees for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof shall otherwise expressly consent in writing, the fee title to the Leased Property and the Leasehold Estate of Tenant therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Landlord or by Tenant or by a third party, by purchase or otherwise.

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(m)Notices. Notices from Landlord to the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof shall be provided in the method provided in **Section 35.1** hereof to the address furnished Landlord pursuant to **subsection (b)** of this **Section 17.1**, and those from the Permitted Leasehold Mortgagee to Landlord shall be mailed to the address designated pursuant to the provisions of **Section 35.1** hereof. Such notices, demands and requests shall be given in the manner described in this **Section 17.1** and in **Section 35.1** and shall in all respects be governed by the provisions of those sections.

(n)Limitation of Liability; Rights as to Collateral. Notwithstanding any other provision hereof to the contrary, (i) Landlord agrees that any Permitted Leasehold Mortgagee's liability to Landlord in its capacity as Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against such Permitted Leasehold Mortgagee's interest in the Leasehold Estate and the other collateral granted to such Permitted Leasehold Mortgagee to secure the obligations under its Debt Agreement, and (ii) each Permitted Leasehold Mortgagee agrees that (1) Landlord's liability to such Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against Landlord's interest in the Leased Property and the other collateral granted to Landlord under this Lease, and (2) (A) the Permitted Leasehold Mortgagee does not have a Lien on, and the applicable Permitted Leasehold Mortgage does not encumber, the CapEx Reserve, FF&E Reserve, the Covenant Security Escrow Account or the Construction Security (the "**Permitted Leasehold Mortgage Excluded Collateral**") and (2) (B) the Permitted Leasehold Mortgage include an express exclusion of the Permitted Leasehold Mortgage Excluded Collateral from the assets on which Liens are granted thereunder.

(o)Transfer Procedure. If an Event of Default shall have occurred and be continuing, the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to **Section 17.1(b)** hereof with the most senior lien on the Leasehold Estate shall release any security interests it may have with respect to Tenant's Property that is to be transferred to Landlord under **Article XXXVI** (and this **Section 17.1(o)** shall expressly authorize Tenant (or Landlord on Tenant's behalf) to file any UCC-3 termination statements with respect to any such assets to be transferred to Landlord) but such Permitted Leasehold Mortgages shall have the right to make any determinations and agreements on behalf of Tenant under **Article XXXVI**, in each case, in accordance with and subject to the terms and provisions of **Article XXXVI**; provided, however, in no event shall the foregoing diminish the obligations of Tenant or rights of Landlord under **Section XXXVI**.

(p)Third Party Beneficiary. Each Permitted Leasehold Mortgagee (for so long as such Permitted Leasehold Mortgagee holds a Permitted Leasehold Mortgage) is an intended third-party beneficiary of this **Article XVII** entitled to enforce the same as if a party to this Lease.

## **17.2 Landlord's Right to Cure Tenant's Default**

. If Tenant shall fail to make any payment or to perform any act required to be made or performed hereunder when due or within any cure period provided for herein, Landlord, without waiving or releasing any obligation or default, may, but shall be under no obligation to, make such payment or perform such act for the account and at the expense of Tenant, and may, to the extent permitted by law, enter upon the

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Leased Property for such purpose and take all such action thereon as, in Landlord's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be paid by Tenant to Landlord on demand as an Additional Charge.

### **17.3 Tenant's Debt Agreements**

. Tenant agrees that the principal or controlling agreement relating to any Material Indebtedness or series of related Debt Agreements related to Material Indebtedness in each case entered into after the date hereof will include a provision requiring the lender or lenders thereunder (or the Representative of such lenders) to provide a copy to Landlord of any notices issued by such lenders or the Representative of such lenders to Tenant of a Specified Debt Agreement Default.

### **17.4 Landlord Cooperation**

. If, in connection with granting any Permitted Leasehold Mortgage or entering into any Debt Agreement, Tenant shall reasonably request reasonable cooperation from Landlord, Landlord shall provide the same at no cost or expense to Landlord, it being understood and agreed that Tenant shall be required to reimburse Landlord for all such reasonable and documented out of pocket costs and expenses so incurred by Landlord, including, but not limited to, its reasonable and documented out of pocket attorneys' fees.

## **ARTICLE XVIII**

### **SALE OF LEASED PROPERTY**

#### **18.1 Sale of the Leased Property**

. So long as no Event of Default has occurred, Landlord shall not sell or otherwise transfer all or any portion of the Leased Property (including by entering into a merger or similar transaction or by any Landlord Change of Control) during the Term to a Tenant Competitor without the prior written consent of Tenant, which consent may be given or withheld in Tenant's sole discretion; provided, however, that, in the event this Lease is not renewed in accordance with **Section 1.4** prior to the date that is thirty six (36) months prior to the then current expiration date of the Term (or as of the date that is thirty six (36) months prior to the final expiration date of this Lease after all renewal options have been exercised), then at any time following the date that is thirty six (36) months prior to the then current expiration date of the Term (the "**Competitor Restriction Open Date**"), Landlord shall have the ability to sell or otherwise transfer all or any portion of the Leased Property (including by entering into a merger or similar transaction or by any Landlord Change of Control) to a Tenant Competitor without the prior written consent of Tenant. In no event shall Landlord cause or allow any Tenant Competitor to own a controlling interest in Landlord (whether directly or indirectly) during the period Landlord is restricted from selling or otherwise transferring to a Tenant Competitor as provided herein, except for interests in Landlord's Parent, BREIT or a publicly traded Person. Except as provided above and except as provided in the last sentence of this **Section 18.1**, Landlord shall not be limited or restricted in any manner whatsoever from selling all or any portion of the Leased Property (including by entering into a merger or similar transaction or by any Landlord Change of Control). In connection with any sale or other transfer by Landlord of all or any portion of the Leased Property, Landlord shall be subject in each instance to all of the rights of Tenant under this Lease, and Landlord and Landlord's successor or

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purchaser must comply with the provisions of **Section 8.2** to the extent applicable to Landlord and, to the extent necessary, any purchaser or successor Landlord and/or other Related Person of purchaser or successor Landlord (or other Landlord Change of Control) shall comply with all applicable Gaming Regulations with respect to such sale or transfer to ensure that there is not reasonably likely to be any material impact on the validity of any of the Gaming Licenses or the ability of Tenant to continue to use the Gaming Facility for gaming activities in substantially the same manner as immediately prior to Landlord's sale or other transfer.

## **ARTICLE XIX**

### **HOLDING OVER**

#### **19.1 Holding Over**

. If Tenant shall for any reason remain in possession of the Leased Property after the expiration or earlier termination of the Term without the consent, or other than at the request, of Landlord, such possession shall be as a month-to-month tenant during which time Tenant shall pay as Base Rent each month twice the monthly Base Rent applicable to the prior Lease Year for the Facility, together with all Additional Charges and all other sums payable by Tenant pursuant to this Lease. During such period of month-to-month tenancy, Tenant shall be obligated to perform and observe all of the terms, covenants and conditions of this Lease, but shall have no rights hereunder other than the right, to the extent given by law to month-to-month tenancies, to continue its occupancy and use of the Leased Property and/or any Tenant Capital Improvements. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Lease.

## **ARTICLE XX**

### **RISK OF LOSS**

#### **20.1 Risk of Loss**

. The risk of loss or of decrease in the enjoyment and beneficial use of the Leased Property as a consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Landlord and Persons claiming from, through or under Landlord) is assumed by Tenant, and except as otherwise provided herein no such event shall entitle Tenant to any abatement of Rent.

## **ARTICLE XXI**

### **INDEMNIFICATION**

#### **21.1 General Indemnification**

. In addition to the other indemnities contained herein, and notwithstanding the existence of any insurance carried by or for the benefit of Landlord or Tenant, and without regard to the policy limits of any such insurance, Tenant shall protect, indemnify, save harmless and defend Landlord and its principals, partners, officers, members, directors, shareholders, employees, managers, agents and servants and their respective successors and assigns, (collectively, the "**Landlord Indemnified Parties**"; each individually, a "**Landlord Indemnified Party**") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys', consultants' and experts'

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fees and expenses, imposed upon or incurred by or asserted against Landlord by reason of: (i) any accident, injury to or death of Persons or loss of or damage to property occurring on or about the Leased Property or adjoining sidewalks under the control of Tenant or any subtenant; (ii) any use, misuse, non-use, condition, maintenance or repair by Tenant or any subtenant of the Leased Property; (iii) any failure on the part of Tenant to perform or comply with any of the terms of this Lease; (iv) the non-performance of any of the terms and provisions of any Property Document and all existing and future subleases or management agreements of the Leased Property to be performed by any party thereunder; (v) any claim for malpractice, negligence or misconduct committed by any Person on or working from the Leased Property; (vi) the violation by Tenant or any subtenant of any Legal Requirement or Insurance Requirement; (vii) the non-performance of any contractual obligation, express or implied, assumed or undertaken by Tenant with respect to the Facility (or any part thereof) or any business or other activity carried on in relation to the Facility (or any part thereof) by Tenant, including contractual obligations arising from any collective bargaining agreement; (viii) any lien or claim that may be asserted against the Facility (or any part thereof) arising from the acts or omissions of Tenant, including without limitation Liens (A) being contested by Tenant pursuant to Article XII or (B) arising out of any failure by Tenant to perform its obligations hereunder or under any instrument or agreement affecting the Facility (or any part thereof); (ix) all amounts actually payable by a Landlord Indemnified Party to any Fee Mortgage Securitization Indemnitee under any Fee Mortgage Document as in effect as of the date hereof in the nature of indemnification as a result of any material misrepresentations made by Tenant as to a Specified Tenant Securitization Matter; and (x) arising under any collective bargaining agreements affecting the Leased Property or the employees of Tenant or its ERISA Affiliates, including all amounts of withdrawal liability, in each case, whether incurred prior to, at, or following the Commencement Date. Any amounts which become payable by Tenant to Landlord under this Article XXI shall be paid within ten (10) Business Days after receipt of Notice from Landlord requesting payment of the same, which notice may not be given until liability therefor has been determined by a final non appealable judgment or settlement or other agreement of the parties, (except with respect to amounts payable by Tenant under the foregoing clause (ix), or withdrawal liability amounts under clause (x) for which notice can be given when such amounts become payable under the applicable Fee Mortgage Document or when such amounts are demanded by a multiemployer pension plan) and if not timely paid within such ten (10) Business Day period, shall bear interest at the Overdue Rate from the date of such determination to the date of payment. Tenant, at its sole cost and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Landlord. For purposes of this Article XXI, any acts or omissions of Tenant or any subtenant, or by their respective employees, agents, assignees, contractors, subcontractors or others acting for or on behalf of Tenant or any subtenant (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Tenant.

## **ARTICLE XXII**

### **SUBLETTING AND ASSIGNMENT**

#### **22.1 Subletting and Assignment**

. Tenant shall not, except as otherwise permitted pursuant to this Lease, without Landlord's prior written consent, voluntarily or by operation of law assign (which term includes any transfer, sale, encumbering, pledge or other transfer or hypothecation and undergoing any Tenant Change of Control) this Lease or Tenant's Leasehold

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Estate with respect to the Facility or sublet all or any portion of the Facility. Tenant acknowledges that Landlord is relying upon the expertise of Tenant in the operation of the Facility and that Landlord entered into this Lease with the expectation that Tenant would remain in and operate the Facility during the entire Term. Any Tenant Change of Control or transfer of any direct or indirect ownership interests in Tenant shall not constitute an assignment of Tenant's interest in this Lease within the meaning of this **Article XXII** and shall not be prohibited, and the provisions requiring consent of Landlord contained herein shall not apply thereto, solely to the extent that (x) Tenant remains and is thereafter wholly owned and Controlled, directly or indirectly, by Tenant's Parent, and (y) the representations and warranties in **Section 39.1** remain true and correct giving effect to such transfer.

## **22.2 Permitted Assignments**

. (a) Notwithstanding the foregoing, Tenant may, without Landlord's prior written consent:

(i)(x) assign this Lease by way of foreclosure of the Leasehold Estate or an assignment-in-lieu of foreclosure to any Person pursuant to a Permitted Leasehold Mortgage (any such foreclosure or assignment, a "**Foreclosure Assignment**") or (y) undergo a Tenant Change of Control whereby a Person directly or indirectly acquires beneficial ownership and control of one hundred percent (100%) of the Equity Interests in Tenant (or the direct or indirect interests in Tenant) as a result of the purchase at a foreclosure of a Permitted Credit Facility Pledge or an assignment in lieu of such foreclosure pursuant to a Permitted Credit Facility Pledge (a "**Foreclosure COC**") in each case, effected by a Permitted Leasehold Mortgagee or a Permitted Leasehold Mortgagee Foreclosing Party or Permitted Credit Facility Lender (as applicable), in each case only if (1) such Person is a Foreclosure Transferee, (2) such Foreclosure Transferee agrees in writing to assume the obligations of Tenant under this Lease without amendment or modification other than as provided below, and (3) a Qualified Transferee has become a Guarantor and provided a Guaranty;

(ii) assign this Lease, or Tenant's Leasehold Estate in this Lease to Tenant's Parent, a wholly-owned and controlled Subsidiary of Tenant's Parent or a wholly-owned and controlled Subsidiary of Tenant; provided, (1) such assignee becomes party to and bound by this Lease and agrees in writing to assume the obligations of Tenant under this Lease without amendment or modification other than as provided below; (2) Tenant remains fully liable hereunder; (3) the use of the Leased Property continues to comply with the requirements of this Lease; (4) Landlord shall have received executed copies of all documents for such assignment and (5) if requested by Landlord, Tenant's Parent shall execute a reaffirmation of the Guaranty; and

(iii) pledge or mortgage its Leasehold Estate to a Permitted Leasehold Mortgagee and/or pledge the direct or indirect Equity Interests in Tenant to a Permitted Leasehold Mortgagee.

Upon the effectiveness of any assignment permitted pursuant to this **Section 22.2**, such Foreclosure Transferee or Permitted Leasehold Mortgagee Foreclosing Party (and, if applicable, its Parent Company) Landlord shall (x) make such amendments and other modifications to this Lease as are reasonably required in order to effectuate such assignment and (y) not unreasonably withhold its consent to other technical amendments which are reasonably necessary in

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connection with such assignment (which for the avoidance of doubt, shall in no event increase the obligations of Landlord or the rights of Tenant or decrease the rights of Landlord or the obligations of Tenant in any respect). After giving effect to any such assignment, unless the context otherwise requires, references to Tenant and Tenant's Parent hereunder shall be deemed to refer to the Foreclosure Transferee and its Parent Company (which must be a Qualified Transferee and deliver a Guaranty to Landlord prior to effectuating such Foreclosure Assignment or Foreclosure COC), as applicable.

### **22.3 Permitted Sublease Agreements**

Tenant may:

. (a) Notwithstanding the provisions of **Section 22.1**, but subject to compliance with the provisions of this **Section 22.3**,

(i) enter into a Permitted Sublease of the Facility or portion thereof with Tenant's Parent, a wholly-owned Subsidiary of Tenant's Parent, a wholly-owned Subsidiary of Tenant or any Affiliate of Tenant's Parent, without Landlord's prior written consent;

(ii) enter into a Permitted Sublease for a term (inclusive of any renewal or extension options under such Permitted Sublease) that does not extend beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not an Affiliate of Tenant or Tenant's Parent with respect to any Ancillary Space at the Facility, without Landlord's prior written consent;

(iii) subject to obtaining Landlord's prior written consent, such consent not to be unreasonably withheld conditioned or delayed, enter into a Permitted Sublease for a term (inclusive of any renewal or extension options under such Permitted Sublease) that extends beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not an Affiliate of Tenant or Tenant's Parent with respect to any Ancillary Space at the Facility;

(iv) without Landlord's prior written consent, enter into a Permitted Sublease for a term (inclusive of any renewal or extension options under such Permitted Sublease) that does not extend beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not an Affiliate of Tenant or Tenant's Parent with respect to any Primary Space at the Facility and provided that Tenant retains and has not sublet or entered into management agreements for at least 75% of the gross area, in each individual case, of each of the Hotel, casino and convention space of the Facility (other than pursuant to the preceding clause (i) or pursuant to **Section 22.7(a)**);

(v) subject to obtaining Landlord's prior written consent, which may be withheld in its sole discretion, enter into a Permitted Sublease for a term (inclusive of any renewal or extension options under such Permitted Sublease) that extends beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not an Affiliate of Tenant or Tenant's Parent with respect to any Primary Space at the Facility and provided that Tenant retains and has not sublet or entered into management agreements for at least 75% of the gross area, in each individual case, of each of the Hotel, casino and convention space of the Facility (other than pursuant to the preceding clause (i) or pursuant to **Section 22.7(a)**); and

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(vi) sublet a portion of the Facility in order to comply with **Section 8.2** hereof.

(b) After an Event of Default has occurred and while it is continuing, Landlord may collect rents from any subtenant and apply the net amount collected to the Rent, but no such collection shall be deemed (i) a waiver by Landlord of any of the provisions of this Lease, (ii) the acceptance by Landlord of such subtenant as a tenant or (iii) a release of Tenant from the future performance of its obligations hereunder.

(c) If reasonably requested by Tenant in connection with a Permitted Sublease which is permitted under this **Section 22.3** with respect to Ancillary Space with a subtenant that is not an Affiliate of Tenant or Tenant's Parent or in connection with a Permitted Management Agreement which is permitted under **Section 22.7** with respect to Ancillary Space with a manager that is not an Affiliate of Tenant or Tenant's Parent, Landlord and such sublessee or manager, as applicable, shall enter into a subordination, nondisturbance and attornment agreement with respect to any such sublease or management agreement, as applicable, such subordination, non-disturbance and attornment agreement to be substantially in the form attached hereto as **Exhibit F-1**, provided Landlord will not unreasonably withhold, condition or delay its consent to commercially reasonable modifications that may be requested by the subtenant (and if a Fee Mortgage is then in effect, Landlord shall use commercially reasonable efforts to seek to cause the Fee Mortgagee to enter into such subordination, non-disturbance and attornment agreement) whereby the subtenant or manager, as applicable, agrees to attorn to Landlord (or a Fee Mortgagee) and Landlord (and the Fee Mortgagee) agree to recognize such subtenant rights under its sublease or manager rights under its management agreement, as applicable. For the avoidance of doubt, Landlord shall have no obligation to deliver a subordination, non-disturbance and attornment agreement with respect to any sublease or management agreement (x) for Primary Space or (y) with a tenant or manager that is an Affiliate of Tenant or Tenant's Parent.

(d) Tenant shall furnish Landlord in connection with the delivery of each Annual Certificate with a copy of each sublease and management agreement that Tenant has entered into since delivery of the last Annual Certificate (irrespective of whether Landlord's prior approval was required therefor).

(e) To the extent Landlord has an approval right pursuant to **Section 22.3(a)** or **Section 22.7**, with respect to Ancillary Space (but not Primary Space) Landlord shall base, if requested by Tenant, its approval (or disapproval) on a term sheet or letter of intent containing the material terms (including, without limitation, the identity of the tenant or manager, the term, the demised area, rent obligations, security deposit, any renewal or extension options, intended use, any exclusive use rights or improvement allowance and construction obligations) of a sublease or management agreement, as applicable, between Tenant and such subtenant or manager, as applicable, and if Landlord approves such term sheet or letter of intent no further approval of Landlord shall be required provided that the final sublease or management agreement, as applicable, between Tenant and such subtenant or manager, as applicable, is not on terms that are materially inconsistent with the term sheet or letter of intent approved by Landlord.

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#### **22.4 Required Assignment and Subletting Provisions**

. Any assignment and/or sublease must provide that:

- (i) in the case of a sublease, it shall be subject and subordinate to all of the terms and conditions of this Lease;
- (ii) the use of the Facility (or portion thereof) shall not conflict with any Legal Requirement or any other provision of this Lease and any restrictions on Tenant's activities at the Facility shall also similarly apply to any sublessee's activities at the Facility;
- (iii) except as otherwise provided herein, no subtenant or assignee shall be permitted to further sublet all or any part of the Facility or assign its sublease except to a party that is not an Affiliate of Tenant and insofar as the same would be permitted if it were a sublease by Tenant under this Lease;
- (iv) in the case of a sublease, in the event of cancellation or termination of this Lease for any reason whatsoever or of the surrender of this Lease (whether voluntary, involuntary or by operation of law) prior to the expiration date of such sublease, including extensions and renewals granted thereunder, then, at Landlord's option, the subtenant shall make full and complete attornment to Landlord for the balance of the term of the sublease, which the subtenant shall execute and deliver within twenty (20) days after request by Landlord and the subtenant shall waive the provisions of any law now or hereafter in effect which may give the subtenant any right of election to terminate the sublease or to surrender possession in the event any proceeding is brought by Landlord to terminate this Lease; and
- (v) in the event the subtenant receives a Notice from Landlord stating that this Lease has been cancelled, surrendered or terminated, then, the subtenant shall thereafter be obligated to pay all rentals accruing under said sublease directly to Landlord (or as Landlord shall so direct); all rentals received from the subtenant by Landlord shall be credited against the amounts owing by Tenant under this Lease.

