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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2019

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 000-55931

Blackstone

Blackstone Real Estate Income Trust, Inc.

(Exact name of Registrant as specified in its charter)

Maryland	**81-0696966**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
345 Park Avenue New York, NY	**10154**
(Address of principal executive offices)	**(Zip Code)**

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. 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 August 14, 2019, the issuer had the following shares outstanding: 421,961,887 shares of Class S common stock, 35,233,903 shares of Class T common stock, 63,674,039 shares of Class D common stock, and 286,858,436 shares of Class I common stock.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2019	December 31, 2018
Assets		
Investments in real estate, net	$ 14,266,583	$ 10,259,687
Investments in real estate-related securities and loans	3,460,922	2,259,913
Cash and cash equivalents	150,062	68,089
Restricted cash	477,768	238,524
Other assets	506,752	410,945
Total assets	$ 18,862,087	$ 13,237,158
Liabilities and Equity		
Mortgage notes, term loans, and secured revolving credit facilities, net	$ 8,379,181	$ 6,833,269
Repurchase agreements	2,447,134	1,713,723
Unsecured revolving credit facilities	240,000	—
Due to affiliates	430,011	301,581
Accounts payable, accrued expenses, and other liabilities	979,203	464,398
Total liabilities	12,475,529	9,312,971
Commitments and contingencies	—	—
Redeemable non-controlling interest	10,183	9,233
Equity		
Preferred stock, $0.01 par value per share, 100,000,000 shares authorized; no shares issued and outstanding as of June 30, 2019 and December 31, 2018	—	—
Common stock — Class S shares, $0.01 par value per share, 500,000,000 shares authorized; 381,155,980 and 276,989,019 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	3,812	2,770
Common stock — Class T shares, $0.01 par value per share, 500,000,000 shares authorized; 31,903,877 and 23,313,429 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	319	233
Common stock — Class D shares, $0.01 par value per share, 500,000,000 shares authorized; 52,916,501 and 30,375,353 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	529	304
Common stock — Class I shares, $0.01 par value per share, 500,000,000 shares authorized; 228,556,040 and 108,261,331 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	2,286	1,083
Additional paid-in capital	6,969,300	4,327,444
Accumulated deficit and cumulative distributions	(845,511)	(587,548)
Total stockholders' equity	6,130,735	3,744,286
Non-controlling interests attributable to third party joint ventures	113,725	75,592
Non-controlling interests attributable to BREIT OP unitholders	131,915	95,076
Total equity	6,376,375	3,914,954
Total liabilities and equity	$ 18,862,087	$ 13,237,158

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Rental revenue	$ 247,672	$ 125,814	$ 459,869	$ 213,375
Hotel revenue	94,351	21,196	169,617	39,017
Other revenue	12,285	5,216	21,913	9,518
Total revenues	354,308	152,226	651,399	261,910
Expenses				
Rental property operating	101,211	51,452	189,022	90,070
Hotel operating	63,197	13,522	114,517	25,136
General and administrative	4,878	2,901	8,059	4,946
Management fee	22,487	9,281	39,664	16,250
Performance participation allocation	29,898	9,476	50,061	17,349
Depreciation and amortization	161,854	84,826	301,333	158,950
Total expenses	383,525	171,458	702,656	312,701
Other income (expense)				
Income from real estate-related securities and loans	51,784	17,397	113,467	30,632
Gain on disposition of real estate	29,686	—	29,686	—
Interest income	303	121	497	198
Interest expense	(103,279)	(49,841)	(194,866)	(81,232)
Other income (expense)	(2,061)	(389)	(407)	(389)
Total other income (expense)	(23,567)	(32,712)	(51,623)	(50,791)
Net loss	$ (52,784)	$ (51,944)	$ (102,880)	$ (101,582)
Net loss attributable to non-controlling interests in third party joint ventures	$ 970	$ 1,217	$ 3,006	$ 2,930
Net loss attributable to non-controlling interests in BREIT OP	1,110	245	2,324	622
Net loss attributable to BREIT stockholders	$ (50,704)	$ (50,482)	$ (97,550)	$ (98,030)
Net loss per share of common stock — basic and diluted	$ (0.08)	$ (0.19)	$ (0.17)	$ (0.41)
Weighted-average shares of common stock outstanding, basic and diluted	631,744,799	272,727,892	560,647,423	239,600,008

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(in thousands, except per share data)

	Par Value									
	Common Stock Class S	Common Stock Class T	Common Stock Class D	Common Stock Class I	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 BREIT OP Unitholders	Total Equity
Balance at December 31, 2018	$ 2,770	$ 233	$ 304	$ 1,083	$ 4,327,444	$ (587,548)	$ 3,744,286	$ 75,592	$ 95,076	$ 3,914,954
Common stock issued	414	38	75	245	843,347	—	844,119	—	—	844,119
Offering costs	—	—	—	—	(50,847)	—	(50,847)	—	—	(50,847)
Distribution reinvestment	24	2	2	11	41,995	—	42,034	—	—	42,034
Common stock repurchased	(18)	(6)	—	(18)	(45,468)	—	(45,510)	—	—	(45,510)
Amortization of compensation awards	—	—	—	1	99	—	100	—	500	600
Net loss ($277 allocated to redeemable non-controlling interest)	—	—	—	—	—	(46,846)	(46,846)	(2,036)	(937)	(49,819)
Distributions declared on common stock ($0.1582 gross per share)	—	—	—	—	—	(69,542)	(69,542)	—	—	(69,542)
Contributions from non-controlling interests	—	—	—	—	—	—	—	4,894	4,714	9,608
Distributions to non-controlling interests	—	—	—	—	—	—	—	(1,277)	(1,536)	(2,813)
Allocation to redeemable non-controlling interest	—	—	—	—	(1,080)	—	(1,080)	—	—	(1,080)
Balance at March 31, 2019	$ 3,190	$ 267	$ 381	$ 1,322	$ 5,115,490	$ (703,936)	$ 4,416,714	$ 77,173	$ 97,817	$ 4,591,704
Common stock issued	610	51	146	986	1,965,318	—	1,967,111	—	—	1,967,111
Offering costs	—	—	—	—	(103,027)	—	(103,027)	—	—	(103,027)
Distribution reinvestment	28	2	3	14	51,813	—	51,860	—	—	51,860
Common stock repurchased	(16)	(1)	(1)	(37)	(60,032)	—	(60,087)	—	(70)	(60,157)
Amortization of compensation awards	—	—	—	1	99	—	100	—	500	600
Net loss ($74 allocated to redeemable non-controlling interest)	—	—	—	—	—	(50,704)	(50,704)	(970)	(1,036)	(52,710)
Distributions declared on common stock ($0.1588 gross per share)	—	—	—	—	—	(90,871)	(90,871)	—	—	(90,871)
Contributions from non-controlling interests	—	—	—	—	—	—	—	41,049	36,749	77,798
Distributions to non-controlling interests	—	—	—	—	—	—	—	(3,527)	(2,045)	(5,572)
Allocation to redeemable non-controlling interest	—	—	—	—	(361)	—	(361)	—	—	(361)
Balance at June 30, 2019	$ 3,812	$ 319	$ 529	$ 2,286	$ 6,969,300	$ (845,511)	$ 6,130,735	$ 113,725	$ 131,915	$ 6,376,375

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(in thousands, except per share data)

	Par Value									
	Common Stock Class S	Common Stock Class T	Common Stock Class D	Common Stock Class I	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 BREIT OP Unitholders	Total Equity
Balance at December 31, 2017	$ 1,301	$ 56	$ 40	$ 307	$ 1,616,720	$ (132,633)	$ 1,485,791	$ 23,848	$ —	$ 1,509,639
Common stock issued	325	42	28	163	593,143	—	593,701	—	—	593,701
Offering costs	—	—	—	—	(37,361)	—	(37,361)	—	—	(37,361)
Distribution reinvestment	11	—	—	4	16,482	—	16,497	—	—	16,497
Common stock repurchased	(1)	—	—	(1)	(2,294)	—	(2,296)	—	—	(2,296)
Amortization of restricted stock grant	—	—	—	—	25	—	25	—	—	25
Net loss ($347 allocated to redeemable non-controlling interest)	—	—	—	—	—	(47,548)	(47,548)	(1,716)	—	(49,264)
Distributions declared on common stock ($0.1552 gross per share)	—	—	—	—	—	(28,384)	(28,384)	—	—	(28,384)
Contributions from non-controlling interests	—	—	—	—	—	—	—	6,940	—	6,940
Distributions to non-controlling interests	—	—	—	—	—	—	—	(581)	—	(581)
Allocation to redeemable non-controlling interest	—	—	—	—	(883)	—	(883)	—	—	(883)
Balance at March 31, 2018	$ 1,636	$ 98	$ 68	$ 473	$ 2,185,832	$ (208,565)	$ 1,979,542	$ 28,491	$ —	$ 2,008,033
Common stock issued	343	50	100	190	732,275	—	732,958	—	—	732,958
Offering costs	—	—	—	—	(46,491)	—	(46,491)	—	—	(46,491)
Distribution reinvestment	14	1	—	5	21,984	—	22,004	—	—	22,004
Common stock repurchased	(7)	—	—	(1)	(8,810)	—	(8,818)	—	—	(8,818)
Amortization of restricted stock grant	—	—	—	—	25	—	25	—	—	25
Net loss ($275 allocated to redeemable non-controlling interest)	—	—	—	—	—	(50,482)	(50,482)	(1,214)	—	(51,696)
Distributions declared on common stock ($0.1566 gross per share)	—	—	—	—	—	(38,043)	(38,043)	—	—	(38,043)
Contributions from non-controlling interests	—	—	—	—	—	—	—	4,334	—	4,334
Distributions to non-controlling interests	—	—	—	—	—	—	—	(646)	—	(646)
Allocation to redeemable non-controlling interest	—	—	—	—	(573)	—	(573)	—	—	(573)
Balance at June 30, 2018	$ 1,986	$ 149	$ 168	$ 667	$ 2,884,242	$ (297,090)	$ 2,590,122	$ 30,965	$ —	$ 2,621,087

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2019	**2018**
Cash flows from operating activities:		
Net loss	$ (102,880)	$ (101,582)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Management fee	39,664	16,250
Performance participation allocation	50,061	17,349
Depreciation and amortization	301,333	158,950
Gain on disposition of real estate	(29,686)	—
Unrealized gain on changes in fair value of financial instruments	(45,492)	(3,848)
Other items	3,677	(519)
Change in assets and liabilities:		
(Increase) / decrease in other assets	(37,401)	(24,186)
Increase / (decrease) in due to affiliates	(709)	(257)
Increase / (decrease) in accounts payable, accrued expenses, and other liabilities	14,902	42,168
Net cash provided by operating activities	193,469	104,325
Cash flows from investing activities:		
Acquisitions of real estate	(3,763,487)	(3,372,075)
Capital improvements to real estate	(67,091)	(28,843)
Proceeds from disposition of real estate	44,293	—
Pre-acquisition costs	(3,407)	(615)
Purchase of real estate-related securities and loans	(1,296,050)	(676,394)
Proceeds from settlement of real estate-related securities and loans	276,205	115,619
Net cash used in investing activities	(4,809,537)	(3,962,308)
Cash flows from financing activities:		
Proceeds from issuance of common stock	2,596,552	1,204,297
Offering costs paid	(33,045)	(19,208)
Subscriptions received in advance	402,493	137,896
Repurchase of common stock	(53,638)	(6,881)
Repurchase of management fee shares	(49,871)	—
Redemption of redeemable non-controlling interest	(25,407)	(8,400)
Redemption of affiliate service provider incentive compensation awards	(70)	—
Borrowings from mortgage notes, term loans, and secured revolving credit facilities	4,111,058	3,141,053
Repayments from mortgage notes, term loans, and secured revolving credit facilities	(2,942,083)	(894,600)
Borrowings under repurchase agreements	927,475	508,949
Settlement of repurchase agreements	(194,064)	(89,557)
Borrowings from affiliate line of credit	1,466,000	575,000
Repayments on affiliate line of credit	(1,466,000)	(580,250)
Borrowings from unsecured credit facilities	240,000	—
Payment of deferred financing costs	(22,839)	(19,847)
Contributions from non-controlling interests	43,443	11,274
Distributions to non-controlling interests	(8,778)	(1,652)
Distributions	(53,941)	(21,776)
Net cash provided by financing activities	4,937,285	3,936,298
Net change in cash and cash equivalents and restricted cash	321,217	78,315
Cash and cash equivalents and restricted cash, beginning of period	306,613	157,729
Cash and cash equivalents and restricted cash, end of period	$ 627,830	$ 236,044
Reconciliation of cash and cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 150,062	$ 56,456
Restricted cash	477,768	179,588
Total cash and cash equivalents and restricted cash	$ 627,830	$ 236,044

Non-cash investing and financing activities:		
Assumption of mortgage notes in conjunction with acquisitions of real estate	$ 385,450	$ 151,220
Assumption of other liabilities in conjunction with acquisitions of real estate	$ 25,847	$ 36,625
Issuance of BREIT OP units as consideration for acquisitions of real estate	$ 36,749	$ —
Recognition of financing lease liability	$ 56,008	$ —
Accrued pre-acquisition costs	$ 1,217	$ 403
Contributions from non-controlling interests	$ 2,520	$ —
Accrued capital expenditures and acquisition related costs	$ 3,406	$ 8,163
Accrued distributions	$ 12,783	$ 6,194
Accrued stockholder servicing fee due to affiliate	$ 121,421	$ 65,254
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	$ 1,441	$ 1,456
Distribution reinvestment	$ 93,894	$ 38,503
Accrued common stock repurchases	$ 2,088	$ 4,233
Issuance of BREIT OP units as settlement of affiliate incentive compensation awards	$ 4,714	$ —
Payable for real estate-related securities	$ 129,317	$ 170,028

See accompanying notes to condensed 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-related securities and loans. 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 our 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.

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. As of June 30, 2019, the Company had received net proceeds of $6.8 billion from selling shares in the Offering. The Company intends to continue selling shares on a monthly basis.

As of June 30, 2019, the Company owned 652 properties and had 163 positions in real estate-related securities and loans. The Company currently operates in five reportable segments: Multifamily, Industrial, Hotel, and Retail Properties, and Real Estate-Related Securities and Loans. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Financial results by segment are reported in Note 13 — Segment Reporting.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The condensed consolidated financial statements, including the condensed notes thereto, are unaudited and exclude some of the disclosures required in audited financial statements. Management believes it has made all necessary adjustments, consisting of only normal recurring items, so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC.

Certain amounts in the Company's prior period condensed consolidated financial statements have been reclassified to conform to the current period presentation. The Company has chosen to aggregate certain financial statement line items in the Company's condensed consolidated statements of operations and condensed consolidated statements of cash flows. Such reclassifications had no effect on total revenues or net loss on the condensed consolidated statements of operations or previously reported totals or subtotals in the Condensed Consolidated Statements of Cash Flows.

The accompanying condensed consolidated financial statements include the accounts of the Company, the Company's subsidiaries and joint ventures in which the Company 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. 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 June 30, 2019, the total assets and liabilities of the Company's consolidated VIEs, excluding BREIT OP, were $4.4 billion and $2.8 billion, respectively, compared to $2.8 billion and $1.9 billion as of December 31, 2018. Such amounts are included on the Company's Condensed 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.

Fair Value Option

The Company elected the fair value option ("FVO") for its investments in term loans. Unrealized gains and losses on the value of financial instruments for which the FVO has been elected are recorded as a component of net income or loss. The Company records any unrealized gains or losses on its investments in term loans as a component of Income from Real Estate-Related Securities and Loans on the Condensed Consolidated Statements of Operations.

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 hierarchal 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 active 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.

As of June 30, 2019 and December 31, 2018, the Company's $3.5 billion and $2.3 billion, respectively, of investments in real estate-related securities and loans were classified as Level 2.

Valuation

The Company's investments in real estate-related securities and loans are reported at fair value. As of June 30, 2019, the Company's investments in real estate-related securities and loans consisted of commercial mortgage-backed securities ("CMBS"), which are mortgage-related fixed income securities, corporate bonds, and term loans of real estate-related companies. The Company generally determines the fair value of its real estate-related securities and loans by 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-related securities and loans 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.

As of June 30, 2019, the fair value of the Company's mortgage notes, term loans, secured and unsecured revolving credit facilities, repurchase agreements, and affiliate line of credit was approximately $51.1 million above 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.

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

On January 1, 2019, the Company adopted Accounting Standards Update 2016-02 ("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.

On March 29, 2019, the Company made an acquisition which was subject to ground leases. The present value of the future lease payments under such leases exceeded the fair value of the underlying asset, as such, the Company recorded financing lease liabilities and corresponding ROU assets of $56.0 million.

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 Condensed 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 condensed 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 Condensed 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 condensed consolidated statement of operations. The operating lease income presented in "rental revenue" for the three and six months ended June 30, 2018 includes $15.6 million and $24.6 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):

	June 30, 2019	December 31, 2018
Building and building improvements	$ 11,711,288	$ 8,389,864
Land and land improvements	2,680,720	1,961,977
Furniture, fixtures and equipment	248,560	182,418
Right of use asset - operating leases(1)	47,386	—
Right of use asset - financing leases(1)	56,008	—
Total	14,743,962	10,534,259
Accumulated depreciation and amortization	(477,379)	(274,572)
Investments in real estate, net	$ 14,266,583	$ 10,259,687

(1) Refer to Note 12 for additional details on the Company's leases.

During the six months ended June 30, 2019, the Company acquired interests in 27 real estate investments, which were comprised of 104 industrial, 51 multifamily, 22 hotel and one retail property.

The following table provides further details of the properties acquired during the six months ended June 30, 2019 ($ in thousands):

Investment	Ownership Interest(1)	Number of Properties	Location	Segment	Acquisition Date	Purchase Price(2)
4500 Westport Drive	100%	1	Harrisburg, PA	Industrial	Jan. 2019	$ 11,975
Roman Multifamily Portfolio	100%	14	Various(3)	Multifamily	Feb. 2019	857,540
Gilbert Heritage Apartments	90%	1	Phoenix, AZ	Multifamily	Feb. 2019	60,984
Courtyard Kona	100%	1	Kailua-Kona, HI	Hotel	March 2019	105,587
Elevation Plaza Del Rio	90%	1	Phoenix, AZ	Multifamily	April 2019	70,550
Raider Mulifamily Portfolio	100%	3	Las Vegas, NV	Multifamily	April & June 2019	259,371
Courtney at Universal Multifamily	100%	1	Orlando, FL	Multifamily	April 2019	77,952
Citymark Multifamily 2-Pack	95%	2	Various(4)	Multifamily	April 2019	97,922
Tri-Cities Multifamily 2-Pack	95%	2	Richland & Kennewick, WA	Multifamily	April 2019	61,616
Angler MH Portfolio	99%	5	Phoenix, AZ	Multifamily	April 2019	61,975
Florida MH 4-Pack	99%	1	Tarpon Springs, FL	Multifamily	April 2019	10,053
Bridge II Multifamily Portfolio	100%	5	Various(5)	Multifamily	April & June 2019	350,923
Morgan Savannah	100%	1	Savannah, GA	Industrial	April 2019	26,254
Minneapolis Industrial Portfolio	100%	34	Minneapolis, MN	Industrial	April 2019	250,678
Miami Doral 2-Pack	100%	2	Miami, FL	Multifamily	May 2019	209,404
Davis Multifamily 2-Pack	100%	2	Various(6)	Multifamily	May 2019	89,687
Slate Savannah	90%	1	Savannah, GA	Multifamily	May 2019	44,267
Amara at MetroWest	95%	1	Orlando, FL	Multifamily	May 2019	73,933
Colorado 3-Pack	100%	3	Denver & Fort Collins, CO	Multifamily	May 2019	207,137
Atlanta Industrial Portfolio	100%	61	Atlanta, GA	Industrial	May 2019	203,745
Edge Las Vegas	95%	1	Las Vegas, NV	Multifamily	June 2019	61,337
ACG IV Multifamily	95%	2	Various(7)	Multifamily	June 2019	124,971
Perimeter Multifamily 3-Pack	100%	3	Atlanta, GA	Multifamily	June 2019	160,941
Anson at the Lakes	100%	1	Charlotte, NC	Multifamily	June 2019	107,287
D.C. Powered Shell Warehouse Portfolio	90%	7	Ashburn & Manassas, VA	Industrial	June 2019	266,322
El Paseo Simi Valley	100%	1	Simi Valley, CA	Retail	June 2019	39,115
Raven Select Service Portfolio	100%	21	Various(8)	Hotel	June 2019	305,470
		178				$ 4,196,996

(1) Certain of the investments made 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 the Company and any profits interest due to the other partner is reported within non-controlling interests.

(2) Purchase price is inclusive of acquisition related costs.

(3) 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%).

(4) The Citymark Multifamily 2-Pack is located in Las Vegas, NV (61% of units) and Lithia Springs, GA (39%).

(5) The Bridge II Multifamily Portfolio is located in Phoenix, AZ (25% of units), Lakeland, FL (23%), Charlotte, NC (18%), Corona Hills, CA (17%), and Moreno Valley, CA (17%).

(6) The Davis Multifamily 2-Pack is located in Jacksonville, FL (56% of units) and Raleigh, NC (44%).

(7) ACG IV Multifamily is located in Puyallup, WA (74% of units) and Woodland, CA (26%).

(8) The Raven Select Service Portfolio is primarily concentrated in Fort Lauderdale/West Palm, 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%).

The following table summarizes the purchase price allocation for the properties acquired during the six months ended June 30, 2019 ($ in thousands):

	Roman Multifamily Portfolio	All Other	Total
Building and building improvements	$ 714,941	$ 2,551,444	$ 3,266,385
Land and land improvements	110,206	607,259	717,465
Furniture, fixtures and equipment	8,538	46,530	55,068
In-place lease intangibles	23,855	140,942	164,797
Above-market lease intangibles	—	3,596	3,596
Below-market lease intangibles	—	(15,657)	(15,657)
Other	—	5,342	5,342
Total purchase price	857,540	3,339,456	4,196,996
Assumed mortgage notes(1)	237,981	147,469	385,450
Net purchase price	$ 619,559	$ 3,191,987	$ 3,811,546

(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, and below-market lease intangibles of the properties acquired during the six months ended June 30, 2019 were three, six, and six years, respectively.

Dispositions

On June 6, 2019, the Company sold the parking garage attached to the Hyatt Place San Jose Downtown property to a third party. The sale included a four story, 261 space, parking structure and land parcel. The sale did not include the attached Hyatt Place San Jose Downtown hotel or the additional land parcels under the hotel. Net proceeds from the sale were $44.3 million, which resulted in a realized gain of $29.7 million recorded as Gain on Disposition of Real Estate on the Company's Condensed Consolidated Statements of Operations.

Jupiter12 Industrial Portfolio

On June 2, 2019, the Company entered into an agreement to acquire a 64 million square foot income-oriented, high-quality, 95% leased industrial portfolio (the "Jupiter Portfolio") in well-located, in-fill locations for $5.3 billion, excluding closing costs. The Jupiter Portfolio consists of 316 industrial properties with 51% of aggregate square footage located in Dallas/Fort Worth, Chicago, Central Pennsylvania, Atlanta and Central Florida. The Jupiter Portfolio is leased to 745 tenants including e-commerce and logistics companies such as Amazon, FedEx and DHL, as well as Starbucks, Wayfair and Whirlpool. The Company expects the closing of the acquisition to occur in October 2019.

4. Intangibles

The gross carrying amount and accumulated amortization of the Company's intangible assets and liabilities consisted of the following ($ in thousands):

	June 30, 2019	December 31, 2018
Intangible assets:		
In-place lease intangibles	$ 505,668	$ 354,261
Above-market lease intangibles	25,202	21,626
Prepaid ground lease intangibles	—	16,114
Below-market ground lease intangibles	—	5,415
Other	6,719	5,676
Total intangible assets	537,589	403,092
Accumulated amortization:		
In-place lease amortization	(189,995)	(104,745)
Above-market lease amortization	(7,409)	(4,903)
Prepaid ground lease amortization	—	(378)
Below-market ground lease amortization	—	(162)
Other	(348)	(246)
Total accumulated amortization	(197,752)	(110,434)
Intangible assets, net	$ 339,837	$ 292,658
Intangible liabilities:		
Below-market lease intangibles	$ 77,224	$ 62,199
Above-market ground lease intangibles	—	4,657
Total intangible liabilities	77,224	66,856
Accumulated amortization:		
Below-market lease amortization	(17,110)	(11,132)
Above-market ground lease amortization	—	(15)
Total accumulated amortization	(17,110)	(11,147)
Intangible liabilities, net	$ 60,114	$ 55,709

The estimated future amortization on the Company's intangibles for each of the next five years and thereafter as of June 30, 2019 is as follows ($ in thousands)

	In-place Lease Intangibles	Above-market Lease Intangibles	Below-market Lease Intangibles
2019 (remaining)	$ 107,624	$ 2,732	$ (7,560)
2020	62,850	4,711	(12,712)
2021	47,215	4,015	(10,032)
2022	32,999	2,786	(7,993)
2023	21,478	1,459	(6,349)
2024	13,698	871	(4,462)
Thereafter	29,809	1,219	(11,006)
	$ 315,673	$ 17,793	$ (60,114)

5. Investments in Real Estate-Related Securities and Loans

The following tables detail the Company's investments in real estate-related securities and loans ($ in thousands):

			June 30, 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
CMBS - Floating:							
42	BB	Hospitality, Industrial, Multifamily, Office, Retail, Diversified	L+2.79%	10/29/2024	$ 1,131,473	$ 1,132,757	$ 1,136,303
33	BBB	Hospitality, Multifamily, Office, Retail, Diversified	L+2.30%	10/20/2024	816,234	817,997	819,883
21	B	Hospitality, Multifamily, Office	L+3.45%	10/27/2024	461,587	460,488	462,143
5	A	Hospitality, Industrial, Retail, Diversified	L+2.01%	1/25/2025	200,293	200,643	201,479
13	Other	Multifamily	L+2.48%	6/27/2026	112,045	112,586	112,698
114						2,724,471	2,732,506
CMBS - Fixed:							
8	BBB	Multifamily, Diversified	4.3%	4/30/2028	67,662	64,999	68,560
6	BB	Hospitality, Multifamily, Office, Diversified	4.0%	1/17/2026	75,850	73,048	75,458
4	B	Hospitality, Multifamily, Diversified	4.3%	4/4/2026	82,493	81,534	81,402
6	Other	Multifamily, Diversified	4.5%	10/7/2026	56,298	54,008	55,476
24						273,589	280,896
CMBS - Zero Coupon:							
1	BB	Multifamily	N/A	4/21/2025	27,273	19,964	20,368
3	Other	Multifamily	N/A	4/11/2027	208,817	102,232	110,684
4						122,196	131,052
CMBS - Interest Only:							
2	AAA	Multifamily	0.1%	5/21/2026	1,800,924	10,367	10,367
1	BBB	Multifamily	0.1%	1/5/2028	225,803	1,534	1,534
1	A	Multifamily	0.1%	5/2/2025	194,399	978	978
1	Other	Multifamily	4.5%	1/7/2029	42,024	12,340	12,340
5						25,219	25,219
Corporate Bonds:							
7	BB	Hospitality, Multifamily, Diversified	5.9%	6/30/2026	146,586	145,860	152,028
2	B	Hospitality, Multifamily	5.9%	10/9/2025	15,609	15,585	15,931
9						161,445	167,959
Term Loans:							
4	B	Hospitality, Diversified	L+3.79%	1/11/2025	43,810	43,418	43,226
2	BB	Hospitality, Diversified	L+2.74%	5/2/2026	55,471	55,211	55,096
1	Other	Diversified	L+1.70%	2/6/2022	25,608	25,000	24,968
7						123,629	123,290
163						$ 3,430,549	$ 3,460,922

			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
CMBS:							
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
CMBS - Interest Only:							
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
CMBS - Zero Coupon:							
2	Other	Multifamily	N/A	3/2/2027	166,793	80,892	81,875
Corporate Bond:							
1	BB	Hospitality	6.5%	9/15/2026	52,652	52,652	50,755
102						$ 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 June 30, 2019 and December 31, 2018, were either not ratable or have not been submitted to rating agencies.

(2) Multifamily real estate-related securities and loans are 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 June 30, 2019 and December 31, 2018, one-month LIBOR was equal to 2.4% and 2.5%, respectively.

(4) Weighted average maturity date is based on the fully extended maturity date of the instrument or, in the case of CMBS, the underlying collateral.

(5) Represents notional amount for interest only positions.

The Company's investments in real estate-related securities and loans included CMBS 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 CMBS positions ($ in thousands):

	Fair Value		Interest Income			
	June 30,	December 31,	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018	2019	2018
CMBS collateralized by properties	$ 1,057,625	$ 919,392	$ 12,290	$ 8,771	$ 24,370	$ 15,795
CMBS collateralized by a loan	164,770	163,404	2,090	762	4,187	1,448
Total	$ 1,222,395	$ 1,082,796	$ 14,380	$ 9,533	$ 28,557	$ 17,243

For additional information regarding the Company's investments in affiliated CMBS, see Note 5 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. The terms and conditions of such affiliated CMBS held as of June 30, 2019 are consistent with the terms described in such Note.

The Company's investments in real estate-related securities and loans also included $98.5 million of CMBS collateralized by pools of commercial real estate debt, all or a portion of which included certain of the Company's mortgage notes. The Company recognized $1.7 million and $3.3 million of interest income related to such CMBS during the three and six months ended June 30, 2019, respectively. No such investments were owned during the six months ended June 30, 2018.

During the three and six months ended June 30, 2019, the Company recorded a net unrealized gain of $20.8 million and $51.8 million, respectively. During the three and six months ended June 30, 2018, the Company recorded a net unrealized gain of $2.1 million and $3.8 million, respectively. Such unrealized gains were recorded as a component of Income from Real Estate-Related Securities and Loans on the Company's Condensed Consolidated Statements of Operations.

During the three and six months ended June 30, 2019, the Company sold two CMBS positions for approximately its cost basis. The Company did not sell any positions during the corresponding periods of the prior year.