The Facility shall be operated under, and Tenant shall not be permitted to make any assignment and/or sublease that would, or could reasonably be expected to, affect the obligation of Tenant to operate the Facility under the Bellagio Trademarks and all other material Property Specific IP. Notwithstanding anything otherwise contained in this Lease, Landlord and Tenant acknowledge that Landlord entered into this Lease with the expectation that the Leased Property would be operated under the Bellagio Trademarks during the Term. Accordingly, absent Landlord's express written consent, no assignment or other transfer shall be permitted under **Section 22.2**, and no sublease shall be permitted under **Section 22.3**, unless, upon giving effect to such assignment or other transfer, or sublease, as applicable, (i) the Leased Property continues to be operated under the Bellagio Trademarks and all other material Property Specific IP and (ii) for so long as the Leased Property is operated by Tenant or an Affiliate of Tenant's Parent, the Leased Property continues to be granted access to the material System-wide IP at least consistent with the access granted to the Leased Property prior to any such assignment or other transfer, or sublease, as applicable.

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## **22.5 Costs**

. Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in conjunction with the processing and documentation of any assignment or subletting (including any request for a subordination, non-disturbance and attornment agreement), including reasonable attorneys', architects', engineers' or other consultants' fees whether or not such sublease or assignment agreement is actually consummated.

## **22.6 No Release of Tenant's Obligations**

. No assignment (other than a permitted transfer pursuant to this **Article XXII**, in connection with a sale or assignment of the entire Leasehold Estate), subletting or management agreement shall relieve Tenant of its obligation to pay the Rent and to perform all of the other obligations to be performed by Tenant hereunder or reduce any such obligations. All obligations and other terms of this Lease applicable to Tenant and Tenant's activities and properties shall also apply to each assignee of this Lease. The liability of Tenant and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligations of this Lease on Tenant's part to be performed or observed, shall not in any way be discharged, released or impaired by any (i) stipulation which extends the time within which an obligation under this Lease is to be performed, (ii) waiver of the performance of an obligation required under this Lease that is not entered into for the benefit of Tenant or such successor, or (iii) failure to enforce any of the obligations set forth in this Lease, provided, that Tenant shall not be responsible for any additional obligations or liability arising as the result of any modification or amendment of this Lease by Landlord and any permitted assignee of Tenant that is not an Affiliate of Tenant.

## **22.7 Management Agreements**

. Tenant shall be permitted to:

(a) enter in a Permitted Management Agreement with respect to the Facility or portion thereof with Tenant's Parent, a wholly-owned Subsidiary of Tenant's Parent, a wholly-owned Subsidiary of Tenant or any Affiliate of Tenant's Parent, without Landlord's prior written consent;

(b) enter into a Permitted Management Agreement for a term (inclusive of any renewal or extension options under such Permitted Management Agreement) that does not extend beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not an Affiliate of Tenant or Tenant's Parent with respect to any Ancillary Space at the Facility, without Landlord's prior written consent;

(c) subject to obtaining Landlord's prior written consent, such consent not to be unreasonably withheld conditioned or delayed, enter into a Permitted Management Agreement for a term (inclusive of any renewal or extension options under such Permitted Management Agreement) that extends beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not an Affiliate of Tenant or Tenant's Parent with respect to any Ancillary Space at the Facility;

(d) without Landlord's prior written consent, enter into a Permitted Management Agreement for a term (inclusive of any renewal or extension options under such Permitted Management Agreement) that does not extend beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not

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an Affiliate of Tenant or Tenant's Parent with respect to Primary Space at the Facility and provided that Tenant has not sublet or entered into management agreements (other than pursuant to the preceding clause (a) and **Section 22.3(a)(i)**) with respect to at least 75% of the gross area, in each individual case, of each of the hotel, casino and convention space of the Facility;

(e)subject to obtaining Landlord's prior written consent, which may be withheld in its sole discretion, enter into a Permitted Management Agreement for a term (inclusive of any renewal or extension options under such Permitted Management Agreement) that extends beyond the Term (excluding any Renewal Terms that have not been exercised) with any Person that is not an Affiliate of Tenant or Tenant's Parent with respect to Primary Space at the Facility and provided that Tenant has not sublet or entered into management agreements (other than pursuant to the preceding clause (a) and **Section 22.3(a)(i)**) with respect to at least 75% of the gross area, in each individual case, of each of the hotel, casino and convention space of the Facility; and

(f)enter into a Permitted Management Agreement in order to comply with **Section 8.2** hereof.

## **22.8Bookings**

. Tenant may enter into any Bookings that do not cover periods after the expiration of the term of this Lease without the consent of Landlord in accordance with the Operating Standard in all material respects, and Bookings shall not be considered an assignment, sublease or management agreement. Tenant may enter into any Bookings that cover periods after the expiration of the term of this Lease without the consent of Landlord, provided, that, (i) such transaction is in each case made for bona fide business purposes in the normal course of the Primary Intended Use; (ii) such transaction shall not result in a violation of any Legal Requirements (including Gaming Regulations) relating to the operation of the Facility, including any Gaming Facilities, (iii) such Bookings are on commercially reasonable terms or made for a commercially reasonable purpose at the time entered into; and (iv) such transaction is not designed with the intent to frustrate Landlord's ability to enter into a new lease of the Leased Property or any portion thereof with a third person following the Expiration Date; provided, further, that, notwithstanding anything otherwise set forth herein, any such Bookings in effect as of the Commencement Date are expressly permitted without such consent. Landlord hereby agrees that in the event of a termination or expiration of this Lease, Landlord hereby recognizes and shall keep in effect such Booking on the terms agreed to by Tenant with such Person and shall not disturb such Person's rights to occupy the Facility in accordance with the terms of such Booking.

## **22.9Termination of Affiliate Agreements**

. Notwithstanding anything to the contrary contained herein, at the expiration or earlier termination of the Lease, other than the Bellagio Trademark License Agreement, the Guaranty, the IP Licenses, the Transition Services Agreement and the Property Documents (to the extent entered into in accordance with this Lease), all Affiliate Agreements may be terminated by Landlord at Tenant's sole cost and expense. For the avoidance of doubt, if at the time of the expiration or earlier termination of this Lease any Permitted Sublease and any Permitted Management Agreement together with any sub-agreements, assignments, licenses, and non-disturbance agreements with respect to the foregoing

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are directly or indirectly held by an Affiliate of Tenant's Parent, Landlord shall have the right to terminate such agreements at Tenant's sole expense.

## ARTICLE XXIII

### REPORTING; CONFIDENTIALITY

#### **23.1 Estoppel Certificates and Financial Statements**

(a) Estoppel Certificate. Each of Landlord and Tenant shall, at any time and from time to time, but no more frequently than twice per Lease Year, upon receipt of not less than ten (10) Business Days' prior written request from the other party hereto, furnish an estoppel certificate executed by an appropriate officer with knowledge of the matters set forth therein (an "**Estoppel Certificate**") certifying (i) that this Lease is unmodified and in full force and effect, or that this Lease is in full force and effect as modified and setting forth the modifications; (ii) the Rent and Additional Charges payable hereunder and the dates to which the Rent and Additional Charges payable have been paid; (iii) that the address for notices to be sent to the party furnishing such Estoppel Certificate is as set forth in this Lease (or, if such address for notices has changed, the correct address for notices to such party); (iv) whether or not, to its actual knowledge, such party or the other party hereto is in default in the performance of any covenant, agreement or condition contained in this Lease (together with, back-up calculation and information reasonably necessary to support the determination and calculation of the financial calculations required under this Lease, including, without limitation, the calculation of the Escalation amount and Tenant's compliance with **Section 23.3**) and, if so, specifying each such default of which such party may have knowledge; (v) that Tenant is in possession of the Leased Property; and (vi) responses to such other questions or statements of fact as such other party, any ground or underlying landlord, any purchaser or any current or prospective Fee Mortgagee or Permitted Leasehold Mortgagee shall reasonably request. Landlord's or Tenant's failure to deliver such statement within such time shall constitute an acknowledgement by such failing party that, to such party's knowledge, (x) this Lease is unmodified and in full force and effect except as may be represented to the contrary by the other party; (y) the other party is not in default in the performance of any covenant, agreement or condition contained in this Lease; and (z) the other matters set forth in such request, if any, are true and correct. Any such certificate furnished pursuant to this **Article XXIII** may be relied upon by the receiving party and any current or prospective Fee Mortgagee, Permitted Leasehold Mortgagee, ground or underlying landlord or purchaser of the Leased Property. Each Guarantor or Tenant, as the case may be, shall deliver a written notice within ten (10) Business Days of obtaining knowledge of the occurrence of a default hereunder. Such notice shall include a detailed description of the default and the actions such Guarantor or Tenant has taken or shall take, if any, to remedy such default.

(b) Statements. Tenant shall furnish the following statements to Landlord:

(i) On the earlier of five (5) Business Days following (x) each date specified in the Exchange Act and the SEC's related rules and regulations (including any additional time permitted under Rule 12b-25 or any successor provision thereof) that the Tenant's Parent is (or would be, as a large accelerated filer, if not required to file SEC Reports at

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that time) required to file SEC Reports (each a “**SEC Filing Deadline**”) and (y) the date the Tenant’s Parent files its SEC Reports with the SEC: (A) Tenant’s Parent’s Financial Statements required to be included in such SEC Report (or which would be, if not required to file SEC Reports at that time) or the SEC Report containing such Financial Statements; (B) a certificate, executed by a Responsible Officer of Tenant certifying that no default has occurred under this Lease or, if such a default has occurred, specifying the nature and status of such default; and (C) (1) with respect to annual Financial Statements, a report with respect to Tenant’s Parent’s Financial Statements from Tenant’s Parent’s independent registered public accounting firm, which report shall not be subject to any qualification or exception expressing substantial doubt about the ability of the Tenant’s Parent and its Subsidiaries to continue as a “going concern” or any exception as to the scope of such audit (excluding any qualification as to going concern relating to any debt maturities in the twelve month period following the date such report is delivered or any projected financial performance or covenant default in any Indebtedness or this Lease in such twelve month period) and that such Financial Statements have been prepared in accordance with GAAP and Tenant’s Parent’s accountants have examined such Financial Statements in accordance with the standards of the PCAOB (or generally accepted auditing standards, if not required to file SEC Reports at such time) and (2) with respect to quarterly Financial Statements, a certificate, executed by a Responsible Officer of the Tenant’s Parent, certifying that such Financial Statements fairly present, in all material respects, the financial position and results of operations of Tenant’s Parent and its Subsidiaries on a consolidated basis in accordance with GAAP as at such date and for such period (subject to normal year-end audit adjustments, the absence of footnotes and other informational disclosures customarily omitted from interim financial statements). Financial statements required to be delivered pursuant to this **Section 23.1(b)(i)** will be deemed delivered to the extent such documents are included in materials filed with the SEC and shall be deemed to have been delivered on the date such documents are publicly available on the SEC’s website;

(ii) Within sixty (60) days after the end of each of the Tenant’s Fiscal Years (commencing with the Fiscal Year ending December 31, 2019), (a) a budget and projection by fiscal quarter for the Fiscal Year in which the budget is delivered, including projected Net Revenue, Net Income, EBITDA, Adjusted EBITDA, Net Revenue by division, and Operating Expenses by division with respect to the Facility, (b) a budget and projection by fiscal year for the second and third subsequent Fiscal Years, including projected Net Revenue, EBITDA, Adjusted EBITDA with respect to the Facility, (c) a capital budget for the Facility for the following Fiscal Year. EBITDA shall be calculated in accordance with **Exhibit L**.

(iii) Within twenty (20) days after the expiration of any calendar quarter, Tenant shall deliver to Landlord a Financial Covenant compliance report in substantially in the form attached hereto as **Exhibit J**, which shall include a calculation of the Financial Covenant and Listing Covenant under Section 23.3 as of the relevant date as applicable, based upon the preliminary statements for such Test Period (the “**Preliminary Financial Covenant Compliance Report**”).

(iv) Within sixty (60) days after the expiration of any calendar quarter, Tenant shall deliver to Landlord a Financial Covenant compliance report in substantially in the form attached hereto as **Exhibit J**, which report shall include an Officer’s Certificate certifying (1) that the Financial Covenant and Listing Covenant are in compliance under Section

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23.3 together with reasonable detail evidencing such compliance, and (2) that such items are true, correct, accurate, and complete and fairly present the financial condition and results of the operations of Tenant and the Property (subject to normal year-end adjustments) as of the relevant date as applicable (the “**Final Financial Covenant Report**”).

(v) Within sixty (60) days after the expiration of any calendar quarter, Tenant shall deliver to Landlord a quarterly operating report in substantially the form attached hereto as **Exhibit M**, accompanied by an Officer’s Certificate stating that such items in such quarterly operating report are true, correct, accurate, and complete and fairly present the financial condition and results of the operations of Tenant and the Property (subject to normal year-end adjustments) as of the relevant date as applicable, which reports shall include: (a) an occupancy report including the average daily rate and Net Revenue per available room and (b) quarterly, year to date and trailing twelve months operating statements noting Net Revenue, Net Income, EBITDA, Adjusted EBITDA, Net Revenue by division, Operating Expenses by division.

(vi) Commencing with the year ended December 31, 2019, Tenant will furnish to Landlord annually within one hundred twenty (120) days following the end of such Fiscal Year, a complete copy of Tenant’s audited annual financial report with statements in accordance with GAAP covering the Property, which shall be accompanied by a report from an Approved Accounting Firm, which report shall indicate that such financial statements are prepared in accordance with GAAP as of such date and shall not be subject to any qualification or exception expressing substantial doubt about the ability of the Tenant to continue as a “going concern” or any exception as to the scope of such audit (excluding any qualification as to going concern relating to any debt maturities in the twelve month period following the date such report is delivered or any projected financial performance or covenant default in any Indebtedness or this Lease in such twelve month period). Promptly following receipt by Landlord of Tenant’s audited annual financial report, together with reasonable evidence of the third-party costs and expenses incurred by Tenant in connection with such report, Landlord shall be required to reimburse Tenant for one-half of all such third-party costs and expenses incurred by Tenant.

(vii) Tenant will furnish to Landlord annually within ninety (90) days following the end of such Fiscal Year, the Annual Certificate.

(viii) Such additional financial information and projections as may be reasonably requested by Landlord in connection with syndications, private placements or public offerings by or on behalf of Landlord of debt securities or loans or equity or hybrid securities and (b) such additional information and unaudited quarterly financial information concerning the Leased Property and Tenant as Landlord or its Affiliates may require for their filings with the SEC under both the Securities Act and the Exchange Act, including, but not limited to SEC Reports and registration statements to be filed by Landlord or its Affiliates during the Term of this Lease, the Internal Revenue Service and any other federal, state or local regulatory agency with jurisdiction over Landlord or its Subsidiaries or Affiliates; provided, however, that if the SEC requires Landlord or its Affiliates to include Tenant’s Parent’s Financial Statements in its SEC Reports, Tenant shall use its commercially reasonable efforts to furnish substantially complete drafts of Tenant’s Parent’s annual Financial Statements to

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Landlord no later than fifty-five (55) calendar days after the end of such year and Tenant Parent's quarterly Financial Statements to Landlord no later than thirty-five (35) calendar days after the end of such quarter.

(ix) Prompt Notice to Landlord of any action, proposal or investigation by any agency or entity, or complaint to such agency or entity, (any of which is called a "**Proceeding**"), known to Tenant, the result of which Proceeding would reasonably be expected to revoke or suspend or terminate or modify in a way materially adverse to Tenant, or fail to renew or fully continue in effect, any license or certificate or operating authority pursuant to which Tenant carries on any material part of the Primary Intended Use of all or any portion of the Leased Property.

(x) Tenant further agrees to provide the financial and operational reports to be delivered to Landlord under this Lease in such electronic format(s) as may reasonably be required by Landlord from time to time in order to (i) facilitate Landlord's internal financial and reporting database and (ii) permit Landlord to calculate any rent, fee or other payments due under Ground Leases. Tenant also agrees that Landlord shall have audit rights with respect to such information to the extent required to confirm Tenant's compliance with the terms of this Lease (including, without limitation, calculation of Adjusted EBITDA and expenditures with respect to Required CapEx). Tenant shall not change the accounting practices or policies described in this Lease for the purpose of calculating Adjusted EBITDA and expenditures with respect to Required CapEx, which the parties agree is based on Tenant's Existing Accounting Guidelines. Furthermore, Tenant will not enter into any "off balance sheet arrangement" as determined in accordance with GAAP as in effect on the date of this Lease.

(c) Notwithstanding the foregoing provisions of **Section 23.1**, Tenant shall not be obligated (1) to provide information that is subject to (i) a bona fide confidentiality agreement, (ii) the quality assurance immunity, (iii) attorney-client privilege or the attorney work product doctrine or (iv) in the case of **Section 23.1(b)(v)** only, creates an unreasonably excessive expense or burden on Tenant or any of its Subsidiaries to produce or otherwise disclose or (2) to provide information or assistance that could reasonably be expected to give Landlord or its Affiliates a "competitive" advantage in more than a de minimis respect with respect to markets in which Landlord or any of Landlord's Affiliates and Tenant, Tenant's Parent or any of Tenant's Affiliates might be competing at any time ("**Restricted Information**"), it being understood that Restricted Information shall not include (1) budget and other reporting information which Landlord is obligated to deliver pursuant to a Fee Mortgagee, (2) financial information concerning the Leased Property and Tenant as Landlord or its Affiliates may require for ongoing filings with the SEC under both the Securities Act and the Exchange Act, including, but not limited to SEC Reports and registration statements to be filed by Landlord or its Affiliates during the Term of this Lease, the Internal Revenue Service and any other federal, state or local regulatory agency with jurisdiction over Landlord or its Subsidiaries or Affiliates or (3) revenue and expense information relevant to Landlord's calculation and verification of (x) EBITDA and Net Revenue hereunder or (y) Tenant's compliance with **Section 23.3** hereof (provided, that Landlord shall in such instance first execute a nondisclosure agreement in a form reasonably satisfactory to Tenant with respect to such information). Landlord shall retain audit rights with respect to Restricted Information to the extent required to confirm Tenant's compliance with the terms of this Lease (and Landlord's or its Affiliates compliance with SEC,

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Internal Revenue Service and other legal and regulatory requirements) and provided, that appropriate measures are in place to ensure that only Landlord's or its Affiliates' auditors and attorneys (and not Landlord or any of Landlord's other Affiliates) are provided access to such information). In addition, Landlord shall not disclose any Restricted Information to any Person or any employee, officer or director of any Person (other than Landlord, Landlord's Parent or a Subsidiary of Landlord, in each case, on a "need to know" basis) that directly or indirectly owns or operates any gaming business or is a Tenant Competitor; provided, however, that in no event shall Landlord knowingly disclose any Restricted Information or any other information that is Confidential Information (except as permitted by **Section 23.2(b)**) provided pursuant to this Lease to any Person involved in the ownership (directly or indirectly), management or operation of any Tenant Competitor. Notwithstanding anything to the contrary contained herein, Tenant acknowledges that Blackstone Real Estate Partners VII indirectly owns the Cosmopolitan of Las Vegas and such ownership shall not result in Tenant being entitled to withhold delivery to Landlord of the information required to be delivered to Landlord pursuant to the foregoing provisions of **Section 23.1** or to otherwise prohibit any employees of The Blackstone Group from receiving such information provided that Landlord takes reasonable measures and precautions to ensure that no Restricted Information is made available to those persons employed by portfolio companies of The Blackstone Group involved with the day-to-day management or operation of any Tenant Competitor which is Controlled by Landlord's Affiliates.

(d)Notwithstanding anything to the contrary contained herein, for purposes of all calculations under this Lease, Tenant and Tenant's Parent shall not materially change Tenant's or Tenant's Parent's corporate and shared services expense allocation practices or policies in existence on the date of this Lease outlined in **Schedule 7**, which practices and policies provide that Tenant will continue to receive allocations in a Non-Discriminatory Manner for corporate and shared services consistent with the allocation of costs to Tenant's Parent's other operating resorts; provided, however, that Tenant and Tenant's Parent may change the allocation practices and policies to add newly provided services and change allocation methodologies so long as such changes would not materially alter the allocation amounts. Further, notwithstanding anything to the contrary contained herein, all provisions in this Lease with respect to the financial calculations under this Lease shall only apply to the computation of the items specified in this Lease and shall in no way restrict the way such items are calculated or otherwise treated by Tenant in Tenant's financial reporting to other Persons, in Tenant's public filings or for any other purpose.

(e)In connection with the incurrence of any Fee Mortgage and any Fee Mortgagee Securitization or entry into other Debt Agreements or Debt Facilities relating to the Property, Tenant shall, upon the written request of Landlord:

(A) at the sole cost and expense of Landlord, reasonably cooperate with Landlord in providing information with respect to the Property, Tenant or its Affiliates, to the extent reasonably requested by such Fee Mortgagee in order to satisfy the market standards to which such Fee Mortgagee customarily adheres or which may be reasonably required by prospective arrangers, underwriters, investors, lenders and/or rating agencies;

(B) use commercially reasonable efforts to review, re-review and, to the extent accurate, approve (and to the extent inaccurate, identify the same with particularity) portions of

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any Disclosure Document (or any other similar material required to be reviewed by Landlord under a Fee Mortgage) identified by Landlord to be reviewed by Tenant, which portions shall be limited to any portions relating solely to Tenant Information; provided, however, that, except as expressly provided in **Section 21.1**, in no event will Tenant have any liability with respect to any of the matters described in this **Section 23.1(e)**;

(C) make appropriate officers of Tenant available for a reasonable number of due diligence meetings and for participation in a reasonable number of meetings, presentations, road shows and sessions with rating agencies and prospective Fee Mortgagees all at times to be mutually agreed by Tenant, Landlord and such prospective Fee Mortgagees, and provide timely and reasonable access during normal business hours to diligence materials and the Leased Property to allow sources of financing and their representatives to complete all customary due diligence;

(D) providing reasonable assistance with respect to the review and granting of mortgages and security interests as collateral for any debt financing; and

(E) reasonably cooperate with the marketing efforts of Landlord and any Fee Mortgagee or prospective Fee Mortgagee of any Fee Mortgage or any proposed Fee Mortgage.

### **23.2 Confidentiality; Public Offering Information**

(a) The parties recognize and acknowledge that they may receive certain Confidential Information of the other party. Each party agrees that neither such party nor any of its Representatives acting on its behalf shall, during or within five (5) years after the termination or expiration of this Lease, directly or indirectly use any Confidential Information of the other party or disclose Confidential Information of the other party to any Person for any reason or purpose whatsoever, except as reasonably required in order to comply with the obligations and otherwise as permitted under the provisions of this Lease. Notwithstanding the foregoing, (1) in the event that a party or any of its Representatives is requested or becomes legally compelled (pursuant to any legal, governmental, administrative or regulatory order, authority, process, examination or request) to disclose any Confidential Information of the other party, it will, to the extent reasonably practicable and not prohibited by law, provide the party to whom such Confidential Information belongs prompt Notice of the existence, terms or circumstances of such event so that the party to whom such Confidential Information belongs may seek a protective order or other appropriate remedy or waive compliance with the provisions of this **Section 23.2(a)**, (2) each party may disclose Confidential Information to its Affiliates (so long as such Affiliates are not Tenant Competitors) and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (3) each party may disclose Confidential Information to any other party hereto, (4) in connection with the exercise of any remedies hereunder or any action or proceeding relating to this Lease or the enforcement of rights hereunder or (5) on a confidential basis to any rating agency in connection with rating any party hereto or their respective subsidiaries. In the event that such protective order or other remedy is not obtained or the party to whom such Confidential Information belongs waives compliance with this **Section 23.2(a)**, the party compelled to

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disclose such Confidential Information will furnish only that portion of the Confidential Information or take only such action as, based upon the advice of your legal counsel, is legally required and will use commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished. The party compelled to disclose the Confidential Information shall cooperate with any action reasonably requested by the party to whom such Confidential Information belongs to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information.

(b) Notwithstanding anything to the contrary in **Article XIII**, Tenant specifically agrees that Landlord may disclose (A) information permitted to be disclosed under the Master Transaction Agreement, (B) information about the Facility itself (not concerning the operation of the Facility), (C) this Lease and its terms, (D) the Adjusted EBITDA to Rent Ratio of the Tenant Parties and (E) financial information and other information concerning the operation of the Facility (1) which is publicly available, (2) that Landlord or its Affiliates are, in Landlord's or such Affiliates' reasonable judgment, required to disclose (x) to any Fee Mortgagee (and any agents and lenders party to material debt instruments entered into by Landlord) (which may include the deliveries in **Section 23.1(b)(i)-(viii)**) or (y) in ongoing filings with the SEC under either the Securities Act and the Exchange Act, or (3) the disclosure of which is approved by Tenant in writing, which approval may not be unreasonably withheld, in each case, in offering memoranda or prospectuses or confidential information memoranda, or similar publications or marketing materials, rating agency presentations, investor presentations or Disclosure Documents in connection with syndications, private placements or public offerings of securities or loans by or on behalf of the Landlord or its Affiliates, and SEC Reports and any other reporting requirements under applicable federal and state laws, including those of any successor to or Affiliate of Landlord, provided, that, with respect to matters permitted to be disclosed solely under clause (E)(3), the recipients thereof are advised that they shall be obligated to use commercially reasonable efforts to maintain the confidentiality thereof pursuant to **Section 23.2(a)** or pursuant to confidentiality provisions substantially similar thereto and (or in accordance with the standard securitization or syndication process or customary market standards for dissemination of such type of information, including "click through" or other affirmative actions or deemed acknowledgements or representations on the part of the recipient to receive such information) to comply with all federal, state and other securities laws applicable with respect to such information. Unless otherwise agreed by Tenant, Landlord shall not materially revise or change the wording of information previously publicly disclosed by Tenant and furnished to Landlord pursuant to **Section 23.1** or this **Section 23.2** and Landlord's Form 10-Q or Form 10-K (or supplemental information filed or furnished in connection therewith) shall not disclose the operational results of the Facility prior to Tenant's Parent's, Tenant's or its Affiliate's public disclosure thereof so long as Tenant's Parent, Tenant or such Affiliate reports such information in a timely manner consistent with historical practices and SEC disclosure requirements. Tenant agrees to provide such other reasonable information and, if necessary, reasonable participation in road shows and other presentations at Landlord's sole cost and expense, with respect to Tenant and its Leased Property to facilitate a public or private debt or equity offering or syndication by or on behalf of Landlord or any direct or indirect parent entity of Landlord or to satisfy Landlord's or any direct or indirect parent entity of Landlord's SEC disclosure requirements. In this regard, Landlord shall provide to Tenant a copy of any information prepared by Landlord that includes Confidential Information regarding Tenant to be

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published, and Tenant shall have a reasonable period of time (not to exceed three (3) Business Days) after receipt of such information to notify Landlord of any corrections. Notwithstanding anything to the contrary in this **Section 23.2**, neither the Tenant nor any of its Subsidiaries shall be required to (A) take any action that unreasonably interferes with the ongoing operations of the Tenant, (B) take any action contingent upon any debt or equity offering or syndication or enter into or execute any agreement or document unless the effectiveness thereof shall be conditioned upon, or become operative after, the occurrence of such debt or equity offering or syndication, (C) take any action that would result in any officer, director or other representative of the Tenant or any of its Subsidiaries incurring any personal liability with respect to any matters relating to such debt or equity offering or syndication, (D) deliver or cause the delivery of any legal opinions or any certificate as to solvency or any other certificate necessary for such debt or equity offering or syndication that is effective prior thereto, (E) deliver or cause the delivery of any pro forma financial information of Tenant or any financial information of Tenant that differs materially in form or substance from that prepared by the Tenant with respect to such period or (F) take any action that would conflict with, violate or result in a material breach of or material default under this Lease, any organizational documents of the Tenant or any of its Subsidiaries or any applicable law binding on the Tenant or any of its Subsidiaries.

(c) Except as provided in clause (a) or (b) above, nothing herein shall permit the disclosure of Confidential Information regarding Tenant, Tenant's Parent or their Affiliates to any Tenant Competitor.

### **23.3 Financial Covenants**

. If (commencing with the first full fiscal quarter ended after the Commencement Date) either (a) (x) the Adjusted EBITDA to Rent Ratio determined on the last day of the most recent Test Period is less than 1.85:1 and (y) Tenant's Parent's Market Capitalization determined on the last day of the most recent Test Period is less than \$6,000,000,000; or (b) Tenant's Parent is no longer publicly traded and listed on the New York Stock Exchange, AMEX or NASDAQ (or any reasonably comparable successor exchange in nature to such exchanges as of the date hereof) and the Adjusted EBITDA to Rent Ratio determined on the last day of the most recent Test Period is less than 2.5:1 (the required Adjusted EBITDA to Rent Ratio in clause (a) being referred to as the "**Applicable Coverage Ratio**," the test in clause (a) being referred to as the "**Financial Covenant**" and the test in clause (b) being referred to as the "**Listing Covenant**"), then, in addition to Tenant's obligation to pay Rent as provided herein, Tenant shall use commercially reasonable efforts to, within fifteen (15) days, but in any event within thirty (30) days after the delivery of the Preliminary Financial Covenant Compliance Report (or the date such report is due or the commencement date of a Covenant Failure Period), either or a combination of (at its option) (1) cause an amount equal to the Rent that would be payable for the period of two (2) calendar years commencing immediately subsequent to the date of such determination (taking into account the Escalations) to be deposited into a Covenant Security Escrow Account in accordance with Covenant Security Escrow Instructions, or (2) provide one or more Letters of Credit in an aggregate amount equal to the Rent that would be payable for the period of two (2) calendar years commencing immediately subsequent to the date of such determination (taking into account the Escalations). At all times until the Covenant Security Coverage Cure has occurred, the amount of the Covenant Security Escrow Account (or the amount of the Letters of Credit) shall equal the Rent that would be payable for the next two (2) calendar years on any such date (taking into account the Escalations), and Tenant shall increase the funds in the Covenant Security Escrow Account (or

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the amount of the Letters of Credit) in order to satisfy any deficiency within five (5) Business Days' notice from Landlord. In the event that Tenant has delivered a Renewal Notice and a Covenant Security Coverage Cure has not occurred, then within five (5) Business Days of the Fair Market Rent being conclusively determined in accordance with this Lease, Tenant shall be required to increase the funds in the Covenant Security Escrow Account (or the amount of the Letters of Credit) in order to reflect the increase in the Base Rent (and any Escalations for the next two year period). The amounts held in a Covenant Security Escrow Account shall remain in such account except to the extent that they are required to be released to Landlord or Tenant in accordance with the Covenant Security Escrow Instructions. Upon the occurrence of a Covenant Security Coverage Cure or the expiration or earlier termination of this Lease (other than a termination as a result of an Event of Default by Tenant), if Tenant has deposited funds or a Letters of Credit pursuant to clauses (1) or (2) of the first sentence in this **Section 23.3**, such funds or Letters of Credit (in each case, to the extent remaining) shall be returned to Tenant as soon as reasonably practical. For purposes of calculating the Financial Covenant and the Listing Covenant during the First Lease Year, such calculations will be computed on a pro forma basis as if this Lease had been in effect during the entirety of such period. Landlord shall be entitled to collaterally assign its rights with respect to the Covenant Security Escrow Account to Fee Mortgagee. Notwithstanding anything to the contrary contained herein, the failure to timely deliver a Preliminary Financial Covenant Report or Final Financial Covenant Report shall commence a Covenant Failure Period.

#### **23.4 Landlord Obligations**

. Landlord acknowledges and agrees that certain of the information contained in the Financial Statements or any other information provided by Tenant may be non-public financial or operational Confidential Information with respect to Tenant, including with respect to Tenant's operation of the Leased Property. Landlord further agrees to maintain the confidentiality of such non-public Confidential Information; provided, however, that notwithstanding the foregoing and notwithstanding anything to the contrary in **Section 23.2(a)** hereof or otherwise herein, Landlord shall have the right to share such information in compliance with **Section 23.2(b)** and with Landlord's officers, employees, directors, Fee Mortgagee, agents and lenders party to material debt instruments entered into by Landlord, actual or prospective arrangers, underwriters, investors, lenders, servicers or trustees with respect to Indebtedness or Equity Interests that may be issued by Landlord or any direct or indirect parent entity of Landlord, rating agencies, accountants, attorneys and other consultants (the "**Landlord Representatives**"), provided, that such Landlord Representative is advised (x) of the confidential nature of such Confidential Information, to the extent such information is not publicly available, to use commercially reasonable efforts to maintain the confidentiality thereof pursuant to **Section 23.2(a)** or pursuant to confidentiality provisions substantially similar thereto (or in accordance with the standard securitization or syndication process or customary market standards for dissemination of such type of information, including "click through" or other affirmative actions and/or deemed acknowledgements or representations on the part of the recipient to receive such information) and to comply with all federal, state and other securities laws applicable with respect to such information, (y) that such information is not permitted to be disclosed to any Tenant Competitor, provided that this clause (y) shall not be applicable to any Fee Mortgage or Fee Mortgage Securitization, and (z) that neither it nor any Landlord Representative shall be permitted to engage in any transactions with respect to the stock or other equity or debt securities or syndicated loans of Tenant or Tenant's Parent based on any such Confidential Information provided by or on behalf of Landlord or Landlord's Parent (provided,

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that this provision shall not govern the provision of information by Tenant or Tenant's Parent). In addition to the foregoing, Landlord agrees that, upon request of Tenant, it shall from time to time provide such information as may be reasonably requested by Tenant with respect to Landlord's capital structure and/or any financing secured by this Lease or the Leased Property in connection with Tenant's review of the treatment of this Lease under GAAP. In connection therewith, Tenant agrees to maintain the confidentiality of any such Confidential Information; provided, however, Tenant shall have the right to share such information with Tenant's Parent and Tenant and Tenant's Parent's respective officers, employees, directors, Permitted Leasehold Mortgagees, agents and lenders party to material debt instruments entered into by Tenant or Tenant's Parent, actual or prospective arrangers, underwriters, investors or lenders with respect to Indebtedness or Equity Interests that may be issued by Tenant or Tenant's Parent, rating agencies, accountants, attorneys and other consultants (the "**Tenant Representatives**") so long as such Tenant Representative is advised of the confidential nature of such information and agrees, to the extent such information is not publicly available, (i) to maintain the confidentiality thereof pursuant to **Section 23.2(a)** or pursuant to confidentiality provisions substantially similar thereto (or in accordance with the standard syndication process or customary market standards for dissemination of such type of information, including "click through" or other affirmative actions on the part of the recipient to receive such information) and to comply with all federal, state and other securities laws applicable with respect to such information and (ii) not to engage in any transactions with respect to the stock or other equity or debt securities or syndicated loans of Landlord or its Affiliates based on any such Confidential Information provided by or on behalf of Tenant or Tenant's Parent (provided, that this provision shall not govern the provision of information by Landlord or Landlord's Parent).

## **ARTICLE XXIV**

### **LANDLORD'S RIGHT TO INSPECT**

#### **24.1 Landlord's Right to Inspect**

. Subject to any restrictions imposed by any Gaming Regulations or Gaming Authorities, upon reasonable advance notice to Tenant, Tenant shall permit Landlord and its authorized representatives (including any Fee Mortgagee and its representatives) to inspect the Leased Property during usual business hours. Landlord shall take care to minimize disturbance of the operations on the Leased Property, except in the case of emergency. Landlord shall indemnify and hold Tenant harmless from and against any claims, losses, costs or expenses arising as a result of Landlord's or its representative's entry onto the Leased Property.

## **ARTICLE XXV**

### **NO WAIVER**

#### **25.1 No Waiver**

. No delay, omission or failure by Landlord or Tenant to insist upon the strict performance of any term hereof or to exercise any right, power or remedy hereunder and no acceptance of full or partial payment of Rent during the continuance of any default or Event of Default shall impair any such right or constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

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## ARTICLE XXVI

### REMEDIES CUMULATIVE

#### **26.1 Remedies Cumulative**

. Unless otherwise provided herein and to the extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord now or hereafter provided either in this Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers and remedies.

## ARTICLE XXVII

### ACCEPTANCE OF SURRENDER

#### **27.1 Acceptance of Surrender**

. No surrender to Landlord of this Lease or of the Leased Property or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Landlord, and no act by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord, shall constitute an acceptance of any such surrender.

## ARTICLE XXVIII

### NO MERGER

#### **28.1 No Merger**

. There shall be no merger of this Lease or of the Leasehold Estate created hereby by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, (i) this Lease or the Leasehold Estate created hereby or any interest in this Lease or such Leasehold Estate and (ii) the fee estate in the Leased Property.

## ARTICLE XXIX

### CONVEYANCE BY LANDLORD

#### **29.1 Conveyance by Landlord**

. If Landlord or any successor owner of the Leased Property shall convey the Leased Property in accordance with **Section 18.1** and the other terms of this Lease other than as security for a debt, and the grantee or transferee expressly assumes all obligations of Landlord arising after the date of the conveyance, Landlord or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of Landlord under this Lease arising or accruing from and after the date of such conveyance or other transfer and all such future liabilities and obligations shall thereupon be binding upon the new owner.

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## ARTICLE XXX

### QUIET ENJOYMENT

#### **30.1 Quiet Enjoyment**

. So long as Tenant shall pay the Rent as the same becomes due and shall fully comply with all of the terms of this Lease and fully perform its obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Leased Property for the Term, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject to all liens and encumbrances of record as of the Commencement Date or specifically provided for in this Lease or consented to by Tenant in writing. No failure by Landlord to comply with the foregoing covenant shall give Tenant any right to cancel or terminate this Lease or abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Lease, or to fail to perform any other obligation of Tenant hereunder. Notwithstanding the foregoing, Tenant shall have the right, by separate and independent action to pursue any claim it may have against Landlord as a result of a breach by Landlord of the covenant of quiet enjoyment contained in this **Article XXX**.

## ARTICLE XXXI

### LANDLORD'S FINANCING

#### **31.1 Landlord's Financing**

. Without the consent of Tenant, Landlord may from time to time, directly or indirectly, create or otherwise cause to exist a Facility Mortgage upon the Leased Property or any portion thereof or interest therein. This Lease is and at all times shall be subject and subordinate to any such Facility Mortgage which may now or hereafter affect the Leased Property or any portion thereof or interest therein and to all renewals, modifications, consolidations, replacements, restatements and extensions thereof or any parts or portions thereof; provided, however, that the subjection and subordination of this Lease and Tenant's leasehold interest hereunder to a Facility Mortgage or any Foreclosure Purchaser (as defined below) shall be conditioned upon the execution by the holder of each Facility Mortgage and delivery to Tenant of a subordination, nondisturbance and attornment agreement substantially in the form attached hereto as **Exhibit F-2**; provided, that upon the request of Landlord, such subordination, nondisturbance and attornment agreement shall be executed by Tenant as well as Landlord and be in substantially the form attached hereto as **Exhibit F-2**. Each such subordination, nondisturbance and attornment agreement shall bind such holder of such Facility Mortgage and its successors and assigns as well as any person who acquires any portion of the Leased Property by assignment or in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure or a successor owner of the Leased Property as well as their respective successors and assigns (each, a **'Foreclosure Purchaser'**) and which shall provide that the holder of such Facility Mortgage, and any Foreclosure Purchaser shall not disturb Tenant's leasehold interest or possession of the Leased Property in accordance with the terms hereof, or any of Tenant's rights, privileges and options, and shall give effect to this Lease, including the provisions of **Article XVII** which benefit any Permitted Leasehold Mortgagee (as if such Facility Mortgagee or Foreclosure Purchaser were the landlord under this Lease (it being understood that if an Event of Default has occurred and is continuing at such time such parties shall be subject to the terms and provisions hereof concerning the exercise of rights and remedies upon such Event of Default including the provisions of **Articles XVI** and **XXXVI**)). In

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connection with the foregoing and at the request of Landlord, Tenant shall promptly execute a subordination, nondisturbance and attornment agreement, in form and substance substantially in the form of **Exhibit F-2** or otherwise reasonably satisfactory to Tenant, and the Facility Mortgagee or prospective Facility Mortgagee, as the case may be, which will incorporate the terms set forth in the preceding sentence. Except for the documents described in the preceding sentences, this provision shall be self-operative and no further instrument of subordination shall be required to give it full force and effect. If, in connection with obtaining any Facility Mortgage for the Leased Property or any portion thereof or interest therein, a Facility Mortgagee or prospective Facility Mortgagee shall request (A) reasonable cooperation from Tenant, Tenant shall provide the same at no cost or expense to Tenant, it being understood and agreed that Landlord shall be required to reimburse Tenant for all such costs and expenses so incurred by Tenant, including, but not limited to, its reasonable attorneys' fees, or (B) reasonable amendments or modifications to this Lease as a condition thereto, Tenant hereby agrees to execute and deliver the same so long as any such amendments or modifications do not (i) increase Tenant's monetary obligations under this Lease, (ii) adversely increase Tenant's non-monetary obligations under this Lease in any material respect or decrease Landlord's obligations in any material respect, (iii) diminish Tenant's rights under this Lease in any material respect, (iv) adversely impact the value of the Leased Property by more than a de minimis extent or otherwise have more than a de minimis effect on the Leased Property, Tenant or Landlord, (v) result in this Lease not constituting a "true lease" or (vi) result in a default under any Permitted Leasehold Mortgage. The foregoing is not intended to vitiate or supersede the provisions, terms and conditions of **Section 31.1** hereof.

### **31.2 Attornment**

. If Landlord's interest in the Leased Property or any portion thereof or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Facility Mortgage Documents (or in lieu of such exercise), or otherwise by operation of law: (a) at the request and option of the new owner or superior lessor, as the case may be, Tenant shall attorn to and recognize the new owner or superior lessor as Tenant's "landlord" under this Lease or enter into a new lease substantially in the form of this Lease with the new owner or superior lessor, and Tenant shall take such actions to confirm the foregoing within ten (10) Business Days after request; and (b) the new owner or superior lessor shall not be (i) liable for any act or omission of Landlord under this Lease occurring prior to such sale, conveyance or termination; (ii) subject to any offset, abatement or reduction of rent because of any default of Landlord under this Lease occurring prior to such sale, conveyance or termination; (iii) bound by any previous material modification or amendment to this Lease or any previous prepayment of more than one month's rent, unless such material modification, amendment or prepayment shall have been approved in writing by such Facility Mortgagee (to the extent such approval was required at the time of such amendment or modification or prepayment under the terms of the applicable Facility Mortgage Documents) or, in the case of such prepayment, such prepayment of rent has actually been delivered to such new owner or superior lessor or in either case, such modification, amendment or prepayment occurred before Landlord provided Tenant with notice of the Facility Mortgage and the identity and address of the Facility Mortgagee; or (iv) liable for any security deposit or other collateral deposited or delivered to Landlord pursuant to this Lease unless such security deposit or other collateral has actually been delivered to such new owner or superior lessor.