6. Mortgage Notes, Term Loans, and Secured Revolving Credit Facilities

The following table is a summary of the Company's mortgage notes, term loans, and secured revolving credit facilities ($ in thousands):

Indebtedness	Weighted Average Interest Rate(1)	Weighted Average Maturity Date(2)(3)	Maximum Facility Size	Principal Balance Outstanding(3) June 30, 2019	Principal Balance Outstanding(3) December 31, 2018
Fixed rate					
Fixed rate mortgages	4.00%	12/6/2025	N/A	$ 6,176,501	$ 4,782,326
Mezzanine loan	5.85%	4/5/2025	N/A	200,000	200,000
Total fixed rate loans	4.06%	11/28/2025		6,376,501	4,982,326
Variable rate					
Floating rate mortgages	L+1.71%	5/9/2026	N/A	667,916	675,116
Variable rate term loans	L+1.66%	3/19/2023	N/A	732,325	603,500
Variable rate secured revolving credit facilities	L+1.65%	4/19/2023	$ 1,032,325	662,825	624,200
Total variable rate loans	L+1.67%	4/3/2024		2,063,066	1,902,816
Total loans secured by the Company's properties	4.06%	7/3/2025		8,439,567	6,885,142
Deferred financing costs, net				(61,922)	(53,546)
Premium on assumed debt, net				1,536	1,673
Mortgage notes, term loans, and secured revolving credit facilities, net				$ 8,379,181	$ 6,833,269

(1) The term "L" refers to the one-month LIBOR. As of June 30, 2019, one-month LIBOR was equal to 2.4%.
(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 June 30, 2019 ($ in thousands):

Year	Amount
2019 (remaining)	$ 16,751
2020	98,938
2021	48,458
2022	881,656
2023	610,819
2024	1,594,210
Thereafter	5,188,735
Total	$ 8,439,567

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-related securities. 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 CMBS. 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):

	June 30, 2019				
Facility	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
RBC MRA	10/3/2019	CMBS	$ 1,241,029	$ 984,284	None
Barclays MRA	9/29/2021	CMBS(3)	987,429	750,000	None
MS MRA	7/15/2019	CMBS	482,566	404,834	None
Citi MRA	7/21/2019	CMBS	296,331	244,180	None
MUFG MRA	4/30/2020	CMBS	84,447	63,836	None
			$ 3,091,802	$ 2,447,134	

	December 31, 2018				
Facility	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
Barclays MRA	9/29/2021	CMBS(3)	$ 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
			$ 2,165,664	$ 1,713,723	

(1) Subsequent to quarter end, the Company rolled its repurchase agreement contracts expiring in July 2019 into new contracts.
(2) Represents the fair value of the Company's investments in real estate-related securities that serve as collateral.
(3) As of June 30, 2019 and December 31, 2018, the security interests pledged under the Barclays MRA include one corporate bond.

The weighted average interest rate of the Company's repurchase agreements was 3.61% (L+1.22%) as of June 30, 2019. The term "L" refers to the one-month, three-month or 12-month U.S. dollar-denominated LIBOR.

8. Unsecured Revolving Credit Facilities

On February 21, 2019, the Company entered into a $350.0 million unsecured line of credit with a third party. The line of credit expires on February 22, 2022 and may be extended for up to one year. Interest under the line of credit is determined based on one-month U.S. dollar-denominated LIBOR plus 2.50%. During the second quarter of 2019, the Company increased the capacity of the unsecured line of credit to $685.0 million. As of June 30, 2019, there was $240.0 million outstanding on such line.

The Company also maintains a $250 million unsecured line of credit with an affiliate of Blackstone of which there was no outstanding balance as of June 30, 2019. For additional information regarding the affiliate line of credit, see Note 8 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

9. Other Assets and Other Liabilities

The following table summarizes the components of other assets ($ in thousands):

	June 30, 2019	December 31, 2018
Real estate intangibles, net	$ 339,837	$ 292,658
Receivables	60,470	45,799
Prepaid expenses	20,024	10,746
Pre-acquisition costs	17,552	15,361
Straight-line rent receivable	16,395	10,337
Deferred financing costs, net	13,112	5,822
Deferred leasing costs, net	12,050	7,621
Other	27,312	22,601
Total	$ 506,752	$ 410,945

The following table summarizes the components of accounts payable, accrued expenses, and other liabilities ($ in thousands):

	June 30, 2019	December 31, 2018
Subscriptions received in advance	$ 402,493	$ 166,542
Payable for real estate-related securities and loans	129,317	—
Accounts payable and accrued expenses	80,304	53,247
Real estate taxes payable	64,299	56,555
Intangible liabilities, net	60,114	55,709
Right of use lease liability - financing leases	56,270	4,300
Distribution payable	34,143	21,360
Right of use lease liability - operating leases	31,714	—
Tenant security deposits	31,120	23,493
Accrued interest expense	28,852	24,432
Prepaid rental income	23,396	29,112
Other	37,181	29,648
Total	$ 979,203	$ 464,398

10. Equity and Redeemable Non-controlling Interest

Common Stock

The following table details the movement in the Company's outstanding shares of common stock (in thousands):

	Six Months Ended June 30, 2019				
	Class S	Class T	Class D	Class I	Total
December 31, 2018	276,989	23,313	30,375	108,261	438,938
Common stock issued	102,407	8,864	22,112	123,319	256,702
Distribution reinvestment	5,157	388	574	2,484	8,603
Common stock repurchased	(3,397)	(661)	(144)	(5,508)	(9,710)
June 30, 2019	381,156	31,904	52,917	228,556	694,533

Share Repurchase Plan

For the six months ended June 30, 2019, the Company repurchased 9,710,021 shares of common stock and 6,454 BREIT OP units representing a total of $105.7 million. The Company had no unfulfilled repurchase requests during the six months ended June 30, 2019.

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 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 for the six months ended June 30, 2019:

	Class S	Class T	Class D	Class I
Aggregate gross distributions declared per share of common stock	$ 0.3170	$ 0.3170	$ 0.3170	$ 0.3170
Stockholder servicing fee per share of common stock	(0.0464)	(0.0455)	(0.0135)	—
Net distributions declared per share of common stock	$ 0.2706	$ 0.2715	$ 0.3035	$ 0.3170

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 Condensed Consolidated Balance Sheets. The Redeemable Non-controlling Interest is recorded at the greater of the carrying amount, adjusted for their share of the allocation of income or loss and dividends, or the redemption value, which is equivalent to fair value, of such units at the end of each measurement period. As the redemption value was greater than the adjusted carrying value at June 30, 2019, the Company recorded an allocation adjustment of $1.4 million between Additional Paid-in Capital and Redeemable Non-controlling Interest.

The following table summarizes the redeemable non-controlling interest activity for the six months ended June 30, 2019 ($ in thousands):

December 31, 2018	$	9,233
Settlement of 2018 performance participation allocation		37,484
Conversion to Class I shares		(11,620)
Repurchases		(25,407)
GAAP income allocation		(351)
Distributions		(597)
Fair value allocation		1,441
June 30, 2019	$	10,183

11. Related Party Transactions

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 three and six months ended June 30, 2019, the Company incurred management fees of $22.5 million and $39.7 million, respectively. During the three and six months ended June 30, 2018, the Company incurred management fees of $9.3 million and $16.3 million, respectively.

During the six months ended June 30, 2019 and 2018, the Company issued 2,870,390 and 1,206,253, respectively, unregistered Class I shares to the Adviser as payment for management fees. The Company also had a payable of $8.3 million and $5.1 million related to the management fees as of June 30, 2019 and December 31, 2018, respectively, which is included in Due to Affiliates on the Company's Condensed Consolidated Balance Sheets. During July 2019, the Adviser was issued 746,844 unregistered Class I shares as payment for the $8.3 million management fees accrued as of June 30, 2019. 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 the six months ended June 30, 2019, the Adviser submitted 4,574,431 Class I shares for repurchase resulting in a total repurchase of $49.9 million. The Adviser did not submit any shares for repurchase during the six months ended June 30, 2018.

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. During the three and six months ended June 30, 2019, the Company recognized $29.9 million and $50.1 million, respectively, of Performance Participation Allocation expense in the Company's Condensed Consolidated Statements of Operations as the performance hurdle was achieved as of June 30, 2019. During the three and six months ended June 30, 2018, the Company recognized $9.5 million and $17.3 million, respectively, of Performance Participation Allocation expense as the performance hurdle was achieved as of June 30, 2018.

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. Additionally, during the three months ended June 30, 2019, the Special Limited Partner redeemed approximately 1.9 million Class I units in BREIT OP for $21.1 million. The remaining Class I units held by the Special Limited Partner are included in Redeemable Non-Controlling Interest on the Company's Condensed Consolidated Balance Sheets.

Due to Affiliates

The following table details the components of due to affiliates ($ in thousands):

	June 30, 2019	December 31, 2018
Accrued stockholder servicing fee(1)	$ 359,917	$ 238,496
Performance participation allocation	50,061	37,484
Accrued management fee	8,272	5,124
Advanced organization and offering costs	7,159	8,181
Accrued affiliate service provider expenses	3,214	3,115
Accrued affiliate incentive compensation awards	—	4,714
Other	1,388	4,467
Total	$ 430,011	$ 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. 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.

Accrued affiliate service provider expenses and incentive compensation awards

In March 2019, the Company engaged Link Industrial Properties LLC ("Link"), a portfolio company owned by a Blackstone-advised fund, to provide operational services (including property management, leasing, and construction management), corporate support services (including accounting, legal, and tax), and transaction support services for the Company's industrial assets. Prior to such time, Gateway Industrial Properties L.L.C. serviced the Company's industrial assets. For further detail on other affiliate relationships, see Note 11 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

The following tables detail the amounts incurred for affiliate service providers during the three and six months ended June 30, 2019 and 2018 ($ in thousands).

	Affiliate Service Provider Expenses Three Months Ended June 30,		Affiliate Service Provider Incentive Compensation Awards Three Months Ended June 30,		Capitalized Transaction Support Services Three Months Ended June 30,	
	2019	2018	2019	2018	2019	2018
LivCor, L.L.C.	$ 4,398	$ 2,048	$ 13	$ —	$ 563	$ 101
Gateway Industrial Properties L.L.C.	429	673	—	—	—	17
Link Industrial Properties LLC	3,112	—	285	—	1,000	—
ShopCore Properties TRS Management LLC	299	258	8	—	—	—
BRE Hotels and Resorts LLC	1,087	171	194	—	—	—
Revantage Corporate Services, L.L.C.	274	—	—	—	—	8
Total	$ 9,599	$ 3,150	$ 500	$ —	$ 1,563	$ 126

	Affiliate Service Provider Expenses Six Months Ended June 30,		Affiliate Service Provider Incentive Compensation Awards Six Months Ended June 30,		Capitalized Transaction Support Services Six Months Ended June 30,	
	2019	2018	2019	2018	2019	2018
LivCor, L.L.C.	$ 8,426	$ 3,191	$ 154	$ —	$ 921	$ 101
Gateway Industrial Properties LLC	2,524	1,078	236	—	27	196
Link Industrial Properties LLC	3,112	—	285	—	1,000	—
ShopCore Properties TRS Management LLC	701	498	13	—	15	—
BRE Hotels and Resorts LLC	1,741	318	312	—	—	—
Revantage Corporate Services, LLC	533	—	—	—	—	8
Total	$ 17,037	$ 5,085	$ 1,000	$ —	$ 1,963	$ 305

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 Condensed Consolidated Statements of Operations. Transaction support fees were capitalized to Investments in Real Estate on the Company's Condensed Consolidated Balance Sheets.

The Company issued incentive compensation awards to certain employees of affiliate portfolio company service providers 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 June 30, 2019, the total unrecognized compensation cost relating to the portfolio company incentive compensation awards was $7.0 million and is expected to be recognized over a period of 3.5 years from June 30, 2019. Neither Blackstone nor the Adviser receives any fees or incentive payments from agreements between the Company and such portfolio companies or their management teams.

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.

Affiliate Title Service Provider

During the three and six months ended June 30, 2019, the Company paid Lexington National Land Services $2.7 million and $2.8 million, respectively, for title services related to 17 investments 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 Condensed Consolidated Balance Sheet. For additional information regarding this affiliate relationship, see Note 11 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Other

As of June 30, 2019 and December 31, 2018, the Adviser had advanced $1.4 million and $1.1 million, respectively, of expenses on the Company's behalf for general corporate expenses provided by unaffiliated third parties.

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 June 30, 2019, the Company had five 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 one of the Company's operating leases contains a renewal option for an additional 99 year term. The following table presents the future lease payments due under the Company's ground leases ($ in thousands):

	Operating Leases	Financing Leases
2019 (remaining)	$ 742	$ 1,474
2020	1,445	2,991
2021	1,481	3,081
2022	1,518	3,174
2023	1,556	3,269
2024	1,596	3,367
Thereafter	457,749	330,546
Total undiscounted future lease payments	466,087	347,902
Difference between undiscounted cash flows and discounted cash flows	434,373	291,632
Total lease liability	$ 31,714	$ 56,270

The Company utilized its incremental borrowing rate of approximately 7% to determine its lease liabilities. As of June 30, 2019, the weighted average remaining lease term of the Company's operating leases and financing leases was 74 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):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Fixed ground rent expense	$ 359	$ 68	$ 718	$ 136
Variable ground rent expense	3	24	21	30
Total cash portion of ground rent expense	362	92	739	166
Non-cash ground rent expense	1,092	107	2,184	158
Total operating lease costs	$ 1,454	$ 199	$ 2,923	$ 324

The following table summarizes the fixed and variable components of the Company's financing leases ($ in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Interest on lease liabilities	$ 739	$ —	$ 754	$ —
Amortization of right-of-use assets	261	—	261	—
Total financing lease costs	$ 1,000	$ —	$ 1,015	$ —

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, and retail properties. Leases at the Company's industrial and retail 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 and retail properties primarily consist of the reimbursement of operating expenses such as real estate taxes, insurance, and common area maintenance costs. Leases at the Company's industrial and retail 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 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):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Fixed lease payments	$ 223,882	$ 110,254	$ 412,737	$ 188,767
Variable lease payments	23,790	15,560	47,132	24,608
Rental revenue	$ 247,672	$ 125,814	$ 459,869	$ 213,375

The following table presents the undiscounted future minimum rents the Company expects to receive for its industrial and retail properties ($ in thousands). Leases at the Company's multifamily properties are short term, generally 12 months or less, and are therefore not included.

Year	Future Minimum Rents
2019 (remaining)	$ 146,705
2020	278,991
2021	246,743
2022	200,453
2023	154,817
2024	110,253
Thereafter	311,494
Total	$ 1,449,456

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	$ 1,171,565

13. Segment Reporting

The Company operates in five reportable segments: Multifamily properties, Industrial properties, Hotel properties, Retail properties, and real estate-related securities and loans. The Company allocates resources and evaluates results based on the performance of each segment individually. The Company believes that segment net operating income is a key performance metric that captures the operating performance of each segment.

The following table sets forth the total assets by segment ($ in thousands):

	June 30, 2019	December 31, 2018
Multifamily	$ 8,299,626	$ 5,396,457
Industrial	4,686,239	3,966,796
Hotel	1,745,454	1,268,992
Retail	175,281	136,273
Real estate-related securities and loans	3,479,085	2,281,033
Other (Corporate)	476,402	187,607
Total assets	$ 18,862,087	$ 13,237,158

The following table sets forth the financial results by segment for the three months ended June 30, 2019 ($ in thousands):

	Multifamily	Industrial	Hotel	Retail	Real Estate-Related Securities and Loans	Total
Revenues:						
Rental revenue	$ 159,243	$ 85,368	$ —	$ 3,061	$ —	$ 247,672
Hotel revenue	—	—	94,351	—	—	94,351
Other revenue	9,038	95	3,075	77	—	12,285
Total revenues	168,281	85,463	97,426	3,138	—	354,308
Expenses:						
Rental property operating	73,772	26,196	—	1,243	—	101,211
Hotel operating	—	—	63,197	—	—	63,197
Total expenses	73,772	26,196	63,197	1,243	—	164,408
Income from real estate-related securities and loans	—	—	—	—	51,784	51,784
Segment net operating income	$ 94,509	$ 59,267	$ 34,229	$ 1,895	$ 51,784	$ 241,684
Depreciation and amortization	$ 96,631	$ 47,403	$ 16,257	$ 1,563	$ —	$ 161,854
General and administrative						(4,878)
Management fee						(22,487)
Performance participation allocation						(29,898)
Gain on disposition of real estate						29,686
Interest income						303
Interest expense						(103,279)
Other income (expense)						(2,061)
Net loss						$ (52,784)
Net loss attributable to non-controlling interests in third party joint ventures						$ 970
Net loss attributable to non-controlling interests in BREIT OP						1,110
Net loss attributable to BREIT stockholders						$ (50,704)

The following table sets forth the financial results by segment for the three months ended June 30, 2018 ($ in thousands):

	Multifamily	Industrial	Hotel	Retail	Real Estate-Related Securities and Loans	Total
Revenues:						
Rental revenue	$ 70,384	$ 53,235	$ —	$ 2,195	$ —	$ 125,814
Hotel revenue	—	—	21,196	—	—	21,196
Other revenue	5,047	140	8	21	—	5,216
Total revenues	75,431	53,375	21,204	2,216	—	152,226
Expenses:						
Rental property operating	35,959	14,678	—	815	—	51,452
Hotel operating	—	—	13,522	—	—	13,522
Total expenses	35,959	14,678	13,522	815	—	64,974
Income from real estate-related securities and loans	—	—	—	—	17,397	17,397
Segment net operating income	$ 39,472	$ 38,697	$ 7,682	$ 1,401	$ 17,397	$ 104,649
Depreciation and amortization	$ 48,181	$ 31,822	$ 3,800	$ 1,023	$ —	$ 84,826
General and administrative						(2,901)
Management fee						(9,281)
Performance participation allocation						(9,476)
Interest income						121
Interest expense						(49,841)
Other income (expense)						(389)
Net loss						$ (51,944)
Net loss attributable to non-controlling interests in third party joint ventures						$ 1,217
Net loss attributable to non-controlling interests in BREIT OP						245
Net loss attributable to BREIT stockholders						$ (50,482)

The following table sets forth the financial results by segment for the six months ended June 30, 2019 ($ in thousands):

	Multifamily	Industrial	Hotel	Retail	Real Estate-Related Securities and Loans	Total
Revenues:						
Rental revenue	$ 287,141	$ 166,669	$ —	$ 6,059	$ —	$ 459,869
Hotel revenue	—	—	169,617	—	—	169,617
Other revenue	16,649	312	4,802	150	—	21,913
Total revenues	303,790	166,981	174,419	6,209	—	651,399
Expenses:						
Rental property operating	135,596	51,057	—	2,369	—	189,022
Hotel operating	—	—	114,517	—	—	114,517
Total expenses	135,596	51,057	114,517	2,369	—	303,539
Income from real estate-related securities and loans	—	—	—	—	113,467	113,467
Segment net operating income	$ 168,194	$ 115,924	$ 59,902	$ 3,840	$ 113,467	$ 461,327
Depreciation and amortization	$ 175,165	$ 92,425	$ 30,683	$ 3,060	$ —	$ 301,333
General and administrative						(8,059)
Management fee						(39,664)
Performance participation allocation						(50,061)
Gain on disposition of real estate						29,686
Interest income						497
Interest expense						(194,866)
Other income (expense)						(407)
Net loss						$ (102,880)
Net loss attributable to non-controlling interests in third party joint ventures						$ 3,006
Net loss attributable to non-controlling interests in BREIT OP						2,324
Net loss attributable to BREIT stockholders						$ (97,550)

The following table sets forth the financial results by segment for the six months ended June 30, 2018 ($ in thousands):

	Multifamily	Industrial	Hotel	Retail	Real Estate-Related Securities and Loans	Total
Revenues:						
Rental revenue	$ 131,127	$ 77,836	$ —	$ 4,412	$ —	$ 213,
Hotel revenue	—	—	39,017	—	—	39,
Other revenue	9,284	178	16	40	—	9,
Total revenues	140,411	78,014	39,033	4,452	—	261,
Expenses:						
Rental property operating	66,579	21,863	—	1,628	—	90,
Hotel operating	—	—	25,136	—	—	25,
Total expenses	66,579	21,863	25,136	1,628	—	115,
Income from real estate-related securities and loans	—	—	—	—	30,632	30,
Segment net operating income	$ 73,832	$ 56,151	$ 13,897	$ 2,824	$ 30,632	$ 177,
Depreciation and amortization	$ 104,054	$ 45,820	$ 7,010	$ 2,066	$ —	$ 158,
General and administrative						(4,
Management fee						(16,
Performance participation allocation						(17,
Interest income						
Interest expense						(81,
Other income (expense)						(
Net loss						$ (101,
Net loss attributable to non-controlling interests in third party joint ventures						$ 2,
Net loss attributable to non-controlling interests in BREIT OP						
Net loss attributable to BREIT stockholders						$ (98,

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. As of June 30, 2019 and December 31, 2018, the Company was not involved in any material legal proceedings.

15. Subsequent Events

Acquisitions

Subsequent to June 30, 2019, the Company acquired an aggregate of $520.7 million of real estate, exclusive of closing costs, across 6 separate transactions.

Subsequent to June 30, 2019, the Company acquired an aggregate of $62.0 million of real estate-related securities and loans.

Proceeds from the Issuance of Common Stock

Subsequent to June 30, 2019, the Company had received net proceeds of $1.3 billion from the issuance of its common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto appearing elsewhere in this quarterly report on Form 10-Q.

Forward-Looking Statements

This Form 10-Q contains forward-looking statements about our business, operations and financial performance, including, in particular, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. These statements include our plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and are based on current expectations that involve numerous risks, uncertainties and assumptions. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond our control. Although we believe the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate and our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements as a result of various factors, including but not limited to those discussed under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2018 and elsewhere in this quarterly report on Form 10-Q. In light of the significant uncertainties inherent in these forward looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans, which we consider to be reasonable, will be achieved.

Overview

BREIT invests primarily in stabilized income-oriented commercial real estate in the United States and, to a lesser extent, real estate-related securities and loans. We are the sole general partner of BREIT Operating Partnership L.P. ("BREIT OP"), a Delaware limited partnership, and we own all or substantially all of our assets through BREIT OP. We are externally managed by BX REIT Advisors L.L.C. (the "Adviser"). The Adviser is part of the real estate group of The Blackstone Group Inc. ("Blackstone"), a leading investment manager, which serves as our sponsor. As of June 30, 2019, we operated our business in five reportable segments: Multifamily, Industrial, Hotel, and Retail Properties, and real estate-related securities and loans. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing.

BREIT is a non-exchange traded, perpetual life real estate investment trust ("REIT") that qualifies as a REIT under the Internal Revenue Code for U.S. federal income tax purposes. We will generally 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 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 T, Class D and Class I 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 August 14, 2019, we had received net proceeds of $8.7 billion from the Offering and the sale of unregistered shares of our common stock. We have contributed the net proceeds to BREIT OP in exchange for a corresponding number of Class S, Class T, Class D, and Class I units. BREIT OP has primarily used the net proceeds to make investments in real estate and real estate-related securities and loans as further described below under "— Portfolio". We intend to continue selling shares on a monthly basis.

We are not aware of any material trends or uncertainties, favorable or unfavorable, other than national economic conditions affecting real estate generally, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from acquiring properties or real estate-related securities and loans, other than those disclosed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2018, our prospectus dated January 4, 2019 and filed with the SEC, as supplemented, and elsewhere in this quarterly report on Form 10-Q.

Q2 2019 Highlights

Operating Results:

- Raised $2.0 billion of net proceeds during the three months ended June 30, 2019 and a total $2.8 billion of net proceeds during the six months ended June 30, 2019.
- Subsequent to June 30, 2019, we raised $1.3 billion of net proceeds from the issuance of our common stock.
- Declared monthly net distributions totaling $90.9 million and $160.4 million for the three and six months ended June 30, 2019, respectively.
- Year-to-date total return through June 30, 2019, without upfront selling commissions, was 5.1% for Class S, 5.1% for Class T, 5.4% for Class D, and 5.6% for Class I shares. Year to date total return assuming full upfront selling commissions was 1.6% for Class S, 1.6% for Class T, and 3.8% for Class D shares.

Investments:

- Acquired 103 industrial, 36 multifamily, 21 hotel, and one retail property across 23 transactions with a total purchase price of $3.2 billion, inclusive of closing costs, during the three months ended June 30, 2019. The acquisitions are consistent with our strategy of acquiring diversified, income producing, commercial real estate assets concentrated in high growth markets across the U.S.
- Entered into an agreement to acquire a 64 million square foot income-oriented, high-quality, 95% leased industrial portfolio in well-located, in-fill locations for $5.3 billion, excluding closing costs. The transaction is expected to close in October 2019.
- 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.
- Our 652 properties as of June 30, 2019 consisted of Multifamily (56% based on fair value), Industrial (33%), Hotel (10%), and Retail (1%) and our portfolio of real estate was concentrated in the following regions: South (39%), West (38%), East (15%), and Midwest (8%).
- Made 55 investments in real estate-related securities and loans with a total cost basis of $1.2 billion consisting of commercial mortgage-backed securities ("CMBS"), corporate bonds and term loans of real estate-related companies and we held 163 positions as of June 30, 2019.
- Investments in real estate-related securities and loans as of June 30, 2019 were diversified by credit rating — BB (41% based on fair value), BBB (26%), B (17%), Other (9%), A (6%), and AAA (1%) and collateral backing — Hospitality (53%), Office (17%), Multifamily (13%), Diversified (8%), Retail (7%), and Industrial (2%).

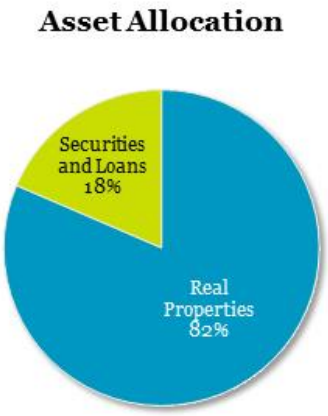
Financings:

- Increased the capacity of the unsecured line of credit with a third party by $335.0 million to $685.0 million. The line of credit expires on February 22, 2022 and may be extended for up to one year. Interest under the line of credit is determined based on one-month U.S. dollar-denominated LIBOR plus 2.50%.
- Continued our strategy of obtaining secured revolving credit capacity by adding an additional $128.8 million of revolving credit capacity.
- Closed or assumed an aggregate $1.2 billion in property-level financing and obtained an additional $0.7 billion of financings secured by our investments in real estate-related securities and loans during the three months ended June 30, 2019.

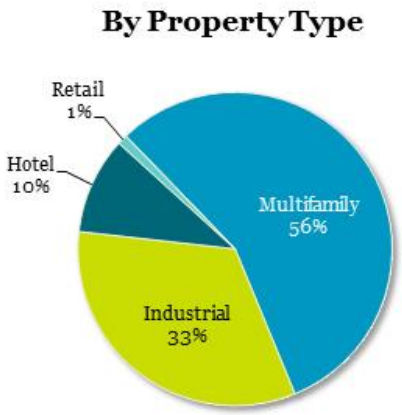
Portfolio

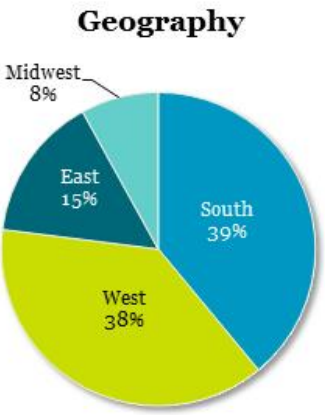
Summary of Portfolio

The following chart outlines the percentage of our investments in real properties and investments in real estate-related securities and loans based on fair value as of June 30, 2019:



The following charts further describe our portfolio composition in real properties based on fair value as of June 30, 2019:





The following map identifies the top 10 markets of our portfolio composition in real properties based on fair value as of June 30, 2019:

Investments in Real Estate

As of June 30, 2019, we had acquired 652 properties with a total purchase price of $15.1 billion, inclusive of closing costs. Our diversified portfolio of income producing assets primarily consists of Multifamily and Industrial properties, and to a lesser extent Hotel and Retail properties, located in growth markets across the U.S. The following table provides a summary of our portfolio as of June 30, 2019:

Segment	Number of Properties	Sq. Feet (in thousands)/ Units/Keys(1)	Occupancy Rate(2)	Average Effective Annual Base Rent Per Leased Square Foot/Units/Keys(3)	Gross Asset Value(4) ($ in thousands)	Segment Revenue	Percentage of Segment Revenue
Multifamily	172	54,033 units	93%	$ 13,330	$ 8,904,021	$ 303,790	47%
Industrial	429	58,593 sq. ft.	95%	$ 5.10	5,063,441	166,981	25%
Hotel	47	7,142 keys	82%	$152.90/$125.06	1,648,807	174,419	27%
Retail	4	600 sq. ft.	98%	$ 19.60	179,321	6,209	1%
Total	652				$ 15,795,590	$ 651,399	100%

(1) Multifamily includes other types of rental housing such as manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.

(2) The occupancy rate is as of June 30, 2019 for non-hotels. The occupancy rate for our hotel investments is the average occupancy rate for the twelve months ended June 30, 2019. Hotels owned less than twelve months are excluded from the average occupancy rate calculation.

(3) For multifamily properties, industrial properties, and retail properties, represents the annualized June 30, 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 hotel properties, represents Average Daily Rate ("ADR") and Revenue Per Available Room ("RevPAR"), respectively, for the twelve months ended June 30, 2019. Hotels owned less than twelve months are excluded from the ADR and RevPAR calculations.

(4) Based on fair value as of June 30, 2019.