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### **31.3 Compliance with Fee Mortgage Documents**

(a) If requested by Landlord and the Fee Mortgagee, Tenant shall make Rent payments into “lockbox accounts” maintained for the benefit of Fee Mortgagee.

(b) Tenant shall perform the repairs at the Facility described on **Schedule 6** attached hereto (the “**Initial Fee Mortgagee Required Repairs**”). Tenant shall complete the Initial Fee Mortgagee Required Repairs on or before the date that is eighteen (18) months after the date hereof. Any funds spent by Tenant on the Initial Fee Mortgagee Required Repairs shall, to the extent such amounts satisfy the requirements of Qualifying CapEx, be applied toward the minimum Required CapEx set forth in **Section 9.1(e)**.

## **ARTICLE XXXII**

### **HAZARDOUS SUBSTANCES**

#### **32.1 Hazardous Substances**

. Tenant shall not allow any Hazardous Substance to be located in, on, under or about the Leased Property or incorporated in the Facility; provided, however, that Hazardous Substances may be brought, kept, used or disposed of in, on or about the Leased Property in quantities and for purposes similar to those brought, kept, used or disposed of in, on or about similar facilities used for purposes similar to the Primary Intended Use or in connection with the construction of facilities similar to the Facility or to the extent in existence at the Facility and which are brought, kept, used and disposed of in strict compliance with Legal Requirements. Tenant shall not allow the Leased Property to be used as a waste disposal site or for the manufacturing, handling, storage, distribution or disposal of any Hazardous Substance other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

#### **32.2 Notices**

. Tenant shall provide to Landlord, within five (5) Business Days after Tenant’s receipt thereof, a copy of any notice, or notification with respect to, (i) any violation of a Legal Requirement relating to Hazardous Substances located in, on, or under the Leased Property or any adjacent property; (ii) any enforcement or other governmental or regulatory action instituted, completed or threatened with respect to the Leased Property; (iii) any claim made or threatened by any Person against Tenant or the Leased Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from or claimed to result from any Hazardous Substance; and (iv) any reports made to any federal, state or local environmental agency arising out of or in connection with the release of any Hazardous Substance in, on, under or removed from the Leased Property, including any complaints, notices, warnings or assertions of violations in connection therewith.

#### **32.3 Remediation**

. If Tenant becomes aware of a violation of any Legal Requirement relating to any Hazardous Substance in, on, under or about the Leased Property or any adjacent property, or if Tenant, Landlord or the Leased Property becomes subject to any order of any federal, state or local agency to repair, close, detoxify, decontaminate or otherwise remediate Hazardous Substance in, on, under or about the Leased Property, Tenant shall immediately notify Landlord of such event and, at its sole cost and expense, cure such violation or effect such repair, closure, detoxification, decontamination or other remediation. If Tenant fails to implement and

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diligently pursue any such cure, repair, closure, detoxification, decontamination or other remediation, Landlord shall have the right, but not the obligation, to carry out such action and to recover from Tenant all of Landlord's costs and expenses incurred in connection therewith.

### **32.4 Indemnity**

. Tenant shall indemnify, defend, protect, save, hold harmless, and reimburse Landlord for, from and against any and all costs, losses (including losses of use or economic benefit or diminution in value), liabilities, damages, assessments, lawsuits, deficiencies, demands, claims and expenses (collectively, "**Environmental Costs**") (whether or not arising out of third-party claims and regardless of whether liability without fault is imposed, or sought to be imposed, on Landlord) incurred in connection with, arising out of or resulting from, directly or indirectly, the following, but only to the extent such occurs before or during (but not after) the Term and is not caused solely by the actions of Landlord: (i) the production, use, generation, storage, treatment, transporting, disposal, discharge, release or other handling or disposition of any Hazardous Substances from, in, on or about the Leased Property (collectively, "**Handling**"), including the effects of such Handling of any Hazardous Substances on any Person or property within or outside the boundaries of the Leased Property, (ii) the presence of any Hazardous Substances in, on, under or about the Leased Property and (iii) the violation of any Environmental Law. "**Environmental Costs**" include interest, costs of response, removal, remedial action, containment, cleanup, investigation, design, engineering and construction, damages (including actual and consequential damages) for personal injuries and for injury to, destruction of or loss of property or natural resources, relocation or replacement costs, penalties, fines, charges or expenses, attorney's fees, expert fees, consultation fees, and court costs, and all amounts paid in investigating, defending or settling any of the foregoing.

Without limiting the scope or generality of the foregoing, Tenant expressly agrees that, in the event of a breach by Tenant in its obligations under this **Section 32.4** that is not cured within any applicable cure period, Tenant shall reimburse Landlord for any and all reasonable costs and expenses incurred by Landlord in connection with, arising out of, resulting from or incident to, directly or indirectly, before (with respect to any period of time in which Tenant or its Affiliate was in possession and control of the applicable Leased Property) or during (but not after) the Term or such portion thereof during which the Leased Property is leased to Tenant of the following:

(a) in investigating any and all matters relating to the Handling of any Hazardous Substances, in, on, from, under or about the Leased Property;

(b) in bringing the Leased Property into compliance with all Legal Requirements; and

(c) in removing, treating, storing, transporting, cleaning-up and/or disposing of any Hazardous Substances used, stored, generated, released or disposed of in, on, from, under or about the Leased Property or off-site other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

If any claim is made by Landlord for reimbursement for Environmental Costs incurred by it hereunder, Tenant agrees to pay such claim promptly, and in any event to pay such claim within sixty (60) calendar days after receipt by Tenant of Notice thereof and any amount

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not so paid within such sixty (60) calendar day period shall bear interest at the Overdue Rate from the date due to the date paid in full.

### **32.5 Environmental Inspections**

. In the event Landlord has a reasonable basis to believe that Tenant is in breach of its obligations under this **Article XXXII**, Landlord shall have the right, from time to time, during normal business hours and upon not less than five (5) days' Notice to Tenant, except in the case of an emergency in which event no notice shall be required, to conduct an inspection of the Leased Property to determine the existence or presence of Hazardous Substances on or about the Leased Property. Landlord shall have the right to enter and inspect the Leased Property, conduct any testing, sampling and analyses it deems necessary and shall have the right to inspect materials brought into the Leased Property. Landlord may, in its discretion, retain such experts to conduct the inspection, perform the tests referred to herein, and to prepare a written report in connection therewith. All reasonable costs and expenses incurred by Landlord under this **Section 32.5** shall be paid on demand as Additional Charges by Tenant to Landlord. Failure to conduct an environmental inspection or to detect unfavorable conditions if such inspection is conducted shall in no fashion be intended as a release of any liability for environmental conditions subsequently determined to be associated with or to have occurred during Tenant's tenancy. Tenant shall remain liable for any environmental condition related to or having occurred during its tenancy regardless of when such conditions are discovered and regardless of whether or not Landlord conducts an environmental inspection at the termination of this Lease other than a condition caused solely by the actions of the Landlord. The obligations set forth in this **Article XXXII** shall survive the expiration or earlier termination of this Lease.

## **ARTICLE XXXIII**

### **MEMORANDUM OF LEASE**

#### **33.1 Memorandum of Lease**

. Landlord and Tenant shall enter into a short form memorandum of this Lease, in the form attached hereto as **Exhibit G**. Tenant shall pay all costs and expenses of recording any such memorandum and shall fully cooperate with Landlord in removing from record such memorandum upon the expiration or earlier termination of the Term.

## **ARTICLE XXXIV**

### **APPOINTING EXPERTS**

#### **34.1 Expert Dispute Resolution Process**

(a) In the event that the opinion of "Experts" is required under this Lease, Landlord and Tenant shall negotiate in good faith for no longer than ten (10) Business Days to appoint a single Expert. If Landlord and Tenant have not been able to reach agreement on such Person after such ten (10) Business Days of good faith negotiations, then Landlord and Tenant shall each within ten (10) Business Days after either party notifying the other of the need to appoint Experts and the subject matter of the dispute, appoint an Expert and Landlord's and Tenant's Experts shall, within ten (10) Business Days of their appointment, jointly appoint a third Expert (such three Experts, or such single Expert agreed upon by Landlord and Tenant, as

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applicable, shall be referred to herein as the “**Experts**”). The three Experts so appointed, if applicable, shall make all decisions by majority vote of such Experts. If the two Experts so appointed are unable to appoint a third Expert within such ten (10) Business Day period, then either Landlord or Tenant may ask any court of competent jurisdiction to appoint the third Expert. If either Landlord or Tenant fails to timely appoint an Expert, the Expert appointed by the other party shall be the sole Expert in determining the relevant matter. Each Expert appointed hereunder shall have at least ten (10) years of experience valuing commercial real estate and/or in leasing or with respect to the matters to be determined, as applicable with respect to any of the matters to be determined by the Experts.

(b) Once the Expert or Experts are selected, either by agreement of the parties or by selection of separate Experts followed by the appointment of a third Expert, the Experts will determine the matter in question, by proceeding as follows:

(i) In the case of Experts required for the purposes of **Section 3.5**, Landlord and Tenant shall submit to the Experts their respective determinations of Fair Market Rent of each Appraiser. The Experts will be instructed to (x) make a determination as to the Fair Market Rent (the “**Expert Fair Market Rent**”) applying the Fair Market Rent Assumptions, and (y) determine the conclusive Fair Market Rent by calculating (1) in the case of three Experts, the arithmetic mean of the Expert Fair Market Rent calculation of the two Experts whose calculation of Expert Fair Market Rent is closest to each other and (2) in the case of one Expert, the arithmetic mean of the Expert Fair Market Rent calculation and the Fair Market Rent of the Appraiser closest to such Expert. The Experts shall notify the parties within thirty (30) days of the submission of the matter to the Experts in writing of their decision as the conclusive determination of Fair Market Rent.

(ii) In the case of Experts required for the purpose of **Section 9.1(e)**, Landlord and Tenant shall submit to the Experts their respective determinations of the Qualifying CapEx and the amount of any deficiency. The Experts may only determine whether or not a deficiency exists and the amount of such deficiency. The Experts shall notify the parties in writing within fifteen (15) Business Days of the submission of the matter to the Experts of their determination as to whether or not a deficiency exists and the amount of such deficiency as the conclusive determination such matter.

(iii) In the case of Experts required for the purpose of **Section 14.2(b)**, Landlord and Tenant shall submit to the Experts their respective determinations for fair market value of the relevant Facility. The Experts may only select either the fair market value set forth by Landlord or by Tenant and may not select any other amount or make any other determination (and the Experts shall be so instructed). The Experts shall notify the parties in writing within thirty (30) days of the submission of the matter to the Experts of their selection of either Tenant’s or Landlord’s determination of fair market value as the conclusive determination of the fair market value.

(iv) In the case of Experts required for the purpose of **Section 15.1**, Landlord and Tenant shall submit to the Experts their respective determinations of the percentage of the Facility taken by Condemnation and/or the fair market value of the Facility. The Experts may only select either the percentage of the Facility and/or the fair market value set forth by Landlord

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or Tenant and may not select any other amount or make any other determination (and the Experts shall be so instructed). The Experts shall notify the parties in writing within thirty (30) days of the submission of the matter to the Experts of their selection of either Tenant's or Landlord's determination of the percentage of the Facility and/or the fair market value as the conclusive determination of such percentage and/or fair market value.

(v) In the case of Experts required for the purpose of **Section 15.1(c)**, Landlord and Tenant shall submit to the Experts their respective determinations of the relative values of the property taken by Condemnation and the portion of the Facility remaining subject to the Lease. The Experts may only select either such relative values set forth by Landlord or Tenant and may not select any other amount or make any other determination (and the Experts shall be so instructed). The Experts shall notify the parties in writing within thirty (30) days of the submission of the matter to the Experts of their selection of either Tenant's or Landlord's determination of such relative values as the conclusive determination of such relative values.

(vi) In the case of Experts required for the purpose of **Section 16.1(b)**, Landlord and Tenant shall submit to the Experts their respective written descriptions of the events giving rise to Landlord's belief that an Event of Default exists. The Experts may only determine whether or not the Event of Default alleged by Landlord has occurred and may not make any other determination (and the Experts shall be so instructed). The Experts shall notify the parties in writing within fifteen (15) Business Days of the submission of the matter to the Experts of their determination as to whether or not such an Event of Default has occurred as the conclusive determination such matter.

(c) In each case, except in the case of Experts determining the Fair Market Rent which shall be determined pursuant to Section 34.1(b) above, the Experts will make the relevant determination by a "baseball arbitration" proceeding with the Experts limited to awarding only one or the other of the two positions submitted (and not any position in between or other compromise or ruling not consistent with one of the two positions submitted), which shall then be final and binding on the parties and not subject to appeal or court review. Either party may seek an order of a court of competent jurisdiction to enforce such determination. The Experts, in their sole discretion, shall consider any and all materials that they deem relevant, except that there shall be no live hearings and the parties shall not be permitted to take discovery. The Experts may submit written questions or information requests to the parties, and the parties may respond with written materials within a time frame set by the Experts to allow the Experts to make the relevant determination in the time allowed pursuant to this **Section 34.1**.

(d) All communications between a party and the Experts shall also be copied to the other party. The parties shall cooperate in good faith to facilitate the valuation or other determination by the Experts.

(e) Each of Landlord and Tenant shall pay the cost of the Expert appointed by it. The costs of the third Expert engaged with respect to any issue under **Section 34.1** of this Lease shall be borne by the party against whom the Experts rule on such issue. If Landlord pays such Expert and is the prevailing party, such costs shall be Additional Charges hereunder and if Tenant pays such Expert and is the prevailing party, such costs shall be a credit against the next Rent payment hereunder.

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## ARTICLE XXXV

### NOTICES

#### **35.1**Notices

. Except as permitted in **Section 35.2** below, any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or nationally recognized express courier service to the following address:

To Tenant:	BELLAGIO, LLC c/o MGM Resorts International 6385 South Rainbow Boulevard Suite 500 Las Vegas, NV 89118 Attention: Corporate Legal
With a copy to: (that shall not constitute notice)	Email: <a href="mailto:legalnotices@mgmresorts.com">legalnotices@mgmresorts.com</a>
With a copy to: (that shall not constitute notice)	Weil, Gotshal & Manges, LLP 767 Fifth Avenue New York, NY 10153 Attention: Michael Aiello W. Michael Bond Email: <a href="mailto:michael.aiello@weil.com">michael.aiello@weil.com</a> <a href="mailto:michael.bond@weil.com">michael.bond@weil.com</a>
To Landlord:	c/o Blackstone Real Estate Advisors L.P. 345 Park Avenue New York, New York 10154 Attention: Head, U.S. Asset Management Email: <a href="mailto:realestatenotices@blackstone.com">realestatenotices@blackstone.com</a>
	and
	c/o Blackstone Real Estate Advisors L.P. 345 Park Avenue New York, New York 10154 Attention: General Counsel Email: <a href="mailto:realestatenotices@blackstone.com">realestatenotices@blackstone.com</a>

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And with copy to  
(which shall not constitute notice):

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017  
Attention: Gregory Ressa  
Email: [gressa@stblaw.com](mailto:gressa@stblaw.com)

and

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017  
Attention: Erik Quarfordt  
Email: [equarfordt@stblaw.com](mailto:equarfordt@stblaw.com)

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. A confirmatory copy of any such notice shall also be sent by email.

### **35.2 Deemed Approval Period with respect to certain Items Requiring Consent**

. Any request for consent to or approval of any plan, document, transaction, action, election, notification or similar matter set forth in this Lease that requires the consent or approval of Landlord, excluding **Articles XIV, XV and XVI** (each, an “**Item Subject to Deemed Consent**”) shall be subject to the terms set forth in this **Section 35.2**. Tenant shall submit its request for such approval through a written notice in accordance with this Agreement. That notice shall include a reasonably detailed description of the applicable Item Subject to Deemed Consent, a copy of all material documents reflecting the terms and conditions of the applicable Item Subject to Deemed Consent, including the documentation required to be delivered under this Lease in connection with such request, and such additional information or documentation relating to the Item Subject to Deemed Consent as may be reasonably available to Tenant and that is reasonably necessary to evaluation of the applicable Item Subject to Deemed Consent. Such request shall include in bold lettering the following statement: “FIRST NOTICE – THIS IS A REQUEST FOR LANDLORD’S CONSENT AND LANDLORD’S RESPONSE IS REQUESTED WITHIN TEN (10) BUSINESS DAYS OF RECEIPT OF THIS NOTICE PURSUANT TO THE TERMS OF THE LEASE BETWEEN THE UNDERSIGNED TENANT AND LANDLORD.” If Landlord does not respond to that request within ten (10) Business Days following its receipt thereof (which response may be by e-mail and may consist of, among other things, a request for additional information reasonably available to Tenant or a qualified approval of the Item Subject to Deemed Consent subject to the satisfaction of specified reasonable conditions), Tenant may send an additional written request to Landlord with respect to the Item Subject to Deemed Consent which shall include in bold lettering the following statement: SECOND NOTICE – THIS IS A SECOND REQUEST FOR LANDLORD’S CONSENT AND LANDLORD’S RESPONSE IS REQUESTED WITHIN TEN (10) BUSINESS DAYS OF RECEIPT OF THIS NOTICE PURSUANT TO THE TERMS OF THE LEASE BETWEEN THE UNDERSIGNED TENANT AND LANDLORD. If Landlord does not respond to that second request within ten (10) Business Days following its receipt thereof (which response may be by e-mail and may consist of, among other things, a request for additional information reasonably available to Tenant or a qualified approval of the Item Subject to Deemed Consent subject to the satisfaction of specified reasonable conditions), Tenant may send an additional written request to Landlord with respect to the Item Subject to Deemed Consent which shall include in bold lettering the following statement “THIS IS A THIRD AND FINAL REQUEST FOR LANDLORD’S

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CONSENT AND FAILURE TO RESPOND TO THIS REQUEST WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN THE DEEMED APPROVAL OF THE REQUEST.” If Landlord does not respond to that third request within five (5) Business Days following its receipt thereof (which response may be by e-mail), then Landlord shall be deemed to have approved the applicable Item Subject to Deemed Consent as of the end of such five (5) Business Day period. Notwithstanding the foregoing, in the event Landlord’s consent is required pursuant to **Section 22.3(a)** or **Section 22.7** with respect to Ancillary Space, Tenant shall only be required to provide two (2) notices the first being in the format of the first notice described above (including that Landlord’s response is required in ten (10) Business Days) and the second being in the format of the third notice described above, except that such notice would reference it being a second and final request (and Landlord’s response is required in five (5) Business Days).

### **35.3 Unavoidable Delays**

. Tenant shall notify Landlord promptly upon the occurrence of an event which constitutes an Unavoidable Delay, and shall keep Landlord apprised of the status of such Unavoidable Delay and the expiration thereof. Upon any Unavoidable Delay, which Tenant can anticipate or otherwise mitigate the effect of on a commercially reasonable basis, Tenant shall undertake commercially reasonable actions to mitigate, or which are intended to mitigate, the effect of any such Unavoidable Delay.

## **ARTICLE XXXVI**

### **TRANSITION UPON EXPIRATION OR TERMINATION**

#### **36.1 Transfer of Tenant’s Assets at the Facility**

. Upon expiration or earlier termination of the Term, Tenant shall transfer and assign (subject to compliance with any applicable Gaming Regulations) to Landlord, for no additional consideration (but it being acknowledged and agreed that the agreements and stipulations set forth in this **Section 36.1** are a material inducement to Landlord entering into this Lease), all of Tenant’s right, title and interest in and to the tangible personal property constituting Tenant’s Property (including any Gaming Equipment and FF&E), but excluding (other than as provided in the immediately following sentence) Tenant’s business operations, the rights of Tenant, Tenant’s Parent and their respective Affiliates in Bellagio Trademarks and other Intellectual Property, Gaming Licenses, Excluded Assets, customer lists and other proprietary information used by Tenant in connection with its overall business operations, free and clear of any liens or encumbrances but on an “as-is” basis with no representations or warranties whatsoever. In the event Landlord terminates this Lease as a result of an Event of Default, in addition to the preceding provisions of this **Section 36.1**, but subject to any then existing agreements, Tenant shall additionally (A) transfer to Landlord the Property Specific IP and Property Specific Guest Data for no consideration, which Landlord shall own for a period equal to what would have been the duration of the Initial Term plus any Renewal Term, as applicable, but for such Event of Default (the “**Ownership Term**”). Notwithstanding anything herein to the contrary, upon an Event of Default, Landlord’s rights to any System-wide IP shall be solely governed by the Transition Services Agreement (which shall be in a form reasonably satisfactory to both Landlord and Tenant) and used in connection with the Facility. Without limiting the foregoing, Tenant shall, within thirty (30) days after the occurrence of an Event of Default and subject to applicable Legal Requirements, deliver to Landlord a copy of all Property Specific Guest Data; provided, that Tenant, Tenant’s Parent and their respective Affiliates shall not be restricted in any way from maintaining and using its own

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copy of such Data. For the avoidance of doubt, it shall be a condition precedent to Tenant's obligation to transfer any of Tenant's Property pursuant to this Article XXXVI that the transferee shall comply with all applicable Legal Requirements, including any Gaming Regulations with respect to such property. Notwithstanding anything contained in this Lease to the contrary, all Excluded Assets shall in all events remain the sole property of Tenant and there shall be no restrictions or limitations on Tenant's use or rights with respect to the Excluded Assets. At the end of the Ownership Term, Landlord agrees to assign and, effective as of such date, hereby assigns, to Tenant any and all of its rights, title, and interest in, to and under the Property Specific IP and Property Specific Guest Data.

### **36.2Transition Services**

. Upon expiration or earlier termination of the Term, Tenant shall provide, for reasonable compensation to be determined by Landlord and Tenant at such time, up to eighteen (18) months of transitions services to Landlord and/or Landlord's designee (which may include a successor tenant) that are reasonably necessary so as to minimize to the maximum extent feasible any disruption to the continuous and uninterrupted operation of the Leased Property for its Primary Intended Use.

### **36.3Replacement of Certain Excluded Assets**

. Upon expiration or earlier termination of the Lease, all art, artwork, paintings, sculptures or other artistic installments or displays to the extent removed from Facility by Tenant as an Excluded Asset shall be replaced by Tenant at its sole cost and expense with Customary Hotel Art of similar size.

## **ARTICLE XXXVII**

### **ATTORNEY'S FEES**

#### **37.1Attorneys' Fees**

. If Landlord or Tenant brings an action or other proceeding against the other to enforce or interpret any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Lease, or by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding and any appeal thereupon shall be paid all of its costs and reasonable outside attorneys' fees incurred therein. In addition to the foregoing and other provisions of this Lease that specifically require Tenant to reimburse, pay or indemnify against Landlord's attorneys' fees, Tenant shall pay, as Additional Charges, all of Landlord's reasonable outside attorneys' fees incurred in connection with the enforcement of this Lease (except to the extent provided above), including reasonable attorneys' fees incurred in connection with the review, negotiation or documentation of any subletting, assignment, or management arrangement or any consent requested in connection therewith, and the collection of past due Rent.

## **ARTICLE XXXVIII**

### **BROKERS**

#### **38.1Brokers**

. Tenant warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Lease, and Tenant shall indemnify, protect, hold harmless and defend Landlord from and against any liability with respect to any fee or brokerage

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commission arising out of any act or omission of Tenant. Landlord warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Lease, and Landlord shall indemnify, protect, hold harmless and defend Tenant from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Landlord.

## ARTICLE XXXIX

### OFAC

#### **39.1 Anti-Terrorism Representations**

(a) Landlord and Tenant each hereby represent and warrant that neither they, nor, to the their knowledge, Landlord's Parent or Tenant's Parent, as applicable, is (i) in material violation of any sanctions program that is established by Executive Order of the President or published by OFAC; (ii) in material violation of the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the U.S.A. Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes or any other applicable Legal Requirements relating to anti-corruption, anti-bribery, terrorism, or money-laundering; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "**Prohibited Persons**").

(b) Neither Landlord nor Tenant will, during the Term of this Lease, knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the ownership, or use or occupancy of, the Leased Property, as applicable. A breach of the representations (being untrue at any time during the Term) or covenants contained in this **Section 39.1** by Landlord or Tenant as a result of which the other party suffers actual damages shall constitute a material breach of this Lease and shall entitle the other party to any and all remedies available hereunder, or at law or in equity.

## ARTICLE XL

### REIT REQUIREMENTS

#### **40.1 REIT Protection**

(a) The parties hereto intend that Rent and other amounts paid by Tenant hereunder will qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto and this Lease shall be interpreted consistent with this intent.

(b) Anything contained in this Lease to the contrary notwithstanding, the parties acknowledge and agree that Landlord, in its sole discretion, may assign this Lease or any interest herein to another Person (including without limitation, a "taxable REIT subsidiary" (within the meaning of Section 856(l) of the Code)) in order to maintain Landlord Parent's status as a "real estate investment trust" (within the meaning of Section 856(a) of the Code); provided, however, Landlord shall be required to (i) comply with any applicable legal requirements related

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to such transfer and (ii) give Tenant notice of any such assignment; and provided, further, that any such assignment shall be subject to all of the rights of Tenant hereunder.

(c) Tenant acknowledges that Landlord's Parent intends to qualify as a real estate investment trust under the Code. Tenant agrees that it will not knowingly or intentionally take or omit to take any action, or permit any status or condition to exist at the Leased Property, which Tenant actually knows (acting in good faith) would or could result in the Rent payable under this Lease not qualifying as "rents from real property" within the meaning of Section 856(d) of the Code.

(d) Anything contained in this Lease to the contrary notwithstanding, upon request of Landlord, Tenant shall cooperate with Landlord in good faith and at no cost or expense to Tenant, and provide such documentation and/or information as may be in Tenant's possession or under Tenant's control and otherwise readily available to Tenant as shall be reasonably requested by Landlord in connection with verification of Landlord Parent's "real estate investment trust" (within the meaning of Section 856(a) of the Code) compliance requirements. Anything contained in this Lease to the contrary notwithstanding, Tenant shall take such reasonable action as may be requested by Landlord from time to time in order to ensure compliance with the Internal Revenue Service requirement that Rent allocable for purposes of Section 856 of the Code to personal property, if any, at the beginning and end of a calendar year does not exceed fifteen percent (15%) of the total Rent due hereunder as long as such compliance does not (i) increase Tenant's monetary obligations under this Lease or (ii) materially and adversely increase Tenant's nonmonetary obligations under this Lease or (iii) materially diminish Tenant's rights under this Lease.

## **ARTICLE XLI**

### **MISCELLANEOUS**

#### **41.1 Survival**

. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities and indemnities of Tenant or Landlord arising prior to the expiration or earlier termination of the Term shall survive such expiration or termination.

#### **41.2 Severability**

. If any term or provision of this Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby.

#### **41.3 Non-Recourse**

. Tenant specifically agrees to look solely to the Leased Property for recovery of any judgment from Landlord (and Landlord's liability hereunder shall be limited solely to its interest in the Leased Property, and no recourse under or in respect of this Lease shall be had against any other assets of Landlord whatsoever). It is specifically agreed that no constituent partner in Landlord or officer or employee of Landlord shall ever be personally liable for any such judgment or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord, or any action not involving the personal liability of Landlord. Furthermore, except as otherwise expressly provided herein, in no event shall Landlord ever be liable to Tenant for any indirect or consequential damages suffered

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by Tenant from whatever cause. Neither Landlord nor Tenant shall be liable to the other, nor shall either make any claim against the other, for punitive damages.

#### **41.4 Successors and Assigns**

. This Lease shall be binding upon Landlord and its successors and assigns and, subject to the provisions of **Article XXII**, upon Tenant and its successors and assigns.

#### **41.5 Governing Law**

. THIS LEASE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY. ACCORDINGLY, IN ALL RESPECTS THIS LEASE (AND ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OR CONFLICTS OF LAW) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT THAT ALL PROVISIONS HEREOF RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND ALL REMEDIES SET FORTH IN **ARTICLE XVI** RELATING TO RECOVERY OF POSSESSION OF THE LEASED PROPERTY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER, IN REM ACTION OR OTHER SIMILAR ACTION) SHALL BE CONSTRUED AND ENFORCED ACCORDING TO, AND GOVERNED BY, THE LAWS OF THE STATE.

#### **41.6 Waiver of Trial by Jury**

. EACH OF LANDLORD AND TENANT ACKNOWLEDGES THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTION OF THE UNITED STATES AND THE STATE. EACH OF LANDLORD AND TENANT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR (ii) IN ANY MANNER CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF LANDLORD AND TENANT WITH RESPECT TO THIS LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREINAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; EACH OF LANDLORD AND TENANT HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY, AND THAT EITHER PARTY MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS CONCLUSIVE EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

#### **41.7 Entire Agreement**

. This Lease and the Exhibits and Schedules hereto constitute the entire and final agreement of the parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the parties and, with respect to the provisions set forth in **Section 40.1**, no such change or modification shall be effective without the explicit reference to such section by number and paragraph. Landlord and

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Tenant hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the leasing of the Leased Property are merged into and revoked by this Lease.

#### **41.8Headings; Consent**

. All titles and headings to sections, subsections, paragraphs or other divisions of this Lease are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other contents of such sections, subsections, paragraphs or other divisions, such other content being controlling as to the agreement among the parties hereto. When the consent of any party hereunder may not be unreasonably withheld, such consent also may not be unreasonably conditioned or delayed.

#### **41.9Counterparts**

. This Lease may be executed in any number of counterparts and by facsimile or electronic signatures, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

#### **41.10Interpretation**

. Both Landlord and Tenant have been represented by counsel and this Lease and every provision hereof has been freely and fairly negotiated. Consequently, all provisions of this Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party.

#### **41.11Time of Essence**

. TIME IS OF THE ESSENCE OF THIS LEASE AND EACH PROVISION HEREOF IN WHICH TIME OF PERFORMANCE IS ESTABLISHED. In addition, with respect to any provision herein that requires an action by Landlord (e.g., **Section 12.1**, which requires Landlord to execute and deliver to Tenant certain authorizations and documents), unless a time is otherwise specified, such action shall be taken promptly by Landlord.

#### **41.12Further Assurances**

. The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.

#### **41.13Gaming Regulations**

. (a) Notwithstanding anything to the contrary in this Lease, this Lease and any agreement formed pursuant to the terms hereof are subject to the Gaming Regulations and the laws involving the sale, distribution and possession of alcoholic beverages (the "**Liquor Laws**"). Without limiting the foregoing, Landlord, and its respective Related Persons, successors and assigns acknowledges that (i) it is subject to being called forward by the Gaming Authority or governmental authority enforcing the Liquor Laws (the "**Liquor Authority**"), in each of their discretion, for licensing or a finding of suitability or to file or provide other information, and (ii) all rights, remedies and powers under this Lease and any agreement formed pursuant to the terms hereof, including with respect to the entry into and ownership and operation of the Gaming Facility, and Landlord's right to possession or control of Gaming Equipment, alcoholic beverages or a Gaming License or liquor license, may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of the Gaming Regulations and Liquor Laws and only to the extent that required approvals (including prior approvals) are obtained from the requisite Gaming Authority and/or Liquor Authority.

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(b) Notwithstanding anything to the contrary in this Lease or any agreement formed pursuant to the terms hereof, each of Tenant, Landlord, and each of Tenant's or Landlord's successors and assigns agrees to cooperate with each Gaming Authority and each Liquor Authority in connection with the administration of their regulatory jurisdiction over the parties hereto and/or the Facility, including, without limitation, the provision of such documents or other information as may be requested by any such Gaming Authorities and/or Liquor Authorities relating to Tenant, Landlord, Tenant's or Landlord's successors and assigns or to this Lease or any agreement formed pursuant to the terms hereof.

#### **41.14 Certain Provisions of Nevada Law**

. Landlord shall, pursuant to Section 108.2405(1)(b) of the Nevada Revised Statutes ("NRS"), record a written notice of waiver of Landlord's rights set forth in NRS 108.234 in the form attached hereto as **Exhibit H** with the office of the recorder of Clark County, Nevada on the date hereof. Pursuant to NRS 108.2405(2), Landlord shall serve such notice by certified mail, return receipt requested, upon the prime contractor of such work of improvement and all other lien claimants who may give the owner a notice of right to lien pursuant to NRS 108.245, within ten (10) days after Landlord's receipt of a notice of right to lien or ten (10) days after the date on which the notice of waiver is recorded.

#### **41.15 Savings Clause**

. If for any reason this Lease is determined by a court of competent jurisdiction to be invalid as to any space that would otherwise be a part of the Leased Property and that is subject to a pre-existing lease as of the date hereof (between Tenant's predecessor in interest prior to the date hereof, as landlord, and a third party as tenant), then Landlord shall be deemed to be the landlord under such pre-existing lease, and the Parties agree that Tenant shall be deemed to be the collection agent for Landlord for purposes of collecting rent and other amounts payable by the tenant under such pre-existing lease and shall remit the applicable collected amounts to Landlord. In such event, the Rent payable hereunder shall be deemed to be reduced by any amounts so collected by Tenant and remitted to Landlord with respect to any such pre-existing lease.

#### **41.16 Agency Relationship**

. Landlord hereby appoints Tenant as its exclusive agent until the expiration or earlier termination of this Lease in, to and with respect to the Water Rights, Water Permits and Water Infrastructure (collectively, "**Water Assets**"). It is the intention of Landlord to maintain a binding arrangement until the expiration or earlier termination of the Lease whereby Tenant is authorized as the exclusive agent of Landlord, (a) to use and exercise (or cause to be used and exercised) the Water Assets for reasonable and beneficial use at the Facility, (b) to protect the Water Assets from forfeiture or cancellation by placing them (or causing them to be placed) to beneficial use as necessary or by making appropriate filings with the Nevada State Engineer to extend any usage deadlines, (c) to change temporarily the manner of use, place of use or point of diversion of the Water Assets, or any portion of them in a Non-Discriminatory manner and which does not impair the ability of the Facility to have sufficient benefit of the Water Assets necessary for the continued operation of all features and associated uses of Water Assets existing as of the Commencement Date through the Term (including any Renewal Terms) and the remaining useful life of such features thereafter, (d) to enter into licenses or leases or other similar temporary arrangements with Tenant's Affiliates with respect to the Water Assets, or any portion of them, in each case, not (1) extending past the expiration or earlier termination of the Lease or (2) impairing the ability of the

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Facility to have sufficient benefit of the Water Assets necessary for the continued operation of all features and uses of Water Assets existing as of the Commencement Date through the Term (including any Renewal Terms) and the remaining useful life of such features thereafter, (e) to make customary applications, filings, notices and reports with the Nevada State Engineer with respect to the foregoing, all at Tenant's expense, (f) at the good faith and reasonable discretion of Tenant, to represent Landlord (at Tenant's sole cost and expense) in any court adjudication, administrative proceeding, groundwater management plan, or other determination or management of the Water Assets, (g) pay any and all fees and assessments charged to or levied against the Water Assets by the Nevada State Engineer or any other governmental entity, including but not limited to, fees charged to support the Las Vegas Valley Groundwater Program, and, (h) upon written approval of Landlord, to exercise any other rights on behalf of Landlord with respect to the Water Assets, or any portion of them. This agency shall be effective and irrevocable until the expiration or earlier termination of the Lease and the same is intended to be and shall be deemed an agency coupled with an interest. Promptly following the Commencement Date, Landlord shall complete, execute and deliver to the Nevada State Engineer all reasonable and customary documents that Tenant may reasonably require (i) to notify the Nevada State Engineer that Tenant is leasing the Water Assets and Tenant is Landlord's exclusive agent with respect to the Water Assets during the Term, and (ii) to ensure that the Nevada State Engineer sends Tenant notice of all actions, meetings, hearings, and copies of all documents pertaining to the Water Assets. Tenant shall maintain a record with respect to its actions taken as agent and shall provide Landlord with (x) notice of any events which could reasonably be expected to give rise to the forfeiture or cancellation of any of the Water Assets, (y) upon Landlord's reasonable request, details regarding any leases or licenses or similar arrangements made by Tenant with respect to any Water Assets and (z) upon expiration or earlier termination of the Lease, all information and documentation regarding the Water Assets reasonably necessary for Landlord to maintain the continued benefit and ownership of the Water Assets. In the event that Landlord determines in its reasonable and good faith discretion that Agent is not performing its functions with respect to the Water Assets or taking actions with respect to the Water Assets in a manner that could reasonably be expected to result in the forfeiture, cancellation or depletion of any Water Assets, Landlord shall have the right to take such actions as Landlord deems reasonably necessary to preserve such Water Assets in the event that Tenant does not cure such deficiencies within thirty (30) days' prior written notice thereof.

SIGNATURES ON FOLLOWING PAGE

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IN WITNESS WHEREOF, this Lease has been executed by Landlord and Tenant as of the date first written above.

**LANDLORD:**

BCORE PARADISE, LLC, a Delaware limited liability company

By: /s/ Qahir Madhany  
Name: Qahir Madhany  
Title: Managing Director and Vice President

**TENANT:**

BELLAGIO, LLC, a Nevada limited liability company

By: /s/ Andrew Hagopian III  
Name: Andrew Hagopian III  
Title: Assistant Secretary

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## EXHIBIT E

### GUARANTY

This **GUARANTY OF LEASE DOCUMENTS** (this “**Guaranty**”), is made and entered into as of the 15th day of November, 2019 by and between **MGM RESORTS INTERNATIONAL**, a Delaware corporation (“**Guarantor**”), and **BCORE PARADISE LLC**, a Delaware limited liability company (“**Landlord**”).

### RECITALS

A. Landlord and certain subsidiaries of Guarantor, including BELLAGIO, LLC, a Nevada limited liability company (“**Tenant**”), have entered into (i) that certain Lease dated of even date herewith (as the same may be amended, restated, supplemented, waived or otherwise modified from time to time, the “**Lease**”), (ii) that certain Transition Services Agreement dated of even date herewith (as the same may be amended, restated, supplemented, waived or otherwise modified from time to time, the “**TSA**”), and (iii) that certain Master Trademark License Agreement dated of even date herewith (as the same may be amended, restated, supplemented, waived or otherwise modified from time to time, the “**Master License**”), and (iv) that certain Trademark Sublicense Agreement dated of even date herewith (as the same may be amended, restated, supplemented, waived or otherwise modified from time to time, the “**Sublicense**”; and together with the Lease, the TSA and the Master License, the “**Lease Documents**”). All capitalized terms used and not otherwise defined herein shall have the same meanings given such terms in the Lease.

B. Guarantor and the licensor under the License are affiliates of Tenant, will derive substantial benefits from the Lease Documents and acknowledges and agrees that this Guaranty is given in accordance with the requirements of the Lease and that Landlord would not have been willing to enter into the Lease Documents unless Guarantor was willing to execute and deliver this Guaranty.

### AGREEMENTS

**NOW, THEREFORE**, in consideration of Landlord entering into the Lease Documents with Tenant, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guaranty. In consideration of the benefit derived or to be derived by it therefrom, as to the Lease Documents, from and after the Commencement Date thereof, Guarantor hereby unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, (i) the payment when due of all Rent and all other sums payable by Tenant under the Lease, and (ii) the faithful and prompt performance when due of each and every one of the terms, conditions and covenants of any nature to be kept and performed by the applicable non-Landlord counterparty or counterparties under and as set forth in each Lease Document, including, without limitation, all indemnification obligations, insurance obligations, all obligations to operate, rebuild, restore or replace any facilities or improvements now or hereafter located on the Leased Property covered by the Lease, all obligations to perform the Required

CapEx, all obligations to fund amounts or security under the Lease (including without limitation, funding any required amounts (or delivering a Letter of Credit, to the extent applicable) to the CapEx Reserve, the FF&E Reserve, the Covenant Security Escrow Account, the Construction Security Escrow Account and any impound account), all obligations to operate the Leased Property under the “Bellagio” brand, and all obligations under Article XXXVI under the Lease (together with Guarantor’s obligations under Section 13 hereof, collectively, the “**Obligations**”). In the event of the failure of Tenant to pay any such Rent or other sums, or to render any other performance required of the applicable non-Landlord counterparty under the Lease Documents, when due or within any applicable cure period, Guarantor shall forthwith perform or cause to be performed all provisions of the applicable Lease Document to be performed by the applicable non-Landlord counterparty thereunder, and pay all reasonable costs of collection or enforcement and other damages that may result from the non-performance thereof to the full extent provided under the applicable Lease Document. As to the Obligations, Guarantor’s liability under this Guaranty is without limit except as provided in Section 12 hereof. Guarantor agrees that its guarantee provided herein constitutes an absolute, direct, immediate, continuing and unconditional guaranty of guarantee of payment and performance when due and not of collection.

2. Survival of Obligations. The obligations of Guarantor under this Guaranty shall survive and continue in full force and effect notwithstanding:

- (a) any amendment, modification, or extension of any of the Lease Documents;
- (b) any compromise, release, consent, extension, indulgence or other action or inaction in respect of any terms of any Lease Document or any other guarantor;
- (c) any substitution or release, in whole or in part, of any security for this Guaranty which Landlord may hold at any time;
- (d) any exercise or non-exercise by Landlord of any right, power or remedy under or in respect of any Lease Document or any security held by Landlord with respect thereto, or any waiver of any such right, power or remedy;
- (e) any bankruptcy, insolvency, reorganization, arrangement, adjustment, composition, liquidation, or the like of Tenant or any other guarantor;
- (f) (i) any limitation of Tenant’s liability under any Lease Document, (ii) any limitation of Tenant’s liability under any Lease Document which may now or hereafter be imposed by any statute, regulation or rule of law, or (iii) any illegality, irregularity, invalidity or unenforceability, in whole or in part, of any Lease Document or any term thereof;
- (g) any sale, lease, or transfer of all or any part of any interest in the Facility or any or all of the assets of Tenant to any Person other than to Landlord;
- (h) any act or omission by Landlord with respect to any security instrument or any failure to file, record or otherwise perfect the same;

- (i) any extensions of time for performance under any Lease Document;
- (j) the release of Tenant from performance or observation of any of the agreements, covenants, terms or conditions contained in any Lease Document by operation of law or otherwise;
- (k) the fact that Tenant may or may not be personally liable, in whole or in part, under the terms of the Lease Documents to pay any money judgment;
- (l) the failure to give Guarantor any notice of acceptance, default or otherwise;
- (m) any other guaranty now or hereafter executed by Guarantor or anyone else in connection with any of the Lease Documents;
- (n) any rights, powers or privileges Landlord may now or hereafter have against any other Person; or
- (o) any other circumstances, whether or not Guarantor had notice or knowledge thereof.