Real Estate

The following table provides information regarding our portfolio of real properties as of June 30, 2019:

Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
Multifamily:						
Sonora Canyon Apartments	1	Mesa, AZ	Feb. 2017	100%	388 units	92%
TA Multifamily Portfolio	6	Various(4)	April 2017	100%	2,514 units	93%
Emory Point	1	Atlanta, GA	May 2017	100%	750 units	89%
Nevada West Multifamily	3	Las Vegas, NV	May 2017	100%	972 units	95%
Mountain Gate & Trails Multifamily	2	Las Vegas, NV	June 2017	100%	539 units	95%
Elysian West Multifamily	1	Las Vegas, NV	July 2017	100%	466 units	92%
Harbor 5 Multifamily	5	Dallas, TX	Aug. 2017	100%	1,192 units	94%
Gilbert Multifamily	2	Gilbert, AZ	Sept. 2017	90%	748 units	95%
Domain & GreenVue Multifamily	2	Dallas, TX	Sept. 2017	100%	803 units	96%
ACG II Multifamily	4	Various(5)	Sept. 2017	94%	932 units	90%
Olympus Multifamily	3	Jacksonville, FL	Nov. 2017	95%	1,032 units	95%
Amberglen West Multifamily	1	Hillsboro, OR	Nov. 2017	100%	396 units	94%
Aston Multifamily Portfolio	20	Various(6)	Nov. 2017 & Jan. 2018	90%	4,584 units	95%
Talavera and Flamingo Multifamily	2	Las Vegas, NV	Dec. 2017	100%	674 units	95%
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	94%
Blue Hills Multifamily	1	Boston, MA	May 2018	100%	472 units	95%
Wave Multifamily Portfolio	6	Various(7)	May 2018	100%	2,199 units	94%
ACG III Multifamily	2	Gresham, OR & Turlock, CA	May 2018	95%	475 units	93%
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	95%
Velaire at Aspera	1	Phoenix, AZ	July 2018	100%	286 units	92%
Coyote Multifamily Portfolio	6	Phoenix, AZ	Aug. 2018	100%	1,752 units	93%
Avanti Apartments	1	Las Vegas, NV	Dec. 2018	100%	414 units	94%
Gilbert Heritage Apartments	1	Phoenix, AZ	Feb. 2019	90%	256 units	95%
Roman Multifamily Portfolio	14	Various(8)	Feb. 2019	100%	3,743 units	95%
Elevation Plaza Del Rio	1	Phoenix, AZ	April 2019	90%	333 units	62%
Courtney at Universal Multifamily	1	Orlando, FL	April 2019	100%	355 units	91%
Citymark Multifamily 2-Pack	2	Various(9)	April 2019	95%	608 units	99%
Tri-Cities Multifamily 2-Pack	2	Richland & Kennewick, WA	April 2019	95%	428 units	96%
Raider Multifamily Portfolio	3	Las Vegas, NV	April & June 2019	100%	1,110 units	93%
Bridge II Multifamily Portfolio	5	Various(10)	April & June 2019	100%	1,911 units	92%
Miami Doral 2-Pack	2	Miami, FL	May 2019	100%	720 units	94%
Davis Multifamily 2-Pack	2	Various(11)	May 2019	100%	454 units	83%
Slate Savannah	1	Savannah, GA	May 2019	90%	272 units	90%
Amara at MetroWest	1	Orlando, FL	May 2019	95%	411 units	97%
Colorado 3-Pack	3	Denver & Fort Collins, CO	May 2019	100%	855 units	95%
Edge Las Vegas	1	Las Vegas, NV	June 2019	95%	296 units	94%
ACG IV Multifamily	2	Various(12)	June 2019	95%	606 units	94%
Perimeter Multifamily 3-Pack	3	Atlanta, GA	June 2019	100%	691 units	92%
Anson at the Lakes	1	Charlotte, NC	June 2019	100%	694 units	95%
Highroads MH	3	Phoenix, AZ	April 2018	99%	265 units	92%
Evergreen Minari MH	2	Phoenix, AZ	June 2018	99%	115 units	96%
Southwest MH	14	Various(13)	June 2018	99%	3,065 units	79%
Hidden Springs MH	1	Desert Hot Springs, CA	July 2018	99%	317 units	85%
SVPAC MH	2	Phoenix, AZ	July 2018	99%	233 units	91%
Royal Vegas MH	1	Las Vegas, NV	Oct. 2018	99%	176 units	73%
Riverest MH	1	Tavares, FL	Dec. 2018	99%	130 units	93%
Angler MH Portfolio	5	Phoenix, AZ	April 2019	99%	939 units	80%
Florida MH 4-Pack	1	Tarpon Springs, FL	April 2019	99%	137 units	93%
EdR Student Housing Portfolio	20	Various(14)	Sept. 2018	95%	10,610 units	92%
Total Multifamily	172				54,033 units	

Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
Industrial:						
Stockton Industrial Park	1	Stockton, CA	Feb. 2017	100%	878 sq. ft.	86%
HS Industrial Portfolio	38	Various(15)	April 2017	100%	5,968 sq. ft.	92%
Fairfield Industrial Portfolio	11	Fairfield, NJ	Sept. 2017	100%	578 sq. ft.	100%
Southeast Industrial Portfolio	5	Various(16)	Nov. 2017	100%	1,927 sq. ft.	97%
Kraft Chicago Industrial Portfolio	3	Aurora, IL	Jan. 2018	100%	1,693 sq. ft.	100%
Canyon Industrial Portfolio	146	Various(17)	March 2018	100%	21,719 sq. ft.	97%
HP Cold Storage Industrial Portfolio	6	Various(18)	May 2018	100%	2,252 sq. ft.	100%
Meridian Industrial Portfolio	106	Various(19)	Nov. 2018	99%(19)	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.	98%
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.	96%
Atlanta Industrial Portfolio	61	Atlanta, GA	May 2019	100%	3,779 sq. ft.	95%
D.C. Powered Shell Warehouse Portfolio	7	Ashburn & Manassas, VA	June 2019	90%	1,174 sq. ft.	100%
Total Industrial	429				58,593 sq. ft.	
Hotel:						
Hyatt Place UC Davis	1	Davis, CA	Jan. 2017	100%	127 keys	85%
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%	469 keys	78%
Hyatt House Downtown Atlanta	1	Atlanta, GA	Aug. 2017	100%	150 keys	78%
Boston/Worcester Select-Service 3-Pack	3	Boston & Worcester, MA	Oct. 2017	100%	374 keys	81%
Henderson Select-Service 2-Pack	2	Henderson, NV	May 2018	100%	228 keys	83%
Orlando Select-Service 2-Pack	2	Orlando, FL	May 2018	100%	254 keys	93%
Corporex Select Service Portfolio	5	Various(20)	Aug. 2018	100%	601 keys	N/A
JW Marriott San Antonio Hill Country Resort	1	San Antonio, TX	Aug. 2018	100%	1,002 keys	N/A
Hampton Inn & Suites Federal Way	1	Seattle, WA	Oct. 2018	100%	142 keys	N/A
Staybridge Suites Reno	1	Reno, NV	Nov. 2018	100%	94 keys	N/A
Salt Lake City Select Service 3 Pack	3	Salt Lake City, UT	Nov. 2018	60%	454 keys	N/A
Courtyard Kona	1	Kailua-Kona, HI	March 2019	100%	452 keys	N/A
Raven Select Service Portfolio	21	Various(21)	June 2019	100%	2,555 keys	N/A
Total Hotel	47				7,142 keys	
Retail:						
Bakers Centre	1	Philadelphia, PA	March 2017	100%	236 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%	89 sq. ft.	90%
El Paseo Simi Valley	1	Simi Valley, CA	June 2019	100%	109 sq. ft.	97%
Total Retail	4				600 sq. ft.	
Total Investments in Real Estate	652					

(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 other types of rental housing such as manufactured housing and student housing. Multifamily units include manufactured housing sites and student housing beds.

(3) The occupancy rate is as of June 30, 2019 for non-hotels. The occupancy rate for our hotel investments is the average occupancy rate for the twelve months ended June 30, 2019. The occupancy rate is excluded for hotels owned less than twelve months.

(4) 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%).

(5) 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%).

(6) The Aston Multifamily Portfolio is located in four markets: Austin/San Antonio, TX (47% of units), Dallas/Fort Worth, TX (21%), Nashville, TN (18%), and Louisville, KY (14%).

(7) 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%).

(8) 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%).

(9) The Citymark Multifamily 2-Pack is located in Las Vegas, NV (61% of units) and Lithia Springs, GA (39%).
(10) The Bridge II Multifamily Portfolio is located in Phoenix, AZ (25% of units), Lakeland, FL (23%), Charlotte, NC (18%), Corona Hills, CA (17%), and Moreno Valley, CA (17%).
(11) The Davis Multifamily 2-Pack is located in Jacksonville, FL (56% of units) and Raleigh, NC (44%).
(12) ACG IV Multifamily is located in Puyallup, WA (74% of units) and Woodland, CA (26%).
(13) Southwest MH is located in three markets: Phoenix, AZ (86% of sites), San Diego, CA (11%), and Palm Desert, CA (3%).
(14) 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%).
(15) The HS Industrial Portfolio is located in six submarkets: Atlanta, GA (38% of sq. ft.), Chicago, IL (23%), Houston, TX (17%), Harrisburg, PA (10%), Dallas, TX (10%) and Orlando, FL (2%).
(16) The Southeast Industrial Portfolio is located in Jacksonville, FL (53% of sq. ft.), Atlanta, GA (26%), and Nashville, TN (21%).
(17) The Canyon Industrial Portfolio is primarily concentrated in Chicago, IL (19% of sq. ft.), Dallas, TX (15%), Indianapolis, IN (11%), Baltimore/Washington, D.C. (9%), and Columbus, OH (7%).
(18) The HP Cold Storage Industrial Portfolio is located in four markets: Stockton, CA (52% of sq. ft.), Atlanta, GA (24%), Baltimore, MD (18%), and Austin, TX (6%).
(19) The Meridian Industrial Portfolio consists of 106 industrial properties primarily concentrated in Memphis, TN (23% of sq. ft.), 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.
(20) 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%).
(21) The Raven Select Service Portfolio is primarily concentrated in Fort Lauderdale/West Palm, 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%).

On June 2, 2019, we entered into an agreement to acquire a 64 million square foot income-oriented, high-quality, 95% leased industrial portfolio (the "Jupiter Portfolio") in well-located, in-fill locations for $5.3 billion, excluding closing costs. The Jupiter Portfolio consists of 316 industrial properties with 51% of aggregate square footage located in Dallas/Fort Worth, Chicago, Central Pennsylvania, Atlanta and Central Florida. The Jupiter Portfolio is leased to 745 tenants including e-commerce and logistics companies such as Amazon, FedEx and DHL, as well as Starbucks, Wayfair and Whirlpool. We expect the closing of the acquisition to occur in October 2019.

Subsequent to June 30, 2019, we acquired an aggregate of $520.7 million of real estate, exclusive of closing costs, across 6 separate transactions.

Investments in Real Estate-Related Securities and Loans

During the six months ended June 30, 2019, we invested $1.2 billion in real estate-related securities and loans. The following table details our investments in real estate-related securities and loans as of June 30, 2019 ($ in thousands):

			June 30, 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
CMBS - Floating:							
42	BB	Hospitality, Industrial, Multifamily, Office, Retail, Diversified	L+2.79%	10/29/2024	$ 1,131,473	$ 1,132,757	$ 1,136,303
33	BBB	Hospitality, Multifamily, Office, Retail, Diversified	L+2.30%	10/20/2024	816,234	817,997	819,883
21	B	Hospitality, Multifamily, Office	L+3.45%	10/27/2024	461,587	460,488	462,143
5	A	Hospitality, Industrial, Retail, Diversified	L+2.01%	1/25/2025	200,293	200,643	201,479
13	Other	Multifamily	L+2.48%	6/27/2026	112,045	112,586	112,698
114						2,724,471	2,732,506
CMBS - Fixed:							
8	BBB	Multifamily, Diversified	4.3%	4/30/2028	67,662	64,999	68,560
6	BB	Hospitality, Multifamily, Office, Diversified	4.0%	1/17/2026	75,850	73,048	75,458
4	B	Hospitality, Multifamily, Diversified	4.3%	4/4/2026	82,493	81,534	81,402
6	Other	Multifamily, Diversified	4.5%	10/7/2026	56,298	54,008	55,476
24						273,589	280,896
CMBS - Zero Coupon:							
1	BB	Multifamily	N/A	4/21/2025	27,273	19,964	20,368
3	Other	Multifamily	N/A	4/11/2027	208,817	102,232	110,684
4						122,196	131,052
CMBS - Interest Only:							
2	AAA	Multifamily	0.1%	5/21/2026	1,800,924	10,367	10,367
1	BBB	Multifamily	0.1%	1/5/2028	225,803	1,534	1,534
1	A	Multifamily	0.1%	5/2/2025	194,399	978	978
1	Other	Multifamily	4.5%	1/7/2029	42,024	12,340	12,340
5						25,219	25,219
Corporate Bonds:							
7	BB	Hospitality, Multifamily, Diversified	5.9%	6/30/2026	146,586	145,860	152,028
2	B	Hospitality, Multifamily	5.9%	10/9/2025	15,609	15,585	15,931
9						161,445	167,959
Term Loans:							
4	B	Hospitality, Diversified	L+3.79%	1/11/2025	43,810	43,418	43,226
2	BB	Hospitality, Diversified	L+2.74%	5/2/2026	55,471	55,211	55,096
1	Other	Diversified	L+1.70%	2/6/2022	25,608	25,000	24,968
7						123,629	123,290
163						$ 3,430,549	$ 3,460,922

(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 June 30, 2019, were either not ratable or have not been submitted to ratings agencies.

(2) Multifamily real estate-related securities and loans are collateralized by various forms of rental housing including single-family homes and apartments.

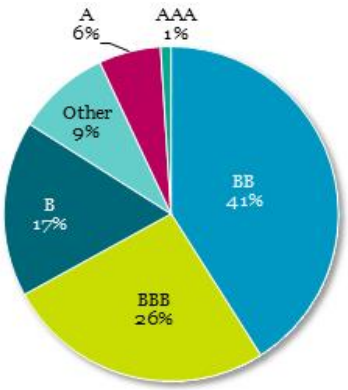
(3) The term "L" refers to the one-month U.S. dollar-denominated London Interbank Offer Rate ("LIBOR"). As of June 30, 2019, one-month LIBOR was 2.4%.

(4) Weighted average maturity date is based on the fully extended maturity date of the instrument or, in the case of CMBS, the underlying collateral.

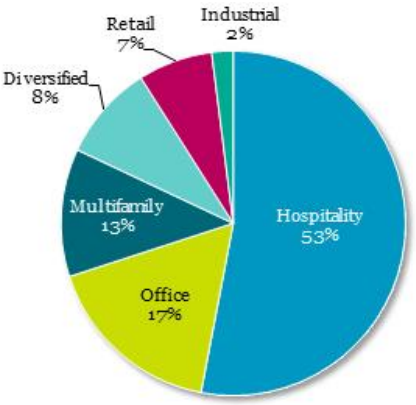
(5) Represents notional amount for CMBS interest only positions.

The following charts further describe the diversification of our real estate-related securities and loans by credit rating and collateral type based on fair value as of June 30, 2019:

Credit Rating(1)



Collateral Type



(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 June 30, 2019, were either not ratable or have not been submitted to ratings agencies.

Subsequent to June 30, 2019, we purchased an aggregate of $62.0 million of real estate-related securities and loans.

Lease Expirations

The following schedule details the expiring leases at our industrial and retail properties by annualized base rent and square footage as of June 30, 2019 ($ and square feet data in thousands). The table below excludes our multifamily 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
2019 (remaining)	85	$ 8,560	3%	1,853	3%
2020	190	34,504	12%	6,885	12%
2021	235	46,390	16%	9,814	18%
2022	215	44,830	15%	8,058	14%
2023	169	47,986	17%	9,430	17%
2024	142	29,777	10%	6,390	12%
2025	53	18,099	6%	3,452	6%
2026	31	17,530	6%	2,730	5%
2027	24	16,907	6%	2,861	5%
2028	25	7,988	3%	929	2%
Thereafter	32	16,373	6%	3,430	6%
Total	1,201	$ 288,944	100%	55,832	100%

(1) Annualized base rent is determined from the annualized 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 condensed consolidated financial statements included herein and Note 11 to the consolidated finance statements included in our Annual Report on form 10-K for the year ended December 31, 2018.

Results of Operations

Due to the significant amount of acquisitions of real estate and real estate-related securities and loans we have made since we commenced principal operations in January 2017, our results of operations for the three and six months ended June 30, 2019 and 2018 are not comparable. However, certain properties in our portfolio were owned for both the full three and six months ended June 30, 2019 and 2018 and are discussed further below.

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) are excluded from same property results and are considered non-same property. We do not consider our real estate-related securities and loans segment to be same property.

For the three months ended June 30, 2019 and 2018, our same property portfolio consisted of 52 multifamily, 204 industrial, 10 hotel, and two retail properties. For the six months ended June 30, 2019 and 2018, our same property portfolio consisted of 44 multifamily, 55 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 properties. 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) interest income, and (f) income from real estate-related securities and loans.

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 three and six months ended June 30, 2019 and 2018 ($ in thousands):

	Three Months Ended June 30,		2019 vs. 2018	Six Months Ended June 30,		2019 vs. 2018
	2019	2018	$	2019	2018	$
Net loss attributable to BREIT stockholders	$ (50,704)	$ (50,482)	$ (222)	$ (97,550)	$ (98,030)	$ 480
Adjustments to reconcile to same property NOI						
General and administrative	4,878	2,901	1,977	8,059	4,946	3,113
Management fee	22,487	9,281	13,206	39,664	16,250	23,414
Performance participation allocation	29,898	9,476	20,422	50,061	17,349	32,712
Affiliate incentive compensation awards	500	—	500	1,000	—	1,000
Depreciation and amortization	161,854	84,826	77,028	301,333	158,950	142,383
Income from real estate-related securities and loans	(51,784)	(17,397)	(34,387)	(113,467)	(30,632)	(82,835)
Gain on disposition of real estate	(29,686)	—	(29,686)	(29,686)	—	(29,686)
Interest income	(303)	(121)	(182)	(497)	(198)	(299)
Interest expense	103,279	49,841	53,438	194,866	81,232	113,634
Other income (expense)	2,061	389	1,672	407	389	18
Net loss attributable to non-controlling interests in third party joint ventures	(970)	(1,217)	247	(3,006)	(2,930)	(76)
Net loss attributable to non-controlling interests in BREIT OP	(1,110)	(245)	(865)	(2,324)	(622)	(1,702)
NOI	190,400	87,252	103,148	348,860	146,704	202,156
Non-same property NOI	111,650	8,899	102,751	247,664	48,989	198,675
Same property NOI	$ 78,750	$ 78,353	$ 397	$ 101,196	$ 97,715	$ 3,481

The following table details the components of same property NOI for the three months ended June 30, 2019 and 2018 ($ in thousands):

	Three Months Ended June 30,		2019 vs. 2018	
	2019	2018	$	%
Same property NOI				
Rental revenue	$ 111,213	$ 109,278	$ 1,935	2%
Hotel revenue	18,536	18,503	33	0%
Other revenue	3,695	4,523	(828)	(18%)
Total revenues	133,444	132,304	1,140	1%
Rental property operating	42,697	41,843	854	2%
Hotel operating	11,997	12,108	(111)	(1%)
Total expenses	54,694	53,951	743	1%
Same property NOI	$ 78,750	$ 78,353	$ 397	1%

Same Property – Rental Revenue

Same property rental revenue increased $1.9 million for the three months ended June 30, 2019 compared to the corresponding period in 2018. The increase was due to a $2.6 million increase in base rental revenue partially offset by a $0.3 million decrease in tenant reimbursement income. Additionally, as a result of the adoption of ASU 2016-02, $0.4 million of bad debt expense was recorded as a component of same property rental revenue for the three months ended June 30, 2019. For the three months ended June 30, 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 condensed consolidated financial statements.

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

			2019 vs. 2018		
	Three Months Ended June 30,		Change in Base	Change in	Change in Average Effective Annual Base Rent Per Leased
	2019	2018	Rental Revenue	Occupancy Rate	Square Foot/Unit(1)
Multifamily	$ 55,356	$ 53,776	$ 1,580	0%	+3%
Industrial	40,176	39,149	1,027	+1%	+3%
Retail	1,805	1,782	23	+1%	+1%
Total base rental revenue	$ 97,337	$ 94,707	$ 2,630		

(1) The annualized base rent per leased square foot or unit for the three months ended June 30, 2019 includes straight-line rent and above-market and below-market lease amortization.

Same Property – Hotel Revenue

Same property hotel revenue increased $33 thousand for the three months ended June 30, 2019 compared to the corresponding period in 2018. ADR for the hotels in our same property portfolio increased from $165 to $170 while occupancy decreased 2% and RevPAR increased from $138 to $139 during the three months ended June 30, 2019 compared to the corresponding period in 2018.

Same Property –Other Revenue

Same property other revenue decreased $0.8 million for the three months ended June 30, 2019 compared to the corresponding period in 2018. The decrease in other revenue for the three months ended June 30, 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 increased $0.9 million during the three months ended June 30, 2019, compared to the corresponding period in 2018. The increase in rental property operating expenses was primarily the result of a $1.5 million increase in real estate taxes, insurance and repair and maintenance expenses at our multifamily and industrial properties. The increase was partially offset by the presentation of bad debt expense as a component of rental revenue for the three months ended June 30,

2019 as a result of the adoption of ASU 2016-02. During the three months ended June 30, 2018, $0.6 million of bad debt expense was recorded as a component of rental property operating expense.

Same Property – Hotel Operating Expenses

Same property hotel operating expenses decreased $0.1 million during the three months ended June 30, 2019, compared to the corresponding period in 2018. The decrease in hotel operating expenses was primarily the result of decreased expenses related to hurricane damage incurred in 2018 at certain of our hotels in Tampa and Orlando, Florida partially offset by an increase in payroll costs at certain hotels within our portfolio.

The following table details the components of same property NOI for the six months ended June 30, 2019 and 2018 ($ in thousands):

	Six Months Ended June 30,		2019 vs. 2018	
	2019	2018	$	%
Same property NOI				
Rental revenue	$ 140,710	$ 137,600	$ 3,110	2%
Hotel revenue	37,041	36,081	960	3%
Other revenue	7,077	7,774	(697)	(9%)
Total revenues	184,828	181,455	3,373	2%
Rental property operating	59,428	60,029	(601)	(1%)
Hotel operating	24,204	23,711	493	2%
Total expenses	83,632	83,740	(108)	0%
Same property NOI	$ 101,196	$ 97,715	$ 3,481	4%

Same Property – Rental Revenue

Same property rental revenue increased $3.1 million for the six months ended June 30, 2019 compared to the corresponding period in 2018. The increase was primarily due to an increase of $3.9 million in base rental revenue and a $0.2 million increase in tenant reimbursement revenue. Additionally, as a result of the adoption of ASU 2016-02, $1.0 million of bad debt expense was recorded as a component of same property rental revenue for the six months ended June 30, 2019. For the six months ended June 30, 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 condensed consolidated financial statements.

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

			2019 vs. 2018		
	Six Months Ended June 30,		Change in Base Rental Revenue	Change in Occupancy Rate	Change in Average Effective Annual Base Rent Per Leased Square Foot/Unit(1)
	2019	2018			
Multifamily	$ 103,364	$ 99,809	$ 3,555	+1%	+2%
Industrial	21,197	20,926	271	0%	+2%
Retail	3,609	3,567	42	+1%	0%
Total base rental revenue	$ 128,170	$ 124,302	$ 3,868		

(1) The annualized base rent per leased square foot or unit for the six months ended June 30, 2019 includes straight-line rent and above-market and below-market lease amortization.

Same Property – Hotel Revenue

Same property hotel revenue increased $1.0 million for the six months ended June 30, 2019, compared to the corresponding period in 2018 primarily due to an increase of $0.7 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 portfolio. ADR for the hotels increased from $163 to $172 while occupancy decreased 1% and RevPAR increased from $134 to $138 during the six months ended June 30, 2019 compared to the corresponding period in 2018.

Same Property –Other Revenue

Same property other revenue decreased $0.7 million for the six months ended June 30, 2019 compared to the corresponding period in 2018. The decrease in other revenue for the six months ended June 30, 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 $0.6 million during the six months ended June 30, 2019, compared to the corresponding period in 2018. The decrease in rental property operating expenses was the result of the presentation of bad debt expense as a component of rental revenue for the six months ended June 30, 2019 as a result of the adoption of ASU 2016-02. During the six months ended June 30, 2018, $1.5 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 and insurance expenses at our multifamily properties.

Same Property – Hotel Operating Expenses

Same property hotel operating expenses increased $0.5 million during the six months ended June 30, 2019, compared to the corresponding period in 2018. The increase in hotel operating expenses for the six months ended June 30, 2019 was primarily a result of an increase in payroll costs at certain hotels within our portfolio, along with an increase in general operating expenses across the portfolio associated with the overall increase in revenues.

Other Operating Income and Expense Items

General and Administrative Expenses

During the three and six months ended June 30, 2019, general and administrative expenses increased $2.0 million and $3.1 million, respectively, compared to the corresponding periods in 2018, primarily due to various corporate level expenses that are related to the increased size of our portfolio.

Management Fee

During the three and six months ended June 30, 2019, the management fee increased by $13.2 million and $23.4 million, respectively, compared to the corresponding periods in 2018. The increase was due to the growth in our net asset value ("NAV").

Performance Participation Allocation

During the three and six months ended June 30, 2019, the unrealized performance participation allocation accrual increased $20.4 million and $32.7 million, respectively, compared to the corresponding periods in 2018. The increase was the result of our increased NAV and a higher total return than the corresponding period in 2018. Such amount was allocated to the Special Limited Partner.

Depreciation and amortization

Depreciation and amortization increased significantly compared to the corresponding periods in 2018. The increase was driven by the growth in our portfolio, which increased from 314 properties as of June 30, 2018 to 652 properties as of June 30, 2019.

Income from Real Estate-Related Securities and Loans

During the three and six months ended June 30, 2019, income from real estate-related securities and loans increased $34.4 million and $82.8 million, respectively, compared to the corresponding periods in 2018. The increase was primarily due to the growth of our portfolio of investments in real estate-related securities and loans which increased from 74 positions as of June 30, 2018 to 163 positions as of June 30, 2019.

Gain from sale on disposition of real estate

During the three and six months ended June 30, 2019, we recorded $29.7 million of a gain from the disposition of real estate related to the sale of the parking garage attached to the Hyatt Place San Jose Downtown property. We did not sell any real estate in the corresponding periods in 2018.

Interest Expense

During the three and six months ended June 30, 2019, interest expense increased $53.4 million and $113.6 million, respectively, compared to the corresponding periods in 2018. The increase was primarily due to the growth in our portfolio of real estate and real estate-related securities and loans and the related indebtedness of such investments.

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.

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 Associational 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) unrealized (gains) losses from changes in the fair value of real estate-related securities and loans, (v) amortization of restricted stock awards, (vi) non-cash performance participation allocation or other non-cash incentive compensation even if repurchased by us, (vii) gain or loss on involuntary conversion, and (viii) 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 on our distributions. FAD is calculated as AFFO excluding (i) realized gains (losses) on real estate-related securities and loans 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-related securities and loans. 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):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss attributable to BREIT stockholders	$ (50,704)	$ (50,482)	$ (97,550)	$ (98,030)
Adjustments to arrive at FFO:				
Real estate depreciation and amortization	161,854	84,826	301,333	158,950
Gain on disposition of real estate	(29,686)	—	(29,686)	—
Amount attributable to non-controlling interests for above adjustments	(5,431)	(2,266)	(12,629)	(5,162)
FFO attributable to BREIT stockholders	76,033	32,078	161,468	55,758
Adjustments to arrive at AFFO:				
Straight-line rental income and expense	(1,537)	(2,671)	(3,728)	(3,760)
Amortization of above- and below-market lease intangibles	(2,007)	(1,352)	(3,722)	(1,857)
Amortization of mortgage premium/discount	15	(55)	(3)	(101)
Unrealized (gains) losses from changes in the fair value of real estate-related securities and loans	(15,489)	(2,059)	(45,492)	(3,848)
Amortization of restricted stock awards	100	25	200	50
Non-cash performance participation allocation	29,898	9,476	50,061	17,349
Non-cash incentive compensation awards to affiliated service providers	500	—	1,000	—
Gain on involuntary conversion	(75)	—	(1,389)	—
Amount attributable to non-controlling interests for above adjustments	(265)	(14)	84	(47)
AFFO attributable to BREIT stockholders	87,173	35,428	158,479	63,544
Adjustments to arrive at FAD:				
Realized (gains) losses on real estate-related securities and loans	40	—	25	—
Management fee paid in shares	22,487	9,281	39,664	16,250
Recurring tenant improvements, leasing commissions and other capital expenditures (1)	(11,587)	(3,149)	(20,835)	(5,854)
Stockholder servicing fees	(9,449)	(4,681)	(17,207)	(8,308)
Amount attributable to non-controlling interests for above adjustments	(226)	(33)	(437)	(67)
FAD attributable to BREIT stockholders	$ 88,438	$ 36,846	$ 159,689	$ 65,565

(1) Recurring tenant improvements and leasing commissions are related to second-generation leases and other capital expenditures required to maintain our investments. Second generation leases are for space that had previously been leased. Other capital expenditures exclude underwritten capital projects 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.

Net Asset Value

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-related securities and loans), 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.

The following table provides a breakdown of the major components of our NAV ($ and shares/units in thousands):

Components of NAV	June 30, 2019
Investments in real properties	$ 15,795,590
Investments in real estate-related securities and loans	3,460,922
Cash and cash equivalents	150,062
Restricted cash	477,768
Other assets	130,269
Mortgage notes, term loans, and revolving credit facilities, net	(8,670,299)
Repurchase agreements	(2,447,134)
Subscriptions received in advance	(402,493)
Other liabilities	(435,172)
Accrued performance participation allocation	(50,061)
Management fee payable	(8,272)
Accrued stockholder servicing fees(1)	(3,334)
Non-controlling interests in joint ventures	(152,855)
Net Asset Value	$ 7,844,991
Number of outstanding shares/units	708,513

(1) Stockholder servicing fees only apply to Class S, Class T, and Class D shares. See Reconciliation of Stockholders' Equity to NAV below for an explanation of the difference between the $3.3 million accrued for purposes of our NAV and the $335.9 million accrued under U.S. GAAP.

The following table provides a breakdown of our total NAV and NAV per share by share class as of June 30, 2019 ($ and shares in thousands, except per share data):

NAV Per Share	Class S Shares	Class T Shares	Class D Shares	Class I Shares	Third-party Operating Partnership Units (1)	Total
Monthly NAV	$ 4,231,680	$ 347,774	$ 579,335	$ 2,531,369	$ 154,833	$ 7,844,991
Number of outstanding shares/units	381,156	31,904	52,917	228,556	13,980	708,513
NAV Per Share/Unit as of June 30, 2019	$ 11.1022	$ 10.9007	$ 10.9481	$ 11.0755	$ 11.0755	

(1) Includes the partnership interests of BREIT OP held by the Special Limited Partner, Class B unitholders, and other BREIT OP 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 June 30, 2019 valuations, based on property types.