3. Primary Liability. The liability of Guarantor with respect to the Lease Documents shall be primary, direct and immediate, and Landlord may proceed against Guarantor: (a) prior to or in lieu of proceeding against Tenant, its assets, any security deposit, or any other guarantor; and (b) prior to or in lieu of pursuing any other rights or remedies available to Landlord. All rights and remedies afforded to Landlord by reason of this Guaranty or by law are separate, independent and cumulative, and the exercise of any rights or remedies shall not in any way limit, restrict or prejudice the exercise of any other rights or remedies.

In the event of any default under any Lease Document, a separate action or actions may be brought and prosecuted against Guarantor whether or not Tenant is joined therein or a separate action or actions are brought against Tenant. Landlord may maintain successive actions for other defaults. Landlord's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all Obligations the payment and performance of which are hereby guaranteed have been paid and fully performed.

4. Obligations Not Affected. In such manner, upon such terms and at such times as Landlord in its sole discretion deems necessary or expedient, and without notice to Guarantor, Landlord may: (a) amend, alter, compromise, accelerate, extend or change the time or manner for the payment or the performance of any Obligation hereby guaranteed; (b) extend, amend or terminate the Lease Documents; or (c) release Tenant by consent to any assignment (or otherwise) as to all or any portion of the Obligations hereby guaranteed, in each case pursuant to the terms of the Lease Documents. Any exercise or non-exercise by Landlord of any right hereby given Landlord, dealing by Landlord with Guarantor or any other guarantor, Tenant or any other Person, or change, impairment, release or suspension of any right or remedy of

Landlord against any Person including Tenant and any other guarantor will not affect any of the Obligations of Guarantor hereunder or give Guarantor any recourse or offset against Landlord.

5. Waiver. With respect to the Lease Documents, Guarantor hereby waives and relinquishes all rights and remedies accorded by applicable law to sureties and/or guarantors or any other accommodation parties, under any statutory provisions, common law or any other provision of law, custom or practice, and agrees not to assert or take advantage of any such rights or remedies including, but not limited to:

(a) any right to require Landlord to proceed against Tenant or any other Person or to proceed against or exhaust any security held by Landlord at any time or to pursue any other remedy in Landlord's power before proceeding against Guarantor or to require that Landlord cause a marshaling of Tenant's assets or any assets given as collateral for this Guaranty, or to proceed against Tenant and/or any collateral, including collateral, if any, given to secure such Guarantor's obligation under this Guaranty, held by Landlord at any time or in any particular order;

(b) any defense that may arise by reason of the incapacity or lack of authority of any other Person or Persons;

(c) notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Tenant, Landlord, any creditor of Tenant or Guarantor or on the part of any other Person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Landlord or in connection with any obligation hereby guaranteed;

(d) any defense based upon an election of remedies by Landlord which destroys or otherwise impairs the subrogation rights of Guarantor or the right of Guarantor to proceed against Tenant for reimbursement, or both;

(e) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(f) any duty on the part of Landlord to disclose to Guarantor any facts Landlord may now or hereafter know about Tenant, regardless of whether Landlord has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for being and keeping informed of the financial condition of Tenant and of all circumstances bearing on the risk of non-payment or non-performance of any Obligations hereby guaranteed;

(g) any defense arising because of Landlord's election, in any proceeding instituted under the federal Bankruptcy Code, of the application of Section 1111(b)(2) of the federal Bankruptcy Code;



- (h) any defense based on any borrowing or grant of a security interest under Section 364 of the federal Bankruptcy Code;
- (i) any defense relating to the exercise by Landlord of its rights under Section 365(n) of the federal Bankruptcy Code; and
- (j) any defense relating to the application of 502(b)(6) of the federal Bankruptcy Code; and
- (k) all rights and remedies accorded by applicable law to guarantors, including without limitation, any extension of time conferred by any law now or hereafter in effect and any requirement or notice of acceptance of this Guaranty or any other notice to which the undersigned may now or hereafter be entitled to the extent such waiver of notice is permitted by applicable law.

6. Information. Guarantor assumes all responsibility for being and keeping itself informed of the financial condition and assets of Tenant and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that Guarantor assumes and incurs hereunder and agrees that Landlord will not have any duty to advise Guarantor of information regarding such circumstances or risks.

7. No Subrogation. Until all Obligations of Tenant under the Lease Documents have been satisfied and discharged in full, Guarantor shall have no right of subrogation and waives any right to enforce any remedy which Guarantor now has or may hereafter have against Tenant (including any such remedy of Landlord) and any benefit of, and any right to participate in, any security now or hereafter held by Landlord with respect to the Lease Documents.

8. Agreement to Comply with terms of the Lease Documents . Guarantor hereby agrees (a) to comply with all terms of the Lease Documents applicable to it, (b) that it shall take no action, and that it shall not omit to take any action, which action or omission, as applicable, would cause a breach of the terms of any Lease Document and (c) that it shall not commence an involuntary proceeding or file an involuntary petition in any court of competent jurisdiction seeking (i) relief in respect of Tenant or any of Tenant's Significant Subsidiaries, or of a substantial part of the property or assets of Tenant or any of Tenant's Significant Subsidiaries, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Tenant or any of Tenant's Significant Subsidiaries or for a substantial part of the property or assets of Tenant or any of Tenant's Significant Subsidiaries. As used herein, the term "**Significant Subsidiary**" shall mean, with respect to any Person, any Subsidiary of that Person that would be a "significant subsidiary" as defined in Article I, Rule 1 02 of Regulation S-X, promulgated pursuant to the Securities Act as such Regulation is in effect on the date hereof.

9. Agreement to Pay; Contribution; Subordination. Without limitation of any other right of Landlord at law or in equity, upon the failure of Tenant to pay any Obligation when and as the same shall become due, Guarantor hereby promises to and will forthwith pay, or

cause to be paid, to Landlord in cash the amount of such unpaid Obligation. Upon payment by Guarantor of any sums to Landlord as provided above, all rights of Guarantor against Tenant arising as a result thereof by way of subrogation, contribution, reimbursement, indemnity or otherwise shall be subject to the limitations set forth in this Section 9. If for any reason whatsoever Tenant now or hereafter becomes indebted to Guarantor or any Affiliate of Guarantor, such indebtedness and all interest thereon shall at all times be subordinate to Tenant's obligation to Landlord to pay as and when due in accordance with the terms of any Lease Document the guaranteed Obligations, it being understood that Guarantor and each Affiliate of Guarantor shall be permitted to receive payments from Tenant on account of such obligations except during the continuance of an Event of Default under any Lease Document relating to failure to pay amounts due under such Lease Document. During any time in which an Event of Default relating to failure to pay amounts due under a Lease Document has occurred and is continuing under such Lease Document (and provided that Guarantor has received written notice thereof), Guarantor agrees to make no claim for such indebtedness that does not recite that such claim is expressly subordinate to Landlord's rights and remedies under the Lease Documents.

10. Application of Payments. With respect to the Lease Documents, and with or without notice to Guarantor, Landlord, in Landlord's sole discretion and at any time and from time to time and in such manner and upon such terms as Landlord deems appropriate, may (a) apply any or all payments or recoveries following the occurrence and during the continuance of an Event of Default from Tenant or from any other guarantor under any other instrument or realized from any security, in such manner and order of priority as Landlord may determine, to any indebtedness or other obligation of Tenant with respect to the Lease Documents and whether or not such indebtedness or other obligation is guaranteed hereby or is otherwise secured, and (b) refund to Tenant any payment received by Landlord under any Lease Document.

11. Guaranty Default. Upon the failure of Guarantor to pay the amounts required to be paid hereunder when due following the occurrence and during the continuance of an Event of Default under any Lease Document, Landlord shall have the right to bring such actions at law or in equity, including appropriate injunctive relief, as it deems appropriate to compel compliance, payment or deposit, and among other remedies to recover its reasonable attorneys' fees in any proceeding, including any appeal therefrom and any post judgment proceedings.

12. Maximum Liability. Guarantor and, by its acceptance of the guarantees provided herein, Landlord, hereby confirms that it is the intention of all such Persons that the guarantees provided herein and the obligations of Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the guarantees provided herein and the obligations of Guarantor hereunder. To effectuate the foregoing intention, Landlord hereby irrevocably agrees that the obligations of Guarantor under this Guaranty shall be limited to the maximum amount as will result in such obligations not constituting a fraudulent transfer or conveyance.

13. Financial Covenant Obligations. In the event of a bankruptcy of Tenant, Guarantor will perform, or will cause the performance of, the Tenant's obligations set forth

under Section 23.3 of the Lease even if such obligations are subject to a stay by the bankruptcy court.

14. Material Guarantor Acknowledgements. Without limitation of any of the other provisions, terms, and conditions hereof, Guarantor expressly acknowledges and agrees that:

(a) in connection with the implementation of a Foreclosure Assignment or Foreclosure COC, this Guaranty shall remain in full force and effect and Guarantor shall be obligated in all respects under the Guaranty without any termination, reduction, impairment or reduction whatsoever, irrespective of whether any of the following shall have occurred (whether or not notice thereof is given to Guarantor) (in each and any such case, irrespective of whether Guarantor shall execute an affirmation or reaffirmation of its obligations under the Lease Guaranty, or otherwise affirm or reaffirm its obligations hereunder in connection therewith): (i) any foreclosure or such other termination of Tenant's interest in the Lease or of any or all of the equity in Tenant, (ii) any other exercise of remedies by the applicable Permitted Leasehold Mortgagee, (iii) any changes in the nature of the relationship between Tenant, on the one hand, and Guarantor, on the other hand, including by reason of the replacement of Tenant with a Foreclosure Transferee and the delivery of a guaranty by a Qualified Transferee (as defined in the Lease)) that is unrelated to Guarantor, or (iv) any changes or modifications with respect to the Lease of any nature in connection with such Foreclosure Assignment or Foreclosure COC pursuant to and contemplated by paragraph of Section 22.2 of the Lease;

(b) if a New Lease is successfully entered into in accordance with Section 17.1(f) of the Lease, then, in any such event, this Guaranty shall remain in full force and effect and Guarantor shall be obligated in all respects under this Guaranty without any termination, reduction, impairment or reduction whatsoever, irrespective of whether any of the following shall have occurred (whether or not notice thereof is given to Guarantor) (in each and any such case, irrespective of whether Guarantor shall execute an affirmation or reaffirmation of its obligations under the Guaranty, or otherwise affirm or reaffirm its obligations hereunder in connection therewith): (i) any foreclosure or such other termination of Tenant's interest in the Lease or of any or all of the equity in Tenant or any other exercise of remedies by the applicable Permitted Leasehold Mortgagee, (ii) any termination of the Lease, (iii) any changes in the nature of the relationship between Tenant, on the one hand, and Guarantor, on the other hand, including by reason of the replacement of Tenant with a Foreclosure Transferee and the delivery of a guaranty by a Qualified Transferee (as defined in the Lease)) that is unrelated to Guarantor, or (iv) the entry into the New Lease on the terms and conditions contemplated under Section 17.1(f) of the Lease.

(c) Guarantor expressly acknowledges and agrees that Guarantor shall, at the request of Landlord, affirm or reaffirm in writing all of its obligations under this Guaranty in respect of the Lease Documents or any New Lease, as applicable, upon the occurrence of any of the following: (i) at the request of Landlord in connection with any prospective Fee Mortgage or conveyance of the Leased Property by Landlord, (ii) any Foreclosure Assignment or Foreclosure COC in accordance with Section 22.2(i) of the Lease; (iii) the assumption by any Person (including a Person that is unrelated to Guarantor) of Tenant's rights and obligations under the Lease in connection with any such Foreclosure Assignment; or (iv) the execution of any New

Lease by any Person (including a Person that is unrelated to Guarantor) in accordance with Section 17.1(f) of the Lease. Guarantor expressly acknowledges and agrees that Guarantor's failure to so reaffirm in a writing reasonably acceptable to Landlord all of its obligations under this Agreement within ten (10) days of a request from Landlord shall be an immediate default by Guarantor. In addition, and without limitation of anything otherwise contained in this Agreement, Guarantor acknowledges it hereby appoints Landlord as its attorney-in-fact with full power in Guarantor's name and behalf to execute and deliver at any time an affirmation or reaffirmation of this Agreement, including as to the Guaranty.

(d) in connection with Guarantor no longer being Tenant's Parent, this Guaranty shall remain in full force and effect and Guarantor shall be obligated in all respects under the Guaranty without any termination, reduction, impairment or reduction whatsoever, irrespective of whether Guarantor shall execute an affirmation or reaffirmation of its obligations under the Guaranty, or otherwise affirm or reaffirm its obligations hereunder in connection therewith.

(e) GUARANTOR HEREBY IRREVOCABLY WAIVES ANY CONTENTION THAT ITS OBLIGATIONS UNDER THIS GUARANTY ARE UNENFORCEABLE, AND HEREBY ACKNOWLEDGES THAT IT IS ESTOPPED TO ASSERT TO THE CONTRARY.

15. Notices. Any notice, request or other communication ("**Notice**") to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by facsimile transmission or by an overnight express service to the following address:

To Guarantor:

MGM Resorts International  
6385 South Rainbow Boulevard  
Suite 500  
Las Vegas, NV 89118  
Attention: Corporate Legal

With a copy to  
(that shall not constitute notice):

Weil, Gotshal & Manges, LLP  
767 Fifth Avenue  
New York, NY 10153  
Attention: Michael Aiello  
W. Michael Bond  
Email: [michael.aiello@weil.com](mailto:michael.aiello@weil.com)  
[michael.bond@weil.com](mailto:michael.bond@weil.com)

To Landlord:

c/o Blackstone Real Estate Advisors L.P.  
345 Park Avenue  
New York, New York 10154  
Attention: Head, U.S. Asset Management  
Email: [realestatenotices@blackstone.com](mailto:realestatenotices@blackstone.com)

and

c/o Blackstone Real Estate Advisors L.P.  
345 Park Avenue  
New York, New York 10154  
Attention: General Counsel  
Email: [realestatenotices@blackstone.com](mailto:realestatenotices@blackstone.com)

And with a copy to  
(which shall not constitute notice):

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017  
Attention: Gregory Ressa  
Email: [gresa@stblaw.com](mailto:gresa@stblaw.com)

and

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017  
Attention: Erik Quarfordt  
Email: [equarfordt@stblaw.com](mailto:equarfordt@stblaw.com)

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such Notice was received at the number specified above or in a Notice to the sender.

16. Miscellaneous.

(a) No term, condition or provision of this Guaranty may be waived except by an express written instrument to that effect signed by Landlord. No waiver of any term, condition or provision of this Guaranty will be deemed a waiver of any other term, condition or provision, irrespective of similarity, or constitute a continuing waiver of the same term, condition

or provision, unless otherwise expressly provided. No term, condition or provision of this Guaranty may be amended or modified with respect to Guarantor except by an express written instrument to that effect signed by Landlord and Guarantor.

(b) If any one or more of the terms, conditions or provisions contained in this Guaranty is found in a final award or judgment rendered by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining terms, conditions and provisions of this Guaranty shall not in any way be affected or impaired thereby, and this Guaranty shall be interpreted and construed as if the invalid, illegal, or unenforceable term, condition or provision had never been contained in this Guaranty.

(c) THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT THAT THE LAWS OF THE STATE OF NEVADA SHALL GOVERN THIS AGREEMENT TO THE EXTENT NECESSARY (I) TO OBTAIN THE BENEFIT OF THE RIGHTS AND REMEDIES SET FORTH HEREIN WITH RESPECT TO ANY OF THE LEASED PROPERTY AND (II) FOR PROCEDURAL REQUIREMENTS WHICH MUST BE GOVERNED BY THE LAWS OF THE STATE. GUARANTOR CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF NEW YORK AND AGREES THAT ALL DISPUTES CONCERNING THIS GUARANTY SHALL BE HEARD IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK. GUARANTOR FURTHER CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF EACH STATE WITH RESPECT TO ANY ACTION COMMENCED BY LANDLORD SEEKING TO RETAKE POSSESSION OF ANY OR ALL OF THE LEASED PROPERTY IN WHICH GUARANTOR IS REQUIRED TO BE NAMED AS A NECESSARY PARTY. GUARANTOR AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED UPON IT UNDER ANY METHOD PERMISSIBLE UNDER THE LAWS OF THE STATE OF NEW YORK AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK OR, TO THE EXTENT APPLICABLE IN ACCORDANCE WITH THE TERMS HEREOF, LOCATED IN CLARK COUNTY IN THE STATE OF NEVADA.

(d) GUARANTOR, BY ITS EXECUTION OF THIS GUARANTY, AND LANDLORD, BY ITS EXECUTION AND ACCEPTANCE OF THIS GUARANTY, EACH HEREBY WAIVE TRIAL BY JURY AND THE RIGHT THERETO IN ANY ACTION OR PROCEEDING OF ANY KIND ARISING ON, UNDER, OUT OF, BY REASON OF OR RELATING IN ANY WAY TO THIS GUARANTY OR THE INTERPRETATION, BREACH OR ENFORCEMENT THEREOF.

(e) In the event of any suit, action, arbitration or other proceeding to interpret this Guaranty, or to determine or enforce any right or obligation created hereby, the prevailing party in the action shall recover such party's reasonable costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and costs of appeal, post judgment enforcement proceedings (if any) and bankruptcy proceedings (if any). Any court, arbitrator or panel of arbitrators shall, in entering any judgment or making any award in any such suit, action, arbitration or other proceeding, in addition to any and all other relief

awarded to such prevailing party, include in such judgment or award such party's reasonable costs and expenses as provided in this Section 16(e).

(f) Guarantor (i) represents that it has been represented and advised by counsel in connection with the execution of this Guaranty; (ii) acknowledges receipt of a copy of the Lease Documents; and (iii) further represents that Guarantor has been advised by counsel with respect thereto. This Guaranty shall be construed and interpreted in accordance with the plain meaning of its language, and not for or against Guarantor or Landlord, and as a whole, giving effect to all of the terms, conditions and provisions hereof.

(g) Except as provided in any other written agreement now or at any time hereafter in force between Landlord and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with Landlord with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof will be binding upon Landlord or Guarantor unless expressed herein.

(h) All stipulations, obligations, liabilities and undertakings under this Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of Landlord and to the benefit of Landlord's successors and assigns.

(i) Whenever the singular shall be used hereunder, it shall be deemed to include the plural (and vice-versa) and reference to one gender shall be construed to include all other genders, including neuter, whenever the context of this Guaranty so requires. Section captions or headings used in the Guaranty are for convenience and reference only, and shall not affect the construction thereof.

(j) This Guaranty may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

17. No Third Party Beneficiaries. Landlord and its successors and assigns are the beneficiaries of this Guaranty. No other Person shall be a third-party beneficiary hereof. Without limiting the foregoing, no other creditor or equity holder of Landlord, any parent company or its Subsidiaries shall have any rights or be entitled to any benefits hereunder. For the avoidance of doubt, Guarantor hereby consents to the collateral assignment of this Guaranty to any Fee Mortgagee and agrees that any Person who succeeds to Landlord's interest under any of the Lease Documents in accordance with the terms thereof (or enters into a new lease with Tenant in accordance with Section 31.2 of the Lease) shall constitute a permitted successor and/or assignee and intended beneficiary hereof (and shall become, be recognized by Guarantor as, and have all of the rights of "Landlord" hereunder).

[Signature Page to Follow]

**EXECUTED** as of the date first set forth above.

**GUARANTOR:**

**MGM RESORTS INTERNATIONAL**, a Delaware corporation

By: /s/ Andrew Hagopian III

Name: Andrew Hagopian III

Title: Chief Corporate Counsel & Assistant Secretary

**LANDLORD:**

**BCORE PARADISE, LLC**, a Delaware limited liability company

By: /s/ Qahir Madhany

Name: Qahir Madhany

Title: Managing Director and Vice President



Entity	Jurisdiction of Incorporation
BREIT OPERATING PARTNERSHIP L.P.	Delaware
BREIT DEBT INVESTMENTS L.L.C.	Delaware
319 BRAGG STUDENT HOUSING AUBURN AL LLC	Delaware
BREIT 1990 PICCOLI ROAD INVESTORS LLC	Delaware
BREIT 1990 PICCOLI ROAD OWNER LLC	Delaware
BREIT 200 MORGAN PARKWAY INVESTORS LLC	Delaware
BREIT 200 MORGAN PARKWAY OWNER LLC	Delaware
BREIT 2270 BEAVER ROAD INVESTORS LLC	Delaware
BREIT 2270 BEAVER ROAD OWNER LLC	Delaware
BREIT 4500 WESTPORT INVESTORS LLC	Delaware
BREIT 4500 WESTPORT OWNER LLC	Delaware
BREIT ACG MF BROOKS LANDING LLC	Delaware
BREIT ACG MF COLUMBIA TRAILS LLC	Delaware
BREIT ACG MF HIGHLANDS LLC	Delaware
BREIT ACG MF SIERRA OAKS LLC	Delaware
BREIT ACG MF SOCT VENTURE LLC	Delaware
BREIT ACG MF STERLING POINTE LLC	Delaware
BREIT ACG MF VENTURE LLC	Delaware
BREIT ACG MF WOODLAND LLC	Delaware
BREIT ATLANTA LIGHT INDUSTRIAL INVESTORS LLC	Delaware
BREIT ATLANTA LIGHT INDUSTRIAL OWNER LLC	Delaware
BREIT ATLANTA PARENT LLC	Delaware
BREIT ATLANTA PROPERTY OWNER LLC	Delaware
BREIT ATLANTA TRS LLC	Delaware
BREIT ATLANTA TRS PARENT LLC	Delaware
BREIT BAKERS MANAGING MEMBER LLC	Delaware
BREIT BAKERS MEZZ 1 LLC	Delaware
BREIT BAKERS MEZZ 2 LLC	Delaware
BREIT BAKERS PROPERTY OWNER LLC	Delaware
BREIT BD JV LLC	Delaware
BREIT BD TRS JV LLC	Delaware
BREIT BRIGHTHAVEN MHC LLC	Delaware
BREIT BROOKHAVEN MHC LLC	Delaware
BREIT CA MF FLAMINGO OWNER LLC	Delaware
BREIT CA MF FLAMINGO VENTURE LLC	Delaware
BREIT CANARSIE OWNER LLC	Delaware
BREIT CANARSIE PARENT LLC	Delaware
BREIT CS - ABERDEEN LLC	Delaware
BREIT CS - ATLANTA LLC	Delaware
BREIT CS - AUSTIN LLC	Delaware

BREIT CS - GIBRALTAR LLC	Delaware
BREIT CS - STOCKTON LLC	Delaware
BREIT CS - UNION CITY LLC	Delaware
BREIT CS HOLDINGS LLC	Delaware
BREIT CS P HOLDINGS 1 LLC	Delaware
BREIT CS P JV LLC	Delaware
BREIT CS P MEMBER 1 LLC	Delaware
BREIT DAVIS PARENT LLC	Delaware
BREIT DAVIS PROPERTY OWNER LLC	Delaware
BREIT DAVIS TRS LLC	Delaware
BREIT DAVIS TRS PARENT LLC	Delaware
BREIT EVERGREEN MHC LLC	Delaware
BREIT FEDERAL WAY PARENT LLC	Delaware
BREIT FEDERAL WAY PROPERTY OWNER LLC	Delaware
BREIT FEDERAL WAY TRS LLC	Delaware
BREIT FEDERAL WAY TRS PARENT LLC	Delaware
BREIT FLORIDA PARENT LLC	Delaware
BREIT FLORIDA PROPERTY OWNER LLC	Delaware
BREIT FLORIDA TRS LLC	Delaware
BREIT FLORIDA TRS PARENT LLC	Delaware
BREIT GLENHAVEN MHC LLC	Delaware
BREIT GSHJV HOLDINGS LLC	Delaware
BREIT GSHJV TRS LLC	Delaware
BREIT GSHJV, LLC	Delaware
BREIT HENDERSON PARENT LLC	Delaware
BREIT HENDERSON PROPERTY OWNER LLC	Delaware
BREIT HENDERSON TRS LLC	Delaware
BREIT HENDERSON TRS PARENT LLC	Delaware
BREIT HIDDEN SPRINGS MHC LLC	Delaware
BREIT HOLDINGS TRS LLC	Delaware
BREIT HOTEL HOLDINGS LLC	Delaware
BREIT HOTEL HOLDINGS TRS LLC	Delaware
BREIT INDUSTRIAL CANYON AZ1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M03 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M04 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M05 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M06 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W04-W05 LLC	Delaware

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BREIT INDUSTRIAL CANYON CA1W06 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W07 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W08 LLC	Delaware
BREIT INDUSTRIAL CANYON CA3W01-W02 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M02 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M03 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M04 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M05-M07 LLC	Delaware
BREIT INDUSTRIAL CANYON FL1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL1W01-W02 LLC	Delaware
BREIT INDUSTRIAL CANYON FL2W01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL2W02 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4B01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4M01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4W01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4W02 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4W03 LLC	Delaware
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BREIT INDUSTRIAL CANYON GA1B02 LLC	Delaware
BREIT INDUSTRIAL CANYON GA1B03 LLC	Delaware
BREIT INDUSTRIAL CANYON GA1W01-W02 LLC	Delaware
BREIT INDUSTRIAL CANYON GP LLC	Delaware
BREIT INDUSTRIAL CANYON HOLDINGS LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B02 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B03 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B04 LLC	Delaware
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BREIT INDUSTRIAL CANYON IL1M02 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M03 LLC	Delaware
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BREIT INDUSTRIAL CANYON IL1M08 LLC	Delaware
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BREIT INDUSTRIAL CANYON IL1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W03 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W06 LLC	Delaware

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BREIT INDUSTRIAL CANYON IL1W10 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W11 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W12 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W13 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B02 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B03 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B04 LLC	Delaware
BREIT INDUSTRIAL CANYON KY1M02 & KY1W03-W04 LLC	Delaware
BREIT INDUSTRIAL CANYON KY1W01-W02 & KY1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON KY1W05 LLC	Delaware
BREIT INDUSTRIAL CANYON LP LLC	Delaware
BREIT INDUSTRIAL CANYON MA1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1M02 LLC	Delaware
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BREIT INDUSTRIAL CANYON MD1W13 LLC	Delaware
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BREIT INDUSTRIAL CANYON NJ1W06 LLC	Delaware
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BREIT INDUSTRIAL CANYON NJ1W08 LLC	Delaware
BREIT INDUSTRIAL CANYON NJ2B01 LLC	Delaware

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BREIT INDUSTRIAL CANYON OH1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON OH1B02 LLC	Delaware
BREIT INDUSTRIAL CANYON PA1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON PA1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON PA1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON PA1W03 LLC	Delaware
BREIT INDUSTRIAL CANYON PA2B01 LLC	Delaware
BREIT INDUSTRIAL CANYON PA2M01 LLC	Delaware
BREIT INDUSTRIAL CANYON PARENT LLC	Delaware
BREIT INDUSTRIAL CANYON SECURED LLC	Delaware
BREIT INDUSTRIAL CANYON TX1B01-B02 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M01-M02 LLC	Delaware
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BREIT INDUSTRIAL CANYON TX1M08-M09 LLC	Delaware
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BREIT INDUSTRIAL CANYON TX1M15 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M16 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W03 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W04-W06 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M01-M02 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M03 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M04 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M06-M09 LLC	Delaware
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BREIT INDUSTRIAL CANYON VA1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1W03 LLC	Delaware

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BREIT INDUSTRIAL FAIRMEADOWS INVESTORS LLC	Delaware
BREIT INDUSTRIAL FAIRMEADOWS PROPERTY OWNER LLC	Delaware
BREIT INDUSTRIAL HOLDINGS 2017 LLC	Delaware
BREIT INDUSTRIAL HOLDINGS 2018 LLC	Delaware
BREIT INDUSTRIAL HOLDINGS LLC	Delaware
BREIT INDUSTRIAL HS INVESTORS LLC	Delaware
BREIT INDUSTRIAL HS MEZZ 1 LLC	Delaware
BREIT INDUSTRIAL HS MEZZ 2 LLC	Delaware
BREIT INDUSTRIAL HS PA MEMBER LLC	Delaware
BREIT INDUSTRIAL HS PA PROPERTY OWNER LLC	Delaware
BREIT INDUSTRIAL HS PROPERTY OWNER LLC	Delaware
BREIT INDUSTRIAL HS TX GP LLC	Delaware
BREIT INDUSTRIAL HS TX PROPERTY OWNER LP	Delaware
BREIT JWM SAN ANTONIO GP LLC	Delaware
BREIT JWM SAN ANTONIO LP	Delaware
BREIT JWM SAN ANTONIO TRS LLC	Delaware
BREIT KM Edgelawn Drive LLC	Delaware
BREIT KM HOLDCO LLC	Delaware
BREIT KM NORTH EDGELAWN DRIVE LLC	Delaware
BREIT KM SULLIVAN ROAD LLC	Delaware
BREIT KM WEST INDIAN TRAIL LLC	Delaware
BREIT KONA PARENT LLC	Delaware
BREIT KONA PROPERTY OWNER LLC	Delaware
BREIT KONA TRS LLC	Delaware
BREIT KONA TRS PARENT LLC	Delaware
BREIT LONGHAVEN MHC LLC	Delaware
BREIT MASS PARENT LLC	Delaware
BREIT MASS PROPERTY OWNER LLC	Delaware
BREIT MASS TRS LLC	Delaware
BREIT MASS TRS PARENT LLC	Delaware
BREIT MF 55 WEST LLC	Delaware
BREIT MF ADDISON GP LLC	Delaware
BREIT MF ADDISON LP	Delaware
BREIT MF AMBERGLEN LLC	Delaware
BREIT MF AMBERGLEN PARENT LLC	Delaware
BREIT MF ARIUM OWNER LLC	Delaware
BREIT MF ARIUM PARENT LLC	Delaware
BREIT MF AVANTI LLC	Delaware
BREIT MF AVANTI PARENT LLC	Delaware
BREIT MF AZ BOULEVARD LLC	Delaware
BREIT MF AZ BOULEVARD PARENT LLC	Delaware

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BREIT MF AZ INVESTORS LLC	Delaware
BREIT MF AZ VELAIRE LLC	Delaware
BREIT MF AZ VELAIRE PARENT LLC	Delaware
BREIT MF BHSW INVESTORS LLC	Delaware
BREIT MF BLUE HILLS HOLDINGS LLC	Delaware
BREIT MF BLUE HILLS LLC	Delaware
BREIT MF COYOTE HOLDINGS LLC	Delaware
BREIT MF DREAM APARTMENTS LLC	Delaware
BREIT MF DREAM APARTMENTS TRS LLC	Delaware
BREIT MF EP HOLDINGS LLC	Delaware
BREIT MF EP I LLC	Delaware
BREIT MF EP II LLC	Delaware
BREIT MF FIELDCREST GP LLC	Delaware
BREIT MF FIELDCREST LP	Texas
BREIT MF FINISTERRA LLC	Delaware
BREIT MF FL INVESTORS LLC	Delaware
BREIT MF FLAMINGO WEST LLC	Delaware
BREIT MF FLAMINGO WEST PARENT LLC	Delaware
BREIT MF GREENVUE APARTMENTS LP	Delaware
BREIT MF HOLDINGS 2017 LLC	Delaware
BREIT MF HOLDINGS 2018 LLC	Delaware
BREIT MF HOLDINGS LLC	Delaware
BREIT MF HOLDINGS TRS LLC	Delaware
BREIT MF KENDALL HOLDCO LLC	Delaware
BREIT MF KENDALL PHASE I LLC	Delaware
BREIT MF KENDALL PHASE I PARENT LLC	Delaware
BREIT MF KENDALL PHASE II LLC	Delaware
BREIT MF KENDALL PHASE II PARENT LLC	Delaware
BREIT MF KNIGHTSBRIDGE OWNER LLC	Delaware
BREIT MF KNIGHTSBRIDGE PARENT LLC	Delaware
BREIT MF LUMIERE CHANDLER LLC	Delaware
BREIT MF MIDTOWN APARTMENTS LP	Delaware
BREIT MF MOUNTAIN GATE APRTMENTS LLC	Delaware
BREIT MF MOUNTAIN TRAILS APRTMENTS LLC	Delaware
BREIT MF NORTHEAST INVESTORS LLC	Delaware
BREIT MF NV INVESTORS LLC	Delaware
BREIT MF OR INVESTORS LLC	Delaware
BREIT MF OSPREY LAKE LLC	Delaware
BREIT MF PARK AVE LLC	Delaware
BREIT MF PECCOLE RANCH LLC	Delaware
BREIT MF PECCOLE RANCH PARENT LLC	Delaware

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BREIT MF PEORIA LLC	Delaware
BREIT MF REDSTONE VISTARA INVESTORS LLC	Delaware
BREIT MF SAN MERANO LLC	Delaware
BREIT MF SIERRA CANYON LLC	Delaware
BREIT MF SIERRA FOOTHILLS LLC	Delaware
BREIT MF SOCT INVESTORS LLC	Delaware
BREIT MF STADIUM VILLAGE LLC	Delaware
BREIT MF SW APARTMENTS LLC	Delaware
BREIT MF SW APARTMENTS TRS LLC	Delaware
BREIT MF TALL TIMBERS GP LLC	Delaware
BREIT MF TALL TIMBERS LP	Texas
BREIT MF TALLOWES GP LLC	Delaware
BREIT MF TALLOWES LP	Texas
BREIT MF TARKANIAN WAY APARTMENTS LLC	Delaware
BREIT MF TX INVESTORS GP LLC	Delaware
BREIT MF TX INVESTORS II GP LLC	Delaware
BREIT MF TX INVESTORS II GP PARENT LLC	Delaware
BREIT MF TX INVESTORS II LP LLC	Delaware
BREIT MF TX INVESTORS II LP PARENT LLC	Delaware
BREIT MF TX INVESTORS LLC	Delaware
BREIT MF TX INVESTORS LP LLC	Delaware
BREIT MF TX Kenwood GP LLC	Delaware
BREIT MF UNION APARTMENTS LLC	Delaware
BREIT MF UNION APARTMENTS TRS LLC	Delaware
BREIT MF VISTA RIDGE GP LLC	Delaware
BREIT MF VISTA RIDGE LP	Texas
BREIT MF WATERCHASE GP LLC	Delaware
BREIT MF WATERCHASE LP	Texas
BREIT MF WAVE INVESTORS LLC	Delaware
BREIT MF WEST COAST HOLDCO LLC	Delaware
BREIT MF WEST END LLC	Delaware
BREIT MHC HOLDINGS LLC	Delaware
BREIT MHC HOLDINGS TRS LLC	Delaware
BREIT MINARI MHC LLC	Delaware
BREIT NEWHAVEN MHC LLC	Delaware
BREIT OFFICE HOLDINGS LLC	Delaware
BREIT OLYMPUS MF AZ VENTURE LLC	Delaware
BREIT OLYMPUS MF CAPE HOUSE LLC	Delaware
BREIT OLYMPUS MF FL VENTURE LLC	Delaware
BREIT OLYMPUS MF HERITAGE LLC	Delaware
BREIT OLYMPUS MF HERITAGE VENTURE LLC	Delaware

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BREIT OLYMPUS MF MIRADOR LLC	Delaware
BREIT OLYMPUS MF REDSTONE LLC	Delaware
BREIT OLYMPUS MF STOVALL LLC	Delaware
BREIT OLYMPUS MF VISTARA LLC	Delaware
BREIT OPERATING PARTNERSHIP L.P.	Delaware
BREIT ORLANDO PARENT LLC	Delaware
BREIT ORLANDO PROPERTY OWNER LLC	Delaware
BREIT ORLANDO TRS LLC	Delaware
BREIT ORLANDO TRS PARENT LLC	Delaware
BREIT PACIFIC MOBILE MANOR MHC LLC	Delaware
BREIT PALMDALE MHC LLC	Delaware
BREIT PARENT BORROWER LLC	Delaware
BREIT PARKHAVEN MHC LLC	Delaware
BREIT PDS HOLDINGS LLC	Delaware
BREIT PDS PROPERTY OWNER LLC	Delaware
BREIT PORTCO IP LLC	Delaware
BREIT RENO PARENT LLC	Delaware
BREIT RENO PROPERTY OWNER LLC	Delaware
BREIT RENO TRS LLC	Delaware
BREIT RENO TRS PARENT LLC	Delaware
BREIT RETAIL HOLDINGS LLC	Delaware
BREIT RETAIL HOLDINGS SUB LLC	Delaware
BREIT REX PARENT LLC	Delaware
BREIT REX PROPERTY OWNER LLC	Delaware
BREIT REX TRS LLC	Delaware
BREIT REX TRS PARENT LLC	Delaware
BREIT RIVERDALE MHC LLC	Delaware
BREIT RIVEREST MHC LLC	Delaware
BREIT ROSEHAVEN MHC LLC	Delaware
BREIT ROYAL MHC LLC	Delaware
BREIT SAN JOSE PARENT LLC	Delaware
BREIT SAN JOSE PROPERTY OWNER LLC	Delaware
BREIT SAN JOSE TRS LLC	Delaware
BREIT SAN JOSE TRS PARENT LLC	Delaware
BREIT SE HOLDINGS LLC	Delaware
BREIT SE HOLDINGS SUB A LLC	Delaware
BREIT SE HOLDINGS SUB B LLC	Delaware
BREIT SE INDUSTRIAL ATLANTA ONE PORTFOLIO, LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 1 LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 2 LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 3 LLC	Delaware

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BREIT SE INDUSTRIAL HOLDCO 4 LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 5 LLC	Delaware
BREIT SE INDUSTRIAL HOLDINGS I LLC	Delaware
BREIT SE INDUSTRIAL HOLDINGS II INC.	Delaware
BREIT SE INDUSTRIAL HOLDINGS III INC.	Delaware
BREIT SE INDUSTRIAL I LLC	Delaware
BREIT SE INDUSTRIAL II LLC	Delaware
BREIT SE INDUSTRIAL JAX CANADA DRIVE, LLC	Delaware
BREIT SE INDUSTRIAL LAKE PARCEL, LLC	Delaware
BREIT SE INDUSTRIAL LOUISVILLE CANERUN ROAD, LLC	Delaware
BREIT SE INDUSTRIAL MEMPHIS PORTFOLIO LLC	Delaware
BREIT SE INDUSTRIAL MEZZ 1 LLC	Delaware
BREIT SE INDUSTRIAL MEZZ 2 LLC	Delaware
BREIT SE INDUSTRIAL MEZZ 3 LLC	Delaware
BREIT SE INDUSTRIAL MIAMI SSIP, LLC	Delaware
BREIT SE INDUSTRIAL NC/VA PORTFOLIO, LLC	Delaware
BREIT SE INDUSTRIAL ORL/JAX PORTFOLIO, LLC	Delaware
BREIT SE INDUSTRIAL ORLANDO 33RD STREET, LLC	Delaware
BREIT SE INDUSTRIAL ORLANDO FOUR CORNERS, LLC	Delaware
BREIT SE INDUSTRIAL POOL 2 LLC	Delaware
BREIT SE INDUSTRIAL PROPCO 2014-A, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO 2015-B, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO 2017-C, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO GA, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO NC, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO TN, LLC	Delaware
BREIT SE INDUSTRIAL SAVANNAH MEMBER, LLC	Delaware
BREIT SE INDUSTRIAL TAMPA 62ND STREET, LLC	Delaware
BREIT SE LOGISTICS FAYE ROAD LLC	Delaware
BREIT SE LOGISTICS HOLDCO LLC	Delaware
BREIT SE LOGISTICS JONESBORO LLC	Delaware
BREIT SE LOGISTICS MASON ROAD LLC	Delaware
BREIT SE LOGISTICS PERIMETER LLC	Delaware
BREIT SE LOGISTICS WESTLAKE LLC	Delaware
BREIT SH A THENS JV MEMBER LLC	Delaware
BREIT SH BERKELEY LLC	Delaware
BREIT SH DISTRICT 5TH LLC	Delaware
BREIT SH DISTRICT APACHE LLC	Delaware
BREIT SH GRANDMARC LLC	Delaware
BREIT SH GS MEMBER LLC	Delaware
BREIT SH HOLDINGS LLC	Delaware

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BREIT SH JEFFERSON COMMONS LLC	Delaware
BREIT SH LOFTS GP LLC	Delaware
BREIT SH LOFTS LP	Delaware
BREIT SH LOTUS APARTMENTS LLC	Delaware
BREIT SH POINTE GP LLC	Delaware
BREIT SH POINTE LP	Delaware
BREIT SH PROVINCE BOULDER LLC	Delaware
BREIT SH PROVINCE GP LLC	Delaware
BREIT SH PROVINCE GREENVILLE LP	Delaware
BREIT SH RETREAT LOUISVILLE LLC	Delaware
BREIT SH UNIVERSITY VILLAGE TOWERS LLC	Delaware
BREIT SH URBANE LLC	Delaware
BREIT SH WERTLAND SQUARE LLC	Delaware
BREIT SKYHAVEN MHC LLC	Delaware
BREIT SLC MEMBER LLC	Delaware
BREIT SLC TRS LLC	Delaware
BREIT SLC TRS MEMBER LLC	Delaware
BREIT SLC TRS PARENT LLC	Delaware
BREIT SONORA CANYON LLC	Delaware
BREIT SPRINGDALE MHC LLC	Delaware
BREIT SPRINGHAVEN MHC LLC	Delaware
BREIT SS HOLDINGS 2017 LLC	Delaware
BREIT SS HOLDINGS LLC	Delaware
BREIT SS HOLDINGS TRS LLC	Delaware
BREIT STAR VALLEY RANCH MHC LLC	Delaware
BREIT STEADFAST MF ASHLEY OAKS TX GP LLC	Delaware
BREIT STEADFAST MF ASHLEY OAKS TX LP	Delaware
BREIT STEADFAST MF AUDUBON TN LLC	Delaware
BREIT STEADFAST MF BELMONT TX LP	Delaware
BREIT STEADFAST MF BUDA TX GP LLC	Delaware
BREIT STEADFAST MF BUDA TX LP	Delaware
BREIT STEADFAST MF CANTARE TN LLC	Delaware
BREIT STEADFAST MF CARROLLTON TX GP LLC	Delaware
BREIT STEADFAST MF CARROLLTON TX LP	Delaware
BREIT STEADFAST MF COOPER KY LLC	Delaware
BREIT STEADFAST MF FAIRMARC TX GP LLC	Delaware
BREIT STEADFAST MF FAIRMARC TX LP	Delaware
BREIT STEADFAST MF GP LLC	Delaware
BREIT STEADFAST MF GRAYSON TX LP	Delaware
BREIT STEADFAST MF HOLDINGS LLC	Delaware
BREIT STEADFAST MF JV LP	Delaware