Property Type	Discount Rate	Exit Capitalization Rate
Multifamily	7.8%	5.5%
Industrial	7.3%	6.2%
Hotel	9.7%	9.3%
Retail	7.7%	6.7%

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
Discount Rate	0.25% decrease	+1.9%	+1.9%	+1.0%	+1.8%
(weighted average)	0.25% increase	(1.8%)	(1.9%)	(1.0%)	(1.8%)
Exit Capitalization Rate	0.25% decrease	+3.0%	+2.7%	+2.0%	+2.3%
(weighted average)	0.25% increase	(2.7%)	(2.5%)	(1.9%)	(2.1%)

The following table reconciles stockholders' equity per our condensed consolidated balance sheet to our NAV ($ in thousands):

Reconciliation of Stockholders' Equity to NAV	June 30, 2019
Stockholders' equity under U.S. GAAP	$ 6,130,735
Non-controlling interests attributable to Class B units	131,915
Redeemable non-controlling interest	10,183
Total partners' capital of BREIT OP	6,272,833
Adjustments:	
Accrued stockholder servicing fee	356,583
Organization and offering costs	7,159
Accrued affiliate incentive compensation awards	(5,145)
Unrealized real estate appreciation	408,728
Accumulated depreciation and amortization	804,833
NAV	$ 7,844,991

The following details the adjustments to reconcile GAAP stockholders' equity 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 the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018 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 when 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 basis 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 presented 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 included 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 not recorded for purposes of determining our NAV.

Distributions

We declared monthly distributions for each class of our common stock which are generally paid 20 days after month-end. Each class of our common stock received the same gross distribution per share, which was $0.3170 per share for the six months ended June 30, 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 table below details the net distribution for each of our share classes for the six months ended June 30, 2019:

	Class S Shares	Class T Shares	Class D Shares	Class I Shares
January 31, 2019	$ 0.0451	$ 0.0452	$ 0.0507	$ 0.0530
February 28, 2019	0.0451	0.0452	0.0501	0.0522
March 31, 2019	0.0451	0.0452	0.0507	0.0530
April 30, 2019	0.0451	0.0453	0.0506	0.0528
May 31, 2019	0.0451	0.0453	0.0508	0.0531
June 30, 2019	0.0451	0.0453	0.0506	0.0529
Total	$ 0.2706	$ 0.2715	$ 0.3035	$ 0.3170

The following tables summarize our distributions declared during the three and six months ended June 30, 2019 and 2018 ($ in thousands):

	Three Months Ended June 30, 2019		Three Months Ended June 30, 2018	
	Amount	Percentage	Amount	Percentage
Distributions				
Payable in cash	$ 33,812	37%	$ 13,928	37%
Reinvested in shares	57,059	63%	24,115	63%
Total distributions	$ 90,871	100%	$ 38,043	100%
Sources of Distributions				
Cash flows from operating activities	$ 90,871	100%	$ 38,043	100%
Offering proceeds	—	—%	—	—%
Total sources of distributions	$ 90,871	100%	$ 38,043	100%
Cash flows from operating activities	$ 120,433		$ 62,835	
Funds from Operations	$ 76,033		$ 32,078	
Adjusted Funds from Operations	$ 87,173		$ 35,428	
Funds Available for Distribution	$ 88,438		$ 36,846	

	Six Months Ended June 30, 2019		Six Months Ended June 30, 2018	
	Amount	Percentage	Amount	Percentage
Distributions				
Payable in cash	$ 58,780	37%	$ 24,076	36%
Reinvested in shares	101,633	63%	42,351	64%
Total distributions	$ 160,413	100%	$ 66,427	100%
Sources of Distributions				
Cash flows from operating activities	$ 160,413	100%	$ 66,427	100%
Offering proceeds	—	—%	—	—%
Total sources of distributions	$ 160,413	100%	$ 66,427	100%
Cash flows from operating activities	$ 193,469		$ 104,325	
Funds from Operations	$ 161,468		$ 55,758	
Adjusted Funds from Operations	$ 158,479		$ 63,544	
Funds Available for Distribution	$ 159,689		$ 65,565	

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, repurchasing shares or redeeming BREIT OP units from the Adviser or the Special Limited Partner, pay our organization and offering costs (including reimbursement of organization and offering costs advanced by the Adviser), operating expenses, capital expenditures and to pay debt service on our outstanding indebtedness. Our operating expenses include, among other things, 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 in cash), general corporate expenses, and fees and expenses related to managing our properties and other investments. 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. Through June 30, 2019, our distributions have been funded entirely from cash flows from operations.

As of June 30, 2019, our indebtedness included 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-related securities.

On February 21, 2019, the Company entered into a $350.0 million unsecured line of credit with a third party. The line of credit expires on February 22, 2022 and may be extended for up to one year. Interest under the line of credit is determined based on a one-month U.S. dollar-denominated LIBOR plus 2.50%. During the second quarter of 2019, the Company increased the capacity of the unsecured line of credit to $685.0 million.

The following table is a summary of our indebtedness ($ in thousands):

				Principal Balance as Of	
Indebtedness	**Weighted Average Interest Rate(1)**	**Weighted Average Maturity Date(2)(3)**	**Maximum Facility Size**	**June 30, 2019**	**December 31, 2018**
Fixed rate loans:					
Fixed rate mortgages	4.00%	12/6/2025	N/A	$ 6,176,501	$ 4,782,326
Mezzanine loan	5.85%	4/5/2025	N/A	200,000	200,000
Total fixed rate loans	4.06%	11/28/2025		6,376,501	4,982,326
Variable rate loans:					
Floating rate mortgages	L+1.71%	5/9/2026	N/A	667,916	675,116
Variable rate term loans	L+1.66%	3/19/2023	N/A	732,325	603,500
Variable rate secured revolving credit facilities	L+1.65%	4/19/2023	$ 1,032,325	662,825	624,200
Total variable rate loans	L+1.67%	4/3/2024		2,063,066	1,902,816
Total loans secured by our properties	4.06%	7/3/2025		8,439,567	6,885,142
Repurchase agreement borrowings secured by our real estate-related securities:					
Barclays MRA		9/29/2021	750,000	750,000	750,000
Other MRAs(4)		9/11/2019	N/A	1,697,134	963,723
Total repurchase agreement borrowings secured by our real estate-related securities(5)	3.61%			2,447,134	1,713,723
Unsecured loans:					
Unsecured variable rate revolving credit facility	L+2.50%	2/22/2022	685,000	240,000	—
Affiliate line of credit	L+2.50%	1/23/2020	250,000	—	—
Total unsecured loans			935,000	240,000	—
Total indebtedness				$ 11,126,701	$ 8,598,865

(1) The term "L" refers to (i) the one-month LIBOR with respect to loans secured by our properties and unsecured loans, and (ii) the one-month, three-month and twelve-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 quarter end, we rolled our repurchase agreement contracts expiring in July 2019 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+1.22%.

As of August 14, 2019, we had received net proceeds of $2.8 billion from selling an aggregate of 253,668,818 shares of our common stock in the Current Offering (consisting of 136,206,264 Class S shares, 11,545,459 Class T shares, 31,193,190 Class D shares, and 74,723,905 Class I shares).

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.

Cash Flows

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

	Six Months Ended June 30,	
	2019	2018
Cash flows provided by operating activities	$ 193,469	$ 104,325
Cash flows used in investing activities	(4,809,537)	(3,962,308)
Cash flows provided by financing activities	4,937,285	3,936,298
Net increase in cash and cash equivalents and restricted cash	$ 321,217	$ 78,315

Cash flows provided by operating activities increased $89.1 million during the six months ended June 30, 2019 compared to the corresponding period in the 2018 due to increased cash flows from the operations of the investments in real estate and income on our investments in real estate-related securities and loans.

Cash flows used in investing activities increased $0.8 billion during the six months ended June 30, 2019 compared to the corresponding period in 2018 primarily due to an increase of $0.4 billion in the acquisition of real estate investments and an increase in the acquisition of real estate-related securities and loans of $0.6 billion. Such increases were offset by $0.3 billion in proceeds from the disposition of real estate and settlement of real-estate related securities and loans.

Cash flows provided by financing activities increased $1.0 billion during the six months ended June 30, 2019 compared to the corresponding period in 2018 primarily due to a net increase of $1.3 billion from the issuance of our common stock and an increase of $0.3 billion in subscriptions received in advance, partially offset by a net decrease in borrowings of $0.5 billion.

Critical Accounting Policies

The preparation of the financial statements in accordance with GAAP involves significant judgments and assumptions and requires 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 condensed consolidated financial statements. We consider our accounting policies over investments in real estate and lease intangibles, investments in real estate-related securities and loans, and revenue recognition to be our critical accounting policies. See Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018 for further descriptions of such accounting policies.

Recent Accounting Pronouncements

See Note 2 — "Summary of Significant Accounting Policies" to our condensed consolidated financial statements in this quarterly report on Form 10-Q 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 June 30, 2019 ($ in thousands).

Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Indebtedness (1)	$ 13,261,373	2,152,158	2,301,959	2,387,163	6,420,093
Ground leases	813,989	4,374	9,124	9,651	790,840
Organizational and offering costs	7,159	2,045	4,091	1,023	—
Other	16,231	3,082	7,618	4,769	762
Total	$ 14,098,752	$ 2,161,659	$ 2,322,792	$ 2,402,606	$ 7,211,695

(1) The allocation of our indebtedness includes both principal and interest payments based on the current maturity date and interest rates in effect at June 30, 2019.

ITEM 3. 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 June 30, 2019, the outstanding principal balance of our variable rate indebtedness was $4.8 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 or 12-month U.S. Dollar denominated LIBOR. For the three and six months ended June 30, 2019, a 10% increase in one-month or 12-month U.S. Dollar denominated LIBOR would have resulted in increased interest expense of $2.6 million and $4.7 million, respectively.

Investments in real estate-related securities and loans

As of June 30, 2019, we held $3.5 billion of real estate-related securities and loans. Our investments in real estate-related securities and loans are primarily floating-rate and indexed to one-month or three-month U.S. denominated LIBOR 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, for the three and six months ended June 30, 2019, a 10% increase or decrease in the one-month or three-month U.S. denominated LIBOR rate would have resulted in an increase or decrease to income from real estate-related securities and loans of $1.4 million and $2.5 million, respectively.

We may also be exposed to market risk with respect to our investments in real estate-related securities and loans 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-related securities and loans by making investments in securities and loans 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-related securities and loans is unknown. As of June 30, 2019, the fair value at which we may sell our investments in real estate-related securities and loans is not known, but a 10% change in the fair value of our investments in real estate-related securities and loans may result in a change in the carrying value of our real estate-related securities and loans of $346.1 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this quarterly report on Form 10-Q was made under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based upon this evaluation, our CEO and CFO have concluded that as of the end of the period covered by this report our disclosure controls and procedures (a) were effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and (b) included, 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 CEO and CFO, 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 the period covered by this quarterly report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. 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 June 30, 2019, we were not involved in any material legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

During the three months ended June 30, 2019, we sold equity securities that were not registered under the Securities Act as described below. As described in Note 11 to our condensed 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 three months ended June 30, 2019, the Adviser elected to receive its management fee in Class I shares and we issued 1,292,952 unregistered Class I shares to the Adviser in satisfaction of the management fee for April and May 2019. Additionally, we issued 746,844 unregistered Class I shares to the Adviser in July 2019 in satisfaction of the June 2019 management fee.

We have also sold Class I shares at the same transaction price as for Class I shares registered under the Current Offering to a non-U.S. feeder vehicle primarily created to hold Class I shares that offers interests in itself to non-U.S. persons. The offer and sale of Class I shares to the feeder vehicle is claimed to be exempt from the registration provisions of the Securities Act, by virtue of Section 4(a)(2) and Regulation S thereunder. During the three months ended June 30, 2019, we sold 63,560,547 unregistered Class I shares to such vehicle. 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 T, Class D, Class I shares, and Class B Units 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 June 30, 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(1)	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(2)
April 2019	3,355,938	0.59%	10.90	3,355,938	—
May 2019	1,330,994	0.21%	10.91	1,330,994	—
June 2019	818,131	0.12%	10.99	818,131	—
Total	5,505,063	N/M	$ 10.93	5,505,063	—

(1) Includes 3,149,004 Class I shares previously issued to the Adviser as payment for the management fee. The shares were repurchased at the then current transaction price resulting in a total repurchase of $34.4 million. As of June 30, 2019, the Adviser owned 1.3 million of our Class I common shares.

(2) Repurchases are limited under the share repurchase plan as described above. Under the share repurchase plan, we would have been able to repurchase up to an aggregate of $281.7 million of Class S, Class T, Class D, Class I shares, and Class B Units based on our March 31, 2019 NAV in the second quarter of 2019 (if such repurchase requests were made). Pursuant to the share repurchase plan, this amount resets at the beginning of each quarter.

The Special Limited Partner continues to hold 919,385 Class I units in BREIT OP. The redemption of Class I units are not considered part of our share repurchase plan as described above.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

10.1*	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
10.2*	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.
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

* Filed herewith.

\+ This exhibit shall not be deemed "filed" for purposes of Section 18 of 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.

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.

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.

August 14, 2019	/s/ Frank Cohen
Date	Frank Cohen Chief Executive Officer (Principal Executive Officer)
August 14, 2019	/s/ Paul D. Quinlan
Date	Paul D. Quinlan Chief Financial Officer and Treasurer (Principal Financial Officer)
August 14, 2019	/s/ Paul Kolodziej
Date	Paul Kolodziej Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.1

TRANSACTION AGREEMENT

BY AND AMONG

THE SELLERS NAMED HEREIN,

THE ACQUIRED COMPANIES NAMED HEREIN,

THE SELLER REPRESENTATIVE NAMED HEREIN,

BRE JUPITER LLC,

GLP US MANAGEMENT HOLDINGS LLC

AND

THE MERGER SUBS NAMED HEREIN

DATED AS OF JUNE 2, 2019

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EXHIBITS

A Sellers, Acquired Companies and Merger Subs

B Sample Purchase Price Calculation

C Management Holdings

D Form of Escrow Agreement

E Form of Kirkland & Ellis LLP Tax Opinion

F Form of Officer's Certificate

G Tenant Inducements, Tenant Allowances and Leasing Costs

TRANSACTION AGREEMENT

This TRANSACTION AGREEMENT (this "Agreement"), dated as of June 2, 2019 (the "Effective Date"), is made by and among (i) (A) each of the parties listed in the column entitled "USIP II Sellers" on Exhibit A attached hereto (individually, a "USIP II Seller" and collectively, "USIP II Sellers"), and (B) Harvest Logistics Investment, LP, a Delaware limited partnership ("USIP III Seller", and, together with the USIP II Sellers, individually, a "Seller" and collectively, "Sellers"), (ii) (A) each of the entities listed in the column entitled "USIP I Companies" on Exhibit A attached hereto (individually, a "USIP I Company" and collectively, the "USIP I Companies"), (B) each of the entities listed in the column entitled "USIP II Companies" on Exhibit A attached hereto (individually, a "USIP II Company" and collectively, the "USIP II Companies"), and (C) each of the entities listed in the column entitled "USIP III Companies" on Exhibit A attached hereto (individually, a "USIP III Company" and collectively, the "USIP III Companies" and, together with the USIP I Companies and the USIP II Companies, individually, a "USIP Company" or an "Acquired Company" and collectively, the "USIP Companies" or the "Acquired Companies"), (iii) GLP US Management Holdings II LLC, a Delaware limited liability company, in its capacity as the Seller Representative ("Seller Representative"), (iv) GLP US Management Holdings LLC, a Delaware limited liability company ("Management Holdings"), (v) BRE Jupiter LLC, a Delaware limited liability company ("Buyer"), and (vi) each of the entities listed in the column entitled "Merger Subs" on Exhibit A attached hereto (individually, a "Merger Sub" and collectively, the "Merger Subs"). Sellers and the USIP I Companies shall be referred to herein from time to time collectively as the "Seller Parties". Buyer and the Merger Subs shall be referred to herein from time to time collectively as the "Buyer Parties". The Seller Parties, the Acquired Companies, the Seller Representative, Management Holdings and the Buyer Parties shall be referred to herein from time to time collectively as the "Parties". Capitalized terms used but not otherwise defined herein have the meanings set forth in Section 1.1.

WHEREAS, (i) the USIP II Sellers are, collectively, the owners of 100% of the common units (collectively, the "USIP II Interests") in each of the USIP II Companies, and (ii) USIP III Seller is the owner of 100% of the common units (collectively, the "USIP III Interests" and, together with the USIP II Interests and the USIP III Interests, collectively, the "Purchased Interests") in each of the USIP III Companies;

WHEREAS, as an inducement to the Seller Parties entering into this Agreement, Blackstone Real Estate Partners VIII L.P. (the "Guarantor") is entering into a guaranty (the "Guaranty"), pursuant to which the Guarantor is guaranteeing certain obligations of Buyer under this Agreement;

WHEREAS, the Parties desire that, upon the terms and subject to the conditions set forth in this Agreement, (i) each of the Merger Subs will merge with and into a corresponding USIP I Company pursuant to separate mergers, as identified on Exhibit A under the column "Merger Subs" opposite the name of each such USIP I Company, with each of the USIP I Companies surviving such applicable merger as a wholly owned Subsidiary of Buyer and (ii) Buyer will purchase from Sellers, and Sellers will sell to Buyer, all of the Purchased Interests; and

WHEREAS, this Agreement constitutes the "agreement of merger" within the meaning of Section 18-209 of the Delaware Limited Liability Company Act with respect to each Merger.

NOW, THEREFORE, in consideration of the respective representations, warranties, covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

Section 1.1 **Definitions**

. As used in this Agreement, the following terms have the respective meanings set forth below:

"2019 Short Year" has the meaning set forth in Section 3.15(f).

"Accounting Firm" means an independent accounting firm of recognized international standing in the United States mutually agreed upon by Buyer and Sellers. Should Buyer and Sellers fail to reach agreement in this respect, "Accounting Firm" shall mean PricewaterhouseCoopers LLP.

"Acquired Companies" has the meaning set forth in the introductory paragraph of this Agreement.

"Adjustment Escrow Amount" means $100,000,000.

"Adjustment Escrow Fund" has the meaning set forth in Section 2.5.

"Adjustment Time" means 11:59 pm Los Angeles, California time on the day immediately prior to the Closing Date.

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of equity interests, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative thereto; provided, that for purposes of this Agreement, Blackstone Real Estate Income Trust, Inc. and its Subsidiaries shall be deemed to be Affiliates of Buyer.

"Affiliate Arrangements" has the meaning set forth in Section 3.21(b).

"Agreement" has the meaning set forth in the introductory paragraph of this Agreement.

"Allocation" has the meaning set forth in Section 2.6.

"Alternative Transaction" means the acquisition (whether by purchase, merger, business combination or otherwise) of all or a material portion of the equity interests or assets of the Group Companies taken as a whole (other than assets sold in the ordinary course of business and otherwise in compliance with this Agreement).

"Ancillary Documents" means each agreement (other than this Agreement), document, instrument or certificate required by this Agreement to be executed by the Parties in connection with the Transactions.

"Antitrust Law" means the Sherman Antitrust Act, the Clayton Antitrust Act, the HSR Act, the Federal Trade Commission Act and all other federal, state and international statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, anti-competitive conduct or restraint of trade.

"Applicable Corruption Law(s)" means, with respect to any Person, all Laws applicable to such Person relating to bribery or corruption of any jurisdiction where such Person conducts business.

"Assumed Loans" has the meaning set forth in Section 6.12(b).

"Bankruptcy and Equity Exception" has the meaning set forth in Section 3.3.

"Base Purchase Price" means $18,700,000,000.

"Blackstone" has the meaning set forth in Section 6.4(b)(i).

"Brokerage Agreements" has the meaning set forth in Section 3.16(d).

"Business Day" means any day other than a Saturday, Sunday or day on which banks are permitted to close in the State of New York or the State of California.

"Buyer" has the meaning set forth in the introductory paragraph of this Agreement.

"Buyer Non-Recourse Parties" means, collectively, the Buyer Parties, the Guarantor or any of their respective former, current or future directors, officers, employees, agents, general or limited partners, managers, members, stockholders, affiliates, successors or assignees or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder, affiliate, successor or assignee of any of the foregoing.

"Buyer Parties" has the meaning set forth in the introductory paragraph of this Agreement.

"Buyer Related Persons" has the meaning set forth in Section 3.24.

"Buyer Termination Fee" has the meaning set forth in Section 8.2(c).

"Certificates of Merger" has the meaning set forth in Section 2.2(b).

"Claims" has the meaning set forth in Section 9.1(a).

"Closing" has the meaning set forth in Section 2.2.

"Closing Bonus" has the meaning set forth in Section 6.14.

"Closing Cash" means the aggregate amount of cash, cash equivalents and marketable securities held in any account of the Group Companies as of the Adjustment Time, including, for the avoidance of doubt, any cash reserves for the service and maintenance of Existing Loans set aside by the Group Companies and held by the applicable lender and security deposits made by any Group Company or any other cash deposits made by any Group Company held by third parties in escrow other than with respect to the Miramar Disposition, in each case determined in accordance with Section 2.4(e).

"Closing Consideration" has the meaning set forth in Section 2.3(b)(i).

"Closing Date" has the meaning set forth in Section 2.2.

"Closing Indebtedness" means the aggregate amount of Indebtedness of the Group Companies as of the Adjustment Time, determined in accordance with Section 2.4(e); provided, that the Shareholder Notes will not be considered Closing Indebtedness to the extent paid or otherwise satisfied in connection with the Closing pursuant to Section 6.12(a).

"Closing Net Working Capital" means the Net Working Capital of the Group Companies as of the Adjustment Time, determined in accordance with Section 2.4(e).

"Closing Payoff Indebtedness" has the meaning set forth in Section 6.12(b).

"Closing Statement" has the meaning set forth in Section 2.4(b)(i).

"COBRA" means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code and any similar state law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Material Adverse Effect" means any change, event or occurrence that, individually or in the aggregate with all other changes, events or occurrences, has had, or would reasonably be expected to have, a material adverse effect on the assets, liabilities, business, financial condition or results of operations of the Group Companies, taken as a whole; provided, however, that none of the following, and no change, event or occurrence arising out of or relating to any of the following, shall constitute or be taken into account in determining whether a Company Material Adverse Effect has occurred or would or could occur: (a) conditions generally affecting the United States economy, any foreign economy, any specific geographic area in which any Group Company operates or the industry in which any Group Company operates, (b) conditions generally affecting financial, banking, securities or debt markets (including any disruption thereof), including changes in interest rates, (c) earthquakes, hurricanes, floods, tornadoes, storms, weather conditions, fires, power outages, epidemics or other natural disasters, (d) political, regulatory, legislative or social conditions (including any

outbreak or escalation of hostilities, acts of war or terrorism, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack or otherwise), (e) changes or prospective changes in IFRS, United States generally accepted accounting principles or in any Laws, rules, regulations, orders, or other directives of any Governmental Entity, or any interpretation or enforcement thereof, (f) the negotiation, execution, announcement or performance of this Agreement (including any loss of employees or any loss of, or any disruption in, contractual or other relationships with any commercial counterparties, equityholders, employees or regulators), (g) any failure by any Group Company to meet any internal or published projections, forecasts or revenue or earnings predictions, (h) changes or prospective changes in any credit rating of a Group Company or any of its debt instruments or (i) the taking of any action required or expressly contemplated by this Agreement and the other agreements contemplated hereby, or any action taken or omitted to be taken at the request or with the approval of Buyer; provided, that with respect to a matter described in any of the foregoing clauses (a) through (d), such matter may be taken into account in determining whether a Company Material Adverse Effect has occurred or would or could occur to the extent such matter has a disproportionate effect on the Group Companies, taken as a whole, relative to other entities operating in the industry in which the Group Companies operate; provided further, that (i) the underlying causes of any matter described in clause (g) may be taken into account in determining whether a Company Material Adverse Effect has occurred or would or could occur and (ii) clause (f) shall not apply to the use of Company Material Adverse Effect in Section 3.5 (or Section 7.2(a) as it relates to Section 3.5).

"Confidentiality Agreement" means the confidentiality agreement, dated as of February 20, 2019, by and between GLP Pte. Ltd. and Blackstone Real Estate Advisors L.P.

"Costs" has the meaning set forth in Section 6.6(a).

"Debt Financing" has the meaning set forth in Section 6.8(a).

"Disclosure Schedules" means the disclosure schedules delivered to Buyer on the Effective Date.

"Effective Date" has the meaning set forth in the introductory paragraph of this Agreement.

"Effective Time" has the meaning set forth in Section 2.2(b).

"Employee Benefit Plan" means each "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) and each other employee benefit or compensation plan, program, policy, agreement or arrangement (i) maintained, sponsored or contributed to by any Group Company, (ii) providing compensation or benefits to any employee of the Group Companies or Management Holdings or its Subsidiaries, or (iii) with respect to which any Group Company has liability, in each case other than any PEO Plans.

"Environmental Laws" means all Laws concerning pollution or protection of the environment, including any such Law concerning the use, storage, recycling, treatment,

generation, transportation, processing, handling, release or disposal of any chemicals, petroleum, pollutants, contaminants or hazardous or toxic materials, mold substances or waste.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"Escrow Agent" means Citibank, N.A.

"Escrow Agreement" means the escrow agreement to be entered into as of the Closing Date, by and among Escrow Agent, Seller Representative and Buyer, substantially in the form of Exhibit D attached hereto.

"Estimated Closing Statement" has the meaning set forth in Section 2.4(a).

"Estimated Purchase Price" has the meaning set forth in Section 2.4(a).

"Executive Order" has the meaning set forth in Section 3.23(a).

"Existing Loans" has the meaning set forth in Section 3.6(a)(i).

"Extension Notice" has the meaning set forth in Section 2.2(a).

"Final Purchase Price" has the meaning set forth in Section 2.4(d)(i).

"Financial Statements" has the meaning set forth in Section 3.4(a).

"Fraud" means a knowing and intentional misrepresentation or omission of a material fact with respect to a representation or warranty in this Agreement or in any certificate delivered hereunder, that was made with the intention to deceive or mislead another Person, upon which such other Person reasonably relied. "Fraud" does not include any fraud claim based on constructive knowledge, negligent misrepresentation, recklessness or a similar theory.

"Free Rent and Leasing Credit" means (i) the amount of contractual free rent or abated rent outstanding as of Closing under any Space Leases in effect as of March 31, 2019, including, without limitation, as shown in Part III of Section 3.18(a) of the Disclosure Schedules and (ii) the amount of tenant allowances, leasing costs, leasing commissions, tenant improvements, and other construction work outstanding for which the landlord is responsible under any Space Leases in effect as of March 31, 2019, including, without limitation, those items as shown in Section 3.18(a) of the Disclosure Schedules (excluding Part III) and Section 3.18(b) of the Disclosure Schedules, respectively, in each case of clause (i) and (ii), which remain in effect as of Closing, determined in accordance with Section 2.4(e).

"GLP Trademarks" means any Trademark including the name "GLP" or "Global Logistic Properties" or the GLP logo, or any Trademark likely to cause confusion with any of the foregoing or any other Trademark that is owned or controlled by Sellers or any of their Affiliates that has been used by any Group Company in the conduct of its business, either alone or in combination with any other words, and with respect to any of the foregoing, any associated logos and any variation or derivative of the foregoing, and any Trademark likely to cause confusion with the foregoing, together with any contracts or agreements granting rights to use the same and

any Intellectual Property Rights to the extent incorporating any of the same and any and all goodwill, registrations and applications relating thereto.

"Governing Documents" means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the "Governing Documents" of a corporation are its certificate of incorporation and bylaws, the "Governing Documents" of a limited partnership are its limited partnership agreement and certificate of limited partnership and the "Governing Documents" of a limited liability company are its limited liability company agreement and certificate of formation, in each case including any certificate of designations, resolutions or other document establishing the terms of the Preferred Shares.

"Governmental Entity" means any United States or foreign (a) federal, state, local, municipal or other government, (b) governmental or quasi-governmental entity of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), or (c) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, including any arbitrator or arbitral tribunal.

"Government List" means any of (i) the two lists maintained by the United States Department of Commerce (Denied Persons and Entities), (ii) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (iii) the two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties).

"Ground Lease Documents" has the meaning set forth in Section 3.16(b).

"Ground Leased Properties" has the meaning set forth in Section 3.16(b).

"Group Companies" means each Acquired Company and each of their respective Subsidiaries, collectively.

"Group Company IP Rights" has the meaning set forth in Section 3.12.

"Group Company Related Persons" has the meaning set forth in Section 5.9.

"Guarantor" has the meaning set forth in the Preamble.

"Guaranty" has the meaning set forth in the Preamble.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"IFRS" means International Financial Reporting Standards.

"Indebtedness" of any Person means, without duplication, (a) indebtedness for borrowed money, secured or unsecured, or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, (b) indebtedness evidenced by any note, bond, debenture, mortgage, deed of trust or other debt instrument or debt security, (c) liabilities in respect of any

letters of credit and "swaps" of interest and currency exchange rates (and other interest and currency rate hedging agreements), (d) the capitalized portion of all obligations under capital or direct financing leases and purchase money and/or vendor financing (in each case other than with respect to trade payables, accrued expenses, current accounts and similar obligations incurred in the ordinary course of the applicable Person's business), (e) reimbursement obligations with respect to surety bonds and letters of credit (in each case, whether or not drawn or matured, and in the stated amount thereof), (f) any liabilities or obligations described in clauses (a) through (e) above guaranteed as to payment of principal or interest by such Person, (g) all accrued interest on any of the foregoing, if any, and any termination fees, prepayment penalties, "breakage" costs or similar payments associated with the repayments of any of the foregoing on the Closing Date; provided, however, prepayment penalties, defeasance costs and assumption fees relating to the assumption by Buyer of the Assumed Loans at Closing or the prepayment of the Closing Payoff Indebtedness at Closing shall not be considered Indebtedness, (h) severance obligations arising prior to the Closing Date with respect to the termination of employment or service of any current or former employee or individual service provider which occurred prior to the Closing Date and the related employer's portion of any and all employment and similar Taxes, and (i) any unfunded or underfunded pension liabilities or expenses, unfunded deferred compensation plan obligations and post-employment health or welfare obligations.

"Indemnified Parties" has the meaning set forth in Section 6.6(a).

"Inspection Parties" has the meaning set forth in Section 6.3(b).

"Intellectual Property Rights" means all patents, patent applications, trademarks, service marks and trade names, all registrations and applications therefor, copyrights, copyright registrations and applications, Internet domain names, trade secrets, and know-how, in each case, to the extent protectable by applicable Law.

"Intercompany Arrangements" has the meaning set forth in Section 3.21(a).

"Interests" means, collectively, the Purchased Interests and the USIP I Interests.

"Latest Balance Sheet" has the meaning set forth in Section 3.4(a).