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BREIT STEADFAST MF KEYSTONE TN LLC	Delaware
BREIT STEADFAST MF MANSFIELD TX LP	Delaware
BREIT STEADFAST MF MONTELENA TX LP	Delaware
BREIT STEADFAST MF PARENT LLC	Delaware
BREIT STEADFAST MF PORTFOLIO GP LLC	Delaware
BREIT STEADFAST MF PORTFOLIO POOL LLC	Delaware
BREIT STEADFAST MF RENAISSANCE KY LLC	Delaware
BREIT STEADFAST MF RICHLAND TN LLC	Delaware
BREIT STEADFAST MF ROSEMONT TX LP	Delaware
BREIT STEADFAST MF RSA CONDOS KY LLC	Delaware
BREIT STEADFAST MF SPRINGMARC TX GP LLC	Delaware
BREIT STEADFAST MF SPRINGMARC TX LP	Delaware
BREIT STEADFAST MF STEINER TX GP LLC	Delaware
BREIT STEADFAST MF STEINER TX LP	Delaware
BREIT STEADFAST MF VALLEY FARMS CLUBHOUSE KY LLC	Delaware
BREIT STEADFAST MF VALLEY FARMS KY LLC	Delaware
BREIT STEADFAST MF VALLEY FARMS NORTH KY LLC	Delaware
BREIT STOCKTON INDUSTRIAL PARK LLC	Delaware
BREIT SUNDOWNER MHC LLC	Delaware
BREIT SUNHAVEN MHC LLC	Delaware
BREIT TA MF MONTAIR LLC	Delaware
BREIT TA MF VENTURE LLC	Delaware
BREIT TA MF WALDEN POND LLC	Delaware
BREIT TH MHC GP LLC	Delaware
BREIT TH MHC HIGHROADS BROADWAY ESTATES LLC	Delaware
BREIT TH MHC HIGHROADS EL RIO DE ORO LLC	Delaware
BREIT TH MHC HIGHROADS HOLDINGS LLC	Delaware
BREIT TH MHC HIGHROADS LOS HERMANOS LLC	Delaware
BREIT TH MHC HIGHROADS PARENT LLC	Delaware
BREIT TH MHC HOLDCO LLC	Delaware
BREIT TH MHC HOLDCO TRS LLC	Delaware
BREIT TH MHC JV LP	Delaware
BREIT TH MHC PARENT LLC	Delaware
BREIT TH MHC SOUTHWEST HOLDINGS LLC	Delaware
BREIT TH MHC SOUTHWEST PARENT LLC	Delaware
BREIT VISTA CENTER OWNER LLC	Delaware
BREIT VISTA CENTER PARENT LLC	Delaware
BREIT WAVE MF BTL OWNER LLC	Delaware
BREIT WAVE MF BTL PARENT LLC	Delaware
BREIT WAVE MF HEATHERBRAE OWNER LLC	Delaware
BREIT WAVE MF HEATHERBRAE PARENT LLC	Delaware

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BREIT WAVE MF MAS OWNER LLC	Delaware
BREIT WAVE MF MAS PARENT LLC	Delaware
BREIT WAVE MF SC OWNER LLC	Delaware
BREIT WAVE MF SC PARENT LLC	Delaware
BREIT WAVE MF STONEPOINTE OWNER LLC	Delaware
BREIT WAVE MF STONEPOINTE PARENT LLC	Delaware
BREIT WAVE MF XANDER OWNER LLC	Delaware
BREIT WAVE MF XANDER PARENT LLC	Delaware
BREIT-MDH SE JV GP LLC	Delaware
BREIT-MDH SE JV LP	Delaware
COYOTE LUMIERE CHANDLER LLC	Delaware
EAST EDGE TUSCALOOSA LLC	Delaware
EDR Charlottesville LLC	Delaware
MDH-TRADEPORT SAVANNAH, LLC	Delaware
PECCOLE RANCH COMMUNITY ASSOCIATION	Delaware
PROVINCE KENT OH LLC	Delaware
RETREAT AT BLACKSBURG LLC	Delaware
RETREAT AT STATE COLLEGE LLC	Delaware
RIVER CITY RESIDENTIAL POA INC	Delaware
SLC 130 WEST OWNER LLC	Delaware
SLC 140 SOUTH OWNER LLC	Delaware
SLC 345 WEST OWNER LLC	Delaware
SLC PARKING OWNER LLC	Delaware
WEST CLAYTON ATHENS GA HOLDINGS, LLC	Delaware
WEST CLAYTON ATHENS GA OWNER, LLC	Delaware
BREIT MF Roman Holdings LLC	Delaware
BREIT MF Day Street LLC	Delaware
BREIT MF Campanula Way LLC	Delaware
BREIT MF Telegraph Road LLC	Delaware
BREIT MF Brighton Bay LLC	Delaware
BREIT MF Sea Harbor LLC	Delaware
BREIT MF Leora Lane LP LLC	Delaware
BREIT MF Leora Lane GP LLC	Delaware
BREIT MF Leora Lane LP	Delaware
BREIT MF East Belleview Avenue LLC	Delaware
BREIT MF GH Pinnacle LLC	Delaware
BREIT MF 206th Avenue LLC	Delaware
BREIT MF Canton Street LLC	Delaware
BREIT MF Modern Way LP LLC	Delaware
BREIT MF Modern Way GP LLC	Delaware
BREIT MF Modern Way LP	Delaware

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BREIT MF Laurelwood Drive LLC	Delaware
BREIT MF Shipley Street LLC	Delaware
BREIT MF Woodview Way LLC	Delaware
BREIT Chaparral Ranch MHC LLC	Delaware
BREIT EL San Juan MHC LLC	Delaware
BREIT Grand Missouri MHC LLC	Delaware
BREIT Mesa Village MHC LLC	Delaware
BREIT Paradise Valley MHC LLC	Delaware
BREIT TH MHC Angler Holdings LLC	Delaware
BREIT TH MHC Angler Parent LLC	Delaware
BREIT MF RTEW Investors LLC	Delaware
BREIT ACGMF RTEW Venture LLC	Delaware
BREIT ACGMF River Trail LLC	Delaware
BREIT ACGMF Eaglewood LLC	Delaware
BREIT Endless Summer MHC LLC	Delaware
BREIT Hunter's Run MHC LLC	Delaware
BREIT Orange Manor MHC LLC	Delaware
BREIT Debt Investments (Cayman) Director L.L.C.	Delaware
BREIT Tarponaire MHC LLC	Delaware
BREIT MF Dune LLC	Delaware
BREIT MF Eden I LLC	Delaware
BREIT MF Eden II LLC	Delaware
BREIT MF Evolve LLC	Delaware
BREIT MF Spur LLC	Delaware
BREIT Investments (Cayman) Ltd	<i>Delaware</i>
BREIT Debt Investments (Cayman) 2 Ltd	<i>Delaware</i>
BREIT Olympus MF PDR Venture LLC	Delaware
BREIT Olympus MF PDR LLC	Delaware
BREIT MF DD Investors LLC	Delaware
BREIT MF Vera LLC	Delaware
BREIT MF Adara LLC	Delaware
BREIT MF 9703 Avellino LLC	Delaware
BREIT SP MF Venture LLC	Delaware
BREIT SP MF Kennewick LLC	Delaware
BREIT SP MF Richland LLC	Delaware
BREIT MF Colorado Investors LLC	Delaware
BREIT MF Arbour Square LLC	Delaware
BREIT MF Lake Vista LLC	Delaware
BREIT MF The Greens TRS LLC	Delaware
BREIT CA MF Amara Venture LLC	Delaware
BREIT CA MF Amara Owner LLC	Delaware

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BREIT MN Industrial Holdco LLC	Delaware
BREIT Ramsey Industrial Owner LLC	Delaware
BREIT Hennepin Industrial Owner LLC	Delaware
BREIT Anoka Industrial Owner LLC	Delaware
BREIT Dakota Industrial Owner LLC	Delaware
BREIT Stone Mountain Industrial Investors LLC	Delaware
BREIT Stone Mountain Owner LLC	Delaware
BREIT MF TA Investors LLC	Delaware
BREIT TA MA Venture II LLC	Delaware
BREIT TA MA Vintage Pointe LLC	Delaware
BREIT TA MA Sweetwater Creek LLC	Delaware
BREIT MF B2 Investors LLC	Delaware
BREIT MF Beacon Hill LLC	Delaware
BREIT MF Ashford Place LLC	Delaware
BREIT MF Monte Viejo LLC	Delaware
BREIT MF Promenade Terrace LLC	Delaware
BREIT MF Ridgeview LLC	Delaware
BREIT MF Preserve at Lakeland LLC	Delaware
BREIT MF GA Investors LLC	Delaware
BREIT Olympus MF Slate Venture LLC	Delaware
Slate Savannah LLC	Delaware
901 NW 97 Miami Owner LLC	Delaware
1062 NW 87 Miami Owner LLC	Delaware
BCORE SP MF Edge Venture LLC	Delaware
BCORE Edge Henderson LLC	Delaware
BREIT Falcon Parent LLC	Delaware
BREIT Falcon TRS Parent LLC	Delaware
BREIT Falcon Property Owner LLC	Delaware
BREIT Falcon TRS LLC	Delaware
BCORE Retail Pacoima Parent LLC	Delaware
BCORE Retail Pacoima Owner LLC	Delaware
BCORE Retail El Paseo Parent LLC	Delaware
BCORE Retail El Paseo Owner LLC	Delaware
BREIT MF NC Investors LLC	Delaware
BCORE MF Anson LLC	Delaware
BCORE Select VAIL Parent LLC	Delaware
BCORE Select RI Pentagon Owner LLC	Delaware
BCORE Select CY Chicago Owner LLC	Delaware
BCORE Select VAIL TRS Parent LLC	Delaware
BCORE Select RI Pentagon TRS LLC	Delaware
BCORE Select CY Chicago TRS LLC	Delaware

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BCORE MF Perimeter Heights LLC	Delaware
BCORE MF Perimeter Drexel LLC	Delaware
BCORE MF Perimeter Lofts LLC	Delaware
BCORE Select Raven Holdco LLC	Delaware
BCORE Select Raven 1 LLC	Delaware
BCORE Select Raven RI Oak LLC	Delaware
BCORE Select Raven Bloomington LLC	Delaware
BCORE Select Raven 1 TRS LLC	Delaware
BCORE Select Raven RI Oak TRS LLC	Delaware
BCORE Select Raven Bloomington TRS LLC	Delaware
BCORE Select Raven TX GP LLC	Delaware
BCORE Select Raven TX LP	Delaware
BCORE MF San Valiente Investors LLC	Delaware
BCORE IC MF Venture LLC	Delaware
BCORE MF San Valiente LLC	Delaware
BREIT Patriot Park Industrial Investors LLC	Delaware
BREIT Patriot Park Owner LLC	Delaware
BREIT Storage Holdings LLC	Delaware
BCORE Royal Storage Parent LLC	Delaware
BCORE Royal Storage JV LLC	Delaware
BCORE Royal Storage TRS LLC	Delaware
BCORE Chandler Meadows LLC	Delaware
BCORE Chandler Estates LLC	Delaware
BCORE Shandow Hills LLC	Delaware
BREIT Jupiter Holdings LLC	Delaware
Icon Newco Pool 2 Holdings, LLC	Delaware
Icon Newco Pool 2 Northeast/Southwest Holdings, LLC	Delaware
Icon New Pool 6 West/Southwest Holdings, LLC	Delaware
BCORE Jupiter MWSE 1 LLC	Delaware
BCORE Jupiter MWSE 2 LLC	Delaware
BCORE Jupiter NEMW 1 LLC	Delaware
BCORE Jupiter NEMW 2 LLC	Delaware
BCORE Jupiter NEMW 3 LLC	Delaware
BCORE Jupiter TX LLC	Delaware
BREIT Falcon Parent AZ LLC	Delaware
BREIT Falcon Parent CS LLC	Delaware
BREIT Falcon TRS Parent CS LLC	Delaware
BREIT Falcon TRS Parent AZ LLC	Delaware
BCORE Falcon Property Owner AZ LLC	Delaware
BCORE Falcon Property Owner CS LLC	Delaware
BCORE Falcon TRS CS LLC	Delaware

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BCORE Falcon TRS AZ LLC	Delaware
BCORE MF Edgewater Parent LLC	Delaware
BCORE MF Edgewater Owner LLC	Delaware
BCORE MF Adley LLC	Delaware
BCORE MF Brizo LLC	Delaware
BREIT Peachtree Parent LLC	Delaware
BREIT Peachtree TRS Parent LLC	Delaware
BCORE Peachtree LLC	Delaware
BCORE Peachtree TRS LLC	Delaware
BREIT Peachtree REIT LLC	Delaware
BCORE Retail Towne Parent LLC	Delaware
BCORE Retail Towne Owner LLC	Delaware
BCORE Denali KY Investors LLC	Delaware
BCORE Denali OH Investors LLC	Delaware
BCORE Denali IN Investors LLC	Delaware
BCORE Denali KY Owner LLC	Delaware
BCORE Denali OH Owner LLC	Delaware
BCORE Denali IN Owner LLC	Delaware
BREIT Debt Parent LLC	Delaware
BREIT Debt High Grade LLC	Delaware
BCORE Finco I LLC	Delaware
BREIT Debt High Grade TRS LLC	Delaware
BCORE Finco I TRS LLC	Delaware
BCORE MF Timber Creek LLC	Delaware
BCORE MF Timber Creek LP	Delaware
BREIT RE Parent LLC	Delaware
BCORE MF Haven Parent LLC	Delaware
BCORE MF Haven LLC	Delaware
BREIT MF Tampa Member LLC	Delaware
BREIT Olympus MF Canopy Venture LLC	Delaware
BREIT Peachtree REIT LLC	Delaware
BCORE MF 13306 Canopy LLC	Delaware
BCORE EmeryTech Parent LLC	Delaware
BCORE EmeryTech Owner LLC	Delaware
BCORE PS MF Member LLC	Delaware
BCORE PS MF Venture LLC	Delaware
BCORE MF 12700 66th St. N LLC	Delaware
BREIT KW LV Member LLC	Delaware
BREIT KW LV Venture LLC	Delaware
BREIT KW LV Holdings LLC	Delaware
BREIT Prime Lease Holdings LLC	Delaware

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BCORE Paradise Holdings LLC	Delaware
BCORE Paradise Parent LLC	Delaware
BCORE MF Arches Member LLC	Delaware
BCORE SP MF Edge Venture LLC	Delaware
BCORE MF Arches LLC	Delaware
BCORE MF Villages Parent LLC	Delaware
BCORE MF Villages LLC	Delaware
BCORE Main St SD Industrail Investors LLC	Delaware
BCORE Main St SD Owner LLC	Delaware
BCORE MF STC Parent LLC	Delaware
BCORE MF STC Owner LLC	Delaware
BCORE Paradise JV LLC	Delaware
BCORE MF Gardens Member LLC	Delaware
BCORE GO Gardens Venture LLC	Delaware
BREIT Retail SoCal Holdings LLC	Delaware
BCORE MF AS Member LLC	Delaware
BCORE MF AS Venture LLC	Delaware
BCORE MF AS Windermere LLC	Delaware
BCORE MF AS Lake Norman LLC	Delaware
BCORE MF AS Cliffside LLC	Delaware
BCORE MF AS Maitland LLC	Delaware
BCORE MF AS Alafaya LLC	Delaware
BCORE MF AS Lake Norman LP	Delaware
BCORE MF AS Cliffside LP	Delaware
BCORE Far Horizons LLC	Delaware
BCORE Sunny Grove LLC	Delaware
BCORE MF Terra Investors LLC	Delaware
BCORE MF Terra GP LLC	Delaware
BCORE MF Terra LP	Delaware
BCORE Retail El Paseo Owner Solar LLC	Delaware
BREIT Canal Holdings LLC	Delaware
BREIT Canal CA Holdings LLC	Delaware
BCORE Canal CA LLC	Delaware
BREIT Canal NV Holdings LLC	Delaware
BCORE Canal NV LLC	Delaware
BCORE Crossroads Industrial Investors LLC	Delaware
BCORE Crossroads Owner LLC	Delaware
BCORE Retail Northwood Town Center LLC	Delaware
BCORE Retail Heritage Hill LLC	Delaware
BCORE Retail Puerta Real Plaza LLC	Delaware
BCORE Retail Brookhurst Adams LLC	Delaware

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BCORE Retail Goldenwest Warner LLC	Delaware
BCORE Retail Stonehill Del Obispo LLC	Delaware
BCORE Corridor Holdings LLC	Delaware
BCORE Timber Industrial Investors LLC	Delaware
BCORE Timber Office Investors LLC	Delaware
BCORE Timber APE Owner LLC	Delaware
BCORE Timber Office Owner LLC	Delaware
BCORE May Manor LLC	Delaware
BCORE Windmill Holdings LLC	Delaware
BCORE Windmill Parent LLC	Delaware
BCORE Royal Storage Holdings LLC	Delaware
BCORE Storage Indian School LLC	Delaware
BCORE Storage Encanto LLC	Delaware
BCORE Timber APS Owner LLC	Delaware
BCORE Timber APN Owner LLC	Delaware
BCORE Timber EC Owner LLC	Delaware
BCORE Timber BP Owner LLC	Delaware
BCORE Timber RC Owner LLC	Delaware
BCORE GO MF Gardens Owner LLC	Delaware
BCORE MF Acom Holdings LLC	Delaware
BCORE MF Acom Member LLC	Delaware
BCORE MF Acom Venture LLC	Delaware
BCORE MF Acom Mezz B LLC	Delaware
BCORE MF ACORN Mezz A Holdco LLC	Delaware
Holcomb Bridge GA Partners, LLC	Delaware
Cable Ranch TX Apartments Partners, LLC	Delaware
Seaforth NC Partners, LLC	Delaware
Bens Branch TX Partners, LLC	Delaware
Druid Hills GA Partners, LLC	Delaware
Glen TX Partners LLC	Delaware
Lotus Landing FL Partners, LLC	Delaware
Waterford Valley NC Partners, LLC	Delaware
Post Lake FL Partners, LLC	Delaware
Walnut Hill TX Partners, LLC	Delaware
Brighton Bay FL Partners, LLC	Delaware
Trenton CO Partners, LLC	Delaware
Rossi OH Partners, LLC	Delaware
Bermuda Lake FL Partners, LLC	Delaware
Fairway TX Partners LLC	Delaware
Vail TX Partners, LLC	Delaware
Sugarloaf GA Partners, LLC	Delaware
Breach Street TX Partners, LLC	Delaware
Aschinger OH Partners, LLC	Delaware
DD Belgate, LP	Delaware

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DD Morrison, LP	Delaware
BCORE MF SPT Member LLC	Delaware
BCORE MF SPT Venture LLC	Delaware
BCORE MF SPT LLC	Delaware
BCORE MF SPT LP	Delaware
BCORE National MHC Holdings LLC	Delaware
BREIT Debt Investments Owner LLC	Delaware
BCORE Corridor Parent	Delaware
BCORE Corridor Milwaukee LLC	Delaware
BCORE Corridor Oak Creek LLC	Delaware
BCORE Corridor Chicago LLC	Delaware
BCORE Corridor Pratt Blvd LLC	Delaware
BCORE Corridor Pleasant Prairie LLC	Delaware
BCORE Corridor Lunt Ave LLC	Delaware
BCORE Corridor Cudahy LLC	Delaware
BCORE Corridor 13th Street LLC	Delaware
BCORE Corridor Sturtevant LLC	Delaware
BCORE Corridor Mt. Pleasant LLC	Delaware
BCORE Uptown Parent LLC	Delaware
BCORE Uptown Owner LLC	Delaware
BCORE Corridor Holdings LLC	Delaware
BCORE MF Indigo West Member LLC	Delaware
BCORE MF Indigo West Venture LLC	Delaware
BCORE MF Indigo West Owner LLC	Delaware

**CERTIFICATION**  
**PURSUANT TO 17 CFR 240.13a-14**  
**PROMULGATED UNDER**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Frank Cohen, certify that:

1. I have reviewed this annual report on Form 10-K of Blackstone Real Estate 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 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 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.

Date: March 24, 2020

/s/ Frank Cohen  
 Frank Cohen  
 Chief Executive Officer

**CERTIFICATION**  
**PURSUANT TO 17 CFR 240.13a-14**  
**PROMULGATED UNDER**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul D. Quinlan, certify that:

1. I have reviewed this annual report on Form 10-K of Blackstone Real Estate 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 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 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.

Date: March 24, 2020

/s/ Paul D. Quinlan  
 Paul D. Quinlan  
 Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Blackstone Real Estate Income Trust, Inc. (the "Company") on Form 10-K for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank Cohen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank Cohen

Frank Cohen

Chief Executive Officer

March 24, 2020

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Blackstone Real Estate Income Trust, Inc. (the "Company") on Form 10-K for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul D. Quinlan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul D. Quinlan

Paul D. Quinlan

Chief Financial Officer

March 24, 2020

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.