"Law" means any law (including common law), ordinance, judgment, Order, decree, injunction, statute, treaty, rule or regulation enacted or promulgated by any Governmental Entity.

"Leased Real Property" has the meaning set forth in Section 3.17(a).

"Lenders" has the meaning set forth in Section 6.8(a).

"Liabilities" has the meaning set forth in Section 3.4(c).

"Lien" means any mortgage, deed of trust, pledge, options, rights of first refusal, rights of first offer, conditional or installment sales contracts, security interest, easement, restriction on transfer, encumbrance, lien or charge whether voluntarily incurred or arising by operation of Law. For the avoidance of doubt, the term "Lien" shall not be deemed to include any license,

option, or covenant of, or other contractual obligation with respect to, Intellectual Property Rights.

"Major Space Lease" means any Space Lease that either (a) covers more than seventy five thousand (75,000) rentable square feet, (b) covers 100% of the total rentable square footage of an individual Property or (c) includes any purchase option, right of first refusal, or similar right for the purchase of a Property or any portion thereof.

"Major Space Lease Transaction" has the meaning set forth in Section 6.9.

"Management Agreements" has the meaning set forth in Section 3.16(d).

"Management Holdings" has the meaning set forth in the introductory paragraph of this Agreement.

"Material Contracts" has the meaning set forth in Section 3.6.

"Material Real Property Lease" has the meaning set forth in Section 3.17(a).

"Maximum Premium" has the meaning set forth in Section 6.6(c).

"Merger Consideration" has the meaning set forth in Section 2.10(a)(ii).

"Mergers" has the meaning set forth in Section 2.1(a).

"Merger Subs" has the meaning set forth in the introductory paragraph of this Agreement.

"Miramar Asset" means the ground sublease interest in those parcels of real property located at 7550, 7580, 7590, 7606, 7610, 7616, 7620, 7626, 7630 and 7636 Miramar Road, San Diego, California, and the improvements thereon.

"Miramar Disposition" means the disposition of the Miramar Asset pursuant to the terms of the Miramar PSA delivered to Buyer on or prior to the Effective Date.

"Miramar PSA" means that certain Purchase and Sale Agreement, by and between Icon Miramar Owner Pool 2 West/Northeast/Midwest, LLC, a Delaware limited liability company, as seller, and BRASA Capital, LLC, a Delaware limited liability company, as buyer, dated as of May 17, 2019, with respect to the Miramar Asset.

"Multiemployer Plan" has the meaning set forth in Section 3(37) of ERISA.

"Net Working Capital" means, as of any time, the aggregate amount of current assets of the Group Companies as of such time minus the aggregate amount of current liabilities of the Group Companies as of such time, in each case determined in accordance with Section 2.4(e). Notwithstanding anything to the contrary contained herein, (x) current liabilities shall include current real estate, income, withholding, sales and franchise tax and the Washington transfer tax liability set forth on Section 3.15(d) of the Disclosure Schedules and (y) subject to the foregoing clause (x), in no event shall "Net Working Capital" include (a) any amounts constituting or

reflected in deferred or current Tax assets or Tax liabilities, Closing Cash, Closing Indebtedness, the Free Rent and Leasing Credit, the Portfolio Improvement Credit, the Property Sales Credit, or Transaction Expenses or (b) any prepayment penalties, defeasance costs or assumption fees relating to the assumption by Buyer of the Assumed Loans at Closing or the prepayment of the Closing Payoff Indebtedness at Closing.

"Objection" has the meaning set forth in Section 2.4(b)(ii).

"Objection Notice" has the meaning set forth in Section 2.4(b)(ii).

"Order" means any judgment, decree, injunction, arbitration award or other order, writ or decision (whether temporary, preliminary or permanent) that a Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered.

"Other Confidentiality Agreements" has the meaning set forth in Section 6.3(e).

"Outside Date" has the meaning set forth in Section 8.1(d).

"Owned Properties" has the meaning set forth in Section 3.16(a).

"Parties" has the meaning set forth in the introductory paragraph of this Agreement.

"Pay-Off Letters" has the meaning set forth in Section 6.12(b).

"Paying Agent" means a national title insurance company jointly selected by Buyer and Seller Representative.

"PEO Plan" means any benefit or compensation plan or arrangement maintained by a third party professional employer organization for the benefit of employees of a Group Company or Management Holdings or its Subsidiaries and under which such Group Company, Management Holdings or their Subsidiaries is a participating employer.

"Permits" has the meaning set forth in Section 3.9.

"Permitted Liens" means (a) mechanics', materialmen's, workmen's or repairmen's liens, notices of commencement and liens for construction in progress arising in the ordinary course of business by or through any tenant under an existing Space Lease or any Space Lease entered into after the Effective Date in accordance with the terms of this Agreement so long as such tenant is not in monetary default or a material non-monetary default under the applicable Space Lease, (b) Liens for Taxes, assessments or other governmental charges not yet due and delinquent as of the Closing Date and for which adequate reserves have been established in accordance with IFRS, (c) encumbrances and restrictions on real property (including easements, covenants, conditions, rights of way and similar restrictions) of record as of the Effective Date that do not materially interfere with the Group Companies' present uses or occupancy of such real property or its value or operations, (d) Liens securing the obligations of a Group Company under the Existing Loans or securing Indebtedness permitted to be incurred in accordance with Section 6.1, (e) Liens granted to any lender at the Closing in connection with any financing by Buyer or its Affiliates of the Transactions or Liens otherwise created by Buyer or its Affiliates, (f) zoning, building

codes and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Entity having jurisdiction over such real property and which are not violated by the current use or occupancy of such real property or the operation of the businesses of the Group Companies, (g) subject to the prorations and adjustments pursuant to this Agreement, any service, installation, connection or maintenance charge, or Liens for sewer, water, electricity, telephone, cable, internet or gas services arising in the ordinary course of business due after Closing, (h) any right, interest, Lien or title of a lessor under any Ground Lease or Real Property Lease, or tenant under a Space Lease, and (i) Liens described on Section 1.1(a) of the Disclosure Schedules.

"Person" means an individual, partnership, corporation, limited liability company, joint stock company, unincorporated organization or association, trust, joint venture, association or other similar entity, whether or not a legal entity.

"Portfolio Improvement Credit" means (a) the amount of tenant improvement allowances and leasing costs (including commissions) actually paid by a Group Company prior to Closing pursuant to any Space Lease entered into following the date of the Latest Balance Sheet in accordance with the terms of this Agreement, and (b) any amounts actually paid by a Group Company prior to Closing in connection with the acquisition of the real property listed on Section 1.1(b) of the Disclosure Schedules, in each case determined in accordance with Section 2.4(e).

"Post-Closing Bonus" has the meaning set forth in Section 6.14(a).

"Preferred Redemption Credit" an amount equal to the amount required to redeem all of the issued and outstanding Preferred Shares in each Group Company held by any Person other than a Group Company, under the terms of such shares, assuming a hypothetical redemption of the Preferred Shares at the Closing.

"Preferred Shares" means preferred equity interests in a Group Company, including, for the avoidance of doubt, any class of equity interests that entitles the holder thereof to a priority in respect of distributions, dividends or return on liquidation as compared to any other class of equity interests.

"Pro Rata Portion" means, with respect to a USIP I Holder in respect of a USIP I Company, a fraction (a) the numerator of which is the number of common units of such USIP I Company held by such USIP I Holder and (b) the denominator of which is the number of common units held in such USIP I Company held by all USIP I Holders, in each case calculated immediately prior to the Effective Time.

"Properties" means the Owned Properties and Ground Leased Properties.

"Property Inspections" has the meaning set forth in Section 6.3(b).

"Property Sales Credit" means an amount equal to all net proceeds received by any Seller Party or any Group Company in connection with the exercise of any purchase option, right of first offer, or right of first refusal by a tenant under any Space Lease or sale of any assets of the

Group Companies from and after the Effective Date other than with respect to the Miramar Disposition; provided, however, the Seller Parties shall be responsible for all costs and expenses associated with the Miramar Disposition.

"Purchase Price" means an amount equal to the Base Purchase Price, plus (a) the amount of Closing Cash, plus (b) the amount (if any) by which Closing Net Working Capital exceeds Target Working Capital, minus (c) the amount (if any) by which Closing Net Working Capital is less than the Target Working Capital, minus (d) the amount of Closing Indebtedness, minus (e) the amount of Transaction Expenses, minus (f) the amount of Free Rent and Leasing Credit, plus (g) the amount of the Portfolio Improvement Credit, minus (h) the amount of the Preferred Redemption Credit, and (i) minus the amount of the Property Sales Credit (if any).

"Purchased Interests" has the meaning set forth in the recitals to this Agreement.

"R&W Policy" has the meaning set forth in Section 6.15.

"REIT" has the meaning set forth in Section 3.15(f).

"REIT Entities" has the meaning set forth in Section 3.15(f).

"Representatives" means, with respect to any Person, such Person's directors, officers, managers, employees, agents, attorneys, financial advisors, accountants and other representatives.

"Restoration of the Property" has the meaning set forth in Section 6.17(a)(i).

"Romeoville Acquisition" means the acquisition of the Romeoville Asset pursuant to the terms of the Romeoville PSA delivered to Buyer on or prior to the Effective Date.

"Romeoville Asset" means those parcels of undeveloped real property known as Lots 3 and 4 of the Romeoville Industrial Center, Village of Romeoville, Illinois.

"Romeoville PSA" means that certain Agreement for Purchase and Sale, by and between Romeoville Industrial Center No. 2, LLC, a Delaware limited liability company, as seller, and Harvest C Romeoville B1, LLC, as purchaser, dated as of May 8, 2019, with respect to the Romeoville Asset.

"Sale" has the meaning set forth in Section 2.1(b).

"Securities Act" means the Securities Act of 1933.

"Seller Expense Reimbursement" has the meaning set forth in Section 8.2(b).

"Seller Parties" has the meaning set forth in the introductory paragraph of this Agreement.

"Seller Related Persons" has the meaning set forth in Section 4.7.

"Seller Representative" has the meaning set forth in the introductory paragraph of this Agreement.

"Sellers" has the meaning set forth in the introductory paragraph of this Agreement.

"Shareholder Notes" means those notes issued by an Acquired Company to a Seller as set forth on Section 1.1(c) of the Disclosure Schedules.

"Space Lease" means any agreement, license, lease or occupancy agreement, as the same may have been amended, restated, supplemented, altered or otherwise modified from time to time prior to the Effective Date and following the Effective Date subject to the terms of this Agreement, pursuant to which any Person leases from a Group Company all or any portion of any Property, and all guaranties of any of the obligations of the tenants thereto delivered in connection with such lease or agreement.

"Sub-management Agreements" has the meaning set forth in Section 3.16(d).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the ownership interests thereof is at the time owned or controlled, directly or indirectly, by such Person.

"Subsidiary Interests" has the meaning set forth in Section 3.2(b).

"Surviving Companies" has the meaning set forth in Section 2.1(a).

"Target Working Capital" means $0.

"Tax" means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, addlon minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, windfall profits, environmental, customs, duties, real property, personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever and any interest, penalties, additions to tax and additional amounts imposed in respect of the foregoing.

"Tax Return" has the meaning set forth in Section 3.15(a).

"Trademarks" means trademarks, trade names, trade dress, logos, service marks, domain names, URL address, and social media handles (including registrations and applications therefor) all extensions and renewals of any of the foregoing, and any goodwill associated therewith.

"Transferred Employees" has the meaning set forth in Exhibit C.

"Transaction Expenses" means, without duplication, (a) the amount of fees and expenses payable to outside legal counsel, bankers, accountants, advisors, brokers and other third parties payable by any Group Company that was incurred prior to the Closing and which remains unpaid as of the Closing, in connection with the preparation, negotiation, execution or consummation of the Transactions or any other contemplated transactions related to the Group Companies and/or the Properties, including without limitations, any potential public offering or listing in connection with or relating to one or more of the Group Companies and/or the Properties in each case determined in accordance with Section 2.4(e); and (b) all amounts payable by any Group Company as a result of the consummation of the transactions contemplated by this Agreement (either alone or in combination with other events following Closing) pursuant to any change in control, transaction, incentive or similar bonuses, or retention agreements or arrangements to any current or former employee, director, officer, agent or independent consultant of any Group Company (including the employer portion of any employment payroll or similar Taxes associated therewith); provided, however, that Transaction Expenses shall not include (a) any fees, costs and expenses incurred by any Seller or any Group Company in connection with the performance of its obligations under Section 6.8(a), (b) any amounts taken into account in the calculation of the Closing Indebtedness or (c) any prepayment penalties, defeasance costs or assumption fees relating to the Existing Loans associated with the assumption or prepayment of the Existing Loans as of the Closing.

"Transactions" means the transactions contemplated by this Agreement, including the Mergers and the Sale.

"USIP Companies" has the meaning set forth in the introductory paragraph of this Agreement.

"USIP Interests" means, collectively, the USIP I Interests, the USIP II Interests and the USIP III Interests.

"USIP I Companies" has the meaning set forth in the introductory paragraph of this Agreement.

"USIP I Holders" means the holders of any common units in any USIP I Company immediately prior to the Effective Time.

"USIP I Interests" means 100% of the common units in each of the USIP I Companies.

"USIP II Companies" has the meaning set forth in the introductory paragraph of this Agreement.

"USIP II Interests" has the meaning set forth in the recitals to this Agreement.

"USIP II Sellers" has the meaning set forth in the introductory paragraph of this Agreement.

"USIP III Companies" has the meaning set forth in the introductory paragraph of this Agreement.

"USIP III Interests" has the meaning set forth in the recitals to this Agreement.

"USIP III Sellers" has the meaning set forth in the introductory paragraph of this Agreement.

"Waived 280G Benefits" has the meaning set forth in Section 6.20(a)(i).

ARTICLE II
THE TRANSACTIONS

Section 2.1 **The Transactions**

. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing:

(a) each Merger Sub shall be merged with and into the applicable USIP I Company, as identified on Exhibit A under the column "USIP I Companies" opposite such Merger Sub's name, whereupon the separate existence of such Merger Sub will cease, and such applicable USIP I Company shall continue as the surviving limited liability company in such merger (such USIP I Company, as the surviving limited liability company in such merger, a "Surviving Company" and, collectively, the "Surviving Companies"), such that immediately following such merger, such Surviving Company will be a wholly-owned Subsidiary of Buyer other than with respect to any Preferred Shares that remain outstanding following such merger in accordance with Section 2.10(a)(iii) (each such merger, a "Merger", and collectively, the "Mergers"); and

(b) Buyer will purchase from each Seller, and each Seller will sell to Buyer, the Purchased Interests held by such Seller (the "Sale").

The aggregate Purchase Price payable by Buyer in connection with the Mergers and the Sale will be estimated prior to the Closing Date and shall be subject to adjustment, in each case as provided in Section 2.4.

Section 2.2 **Closing; Effective Time**

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(a) The closing of the Transactions (the "Closing") shall take place at 10:00 a.m., New York time, on the later of (i) September 10, 2019 and (ii) the tenth (10th) Business Day after the satisfaction (or waiver) of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction (or waiver) of those conditions at the Closing) (the "Closing Date") at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 or remotely, unless another time, date or place is agreed to in writing by Buyer and the Seller Representative; provided, that (i) Buyer may on two occasions elect to delay the Closing for up to thirty (30) days in the aggregate inclusive of all extensions, by giving written notice to the Seller Representative (an "Extension Notice") at least seven (7) Business Days immediately preceding the date that, but for such delivery of such Extension Notice, would have been the Closing Date and (ii) if Buyer has delivered an Extension Notice, then Buyer may, upon at least seven (7) Business Days' prior written notice to the Seller Representative, designate the Closing Date to occur on a Business Day within such thirty (30) day period. In the event that Buyer elects to delay the Closing

pursuant to the foregoing, all references to the "Closing Date" in this Agreement shall be deemed to refer to the date on which the Closing occurs.

(b) Upon the terms and subject to the provisions of this Agreement, at the Closing, each Merger Sub (if required by Law) and USIP I Company shall, with respect to the applicable Merger, duly execute and file a certificate of merger with the Secretary of State of the State of Delaware in accordance with the Laws of the State of Delaware (each, a "Certificate of Merger", and collectively, the "Certificates of Merger"). Each Merger shall become effective on the date and time at which the applicable Certificate of Merger has been filed with, and accepted for recording by, the Secretary of State of the State of Delaware or at such other date and time as is agreed between the Parties and specified in such Certificate of Merger (such date and time being hereinafter referred to as the "Effective Time" of such Merger).

Section 2.3 **Deliveries at the Closing**

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(a) Deliveries by Sellers. At the Closing, Sellers shall deliver to Buyer:

(i) the Purchased Interests, accompanied by evidence of the transfer thereof to Buyer in form and substance reasonably acceptable to Buyer; and

(ii) evidence of termination of all Affiliate Arrangements pursuant to Section 6.18.

(b) Deliveries by Buyer. At or prior to the Closing, Buyer shall deliver or cause to be delivered the following payments:

(i) to the Paying Agent, by wire transfer of immediately available funds denominated in dollars (to an account or accounts specified no later than two (2) Business Days prior to the Closing Date by the Paying Agent), an amount equal to the following:

(A) the Estimated Purchase Price, minus the Adjustment Escrow Amount (such amount, the "Closing Consideration"), plus;

(B) the amount of all Closing Payoff Indebtedness in accordance with the Pay-Off Letters in such amounts and to such accounts as specified in the Pay-off Letters; and

(ii) to the Escrow Agent, by wire transfer of immediately available funds denominated in dollars (to an account or accounts specified no later than two (2) Business Days prior to the Closing Date by the Escrow Agent), the Adjustment Escrow Amount to be held in the Adjustment Escrow Fund in accordance with Section 2.5.

(c) Payments by Paying Agent.

(i) At or following the Closing, the Paying Agent shall distribute to Sellers and the USIP I Holders an aggregate cash amount equal to the Closing Consideration in accordance with payment instructions provided by Seller Representative to the Paying Agent and using such account or accounts as the Seller Representative shall designate.

(ii) At the Closing, the Paying Agent shall pay on behalf of the applicable Group Companies, to the payees thereof, an aggregate cash amount equal to the amount of all Closing Payoff Indebtedness.

(d) Other Deliveries. At the Closing, the closing certificates and other documents required to be delivered pursuant to Article VII with respect to the Closing will be exchanged.

Section 2.4 **Purchase Price**

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(a) Estimated Purchase Price. No later than two (2) Business Days prior to the Closing, the Seller Representative shall deliver to Buyer a certified statement (the "Estimated Closing Statement") setting forth (i) the Seller Representative's good faith estimates of Closing Net Working Capital, Closing Cash, Closing Indebtedness, Transaction Expenses, Free Rent and Leasing Credit, Preferred Redemption Credit, Property Sales Credit, and Portfolio Improvement Credit, together with a calculation of the Purchase Price based on such estimates (the "Estimated Purchase Price") and (ii) the aggregate amount of the Closing Consideration payable to Sellers. The Estimated Closing Statement and the determinations and calculations contained therein shall be prepared in accordance with this Agreement, including Section 2.4(e), in the form of Exhibit B, together with reasonable supporting documentation. During the period after the delivery of the Estimated Closing Statement and prior to the Closing Date, Buyer shall have an opportunity to review the Estimated Closing Statement and Seller Representative shall cooperate with Buyer in good faith to mutually agree upon the Estimated Closing Statement in the event Buyer disputes any item proposed to be set forth on such statement; provided, however, that if Seller Representative and Buyer are not able to reach mutual agreement prior to the Closing Date, the Estimated Closing Statement provided by Seller to Buyer, as modified to include any changes agreed to by Seller Representative and Buyer, shall be binding for purposes of this Section 2.4(a).

(b) Determination of Final Purchase Price.

(i) As soon as reasonably practicable, but no later than sixty (60) days after the Closing Date, Buyer shall prepare and deliver to the Seller Representative a statement (the "Closing Statement") setting forth Buyer's good faith determination of the actual amounts of Closing Net Working Capital, Closing Cash, Closing Indebtedness, Transaction Expenses, Free Rent and Leasing Credit, Preferred Redemption Credit, Property Sales Credit, and Portfolio Improvement Credit, together with a calculation of the Purchase Price based thereon. The Closing Statement and the determinations and calculations contained therein shall be prepared in accordance with this Agreement, including Section 2.4(e), in the form of Exhibit B, together with reasonable supporting documentation.

(ii) Within forty-five (45) days following receipt by the Seller Representative of the Closing Statement, the Seller Representative shall deliver written notice (an "Objection Notice") to Buyer of any dispute it has with respect to the preparation or content of the Closing Statement. Any amount, determination or calculation contained in the Closing Statement and not specifically disputed in a timely delivered Objection Notice shall be final, conclusive and binding on the Parties. If the Seller Representative does not timely deliver an

Objection Notice with respect to the Closing Statement within such forty-five (45) day period, the Closing Statement will be final, conclusive and binding on the Parties. If an Objection Notice is timely delivered within such forty-five (45) day period, Buyer and the Seller Representative shall negotiate in good faith to resolve each dispute raised therein (each, an "Objection"). If Buyer and the Seller Representative, notwithstanding such good faith efforts, fail to resolve all Objections within sixty (60) days after the Seller Representative delivers an Objection Notice, then Buyer and the Seller Representative shall jointly engage the Accounting Firm to resolve such disputes in accordance with the terms of this Agreement (including Section 2.4(e)) as soon as practicable thereafter (but in any event within thirty (30) days after the engagement of the Accounting Firm). Buyer and the Seller Representative shall cause the Accounting Firm to deliver a written report containing its calculation of the disputed Objections (which calculation shall be within the range of the values contained in the Closing Statement and the Objection Notice) within such thirty (30) day period. All Objections that are resolved between the Parties or are determined by the Accounting Firm will be final, conclusive and binding on the Parties absent manifest error. The costs and expenses of the Accounting Firm shall be borne by Buyer and Sellers in proportion to their relative success in the resolution of the dispute (which proportional allocation shall also be determined by the Accounting Firm at such time that it makes its final determination).

(c) Access. Following the Closing, Buyer shall, and shall cause the Group Companies to, make their financial records, employees, accounting personnel and advisors available to the Seller Representative, its accountants and other representatives and the Accounting Firm at reasonable times and upon reasonable advance notice during the review by the Seller Representative and the Accounting Firm of, and the resolution of any Objections with respect to, the Closing Statement, in each case, subject to execution of customary confidentiality and work paper access letters, provided that such access does not unreasonably interfere with the normal operations of the Group Companies.

(d) Adjustments.

(i) If the Purchase Price as finally determined pursuant to Section 2.4(b) (the "Final Purchase Price") exceeds the Estimated Purchase Price, (A) the Seller Representative and Buyer shall jointly instruct the Escrow Agent to release to the Seller Representative, for distribution to Sellers and the USIP I Holders, the remaining funds in the Adjustment Escrow Fund by wire transfer of immediately available funds within three (3) Business Days following the date on which the Final Purchase Price is determined and (B) Buyer shall pay to the Seller Representative, for distribution to Sellers and the USIP I Holders, an amount equal to such excess amount by wire transfer of immediately available funds within three (3) Business Days following the date on which the Final Purchase Price is determined.

(ii) If the Final Purchase Price is less than the Estimated Purchase Price, the Seller Representative and Buyer shall jointly instruct the Escrow Agent to (A) pay to Buyer, out of the Adjustment Escrow Fund, an amount equal to such deficit by wire transfer of immediately available funds within three (3) Business Days following the date on which the Final Purchase Price is determined and (B) if and to the extent that any balance in the Adjustment Escrow Fund will remain after such payment to Buyer, release to the Seller Representative, for distribution to Sellers and the USIP I Holders, the remaining funds in the

Adjustment Escrow Fund by wire transfer of immediately available funds within three (3) Business Days following the date on which the Final Purchase Price is determined.

(e) Accounting Procedures. The Estimated Closing Statement, the Closing Statement and the determinations and calculations contained therein shall be prepared and calculated in accordance with IFRS, using the same accounting principles, practices, procedures, policies and methods used and applied by the Group Companies in the preparation of the Latest Balance Sheet, except that such statements, calculations and determinations: (i) shall be based on facts and circumstances as they exist prior to the Closing and shall exclude the effect of any act, decision or event occurring at or after the Closing, (ii) shall follow the defined terms contained in this Agreement whether or not such terms are consistent with IFRS and (iii) shall be consistent with the sample calculation set forth on Exhibit B.

(f) Additional Provisions.

(i) For the avoidance of doubt, consideration for the USIP II Interests shall be deemed paid by the USIP II Companies for purposes of Section 5 of the Asset Management Agreement among the USIP II Sellers (or their Affiliates) and GLP Investment Management Pte. Ltd., dated as of April 4, 2016, as amended or supplemented from time to time.

(ii) With respect to non-wholly owned Subsidiaries of the Acquired Companies (including for the avoidance of doubt IDI/IIT Valley Parkway, LLC), the foregoing calculations of the components of the Purchase Price (other than the Base Purchase Price) will be in proportion to the economic ownership of the applicable Acquired Company in such Subsidiary (including for the avoidance of doubt IDI/IIT Valley Parkway, LLC).

(iii) Any amounts payable to Sellers and USIP I Holders from the Adjustment Escrow Fund shall be disbursed to Sellers and USIP I Holders in accordance with payment instructions provided by Seller Representative to the Escrow Agent, using such account or accounts as the Seller Representative shall designate, and allocated among the USIP I Companies in the aggregate, the USIP II Companies in the aggregate, the USIP III Companies in the aggregate and Management Holdings in accordance with Section 2.6 of the Disclosure Schedules.

Section 2.5 **Adjustment Escrow Amount**

. At the Closing, Buyer shall deposit a portion of the Estimated Purchase Price in an amount equal to the Adjustment Escrow Amount with the Escrow Agent in accordance with the Escrow Agreement and such amount, as adjusted from time to time, together with any interest or other income earned thereon, shall be referred to as the "Adjustment Escrow Fund". Neither Sellers, the Seller Representative, any Group Company, any USIP I Holder nor any other Person shall have any liability for any amounts due to Buyer pursuant to Section 2.4 in excess of the Adjustment Escrow Amount, and Buyer's sole source of recourse and recovery for such amounts due shall be the funds available in the Adjustment Escrow Fund. The Adjustment Escrow Funds may be distributed to Buyer or the Seller Representative (on behalf of Sellers and USIP I Holders) solely and exclusively in accordance with Section 2.4(d) and the terms of the Escrow Agreement and shall not be available for any other payment to Buyer or any of its Affiliates. Notwithstanding the foregoing sentence, the limitations set forth in this Section 2.5 shall not apply to any claim arising from Fraud.

Section 2.6 **Allocation**

. The Parties agree that the Base Purchase Price shall be allocated among (a) the USIP I Companies in the aggregate, the USIP II Companies in the aggregate, the USIP III Companies in the aggregate, and the items described on Exhibit C in the aggregate, and (b) each of the Acquired Companies individually, in each case in accordance with Section 2.6 of the Disclosure Schedules (the "Allocation") and that any components of the Purchase Price other than the Base Purchase Price shall be allocated to the Acquired Company or Acquired Companies to which the applicable component relates. At least ten (10) Business Days prior to the Closing, a more specific allocation of Base Purchase Price among each of the Properties individually shall be made; provided, that such allocation shall be made in accordance with the Allocation. The Parties shall reasonably cooperate to allocate the portion of the Base Purchase Price with respect to the items described on Exhibit C among such items individually; provided, that in the event the Parties are unable to agree on an allocation with respect to such items prior to Closing, then each Party shall file all U.S. federal, state and local Tax Returns based on each Party's own determination of the proper allocations of the Base Purchase Price among the items on Exhibit C. The Parties agree to act in accordance with the adjustments and allocations as determined pursuant to this Section 2.6 in any relevant Tax Returns or filings, and to cooperate in the preparation of any such forms and to file such forms in the manner required by applicable Law. Prior to the Closing, Buyer shall have the right to reallocate the Base Purchase Price allocated to the Acquired Companies with the approval of the Seller Representative (which approval shall not be unreasonably withheld, delayed or conditioned); provided, however, any such reallocation shall not change the Base Purchase Price allocated to USIP I Companies in the aggregate, the USIP II Companies in the aggregate, or the USIP III Companies in the aggregate.

Section 2.7 **Tax Treatment**

. The Parties shall treat (i) the sale of the USIP Interests and the Mergers as the sale of equity interests and (ii) the transactions described in Exhibit C as a sale of the relevant assets by, and the agreement to provide services by, Management Holdings for all Tax purposes and shall report the sale and Mergers consistently for all Tax purposes.

Section 2.8 **Withholding**

. Each Buyer Party and the Surviving Company shall be entitled to deduct and withhold, or cause to be deducted and withheld, from any amounts payable under this Agreement, any Taxes required by applicable Law to be deducted and withheld, as reasonably determined by Buyer in good faith; provided that, if a Seller or USIP I Holder has delivered to Buyer (i) in the case of a United States person or a "qualified foreign pension fund" under Section 897(l) of the Code, a certificate of non-foreign status in compliance with Treasury Regulations section 1.1445-2(b)(2), or (ii) in the case of a non-United States person, (x) a withholding certificate in compliance with Treasury Regulations section 1.1445-3(d) or (y) a notice in compliance with Treasury Regulations section 1.1445-10T, along with an Internal Revenue Service Form W-8EXP, in each case, duly executed and in form reasonably satisfactory to Buyer, establishing a complete exemption from withholding under Section 1445 of the Code, Buyer agrees that it shall not be required to withhold under Section 1445 of the Code with respect to such Seller or USIP I Holder; provided, further, that if it is determined that any such deduction or withholding would be required from amounts payable to a Seller or USIP I Holder other than pursuant to Section 1445 of the Code, Buyer agrees to provide such Seller or USIP I Holder notice and a reasonable opportunity to object to such withholding, which such objection will be considered in good faith by Buyer prior to withholding. Any such deducted and withheld

Taxes will be (i) timely paid or remitted to the applicable Governmental Entity and (ii) treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction or withholding was made. For the avoidance of doubt, Buyer's sole recourse for a Seller's failure to deliver the certificates as described in this Section 2.8 shall be to withhold Taxes on payments made to such Seller, as required by law.

Section 2.9 **Intentionally Omitted**

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Section 2.10 **Additional Provisions Related to the Mergers**

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(a) Effect on Equity Interests. As of the Effective Time and subject to the provisions of this Agreement, by virtue of the Mergers and without any further action on the part of the Parties or the USIP I Holders:

(i) each common unit of each Merger Sub outstanding immediately prior to the Effective Time shall be converted into and become one (1) common unit of the applicable Surviving Company, and the Buyer, as the sole holder of issued and outstanding common units in each Merger Sub as of immediately prior to the Effective Time, automatically shall be admitted as a member of each applicable Surviving Company;

(ii) each common unit of each USIP I Company outstanding immediately prior to the Effective Time shall be converted into the right to receive an amount in cash such that each USIP I Holder is apportioned its Pro Rata Portion of the Allocation attributable to such USIP I Company in accordance with Section 2.6 of the Disclosure Schedules (such amount, the "Merger Consideration") (for the avoidance of doubt, the Merger Consideration shall be considered part of, and not in addition to, the Purchase Price for all purposes under this Agreement); and

(iii) each preferred unit in the USIP I Company that is a constituent party to such Merger that is issued and outstanding immediately prior to the Effective Time shall be unaffected by such Merger and shall remain issued and outstanding as a preferred unit in the Surviving Company in such Merger.

(b) Organizational Documents. At the Effective Time, unless otherwise jointly determined by Buyer and Seller Representative prior to the Effective Time, (i) the certificate of formation of each USIP I Company, as in effect immediately prior to the Effective Time, shall be the certificate of formation of the Surviving Company, until thereafter amended as provided therein or by applicable Law, and (ii) the operating agreement of each USIP I Company shall be amended and restated to be in the form of the operating agreement of the applicable Merger Sub, as in effect immediately prior to the Effective Time (except that all references therein to Merger Sub shall be references to the Surviving Company) and, as so amended, shall be the operating agreement of the Surviving Company, until thereafter amended as provided therein or by applicable Law.

(c) Directors and Officers. From and after the Effective Time, unless otherwise jointly determined by Buyer and Seller Representative prior to the Effective Time, (i) the directors and/or manager(s) of each Merger Sub immediately prior to the Effective Time

shall be the directors and/or manager(s) of the applicable Surviving Company and (ii) the officers of each Merger Sub immediately prior to the Effective Time shall be the officers of the applicable Surviving Company, in each case, until successors are duly elected or appointed and qualified in accordance with applicable Law.

(d) Effect of Mergers. The effect of the Mergers hereunder shall be as described herein and in Section 18-209 of the Delaware Limited Liability Company Act, including (i) all the rights, privilege, powers and property, real, personal and mixed of, and all debts due to the applicable USIP I Company, as well as all other things and causes of action belonging to the applicable USIP I Company, shall be vested in the applicable Surviving Company and (ii) all rights of creditors and all liens upon any property of the applicable USIP I Company shall be preserved unimpaired, and all debts, liabilities and duties of the applicable USIP I Company shall attach to the applicable Surviving Company and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by the applicable Surviving Company. No dissenters' or appraisal rights or rights of an objecting holder shall be available with respect to the Mergers or the other transactions contemplated by this Agreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES REGARDING THE GROUP COMPANIES

Except as set forth in the Disclosure Schedules, each Acquired Company hereby severally and not jointly represents and warrants to the Buyer Parties as follows:

Section 3.1 **Organization and Qualification**

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(a) Each Group Company is a legal entity duly organized and validly existing under the Laws of its jurisdiction of formation. Each Group Company has the requisite legal power and authority to own, lease and operate its properties and to carry on its business as presently conducted, except where the failure to have such power and authority would not have a Company Material Adverse Effect.

(b) Each Group Company is duly qualified or licensed to transact business and is in good standing (if applicable) in each jurisdiction in which the property and assets owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and in good standing would not have a Company Material Adverse Effect.

(c) Complete and correct copies of the Governing Documents of the Group Companies, in each case as in effect as of the date of this Agreement, have been made available to Buyer, and all of such Governing Documents are in full force and effect and each Group Company is in compliance in all material respects with the provisions its Governing Documents.

(d) No bankruptcy, insolvency, reorganization or similar action or proceeding, whether voluntary or involuntary, is pending, or, to knowledge of Sellers has been threatened in writing, against any Group Company and no Group Company has made an assignment for the benefit of its creditors.

Section 3.2 **Capitalization of the Group Companies**

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(a) The Interests and the Preferred Shares comprise all of the Acquired Companies' equity interests that are issued and outstanding as of the Effective Date. The Interests and the Preferred Shares have been duly authorized and validly issued, are fully paid and non-assessable, are free and clear of all Liens (other than any Liens that will be released prior to or at Closing) and were not issued in violation of any rights of first refusal, rights of first offer, preemptive rights or similar rights. No other (i) equity interests of any Acquired Company, (ii) interests of any Acquired Company convertible into or exchangeable for equity interests of any Acquired Company or (iii) options or other rights to acquire from any Acquired Company equity interests of any Acquired Company are outstanding, and there are no obligations of any Acquired Company to issue or sell any of the foregoing, that will not be extinguished prior to or at the Closing.

(b) Each Acquired Company is the direct or indirect sole record and beneficial owner of all equity interests that are issued and outstanding of its Subsidiaries (the "Subsidiary Interests"). Each Subsidiary of an Acquired Company is set forth opposite such Acquired Company's name on Section 3.2(b) of the Disclosure Schedules. The Subsidiary Interests have been duly authorized and validly issued, are fully paid and nonassessable, are free and clear of all Liens, and were not issued in violation of any rights of first refusal, rights of first offer, preemptive rights or similar right. No other (i) equity interests of any Subsidiary of an Acquired Company, (ii) interests of any Subsidiary of an Acquired Company convertible into or exchangeable for equity interests of any Subsidiary of an Acquired Company or (iii) options or other rights to acquire from any Group Company equity interests of any Subsidiary of an Acquired Company are outstanding, and there are no obligations of any Group Company to issue or sell any of the foregoing.

(c) None of the Group Companies directly or indirectly owns any (i) equity interests in any other Person other than as set forth on Section 3.2(c) of the Disclosure Schedules, (ii) interests convertible into or exchangeable for equity interests of any other Person or (iii) options or other rights to acquire equity interests of any other Person.

(d) As of the date of this Agreement, there is no outstanding Indebtedness for borrowed money of any Acquired Company or any of its Subsidiaries in excess of $10,000,000 in principal amount, other than the Existing Loans, the Shareholder Notes and Indebtedness in the principal amounts identified by instrument in Section 3.2(d) of the Disclosure Schedules.

(e) Section 3.2(e) of the Disclosure Schedules set forth for each Acquired Company (i) the names of the equityholders thereof and the amount held by each such holder (other than with respect to the Preferred Shares), and (ii) in the case of Preferred Shares, the aggregate liquidation preference of the Preferred Shares for each Acquired Company.

Section 3.3 Authority

. Each Acquired Company has all necessary power and authority to execute and deliver this Agreement and to consummate the Transactions. The execution and delivery of this Agreement and the consummation of the Transactions have been duly authorized by all necessary action on the part of each Acquired Company and no other proceeding on the part of any Acquired Company is necessary to authorize this Agreement or to

consummate the Transactions, and each Acquired Company has exempted the acquisition of the Interests pursuant to this Agreement from any "ownership limit" or similar restriction contained in its Governing Documents. No vote or other action of any Acquired Company's equityholders is required to approve this Agreement or for any Acquired Company to consummate the Transactions, other than any deliveries by Sellers contemplated by Sellers pursuant to Section 2.3. This Agreement has been duly and validly executed and delivered by each Acquired Company and constitutes a valid, legal and binding agreement of each Acquired Company (assuming that this Agreement has been duly and validly authorized, executed and delivered by the other Parties), enforceable against each Acquired Company in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally and subject to general equitable principles (the "Bankruptcy and Equity Exception").

Section 3.4 Financial Statements

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(a) The Acquired Companies have made available to Buyer copies of the following financial statements (such financial statements, the "Financial Statements"):

(i) the audited balance sheet of each of the USIP Companies as of December 31, 2018 and the related audited statements of operations and comprehensive income, statements of member's equity and statements of cash flows for the fiscal year then ended; and

(ii) the unaudited balance sheet of each of the USIP Companies as of March 31, 2019 (the "Latest Balance Sheet") and the related unaudited statements of operations for the fiscal quarter then ended.

(b) The Financial Statements (i) have been prepared in accordance with IFRS (subject to, in the case of unaudited statements, the absence of footnotes) applied on a consistent basis throughout the periods covered thereby, except as may be indicated in the notes thereto, and (ii) fairly present, in all material respects, the financial position of the Acquired Companies as of the dates thereof and their results of operations for the periods then ended (subject to, in the case of unaudited statements, normal year-end adjustments).

(c) The Group Companies do not have any liabilities or obligations of the type required to be accrued on or reserved against in a consolidated balance sheet prepared in accordance with IFRS (collectively, "Liabilities"), except (i) Liabilities specifically accrued on or reserved against in the Latest Balance Sheet or disclosed in the notes thereto, (ii) Liabilities that have arisen since the date of the Latest Balance Sheet in the ordinary course of business, (iii) Liabilities arising after the date of this Agreement in connection with the Transaction pursuant to the terms and conditions of this Agreement, (iv) Liabilities included in the computation of Closing Indebtedness, Closing Net Working Capital or Transaction Expenses, (v) Liabilities for executory obligations under Material Contracts (other than for breach thereof or default of such executory obligations), and (vi) other Liabilities which are not, individually or in the aggregate, material to Group Companies taken as a whole.

Section 3.5 Consents and Approvals; No Violations

. Assuming the truth and accuracy of the representations and warranties of Buyer set forth in Section 5.3, no notices to,

filings with or authorizations, consents or approvals of any Governmental Entity are necessary for the execution, delivery or performance by the Acquired Companies of this Agreement or the Ancillary Documents to which each Acquired Company, as applicable, will be a party or the consummation by the Acquired Companies of the Transactions, except for (a) compliance with and filings under the HSR Act (if applicable), (b) the filing of the Certificates of Merger with the Secretary of State of the State of Delaware and (c) those the failure of which to obtain or make would not have a Company Material Adverse Effect. Neither the execution, delivery or performance by the Acquired Companies of this Agreement or the Ancillary Documents to which each Acquired Company, as applicable, will be a party nor the consummation by the Acquired Companies of the Transactions will (i) conflict with or result in any breach of any provision of the Governing Documents of the Acquired Companies, (ii) result in a violation or breach of, or cause acceleration, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration or purchase or sale) under, any contract, agreement or other instrument binding upon any Group Company, (iii) violate any order, writ, injunction, decree, law, statute, rule or regulation of any Governmental Entity having jurisdiction over the Group Companies or any of their properties or assets or (iv) except as contemplated by this Agreement or with respect to Permitted Liens, result in the creation of any Lien upon any of the assets of any Group Company, except in each case of clauses (ii), (iii) and (iv) as would not have a Company Material Adverse Effect.

Section 3.6 **Material Contracts**

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(a) Except for the Space Leases, the Ground Lease Documents, the Management Agreements, the Sub-management Agreements, the Brokerage Agreements, the Material Real Property Leases and the Employee Benefit Plans or PEO Plans, Section 3.6 of the Disclosure Schedules sets forth, as of the Effective Date, each of the following contracts and agreements to which any Group Company is a party (the following contracts and agreements, the "Material Contracts"):

(i) any indenture, credit agreement, loan agreement, security agreement, guarantee, note, mortgage or other contract evidencing Indebtedness for borrowed money or any guarantee of Indebtedness for borrowed money by any Group Company (but excluding any Shareholder Notes) (the "Existing Loans");

(ii) any partnership, joint venture or other similar agreement with a Person other than a Group Company or any Subsidiary of a Group Company providing for the formation, creation, operation, management or control of any partnership or joint venture in which a Group Company owns a voting or economic interest;

(iii) any contract containing covenants applicable to a Group Company prohibiting a Group Company from competing with any Person, in any line of business or in any geographic area;

(iv) any collective bargaining agreement or labor contract with any labor union or any labor organization;

(v) any contract that obligates a Group Company to dispose of or acquire (by merger or otherwise) (A) any Property or (B) other assets or properties for consideration in excess of $3,000,000;

(vi) any contract pursuant to which any Properties or Group Companies were acquired by any of the Group Companies to the extent that any Group Company has any continuing liability or obligation, contingent or otherwise, thereunder;

(vii) any contract that (A) is not cancelable by Sellers or Group Companies within ninety (90) days without material penalty or fee to the Sellers or any Group Company, and (B) obligates any of the Sellers or Group Companies to make non-contingent payments in any twelve (12) month period of more than $2,500,000 for any individual contract, or more than $10,000,000 in the aggregate for all such contracts;

(viii) any contract that includes a contingent obligation of any of the Sellers or Group Companies, other than any such contract as to which the maximum liability is less than $2,500,000 for any individual contract, and less than $10,000,000 in the aggregate for all such contracts;

(ix) any contract under which a Group Company has directly or indirectly guaranteed any liabilities of another Person;

(x) any contract for capital expenditures or improvements at any Property for ongoing work with a liability in excess of $2,500,000.

(xi) any stock or equity interest purchase, stock option, profits interest, "phantom" stock, stock appreciation, stock-based performance unit, subscription or similar plan;

(xii) any contract for the employment of any officer, individual employee or other person on a full-time or consulting basis providing for base compensation in excess of $250,000 per annum or that is not terminable by a Group Company upon notice of sixty (60) days or less for a cost of $250,000 or less; or

(xiii) any contract in writing to enter into any of the foregoing.

(b) Each Material Contract is valid and binding on the Group Company party to such Material Contract and enforceable in accordance with its terms (subject to the Bankruptcy and Equity Exception) against the applicable Group Company and, to the knowledge of Sellers, each other party thereto. There is no breach of, or default under, any Material Contract by any Group Company party to such Material Contract, and no event has occurred that with notice or lapse of time or both would constitute a breach of, or default under, any Material Contract by the applicable Group Company, except in each case as would not have a Company Material Adverse Effect. No Group Company has received written notice of any breach of, or default under, or of any termination or non-renewal of, any Material Contract, except in each case as would not have a Company Material Adverse Effect. The Acquired Companies have made available to Buyer complete and correct copies of all Material Contracts entered into on or prior to the date hereof, together with all modifications, amendments and supplements thereto.

Section 3.7 **Absence of Certain Changes**

. Since the date of the Latest Balance Sheet there has not been any Company Material Adverse Effect. Since the date of the Latest Balance Sheet through the Effective Date each Group Company has conducted its business in all material respects in the ordinary course consistent with past practices except for actions taken or not taken in connection with the Transactions.

Section 3.8 Litigation

. As of the Effective Date, there is no suit, litigation, arbitration, claim, action or proceeding, or (to the knowledge of Sellers) any investigation, pending or, to the knowledge of Sellers, threatened in writing against a Group Company by or before any Governmental Entity that would have a Company Material Adverse Effect. As of the Effective Date, no Group Company is subject to any outstanding order, writ, injunction or decree that would have a Company Material Adverse Effect.

Section 3.9 Compliance with Applicable Law

. Each Group Company holds all permits, licenses, approvals, certificates and other authorizations from, and have made all declarations and filings with, all Governmental Entities necessary for the lawful conduct of its business as presently conducted (the "Permits"), in each case except as would not have a Company Material Adverse Effect. Each Group Company is in compliance with the Permits, except for non-compliance that would not have a Company Material Adverse Effect. As of the Effective Date, no proceeding is pending or, to the knowledge of Sellers, threatened against a Group Company before any Governmental Entity to revoke, suspend, cancel or adversely modify any Permit. The business of each Group Company is operated in compliance with all applicable Laws, except for noncompliance that would not have a Company Material Adverse Effect.

Section 3.10 **Employee Plans**

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(a) Section 3.10(a) of the Disclosure Schedules lists all material Employee Benefit Plans and PEO Plans as of the Effective Date.

(b) No Employee Benefit Plan or PEO Plan is a Multiemployer Plan or a plan that is subject to Title IV of ERISA or Section 412 of the Code, and no Employee Benefit Plan or PEO Plan provides health or other welfare benefits to former employees of a Group Company other than health continuation coverage pursuant to COBRA.

(c) Each Employee Benefit Plan and, to the knowledge of Sellers, PEO Plan, has been maintained, funded and administered in compliance in all material respects with its terms and the applicable requirements of ERISA, the Code and any other applicable Laws, except where any failure to comply would not result in a material liability to the Group Companies, taken as a whole. Each Employee Benefit Plan and PEO Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is the subject of a favorable opinion letter from the Internal Revenue Service on the form of such Employee Benefit Plan or PEO Plan and, to the knowledge of Sellers, there are no facts or circumstances that would be reasonably likely to adversely affect the qualified status of any such Employee Benefit Plan or PEO Plan.

(d) No Group Company is a "benefit plan investor" within the meaning of Section 3(42) of ERISA, and no Group Company has engaged in any non-exempt prohibited

transactions (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to any Employee Benefit Plan or PEO Plan that would be reasonably likely to subject the Group Companies, taken as a whole, to any material Tax or penalty (civil or otherwise) imposed by ERISA, the Code or other applicable Laws.

(e) With respect to each Employee Benefit Plan, Sellers have made available to Buyer copies, to the extent applicable, of (i) the current plan and trust documents and the most recent summary plan description, (ii) the most recent annual report (Form 5500 series), (iii) the most recent financial statements, and (iv) the most recent Internal Revenue Service determination letter. With respect to each PEO Plan, Sellers have made available to Buyer a summary of the PEO Plans provided by the PEO to Sellers.

(f) With respect to each Employee Benefit Plan and, to the knowledge of Sellers, PEO Plan, (i) there are no actions, suits, claims (other than claims for routine benefits) or disputes pending, or to the knowledge of Sellers, threatened and (ii) there are no audits, inquiries, reviews, claims or demands pending with any Governmental Entity.

(g) Except as expressly contemplated by this Agreement or as set forth on Section 3.10(g) of the Disclosure Schedules, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will (alone or in combination with any other event) (i) result in any payment becoming due to any officer, employee, independent contractor or director of any of the Group Companies, (ii) increase any payments or benefits otherwise payable under any Employee Benefit Plan or PEO Plan, (iii) result in the acceleration of the time of payment, funding or vesting of any payments or benefits under any Employee Benefit Plan or PEO Plan or (iv) result in any "parachute payment" as defined in Section 280(G)(b)(2) of the Code (whether or not such payment is considered to be reasonably compensation for services rendered) which would not be deductible under Section 280G of the Code. There is no Contract, plan or other arrangement which requires any Group Company to pay a Tax gross-up, indemnification payment or reimbursement for Taxes under Code Section 409A or Code Section 4999.

Section 3.11 **Environmental Matters**

. Except as set forth on Section 3.11 of the Disclosure Schedules:

(a) each Group Company is, and since January 1, 2017 (or, with respect to a particular asset, such shorter period as such Group Company has owned such asset) has been, in compliance with all Environmental Laws;

(b) each Group Company holds and is in compliance with all permits, licenses and other authorizations that are required pursuant to Environmental Laws;

(c) to the knowledge of Sellers, no Group Company is obligated to conduct or pay for any corrective action under any Environmental Laws;

(d) no Group Company has received since January 1, 2017 (or, with respect to a particular asset, such shorter period as such Group Company has owned such asset) any

currently unresolved written notice of any violation of, or liability (including any investigatory, corrective or remedial obligation) under, any Environmental Laws;

(e) no Group Company is party to any Order, judgment or decree that remains unresolved or that imposes any continuing obligation under any Environmental Laws on any Group Company; and

(f) the Group Companies have made available to Buyer copies of all reports of any studies or assessments prepared for the Group Companies since January 1, 2017 to the extent in the possession or control of the Group Companies containing material information regarding: any actual or alleged material violation by Group Companies of any Environmental Law, or any actual or alleged material Liability of the Group Companies under any Environmental Law, including any Liability concerning any toxic or hazardous material, substance or waste, pollutant, or contaminant, or other terms of similar meaning and regulatory effect, as to which liability or standards or conduct may be imposed under any Environmental Laws.

Section 3.12 Intellectual Property

. Section 3.12 of the Disclosure Schedules sets forth a list of patents, patent applications, trademark registrations and applications, copyright registrations and applications, and domain names owned by each Group Company as of the Effective Date. Except as set forth in Section 3.12 of the Disclosure Schedules or as would not, have a Company Material Adverse Effect, (a) the Group Companies own or have the right to use in the manner currently used all Intellectual Property Rights used by any Group Company in, and that are material to, the business of the Group Companies as currently conducted and (b), (i) there are no claims pending against any Group Company by any third party contesting the use or ownership of any material Intellectual Property Rights (other than Trademarks, as set out in Section 6.16) necessary for the conduct of the businesses of the Group Companies as currently conducted (collectively, the "Group Company IP Rights"), or alleging that any Group Company is infringing any Intellectual Property Rights of a third party in any material respect, and (ii) there are no claims pending that have been brought by any Group Company against any third party alleging infringement of any material Group Company IP Rights owned by any Group Company. To the knowledge of Sellers, (x) the conduct of the business of each Group Company as currently conducted does not infringe any Intellectual Property Rights of any third party and (y) no third party is infringing any material Group Company IP Rights owned by any Group Company.

Section 3.13 Labor Matters

. (a) No Group Company has entered into or is otherwise subject to any collective bargaining agreement with respect to its employees, (b) there is no material labor strike, work stoppage or lockout pending or, to the knowledge of Sellers, threatened in writing against or affecting any Group Company, (c) to the knowledge of Sellers, as of the Effective Date, no union organization campaign is in progress with respect to any employees of any Group Companies, (d) there is no material unfair labor practice, charge, arbitration or complaint pending against any Group Company, (e) no Group Company other than GLP US Management LLC (x) currently employs any individuals or (y) has any obligation for the payment of employee compensation or benefits, (f) no employees of the Group Companies are represented by any labor organization, (g) no labor organization or group of employees of any Group Company has made a written demand to any Group Company for recognition or

certification and (h) there are no representation or certification proceedings or petitions seeking a representation proceeding presently filed, or to the knowledge of Sellers, threatened to be brought or filed with the National Labor Relations Board or any other labor relations tribunal or authority.

Section 3.14 Insurance

. Section 3.14 of the Disclosure Schedules sets forth each insurance policy maintained by the Group Companies, Management Holdings or its Subsidiaries with respect to the properties, assets, products, business or personnel that is material to the Group Companies taken as a whole (other than Employee Benefit Plans or PEO Plans). (a) All insurance policies held by any Group Company, Management Holdings or its Subsidiaries as of the Effective Date relating to the businesses, assets, liabilities and operations of the Group Companies are in full force and effect, all premiums with respect thereto have been paid and, to the knowledge of Sellers, no notice of cancellation or termination has been received by any Group Company, Management Holdings or its Subsidiaries with respect to any such policy and (b) no Group Company has reason to believe that it, Management Holdings or its Subsidiaries, will not be able to (i) renew its existing insurance policies as and when such policies expire or (ii) obtain comparable coverage from comparable insurers as may be necessary to continue its business without a material increase in costs. The Group Companies, Management Holdings and its Subsidiaries, as applicable, are in compliance in all material respects with the provisions of such insurance policies insuring the assets and properties of the Group Companies.

Section 3.15 **Tax Matters**

.

(a) The Group Companies have prepared and duly filed, or caused to be prepared and duly filed, with the appropriate taxing authorities all material tax returns, information returns, statements, forms, filings and reports (each a "Tax Return" and, collectively, the "Tax Returns") required to be filed with respect to the Group Companies, and all such Tax Returns are true, correct and complete in all material respects. The Group Companies have paid all material Taxes owed or payable by the Group Companies (whether or not shown on a Tax Return), including Taxes which the Group Companies are obligated to withhold.

(b) No Group Company has received a written notice that it is currently the subject of a Tax audit or examination, and no Tax audit or examination is currently threatened in writing by any taxing authority.

(c) No Group Company (i) has waived any statute of limitations in respect of material Taxes or consented to extend the time, nor is it the beneficiary of any extension of time, in which any Tax may be assessed or collected by any taxing authority, which extension is still outstanding, (ii) has received a request in writing for waiver of the time to assess any material Taxes, which request is still pending, (iii) has any outstanding requests for any Tax ruling from any Governmental Entity, (iv) is contesting any liability for Taxes before any Governmental Entity or (v) is the subject of a "closing agreement" within the meaning of Section 7121 of the Code (or any comparable agreement under applicable state, local or foreign Tax Law).

(d) No Group Company has received from any taxing authority any written notice of proposed adjustment, deficiency, underpayment of Taxes or any other such written notice which has not been satisfied by payment or been withdrawn.

(e) No claim has been made in writing by any taxing authority in a jurisdiction where any Group Company does not file Tax Returns that such Group Company is or may be subject to taxation by that jurisdiction.

(f) Each of the Acquired Companies listed on Section 3.15(f) of the Disclosure Schedules (the "REIT Entities") (i) has for all taxable years commencing with the taxable year of its formation, or as otherwise set forth in Section 3.15(f) of the Disclosure Schedules, through its taxable year ending December 31, 2018, been subject to taxation as a real estate investment trust within the meaning of Sections 856 through 860 of the Code (a "REIT") and has satisfied all requirements to qualify for taxation as a REIT for such years; (ii) has been organized and operated since January 1, 2019 to the Effective Date, and will operate through the Closing Date, in such a manner as to permit it to continue to qualify as a REIT for the taxable year beginning on January 1, 2019, determined as if such taxable year of the REIT Entity ended on the Closing Date at the Closing (such deemed taxable year, the "2019 Short Year") but without regard to the distribution requirement described in Section 857(a)(1) of the Code with respect to taxable income recognized in the 2019 Short Year; and (iii) has not taken or omitted to take any action which would reasonably be expected to result in an Acquired Company's failure to qualify as a REIT, and no challenge to an Acquired Company's status as a REIT is pending or threatened in writing.

(g) Section 3.15(g) of the Disclosure Schedules sets forth each Group Company and its classification for U.S. federal income tax purposes as of the date hereof. Each entity listed on Section 3.15(g) of the Disclosure Schedules as a partnership or disregarded entity has, from and after its date of formation, been classified as a partnership or disregarded entity for U.S. federal income tax purposes.

(h) No Group Company has (i) engaged, directly or indirectly, in any action that could result in any "prohibited transaction" Tax pursuant to Section 857(b)(6) of the Code or any Tax on certain non-arm's length transactions described in Section 857(b)(7) of the Code, or (ii) has incurred any liability for Taxes under Sections 857(b), 857(f), 860(c) or 4981 of the Code or Section 337(d) of the Code (and the applicable Treasury Regulations thereunder).

(i) No REIT Entity has any earnings and profits attributable to itself or any other corporation accumulated in any non-REIT year within the meaning of Section 857 of the Code.

(j) No Group Company is or has been a party to any "reportable transaction," as defined in Section 6707A(c)(1) of the Code and Treasury Regulation 1.6011-4(b).

(k) No Group Company (i) has agreed to make any adjustment pursuant to Section 481(a) of the Code, (ii) has any knowledge that the Internal Revenue Service has proposed, in writing, such an adjustment or a change in accounting method with respect to the Group Company or (iii) has any application pending with the Internal Revenue Service or any other Governmental Entity requesting permission for any change in accounting method.

(l) Except as set forth on Section 3.15(l) of the Disclosure Schedules, no Group Company holds, directly or indirectly, any asset the disposition of which would be subject

to taxation under Section 337(d) of the Code and the Treasury Regulations thereunder or subject to rules similar to Section 1374 of the Code.

(m) No Group Company is a party to or has any obligation under any Tax sharing agreement, Tax indemnity agreement, Tax allocation agreement or similar contract or arrangement (other than contracts entered into in the ordinary course of business and the primary subject of which is not Tax).

(n) No Group Company (i) is or has ever been a member of an affiliated group of corporations filing a consolidated income Tax Return or (ii) has any liability for Taxes of any Person (other than such Group Company or its respective Subsidiaries) under Treasury Regulations Section 1.1502-6 (or any similar provision of any state, local or foreign Law), as a transferee or successor, by contract or otherwise.

Section 3.16 **Properties and Ground Leases**

.

(a) Each Group Company set forth on Section 3.16(a) of the Disclosure Schedules, as applicable, owns fee simple title to the real property identified in Section 3.16(a) of the Disclosure Schedules (collectively, the "Owned Properties"), which shall be free and clear of all Liens as of the Closing, except Permitted Liens. To the knowledge of Sellers, no Property is subject to any order to be sold nor is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefor, nor, has any Seller or Group Company received written notice that any such condemnation, expropriation or taking is threatened or proposed, except as would not have a Company Material Adverse Effect.

(b) Section 3.16(b) of the Disclosure Schedules lists each parcel of real property currently ground leased or ground subleased by any Group Company (collectively, the "Ground Leased Properties") and sets forth the party holding such ground leasehold interest and a list of the ground lease or ground sublease (collectively, with each other agreement or amendment modifying, supplementing or assigning such ground lease or ground sublease or related to "PILOT" or other tax-abatement arrangements entered into at such Ground Leased Properties, the "Ground Lease Documents") as of the Effective Date. Each applicable Group Company holds a valid leasehold interest in the Ground Leased Properties, which shall be free and clear of all Liens as of the Closing, except Permitted Liens. True, correct and complete copies of all Ground Lease Documents have been made available to Buyer. Each of the Ground Lease Documents is valid, binding and in full force and effect and enforceable as against the applicable Group Company and, to the knowledge of Sellers, as against the other party thereto, subject to the Bankruptcy and Equity Exception. Neither any Seller nor any Group Company has received or delivered any written notice of default under any of the Ground Lease Documents that remains uncured. No Group Company is in default (with or without notice or lapse of time or both), under the Ground Lease Documents, and, to the knowledge of the Seller, the other party under the Ground Lease Documents is not in default (with or without notice or lapse of time or both) thereunder.

(c) Except pursuant to the terms of this Agreement, no Property or Group Company is subject to an agreement pursuant to which such Property or Group Company will be sold or otherwise transferred by any Seller or Group Company.

(d) As of the Effective Date, no Group Company is a party to (i) any management or other similar contract providing for the management of any Property by any party, other than as disclosed in Section 3.16(d)(1) of the Disclosure Schedules (collectively, the "Management Agreements") or (ii) any leasing brokerage or similar contract providing for the leasing of any Property or payment of leasing commissions to any third-party, other than as disclosed in Section 3.16(d)(2) of the Disclosure Schedules (collectively, the "Brokerage Agreements"). No party is providing management or similar services to the Properties, other than pursuant to the Management Agreements and the agreements disclosed in Section 3.16(d)(3) of the Disclosure Schedules (collectively, the "Sub-management Agreements"). True, correct and complete copies of the Management Agreements, Affiliate Agreements (to the extent set forth on Section 3.21 of the Disclosure Schedules), forms of Brokerage Agreements (along with a schedule of the applicable counterparties to such agreements), and forms of Sub-management Agreements (along with a schedule of the applicable counterparties to such agreements) have been made available to Buyer.

(e) Other than the Properties and the Leased Real Property, the Group Companies do not own, directly or indirectly, any fee simple, leasehold or other ownership interest in any real property as of the Effective Date. There are no outstanding options, rights of first offer or rights of first refusal or other rights to purchase such any Property or any portion thereof or interest therein.

Section 3.17 **Leased Real Property; Personal Property**

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(a) Leased Real Property. Section 3.17(a) of the Disclosure Schedules sets forth a list of all leases (each a "Material Real Property Lease") of real property (such real property, the "Leased Real Property") pursuant to which a Group Company is a tenant as of the Effective Date, except for any lease or agreement pursuant to which a Group Company holds Leased Real Property for which the aggregate annual rental payments do not exceed $2.5 million. Each Material Real Property Lease is valid and binding on the Group Company party thereto, enforceable in accordance with its terms (subject to proper authorization and execution of such Material Real Property Lease by the other party thereto subject to the Bankruptcy and Equity Exception), except as would not have a Company Material Adverse Effect. Each Group Company, and, to the knowledge of Sellers, each of the other parties thereto, has performed in all material respects all material obligations required to be performed by it under each Material Real Property Lease. No Group Company has entered into any written or oral subleases, concessions or other contracts granting to any Person other than a Group Company the right to use or occupy any Leased Real Property. No Group Company has granted to any Person other than a Group Company any options or rights of first refusal to purchase all or a portion of such properties.

(b) Personal Property. As of the Effective Date and except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the Group Companies collectively own, hold valid leases or otherwise have rights in, all material machinery, equipment and other personal property (excluding, for the avoidance of doubt, Intellectual Property Rights) necessary for the conduct of their business as currently conducted, free and clear of all Liens except for Liens identified on Section 3.17(b) of the Disclosure Schedules, Permitted Liens and otherwise subject of the terms of the Ground Lease Documents.

Section 3.18 Space Leases

. The Acquired Companies have made available to Buyer copies of all existing Major Space Leases which are true, correct and complete in all material respects. As of the Effective Date, the Major Space Leases have not been materially amended, supplemented or otherwise modified except such amendments, supplements and modification as have been made available to Buyer. As of the Effective Date, no Group Company has given or received any written notice of any breach or default under any of such Major Space Leases which has not been cured. As of the date of the Latest Balance Sheet, except as set forth on Section 3.18(a) of the Disclosure Schedules, there are no outstanding tenant inducements, tenant allowances, leasing costs (including brokerage commissions) or similar arrangements with respect to the Major Space Leases or any renewal thereof relating to or for any period after Closing. Except pursuant to the terms of any Space Lease, Ground Lease Document or instrument properly recorded against the applicable Property, no party has any purchase option, right of first refusal, right of first offer or similar right. As of the date of the Latest Balance Sheet, except for the work described in Section 3.18(b) of the Disclosure Schedules, all tenant improvements and other construction work required by the terms of any Major Space Lease to be performed by, or at the cost of, any Group Company have been completed and fully paid for. Sellers do not covenant, represent or warrant that any particular Space Lease will be in force or effect as of the Closing Date or that any tenant under a Space Lease will not be in default under its Space Lease as of the Closing Date. Except as set forth in the Space Leases and the Brokerage Agreements, there are no outstanding tenant inducements, tenant allowances, leasing costs (including brokerage commissions) or similar arrangements with respect to the Space Leases.

Section 3.19 Security Deposits

. Section 3.19 of the Disclosure Schedules is a true, correct and complete list of the security and other deposits as of the date of the Latest Balance Sheet (including, whether in the form of cash or letter of credit) under the Major Space Leases being held by the Group Companies as of the date of the Latest Balance Sheet and notes whether such security and other deposit is held as cash or a letter of credit. No Person, other than the Group Companies, is holding any security or other deposits made by any tenant under the Major Space Leases, other than any security or other deposit set forth on Section 3.19 of the Disclosure Schedules for which a proration is made at Closing in accordance with this Agreement.

Section 3.20 Rent Rolls

. The rent rolls made available to Buyer are true, correct and complete copies of the rent rolls on which Sellers and the Group Companies rely for internal accounting purposes and which are true, correct and complete in all material respects as of the date of the Latest Balance Sheet.

Section 3.21 Transactions with Affiliates

.

(a) Section 3.21 of the Disclosure Schedules sets forth all agreements, arrangements or contracts between any Group Company, on the one hand, and any other Group Company (other than contracts relating to employment), on the other hand (collectively, the "Intercompany Arrangements"), that will not be terminated effective as of the Closing Date.

(b) Section 3.21 of the Disclosure Schedules sets forth all agreements, arrangements or contracts between any Seller or any Affiliate of Seller (excluding any Group Company), on the one hand, and any Group Company (other than contracts relating to

employment), on the other hand (collectively, the "Affiliate Arrangements"), that will not be terminated effective as of the Closing Date pursuant to Section 6.18.

Section 3.22 Brokers

. Neither Buyer nor the Group Companies will be responsible for any broker's, finder's or other fee or commission to any broker, finder or investment banker in connection with the Transactions based upon arrangements made by or on behalf of the Group Companies.

Section 3.23 **Anti-Money Laundering and Anti-Terrorism Laws; Anti-Corruption**

.

(a) None of the Group Companies or their Affiliates is in violation of any Laws relating to terrorism, money laundering or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Action of 2001, Public Law 107-56, as amended, and Executive Order No. 13224 (Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) (the "Executive Order").

(b) None of the Group Companies or their Affiliates is acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any Government List.

(c) Neither the Group Companies, nor any Person controlling or controlled by the Group Companies, is a country, territory, individual or entity named on a Government List.

(d) None of the Group Companies have taken any action, directly or indirectly, that has resulted or would result in a violation of any Applicable Corruption Laws, and the Group Companies conduct their businesses in conformity with all Applicable Corruption Laws.

Section 3.24 Exclusivity of Representations and Warranties

. Notwithstanding the delivery or disclosure to any Buyer Party or its Affiliates or any of their respective Representatives (collectively, the "Buyer Related Persons") of any documentation or other information, the representations and warranties made in this Article III are the exclusive representations and warranties of any kind or nature, express or implied, of the Group Companies or their respective Representatives as to the Interests, businesses or assets (including as to the condition, value or quality thereof) of the Group Companies, and the Group Companies hereby specifically disclaim any other representations or warranties. Without limiting the generality of the foregoing, none of the Group Companies or any of their respective Representatives has made any representation or warranty with respect to any projections, forecasts, plans, budgets or other estimates of future revenues, expenses, results of operations, cash flows or financial condition, or any component of any of the foregoing, of the Group Companies. Each Group Company acknowledges, represents, warrants and agrees, on behalf of itself and its Affiliates, that (i) other than as expressly set forth in this Agreement, no Buyer Related Person makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any information provided or made available to any Group Company Related Person in connection with the Transactions, and (ii) no Group Company

Related Person shall have any claim against any Buyer Related Person resulting from any information provided or made available to any Group Company Related Person, and any such claim is hereby expressly waived.

Section 3.25 Scope of Representations and Warranties

. For purposes of this Article III, the Parties agree that, notwithstanding anything in this Agreement to the contrary, (a) each USIP I Company is, severally and not jointly with the other USIP I Companies, only making representations and warranties with respect to the USIP I Interests, the USIP I Companies and their respective Subsidiaries, as applicable, (b) each USIP II Company is, severally and not jointly with the other USIP II Companies, only making representations and warranties with respect to the USIP II Interests, the USIP II Companies and their respective Subsidiaries, as applicable, and (c) each USIP III Company is, severally and not jointly with the other USIP III Companies, only making representations and warranties with respect to the USIP III Interests, the USIP III Companies and their respective Subsidiaries, as applicable.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES REGARDING SELLERS

Except as set forth in the Disclosure Schedules, each Seller hereby severally and not jointly represents and warrants to Buyer Parties as follows:

Section 4.1 **Organization**

. Such Seller is a legal entity duly organized and validly existing under the Laws of its jurisdiction of formation. Such Seller has the requisite legal power and authority to own its respective Purchased Interests, except where the failure to have such power and authority would not prevent or materially delay the consummation of the Transactions.

Section 4.2 **Authority**

. Such Seller has all necessary power and authority to execute and deliver this Agreement and to consummate the Transactions. The execution and delivery of this Agreement and the consummation of the Transactions have been duly authorized by all necessary action on the part of such Seller and no other proceeding on the part of such Seller is necessary to authorize this Agreement or to consummate the Transactions. No vote or other action of such Seller's equityholders is required to approve this Agreement or for such Seller to consummate the Transactions, other than any deliveries by Sellers contemplated by Sellers pursuant to Section 2.3. This Agreement has been duly and validly executed and delivered by such Seller and constitutes a valid, legal and binding agreement of such Seller (assuming that this Agreement has been duly and validly authorized, executed and delivered by the other Parties), enforceable against such Seller in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 4.3 Consents and Approvals; No Violations

. Assuming the truth and accuracy of the representations and warranties of Buyer set forth in Section 5.3, no notices to, filings with or authorizations, consents or approvals of any Governmental Entity are necessary for the execution, delivery or performance by such Seller of this Agreement or the Ancillary Documents to which such Seller will be a party or the consummation by such Seller of the Transactions, except for (a) compliance with and filings under the HSR Act (if applicable), (b) the filing of the Certificates of Merger with the Secretary of State of the State of Delaware and

(c) those the failure of which to obtain or make would not prevent or materially delay the Closing. Neither the execution, delivery or performance by such Seller of this Agreement or the Ancillary Documents to which such Seller will be a party nor the consummation by such Seller of the Transactions will (i) conflict with or result in any breach of any provision of such Seller's Governing Documents, (ii) result in a violation or breach of, or cause acceleration, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration or purchase or sale) under, any contract, agreement or other instrument binding upon such Seller or (iii) violate any Order, writ, injunction, decree, Law, statute, rule or regulation of any Governmental Entity having jurisdiction over such Seller or the Purchased Interests, except in each case of clauses (ii) and (iii) as would not prevent or materially delay the consummation of the Transactions.

Section 4.4 Ownership of the Purchased Interests

. Such Seller owns beneficially and of record, and has good and valid title to, all of its respective Purchased Interests, and upon consummation of the Transactions such Seller shall have transferred to Buyer good and valid title to such Purchased Interests, free and clear of all Liens other than any Liens created by Buyer or its Affiliates.

Section 4.5 **Brokers**

. Neither Buyer nor the Group Companies will be responsible for any broker's, finder's or other fee or commission to any broker, finder or investment banker in connection with the Transactions based upon arrangements made by or on behalf of such Seller.

Section 4.6 **Anti-Money Laundering and Anti-Terrorism Laws; Anti-Corruption**

.

(a) None of the Sellers, nor, to Sellers' knowledge after reasonable review of publicly available information, any Person owning, directly or indirectly, more than 50% of the ownership interests in any Seller or controlled by Sellers, is in violation of any Laws relating to terrorism, money laundering or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Action of 2001, Public Law 107-56, as amended, and the Executive Order;

(b) None of the Sellers, nor, to Sellers' knowledge after reasonable review of publicly available information, any Person owning, directly or indirectly, more than 50% of the ownership interests in any Seller or controlled by Sellers, is acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any Government List;

(c) Neither the Sellers, nor to Sellers' knowledge after reasonable review of publicly available information, any Person owning, directly or indirectly, more than 50% of the ownership interests in any Seller or controlled by Sellers, is a country, territory, individual or entity named on a Government List; and

(d) None of the Sellers has taken any action, directly or indirectly, that has resulted or would result in a violation of any Applicable Corruption Laws, and the Sellers conduct their businesses in conformity with all Applicable Corruption Laws.

Section 4.7 Exclusivity of Representations and Warranties

. Notwithstanding the delivery or disclosure to any Buyer Related Persons of any documentation or other information, the representations and warranties made in this Article IV are the exclusive representations and warranties of any kind or nature, express or implied, of Sellers or their respective Representatives as to the Interests, businesses or assets (including as to the condition, value or quality thereof) of the Group Companies, and Sellers hereby specifically disclaim any other representations or warranties. Without limiting the generality of the foregoing, none of Sellers or any of their respective Representatives has made any representation or warranty with respect to any projections, forecasts, plans, budgets or other estimates of future revenues, expenses, results of operations, cash flows or financial condition, or any component of any of the foregoing, of Sellers or the Group Companies. Each Seller acknowledges, represents, warrants and agrees, on behalf of itself and its Affiliates, that (i) other than as expressly set forth in this Agreement, no Buyer Related Person makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any information provided or made available to any Seller, its Affiliates or any of their respective Representatives (the "Seller Related Persons") in connection with the Transactions, and (ii) no Seller Related Person shall have any claim against any Buyer Related Person resulting from any information provided or made available to any Seller Related Person, and any such claim is hereby expressly waived.

Section 4.8 Scope of Representations and Warranties

. For purposes of this Article IV, the Parties agree that, notwithstanding anything in this Agreement to the contrary, (a) each USIP II Seller is, severally and not jointly with the other USIP II Sellers, only making representations and warranties with respect to the USIP II Interests, the USIP II Companies and their respective Subsidiaries, as applicable, (b) the USIP III Seller is only making representations and warranties with respect to the USIP III Interests, the USIP III Companies and their respective Subsidiaries, as applicable, and (c) Management Holdings shall be deemed to be a Seller solely for the purposes of this Article IV (other than Section 4.4) and shall be deemed to be making the representations in this Article IV (other than Section 4.4) and Article VII to the extent related to the Article IV (other than Section 4.4) solely with respect to Management Holdings and its Subsidiaries.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER PARTIES

Each Buyer Party hereby represents and warrants to the Seller Parties as follows:

Section 5.1 **Organization**

. Buyer is a Delaware limited liability company, duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and each Merger Sub is a Delaware limited liability company, duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation. Each Buyer Party has all requisite power and authority to carry on its businesses as presently conducted, except where the failure to have such power or authority would not prevent or materially delay the consummation of the Transactions.

Section 5.2 **Authority**

. Each Buyer Party has all necessary power and authority to execute and deliver this Agreement and to consummate the Transactions. The execution and delivery of this Agreement and the consummation of the Transactions have been duly authorized

by all necessary action on the part of each Buyer Party and no other proceeding on the part of any Buyer Party is necessary to authorize this Agreement or to consummate the Transactions. No vote or other action of any Buyer Party's equityholders is required to approve this Agreement or for any Buyer Party to consummate the Transactions. This Agreement has been duly and validly executed and delivered by each Buyer Party and constitutes a valid, legal and binding agreement of each Buyer Party (assuming that this Agreement has been duly and validly authorized, executed and delivered by the other Parties), enforceable against such Buyer Party in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 5.3 **Consents and Approvals; No Violations**

. Assuming the truth and accuracy of the representations and warranties of the Acquired Companies and Sellers contained in Section 3.5 and Section 4.3, respectively, no notices to, filings with or authorizations, consents or approvals of any Governmental Entity are necessary for the execution, delivery or performance by any Buyer Party of this Agreement or the Ancillary Documents to which such Buyer Party will be a party or the consummation by such Buyer Party of the Transactions, except for (a) compliance with and filings under the HSR Act (if applicable), (b) the filing of the Certificates of Merger with the Secretary of State of the State of Delaware and (c) those the failure of which to obtain or make would not prevent or materially delay the consummation of the Transactions. Neither the execution, delivery or performance by a Buyer Party of this Agreement or the Ancillary Documents to which such Buyer Party will be a party nor the consummation by such Buyer Party of the Transactions will (i) conflict with or result in any breach of any provision of such Buyer Party's Governing Documents, (ii) result in a violation or breach of, or cause acceleration, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration or purchase or sale) under, any contract, agreement or other instrument binding upon such Buyer Party or (iii) violate any Order, writ, injunction, decree, Law, statute, rule or regulation of any Governmental Entity applicable to such Buyer Party or any of such Buyer Party's Subsidiaries or any of their respective properties or assets, except in each case of clauses (ii) and (iii) as would not prevent or materially delay the consummation of the Transactions.

Section 5.4 **Brokers**

. No broker, finder, financial advisor or investment banker is entitled to any brokerage, finder's, financial advisor's or investment banker's fee or commission or similar payment in connection with the Transactions based upon arrangements made by and on behalf of Buyer or any of its Affiliates for which Sellers may become liable at any time or any of the Group Companies may become liable prior to the Closing.

Section 5.5 **Guaranty**

. Concurrently with the execution of this Agreement, Buyer has delivered the Guaranty to the Seller Representative. The Guaranty is in full force and effect, has not been withdrawn or terminated or otherwise amended or modified in any respect, and constitutes the valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with and subject to its terms and conditions, except as enforceability may be limited by the Bankruptcy and Equity Exception. No event has occurred which, with or without notice, lapse of time or both, could constitute a default on the part of the Guarantor under such Guaranty. The provisions of this Section 5.5 do not limit the express representations of the Guarantor contained in the Guaranty.

Section 5.6 **Solvency**

. Assuming that (a) the conditions to the obligation of the Buyer Parties to consummate the Transactions have been satisfied or waived, (b) the representations and warranties set forth in Article III and Article IV are true and correct, and (c) the financial projections or forecasts provided by or on behalf of the Seller Parties to Buyer prior to the date hereof have been prepared in good faith on assumptions that were and continue to be reasonable, immediately after giving effect to the Transactions, Buyer and the Group Companies will not (a) be insolvent (either because its financial condition is such that the sum of its debts is greater than the fair value of its assets or because the fair salable value of its assets is less than the amount required to pay the probable liability on its existing debts as they mature), (b) have unreasonably small capital with which to engage in its business or (c) have incurred debts beyond its ability to pay as they become due.

Section 5.7 **REIT Matters**

. At the Effective Time, Buyer will not be an individual for the purposes of Section 542(a)(2) of the Code (determined after taking into account Section 856(h)(3)(A) of the Code) and Buyer's acquisition of the USIP Interests will not cause any REIT Entity to be "closely held" as defined in Section 856(h) of the Code.

Section 5.8 **Merger Subs**

. All of the authorized equity interests of the Merger Subs are, and at the Effective Time will be, owned by Buyer or its permitted designee and such equity interests are validly issued and outstanding. Each Merger Sub was formed solely for the purpose of engaging in the Mergers and the other Transactions.

Section 5.9 **Investigation; No Other Representations; Investment Risk**

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(a) The Buyer Related Persons have conducted their own independent review and analysis of the Group Companies and, based thereon, have formed an independent judgment concerning the businesses, assets, condition, operations and prospects of the Group Companies. The Buyer Related Persons have been given full access to such documents and information about the Group Companies and their businesses and operations as they have deemed necessary to enable them to make an informed decision with respect to the execution, delivery and performance of this Agreement and the consummation of the Transactions.

(b) Each Buyer Party acknowledges, represents, warrants and agrees, on behalf of itself and its Affiliates, that (i) other than as expressly set forth in this Agreement, none of Sellers, the Group Companies, any of their Affiliates or any of their respective Representatives (collectively, the "Group Company Related Persons") makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any information provided or made available to any Buyer Related Person in connection with the Transactions or with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations, future cash flows or future financial condition, or any component of the foregoing, or any other forward looking information, of the Group Companies or their Affiliates and (ii) no Buyer Related Person shall have any claim against any Group Company Related Person resulting from any information provided or made available to any Buyer Related Person, including any such projections, forecasts, estimates, plans, budgets or other forward looking information, or any material provided in any "data room," confidential information memorandum or management presentation, and any such claim is hereby expressly waived.

(c) Each Buyer Party (i) is an "accredited investor" within the meaning of the Securities Act, (ii) is a "qualified purchaser" within the meaning of the Investment Company Act of 1940, as amended, (iii) is able to bear the economic risk of its investment in the Interests (including total loss of its investment) and (iv) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of the Transactions.

Section 5.10 **Anti-Money Laundering and Anti-Terrorism Laws; Anti-Corruption**

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(a) None of Buyer or its Affiliates is in violation of any Laws relating to terrorism, money laundering or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Action of 2001, Public Law 107-56, as amended, and the Executive Order.

(b) None of Buyer or its Affiliates is acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any Government List.

(c) Neither Buyer, nor any Person controlling or controlled by Buyer, is a country, territory, individual or entity named on a Government List.

(d) Buyer has not taken any action, directly or indirectly, that has resulted or would result in a violation of any Applicable Corruption Laws, and Buyer conducts its businesses in conformity with all Applicable Corruption Laws.

ARTICLE VI
COVENANTS

Section 6.1 **Conduct of Business of the Group Companies**

. Except (a) as required by applicable Law, (b) as consented to in writing by Buyer (which consent shall not be unreasonably withheld, delayed or conditioned); provided, that the consent of Buyer shall be deemed to have been given if Buyer does not object within ten (10) Business Days following Seller Representative's written request for such consent, (c) as expressly contemplated or required by this Agreement or (d) as set forth on Section 6.1 of the Disclosure Schedules, from and after the Effective Date until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, each Group Company shall (and the Seller Parties shall cause each Group Company to) (i) conduct its business in the ordinary course in all material respects, (ii) use its commercially reasonable efforts to preserve substantially intact its business organization and, to the extent within such Group Company's control, goodwill, relationships with tenants, and material commercial relationships, (iii) to preserve their assets and properties in good repair and condition (normal wear and tear excepted) and (iv) not take any of the following actions (it being acknowledged and agreed that if any action is expressly permitted by any of the following subsections, such action shall be expressly permitted under this Section 6.1 so long as it is not prohibited by another subsection):

(A) adopt any amendments or modifications to its Governing Documents;

(B) issue any equity interests or grant any option to purchase or subscribe for any equity interests, or sell, grant, pledge, distribute or otherwise dispose of, or incur any Lien (other than any Permitted Lien) on, any of its share capital or other equity interests or any options, warrants, convertible or exchangeable securities, subscriptions, rights, stock appreciation rights, calls or commitments with respect to its share capital of any kind or grant phantom stock or other similar rights with respect to its share capital or other equity interests;

(C) subject any portion of its properties or assets to any Lien, except for Permitted Liens;

(D) authorize, recommend, propose or announce an intention to adopt or effect, adopt or effect a plan of complete or partial liquidation, dissolution, merger, consolidation, conversion, restructuring, recapitalization or other reorganization;

(E) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets, securities, properties, interests or businesses other than the Romeoville Asset pursuant to the Romeoville PSA or personal property in the ordinary course;

(F) sell, lease (except as otherwise permitted pursuant to Section 6.9), transfer, distribute, or otherwise dispose any material assets, properties or businesses, including the Properties, for an amount greater than $3,000,000 with respect to an individual transaction and $10,000,000 in the aggregate, other than (i) dispositions of obsolete personal property in the ordinary course of business to be replaced with comparable and useful personal property, (ii) as required pursuant to the terms of any Space Lease and (iii) the Miramar Disposition;

(G) make any loans, advances, guaranties or capital contributions to or investments in any other Person, other than pursuant to existing contracts which have been made available to Buyer prior to the Effective Date;

(H) terminate, materially amend, extend or renew any Material Contract (other than extensions or renewals at the end of a term or on overall terms no less favorable to the applicable Group Company than the terms of the existing Material Contract and for a term no longer than the existing term of such Material Contract) or enter into any agreement that if entered into prior to the Effective Date would constitute a Material Contract;

(I) (i) increase the compensation or benefits of, or enter into any new bonus or incentive agreement or arrangement with, any of its employees, directors or individual independent contractors, other than in the ordinary course of business, (ii) adopt, enter into, materially amend or terminate any Employee Benefit Plan (or any plan, arrangement, program or policy that would be an

Employee Benefit Plan if it were in existence as of the date of this Agreement), or adopt or terminate a Group Company's participation in any PEO Plan, (iii) hire any executive officer, (iv) grant any severance, termination pay, retention or change in control benefits to any current or former director, employee or individual independent contractor or (v) enter into any collective bargaining agreement or other agreement with a labor union;

(J) incur any material Indebtedness or any Indebtedness for borrowed money;

(K) modify the Existing Loans, whether to increase any prepayment costs or assumption fees, or otherwise modify any other terms including relating to the ability or costs to prepay or assume such Existing Loans, in each case, in a manner adverse to the Buyer;

(L) initiate or consent to any material zoning reclassification of any Property (or any portion thereof) or any material change to any approved site plan, special use permit, planned unit development approval or other land use entitlement affecting any Property (or any material portion thereof), except with respect to the Romeoville Asset as contemplated under the Romeoville PSA;

(M) change its authorized or issued capital stock or adjust, split, combine, subdivide or reclassify any of its capital stock, membership interests or other equity interests;

(N) settle or compromise any action, suit, claim, investigation or other proceeding (x) with any Governmental Entity or (y) which (1) requires payment by any Group Company of more than $1,000,000 in the aggregate and is not otherwise covered by such Group Company's insurance policies or by a third party or (2) in which any Group Company admits liability or consents to non-monetary relief;

(O) cancel, terminate, fail to keep in place or reduce the amount of any insurance coverage provided by the insurance policies held by any Group Company, Management Holdings or its Subsidiaries with respect to the assets or properties of any Group Company as of the Effective Date relating to the businesses, assets, liabilities and operations of the Group Companies without obtaining substantially equivalent (in the aggregate) substitute insurance coverage;

(P) except as may be required as a result of a change in Law or in IFRS, make any material change in any financial accounting policies or financial accounting procedures that would materially affect the consolidated assets, liabilities or results of operations of any Group Company;

(Q) change any method of Tax accounting; make, change or rescind any material Tax election; amend any material Tax Return; file any

material Tax Return other than in the ordinary course of business and consistent with past practice; settle or compromise any material Tax liability; agree to any adjustment of any material Tax attribute; enter into any "closing agreement" within the meaning of Section 7121 of the Code (or any comparable agreement under state, local or foreign law); surrender any right to claim a material Tax refund; request any private letter ruling or similar ruling from any Governmental Entity; consent to extend or waive any statute of limitations with respect to material Taxes; except, in each case, (i) as required by applicable Law, (ii) as expressly set forth in this Agreement or (iii) as is necessary to preserve the status of any REIT Entity as a REIT;

(R) take or allow any action, or omit to take any action, if such action or omission, as the case may be, could reasonably be expected to result in the termination of any REIT Entity's qualification for taxation as a REIT or could reasonably be expected to result in a challenge to its qualification for taxation as a REIT, except (i) as required by applicable Law or (ii) as expressly set forth in this Agreement;

(S) without limiting any other provision of this Section 6.1, following the Adjustment Time, incur any Indebtedness or declare or pay any distribution or dividend in respect of any equity interests; or

(T) enter into an agreement to do any of the foregoing.

Notwithstanding the foregoing (i) nothing contained in this Agreement shall give to any Buyer Party, directly or indirectly, rights to control or direct the operations of the Group Companies prior to the Closing and (ii) the Sellers and each Acquired Company will take, and cause each of its Subsidiaries to take, any actions, or forbear from taking any actions, as necessary to ensure that each REIT Entity will be classified as a REIT for the taxable year of such entity that includes the Closing Date or to avoid incurring U.S. federal income Taxes under Sections 857(b) or 4981 of the Code, and will take, and cause each of its Subsidiaries to take, any action which is consistent with such REIT qualification for such taxable year or any prior taxable year; provided, that the failure of any entity to satisfy the distribution requirements of Section 857(a) for any period beginning after December 31, 2018 shall not be deemed a breach of this Section 6.1 or of any other obligation of the REIT Entities to maintain REIT status. Prior to the Closing Date, Sellers shall promptly notify Buyer if they become aware of any issue that may adversely impact the maintenance of the REIT status of any REIT Entity for such REIT Entity's 2019 taxable year and cooperate and consult in good faith with Buyer with respect thereto.

Section 6.2 **Tax Matters**

. Buyer Parties, on the one hand, and Seller Parties, on the other hand, shall cooperate fully with each other, as and to the extent reasonably requested by the other Party, in connection with the preparation, filing and execution of Tax Returns and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding during normal business hours and making employees available (as reasonably required) and outside tax advisors (whether current or historic) on a mutually convenient basis to provide additional information

and explanation of any materials provided hereunder or to testify at any such proceeding. All transfer Taxes, recording fees and other similar Taxes that are imposed on any of the Parties by any Governmental Entity in connection with the Transactions shall be borne 24% by Buyer and 76% by Sellers. This Section 6.2 shall survive the Closing. Seller Parties will use commercially reasonable efforts to prepare and file the Tax Returns for the Group Companies for the 2018 taxable year prior to September 10, 2019, which filings shall be prepared in a manner consistent with past practice. At least twenty (20) days prior to filing the U.S. federal income Tax Returns, and at least five (5) days prior to filing all other Tax Returns, Seller Parties will provide copies of such Tax Returns for Buyer's review, reasonable comment and approval, not to be unreasonably withheld.

Section 6.3 Access to Information and Properties

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(a) From and after the Effective Date until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, Seller Parties and Management Holdings shall, upon reasonable prior notice, provide to Buyer, at Buyer's expense and during normal business hours, reasonable access to the books and records of the Group Companies. Notwithstanding the foregoing, Seller Parties and Management Holdings shall not be required to provide such access if doing so would be reasonably likely to (i) unreasonably disrupt the operations of any Group Company or any of its Affiliates, (ii) cause a violation or breach of or default under, or give a third party the right to terminate or accelerate any rights under, any Material Contract to which any Group Company or any of its Affiliates is a party, (iii) result in a loss of legal privilege to any Group Company or any of its Affiliates, or (iv) constitute a violation of any applicable Law. All information made available pursuant to this Section 6.3(a) shall be treated as "Confidential Information" pursuant to the terms of the Confidentiality Agreement. All requests for access or information pursuant to this Section 6.3(a) shall be directed to Seller Representative or its designee. During the period from the Effective Date until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, each Buyer Party hereby agrees that it is not authorized to and shall not (and shall cause its Affiliates and its and their respective Representatives not to) contact any employee of any Group Company regarding any Group Company, its business or the Transactions without the prior consent of Seller Representative. No investigation or inspection under this Section 6.3 or otherwise shall affect the representations, warranties, covenants or agreements of the Sellers or the Group Companies or the conditions to the obligations of the parties under this Agreement and shall not limit or otherwise affect the rights or remedies available hereunder. Notwithstanding anything to the contrary in this Agreement or in the Confidentiality Agreement, Buyer and its Representatives may disclose Confidential Information (as defined in the Confidentiality Agreement) subject to the confidentiality restrictions applicable to "Representatives" (as defined in the Confidentiality Agreement) set forth in the Confidentiality Agreement to potential purchasers (and their financing sources) of one or more Properties or Group Companies.

(b) From and after the Effective Date until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, Sellers and Group Companies shall, upon reasonable prior notice, provide Buyer, any lender providing Debt Financing to Buyer, and their respective employees, representatives, attorneys, consultants and agents

(collectively "Inspection Parties") limited license to enter upon the Properties during normal business hours to conduct such customary studies, tests, examinations, inquires, inspections and investigations concerning the Properties as may be required by any lender providing Debt Financing to Buyer (the "Property Inspections"); provided, however, that no Inspection Party shall be permitted to (i) perform any invasive tests on a Property or any testing that includes sampling or (ii) to inspect the inside of any buildings occupied by a tenant, in each case without the prior written consent of Seller Representative, in Seller Representative's sole discretion. Further, Seller Representative shall have the right, without limitation, to disapprove any and all Property Inspections (including any Phase II environmental study of a Property) and other matters that in the reasonable judgment of Seller Representative could result in (A) a material disruption to the operations of any Group Company or any of its Affiliates, (B) injury to a Property or breach of any Material Contract, violation of applicable Law, or otherwise materially adversely affect a Property, Seller, Group Company or any of its Affiliates. All requests for access to the Properties pursuant to this Section 6.3(b) shall be directed to Seller Representative or its designee. No Inspection Party shall enter a Property to perform invasive testing until Seller Representative has given approval of the request and any inspection or testing plan, and the applicable Inspection Party has delivered such evidence of insurance as may be reasonably requested by Seller Representative. Seller Representative or its designee shall have the right, but not the obligation, to be present during any Property Inspection, provided that if Seller Representative or its designee elects not to be present, Buyer shall nonetheless be permitted to conduct such Property Inspection subject to the terms of this Agreement. No Inspection Party shall unreasonably interfere with the use, occupancy or business of any tenant at a Property, and no Inspection Party shall permit any lien or encumbrance to be created against a Property as a result of its Property Inspections hereunder. Buyer shall, at Buyer's sole cost and expense, promptly restore any damage to a Property related to any Property Inspections, and upon completion of such Property Inspections, Buyer shall be responsible for returning the applicable Property to substantially the same condition as existing immediately prior to entry by such Inspection Party. Buyer shall indemnify, hold harmless and defend Sellers, Group Companies, their Affiliates, employees, officers, counsel and representatives from and against all damages or other losses, demands, actions, claims costs and expenses (including reasonable attorneys' fees) arising from or related to the Property Inspections or any breach of the terms and conditions of this Section 6.3(b) (excluding, however, any loss, injury, damage, claim, lien, cost or expense to the extent arising out of the mere discovery of a pre-existing condition at any Property (except to the extent exacerbated by Buyer)). This Section 6.3(b) shall survive the Closing or any earlier termination of this Agreement.

(c) After the Closing Date, Buyer and the Group Companies shall use commercially reasonable efforts, until the sixth (6th) anniversary of the Closing Date, to retain all books, records and other documents pertaining to the business of the Group Companies in existence on the Closing Date and make the same available for inspection and copying by Seller Representative (at Seller Representative's expense) during normal business hours of the Group Companies upon reasonable request and upon reasonable notice. No such books, records or documents shall be destroyed after the sixth (6th) anniversary of the Closing Date by Buyer or the Group Companies without first advising Seller Representative in writing and giving Seller Representative a reasonable opportunity to obtain possession thereof. Notwithstanding anything to the contrary in this Section 6.3(c), after the Closing, Buyer and the Group Companies shall be

entitled to destroy such books, records and other documents to the extent in accordance with bona fide record retention policies. Notwithstanding the foregoing, Buyer shall not be required to provide such access if doing so would be reasonably likely to (i) unreasonably disrupt the operations of Buyer, any Group Company, or any of their Affiliates, (ii) cause a violation or breach of or default under, or give a third party the right to terminate or accelerate any rights under, any contract to which Buyer, any Group Company, or any of their Affiliates is a party, (iii) result in a loss of legal privilege to Buyer, any Group Company, or any of their Affiliates, or (iv) constitute a violation of any applicable Law. All information made available pursuant to this Section 6.3(c) shall be treated as confidential pursuant to Section 6.3(d).

(d) Each of the Seller Parties and Management Holdings recognizes that, by reason of its ownership or provision of management services, as applicable, of the Acquired Companies, it and its Affiliates have acquired confidential information and trade secrets concerning the operation of the Acquired Companies, the disclosure of which could cause any of the Buyer Parties or its Affiliates substantial loss and damages that could not be readily calculated and for which no remedy at Law would be adequate. Accordingly, each of the Seller Parties and Management Holdings covenants to the Buyer Parties that such Seller Party, Management Holdings and their Affiliates will not, for a period of two years following the date of this Agreement, except in performance of its obligations to the Buyer Parties or with the prior written consent of Buyer, directly or indirectly, disclose any proprietary, secret or confidential information relating to the Acquired Companies that it may learn or has learned by reason of its ownership of the Acquired Companies, unless such information (i) is or becomes available to the public (other than as a result of any disclosure by any Seller Party, Management Holdings or any of their Representatives in breach of this Section 6.3(d)), (ii) is or becomes available to a Seller Party, Management Holdings or any of their Representatives from a Person, other than a Seller Party, Management Holdings, an Acquired Company or any Buyer Party or any of their respective Representatives, provided that such source is not known (following reasonable inquiry) by such Seller Party, Management Holdings or such Representative, as the case may be, to be disclosing such information in breach of any legal or contractual obligation of confidentiality to a Seller Party, Management Holdings, an Acquired Company or any Buyer Party, (iii) is independently developed by or for a Seller Party, Management Holdings or any of their Representatives without the use of any such information, or (iv) is already in a Seller Party's, Management Holding's or any of their Representatives' possession prior to disclosure to the Seller Party, Management holdings or their applicable Representative, other than from a Seller Party, Management Holdings, an Acquired Company, a Buyer Party or any of their respective Representatives, provided that such source is not known (following reasonable inquiry) by such Seller Party, Management Holdings or such Representative, as the case may be, to be disclosing such information in breach of any legal or contractual obligation of confidentiality to a Seller Party, Management Holdings, an Acquired Company or any Buyer Party.

(e) At the Closing, to the maximum extent each such party is permitted to do so, the Seller Parties, the Acquired Companies, and the Seller Representative shall (and shall cause their applicable Affiliates to), assign, grant and convey to Buyer all the rights under confidentiality agreements between such parties or their respective Representatives, on the one hand, and Persons other than Affiliates of Buyer, on the other hand, that were entered into in

connection with or relating to a possible sale of any Group Company or the Properties (collectively, the "Other Confidentiality Agreements"), including the right to enforce all terms of the Other Confidentiality Agreements. None of the Seller Parties, the Acquired Companies, the Seller Representative nor their respective Affiliate or Representatives shall waive any rights under the Other Confidentiality Agreements. At the Closing, the Seller Representative shall deliver to Buyer copies of the Other Confidentiality Agreements.

(f) Books and Records. Buyer has advised Seller Parties that, following the Closing, Buyer (or a direct or indirect owner of Buyer or Affiliate thereof) may be required to file, in compliance with certain laws and regulations (including, without limitation, Regulation S-X of the Securities and Exchange Commission), audited financial statements, pro forma financial statements and other financial information related to the Group Companies or the Properties for one (1) fiscal year prior to the Closing and any interim period during the fiscal year in which the Closing occurs (financial statements for any such interim period being unaudited) (the "Financial Information"). Following the Closing, if Buyer (or a direct or indirect owner of Buyer or Affiliate thereof) is required to file, in compliance with such laws and regulations, the Financial Information, then Seller Representative agrees to, at no cost to Seller Parties, use commercially reasonable efforts to cooperate with Buyer (and/or its Affiliates) and its representatives and agents in preparing the Financial Information, including, if requested by Buyer, using commercially reasonable efforts to (i) maintain and allow Buyer (and/or its Affiliates) (upon no less than seventy-two (72) hours prior written notice, which notice may be given via email), reasonable access to, during normal business hours, such books and records of Seller Parties reasonably related to the Properties or the Group Companies), (ii) make employees with knowledge of the Properties available for interview by Buyer (and/or its Affiliates), and (iii) deliver a customary representation letter (the "Audit Inquiry Letter") in such form as is reasonably acceptable to Seller Parties and Buyer's (and/or its Affiliates) outside third party accountants (the "Accountants"), with such facts and assumptions as reasonably determined by the Accountants in order to make such certificate accurate, signed by the individual(s) responsible for Seller Parties' financial reporting, as prescribed by generally accepted auditing standards promulgated by the Auditing Standards Division of the American Institute of Certified Public Accountants, which representation letter may be required to assist the Accountants in rendering an opinion on such financial statements (the foregoing (i) – (iii) referred to collectively as the "Audit Assistance") (it being understood that Seller Parties shall not be required to deliver pro forma financial statements or provide pro forma adjustments to the Financial Information to reflect the transactions contemplated herein including any financing related thereto).

Section 6.4 **Efforts to Consummate**

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(a) Subject to the terms and conditions of this Agreement, the Parties shall use their respective reasonable best efforts to (i) cause the conditions set forth in Article VII to be satisfied and to enable the Closing to occur as promptly as practicable and in any event prior to the Outside Date and (ii) obtain as promptly as practicable any consent of, or any approval by, any Governmental Entity or third party which is required to be obtained by the Parties or their respective Affiliates in connection with the Transactions. Notwithstanding anything to the contrary in this Agreement, in connection with obtaining any consents in connection with the Transactions from any Person (other than from a Governmental Entity), (I) without the prior

written consent of Buyer, no Acquired Company or any of its Subsidiaries shall pay or commit to pay to such Person whose approval or consent is being solicited any cash or other consideration, make any commitment or incur any liability or other obligation and (II) no Buyer Party or any of its Affiliates shall be required to pay or commit to pay to such Person whose approval or consent is being solicited any cash or other consideration, make any commitment or incur any liability or other obligations.

(b) Without limiting the foregoing, Buyer shall, and shall cause its Subsidiaries to use their respective best efforts to, take any and all actions necessary, proper or advisable to avoid each and every impediment under any Antitrust Law or other applicable Law or Order that may be asserted by any Governmental Entity with respect to this Agreement and the Transactions so as to cause the conditions set forth in Article VII to be satisfied and to enable the Closing to occur as promptly as practicable and in any event prior to the Outside Date, including by:

(i) (A) agreeing to sell, divest, hold separate, license or otherwise dispose of any assets, operations, divisions or businesses of Subsidiaries or of any of the Group Companies, (B) taking or committing to take such other actions that may limit Buyer's and its Subsidiaries' freedom of action with respect to, or their ability to retain, any assets, operations, divisions or businesses of any of the Group Companies, (C) agreeing to terminate any contract or business relationship of Buyer or any of its Subsidiaries or of any of the Group Companies and (D) entering into any orders, settlements, undertakings, consent decrees, stipulations or other agreements to effectuate any of the foregoing; notwithstanding anything in this Agreement to the contrary, nothing in this Section 6.4 or elsewhere in this Agreement shall require any Buyer Party to take or agree to take any action with respect to The Blackstone Group L.P. ("Blackstone") or any Affiliate of Blackstone, including any affiliated investment funds or any portfolio company (as such term is commonly understood in the private equity industry) of Blackstone, including selling, divesting or otherwise disposing of, conveying, licensing, holding separate, or otherwise restricting or limiting its freedom of action with respect to, any assets, business, products, rights, licenses, investments, or assets, or interests therein, other than with respect to any of the Group Companies; and

(ii) opposing fully and vigorously any administrative or judicial action or proceeding that is initiated (or threatened to be initiated) challenging this Agreement or the Transactions or any order that could restrain, prevent or delay the consummation of the Transactions, including by defending through litigation any action asserted by any Person in any court or before any Governmental Entity, and vigorously pursuing all available avenues of administrative and judicial appeal in order to vacate, lift, reverse, overturn, settle or otherwise resolve any order that would prevent or delay the consummation of the Transactions.

(c) No Party shall, directly or indirectly take any action, including directly or indirectly acquiring or investing in any Person or acquiring, leasing or licensing any assets, or agreeing to do any of the foregoing, if doing so would reasonably be expected to prevent or delay the satisfaction of any of the conditions set forth in Article VII to be satisfied or the consummation of the Transactions.

(d) Without limiting the foregoing, each of the Parties shall as promptly as practicable make all filings with all Governmental Entities necessary, proper or advisable under this Agreement and applicable Law so as to enable the Closing to occur as promptly as practicable and in any event prior to the Outside Date, including making any filing that may be required under any Antitrust Laws or other applicable Laws or by any Governmental Entity with jurisdiction over enforcement of any such Law. Each of Parties shall furnish to the other such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of any filing required under applicable Antitrust Laws or other applicable Laws. Each Party shall keep the other apprised of the status of any communications with, and any inquiries or requests for additional information from, any Governmental Entity with whom a filing has been made pursuant to Antitrust Laws or other applicable Laws.

(e) None of the Parties shall (i) extend any waiting period under the HSR Act or any applicable Antitrust Law or (ii) enter into any agreement with any Governmental Entity not to consummate the Transactions, except, in each case, with the prior consent of the other Parties.

(f) Nothing in this Section 6.4 shall (x) require any of the Group Companies or Sellers to take or agree to take any action referenced in Section 6.4(b)(i), or (y) permit Buyer or any of its Subsidiaries to take any such action with respect to the Group Companies, that is not conditioned upon the consummation of the Transactions.

Section 6.5 Public Announcements

. The initial press release regarding this Agreement shall be a mutually acceptable joint press release. Prior to Closing, Buyer, Management Holdings and the Seller Representative shall (and the Seller Representative shall advise the Seller Parties to) not issue any press release or public announcement relating to this Agreement or the Transactions without the prior written approval of the other Party (such approval not to be unreasonably conditioned, withheld or delayed). Notwithstanding the foregoing or anything to the contrary in the Confidentiality Agreement, either party (or any of its Affiliates) may release information concerning the transactions contemplated hereby at any time after the date of this Agreement, (i) to comply with any applicable Laws, including pursuant to governmental regulations and statutes as required by law for publicly filing entities or pursuant to an order by a court of competent jurisdiction or (ii) to the extent, in the good faith judgment of Buyer's or Seller Representative' counsel, accountants, or advisors, as applicable, such disclosure is required to be disclosed (including in any registration statement, other disclosure document, press release or public announcement) in connection with such Party's (or any of its Affiliates') quarterly earnings results, earnings guidance or capital raising and other fund-raising activities; provided, however, such disclosing party shall give the other party a reasonable opportunity to review and comment on such disclosure. Notwithstanding the foregoing or anything to the contrary in the Confidentiality Agreement, nothing herein shall limit the right of an Affiliate of Buyer that is a public reporting company to publicly disclose the transaction consistent with any statements previously made in compliance with this Section 6.5.

Section 6.6 **Indemnification; Directors' and Officers' Insurance**

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(a) From and after the Closing until the sixth anniversary of the Closing, each of Buyer and the Group Companies will, to the fullest extent permitted under applicable Law

(including as it may be amended after the Effective Date to expand the rights of Indemnified Parties hereunder) (i) indemnify, defend and hold harmless each current and former director and officer of any of the Group Companies, each Person who is serving or has served at the request of or for the benefit of any of the Group Companies as a director, officer or fiduciary of another Person and each of their respective heirs and estates (collectively, the "Indemnified Parties") against any costs, claims, losses, liabilities, damages, fines, judgments, settlements, fees and expenses (including attorneys' and experts' fees and expenses) (collectively, "Costs") incurred in connection with any actual or threatened claim, action or investigation arising out of or relating to any matters existing or occurring at or prior to the Closing to the extent that they are based on or arise out of the fact that such person is or was a director or officer of a Group Company and (ii) promptly advance expenses as incurred to each Indemnified Party in connection with any such claims, provided, that (x) none of Buyer and the Group Companies shall be liable for any settlement effected without their prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) and (y) except for legal counsel engaged for one or more Indemnified Parties on the date hereof, none of Buyer and the Group Companies shall be obligated under this Section 6.6 to pay the fees and expenses of more than one legal counsel (selected by a plurality of the applicable Indemnified Parties) for all Indemnified Parties in any jurisdiction with respect to any single legal action except to the extent that, on the advice of any such Indemnified Party's counsel, two or more of such Indemnified Parties shall have conflicting interests in the outcome of such action. In the event of any such cost, claim, loss, liability, damage, fine, judgment, settlement, fee or expense for which an Indemnified Party is entitled to indemnification under this Section 6.6(a), Buyer or one of the Group Companies, as applicable, shall pay the reasonable fees and expenses of counsel selected by the Indemnified Parties promptly, and in any event within ten (10) days, after statements therefor are received and otherwise advance to such Indemnified Party upon request, reimbursement of documented expenses reasonably incurred (provided that, if legally required, the person to whom expenses are advanced provides an undertaking to repay such advance if it is determined by a final and non-appealable judgment of a court of competent jurisdiction that such person is not legally entitled to indemnification under applicable Law).

(b) The rights of the Indemnified Parties under this Section 6.6 shall be in addition to any rights such Indemnified Parties may have under the Governing Documents of the Group Companies or any contract or Law. The Group Companies shall and, following the Closing for a period of at least six years following the Closing, Buyer shall cause the Group Companies to, maintain, or cause to be maintained, all rights to indemnification for and exculpation from Costs for acts or omissions occurring at or prior to the Closing and rights to advancement of expenses relating thereto now existing in favor of any Indemnified Party as provided in the Governing Documents of the Group Companies or any contract between such Indemnified Party and a Group Company so that such rights survive the Closing, and the foregoing shall not be amended, repealed or otherwise modified in any manner that would adversely affect any rights of any Indemnified Party.

(c) Prior to the Closing, the Group Companies shall and, if the Group Companies are unable to, Buyer shall, obtain and fully pay the premium for "tail" directors' and officers' liability and fiduciary liability insurance policies for the benefit of the Indemnified Parties, in each case providing coverage for claims asserted prior to and for six years after the

Closing with respect to any matters existing or occurring at or prior to the Closing (and, with respect to claims made prior to or during such period, until final resolution thereof), from an insurance carrier with the same or better credit rating as the Group Companies' insurance carrier as of the Effective Date, with levels of coverage, terms and conditions that are at least as favorable to the Indemnified Parties as the Group Companies' directors' and officers' liability and fiduciary liability insurance policies in effect as of the Effective Date; provided, that in no event shall the Group Companies (or Buyer) be required to expend for any year of such six-year period an amount in excess of 300% of the annual premium currently paid by the Group Companies for such insurance policies (the "Maximum Premium"); provided further, that if the Group Companies (or Buyer) would be obligated to expend more than the Maximum Premium in respect of such "tail" insurance policies, the Group Companies (or Buyer) shall cause to be obtained such policies with the greatest coverage available for a cost not exceeding the Maximum Premium. If the Group Companies (or Buyer) for any reason fails to obtain such "tail" insurance policies as of the Closing, the Group Companies shall, and Buyer shall cause the Group Companies to, continue to maintain in effect for a period of at least six years from and after the Closing the Group Companies' directors' and officers' liability and fiduciary liability insurance policies in effect as of the Effective Date.

(d) In the event that Buyer, any of the Group Companies or any of their respective successors or assigns (i) consolidates with or merges with or into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Buyer or the Group Company, as the case may be, shall assume or succeed to all of the obligations set forth in this Section 6.6.

(e) The provisions of this Section 6.6 shall survive consummation of the Transactions and are expressly intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Parties, each of whom is an express third party beneficiary of this Section 6.6. Buyer shall pay all reasonable expenses, including reasonable attorneys' fees, that may be incurred by any Indemnified Party in enforcing the indemnity and other obligations provided in this Section 6.6.

Section 6.7 Exclusive Dealing

. During the period from the Effective Date until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, each Seller Party shall not, and shall cause its controlled Affiliates and use its reasonable best efforts to cause its and their respective Representatives not to (a) solicit, direct, initiate or knowingly encourage the submission of any proposal providing for an Alternative Transaction or (b) engage in any discussions or negotiations regarding, or furnish to any third party any non-public information in connection with, or enter into any agreement with any Person (other than Buyer or its respective Affiliates) providing for, any Alternative Transaction or requiring any Group Company to abandon, terminate or fail to consummate the Transactions.

Section 6.8 **Financing**

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(a) Prior to the Closing, Management Holdings, Sellers and the Acquired Companies shall, and shall cause the other Group Companies to, use reasonable best efforts to

provide, at Buyer's sole expense, the following cooperation with Buyer's efforts to obtain debt financing in connection with the consummation of the Transactions (collectively the "Debt Financing") (provided, that such requested cooperation does not unreasonably interfere with the ongoing operations of any of the Acquired Companies): (i) participation in a reasonable number of meetings, drafting sessions, rating agency presentations and due diligence sessions; (ii) furnishing Buyer and its potential debt financing sources for the Debt Financing (the "Lenders") with such financial information relating to the Group Companies as may be reasonably requested by Buyer or the Lenders; (iii) as may be reasonably requested by Buyer, and no earlier than immediately prior to the Effective Time, use commercially reasonable efforts to transfer or otherwise restructure its ownership of the Group Companies, properties or other assets, including formation of new entities, in each case, pursuant to documentation reasonably acceptable to Seller Representative; provided that no action shall be required under this clause (iii) to the extent such action could reasonably be expected to cause any breach of, or require any board or investor vote under, the governing documents of any Acquired Company, (iv) provide documentation and other information relating to the Group Companies requested by Buyer in writing and required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations in connection with the Debt Financing, and (v) assisting Buyer and the Lenders in the preparation of (A) a customary offering document, private placement memorandum or bank information memorandum for any of the Debt Financing to the extent specifically required thereby and (B) materials for rating agency presentations; provided, that (1) none of the Sellers, Management Holdings or Acquired Companies shall be required to pay any fees (other than reasonable out of pocket expenses promptly reimbursed by Buyer hereunder on demand) or incur any other liability in connection with the Debt Financing until after the occurrence of the Closing, (2) none of the Sellers, Management Holdings or Acquired Companies shall be required to execute or deliver any documents or take any action relating to the Debt Financing that is not contingent upon the Closing, (3) no Representative of the Sellers, Management Holdings or Acquired Companies shall be required to take any action that could reasonably be expected to result in or cause any liability (personal or otherwise) on the part of any Representative, (4) no action shall be required to the extent such action could reasonably be expected to cause any representation or warranty or covenant contained in this Agreement to be breached, unless expressly waived by Buyer and Seller Representative, and (5) no action shall be required to the extent such action could reasonably be expected to cause any condition to the Closing set forth in Article VII to fail to be satisfied or otherwise cause any breach of this Agreement, unless expressly waived by Buyer and Seller Representative. Any information provided to Buyer or its Representatives pursuant to this Section 6.8(a) shall be subject to the Confidentiality Agreement.

(b) Buyer shall, and shall cause its Affiliates to, promptly upon request by the Seller Representative, reimburse Sellers and the Acquired Companies for all out-of-pocket costs and expenses (including third party attorneys' fees) incurred in connection with the cooperation contemplated by this Section 6.8. Buyer acknowledges and agrees that no Group Company Related Person shall have any responsibility for, or incur any liability to any Person under or in connection with, the arrangement of the Debt Financing or any other financing that Buyer may obtain or seek to obtain in connection with the Transactions, and that Buyer shall indemnify and hold harmless the Group Company Related Persons from and against any and all Costs suffered or incurred by them in connection with the arrangement of the Debt Financing or any other

financing that Buyer may obtain or seek to obtain in connection with the Transactions and any information utilized in connection therewith.

(c) Prior to the Closing, upon the request of Seller Representative, Buyer shall keep Seller Representative reasonably informed in reasonable detail of the status of its efforts to obtain the Debt Financing. The Buyer Parties acknowledge and agree that obtaining the Debt Financing is not a condition to the Closing and reaffirms its obligation to consummate the Transactions irrespective and independently of the availability of the Debt Financing, subject to satisfaction or waiver of the conditions set forth in Article VII.

(d) Upon request of Buyer, Sellers agree to forward or cause the applicable Group Company to forward estoppel certificates and subordination, non-disturbance and attornment agreements reasonably requested by Buyer's lender to (i) tenants at any Property, (ii) counterparties under any recorded declaration or reciprocal easement agreement affecting any Property, and (iii) ground lessors under the Ground Lease Documents. Sellers and each Group Company shall use commercially reasonable efforts to obtain such agreements or certificates by the applicable counterparty prior to Closing, provided that delivery of any such agreements by the applicable counterparty shall not be a condition to Buyer's obligation to close and the failure to deliver any such agreement shall not entitle Buyer to terminate this Agreement or delay the Closing.

Section 6.9 **Space Leases**

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(a) Notwithstanding anything to the contrary contained herein, from the Effective Date until the Closing or earlier termination of this Agreement, Sellers and the Group Companies shall be permitted to enter into, amend, modify, supplement or extend any Space Lease; provided, that such action is taken in the ordinary course of business and consistent with past practice pursuant to arm's length transactions on market terms; provided further, Sellers shall not, and shall cause the Group Companies not to, enter into, amend, modify, supplement or extend any Major Space Lease or terminate any Space Lease without the prior consent of Buyer, which consent may be withheld, conditioned or delayed in Buyer's sole discretion (a "Major Space Lease Transaction"), it being agreed that Buyer has consented to those Space Leases which have been provided to Buyer as "out for signature" prior to the Effective Date as described on Section 6.9 of the Disclosure Schedules; provided further, without the prior written consent of Buyer, Sellers and the Group Companies are authorized without the need for any further consent of Buyer to (i) accept the termination of any Space Leases at the end of their existing terms or enter into amendments memorializing extensions of any Space Leases as required thereunder and not subject to landlord consent thereunder (or permitting landlord any discretion with respect to the terms thereof) or (ii) enforce any rights and remedies against a tenant as a result of such tenant's default under a Space Lease other than a Major Space Lease, provided that such enforcement action is taken in the ordinary course of business and consistent with past practice. If Sellers or any Group Company desire to enter into a Major Space Lease Transaction and Buyer's consent is required hereunder, and Buyer does not respond within ten (10) Business Days after receipt of a notice from Sellers with respect to such Major Space Lease Transaction including reasonable details thereof, together with a written request for Buyer's approval of such lease transaction, then Buyer shall be deemed to have approved such Major Space Lease Transaction. Sellers shall provide Buyer with the monthly statement of material leasing activities

generated by Seller Representative in the ordinary course of business. Notwithstanding the foregoing and anything else to the contrary contained herein, Sellers shall not exercise any rights or negotiate with any tenant with respect to any purchase option under any Space Lease without the prior written consent of Buyer.

(b) Sellers shall not (and shall not permit or cause any Group Company to) release or return any security or other deposits other than upon and in connection with the termination of any Space Lease as required pursuant to the terms of such Space Lease, shall not apply any security or other deposits under any Space Lease to the obligations of any tenant except with respect to any Space Lease that is not a Major Space Lease in the ordinary course of business and consistent with past practice and in accordance with the terms of the applicable non-Major Space Lease. After the Closing, Buyer shall be responsible for the tenant inducements, tenant allowances, and leasing costs set forth on Exhibit G attached hereto.

Section 6.10 Ground Leases and Material Real Property Leases

. From the Effective Date until the Closing or earlier termination of this Agreement, Sellers and the Group Companies shall not be permitted to enter into, amend, modify, supplement, extend or terminate any Ground Lease Document or Material Real Property Lease without the prior written consent of Buyer, which consent may be withheld, conditioned or delayed in Buyer's sole discretion. If Sellers or any Group Company desire to take any action with respect to a Ground Lease Document or Material Real Property Lease for which Buyer's consent is required hereunder, and Buyer does not respond within ten (10) Business Days after receipt of a notice from Sellers with respect to such Ground Lease Document or Material Real Property Lease, together with a written request for Buyer's approval of such lease transaction, then Buyer shall be deemed to have approved such action.

Section 6.11 Director Resignations

. Prior to the Closing, (a) Seller Parties shall obtain the resignation, or cause the removal, of all directors of the Group Companies, which resignation or removal shall be effective at the Closing, and (b) the Seller Representative shall deliver to Buyer evidence of such resignation or removal.

Section 6.12 **Other Transactions**

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(a) Satisfaction of Shareholder Notes. At or prior to the Closing, Seller Parties shall cause the Acquired Companies to pay or otherwise satisfy all obligations under the Shareholder Notes; provided, that some or all of the foregoing obligations may be satisfied through the application of the Closing Consideration; provided, further, that the Seller Parties shall not satisfy the foregoing obligations in any manner that would result in any Cost (including any Tax Cost) to a Group Company.

(b) Treatment of Existing Loans. No later than ten (10) days after the Effective Date, Buyer shall deliver to Seller Representative a description of Buyer's intended treatment of the Existing Loans, specifying for each such Existing Loan whether Buyer intends to prepay, defease and/or assume such Existing Loan in connection with the Closing. To the extent requested by Buyer prior to the end of such ten (10) day period, Seller Parties shall, and shall cause the Group Companies to, use commercially reasonable efforts to facilitate, at Buyer's sole expense, the assumption by Buyer or its Affiliates, at or prior to the Closing, of any such

Existing Loans (the "Assumed Loans"). Such cooperation will include using reasonable best efforts to (i) make appropriate officers reasonably available for participation in a reasonable number of meetings, due diligence sessions and road shows, (ii) provide reasonable assistance in the preparation of offering memoranda, private placement memoranda, prospectuses and similar documents and the execution and delivery of any definitive financing documents as may be reasonably requested by Buyer or its prospective lenders, in each case, solely with respect to information relating to the Group Companies, and (iii) otherwise provide reasonable assistance as may be reasonably requested by Buyer in connection with the loan assumption. Seller Parties shall, and shall cause the Group Companies to, use commercially reasonable efforts to facilitate, at Buyer's sole expense the payment and satisfaction, at or prior to the Closing, of all Existing Loans other than the Assumed Loans ("Closing Payoff Indebtedness"). In furtherance of the foregoing, Seller Parties shall, or shall cause the Group Companies to, use commercially reasonable efforts to obtain, no less than two Business Days prior to the Closing Date, one or more customary pay-off letters executed by the administrative agents or the lenders under any Closing Payoff Indebtedness, in each case, setting forth all amounts necessary to be paid in order to fully discharge each such Closing Payoff Indebtedness and release all Liens and other security interests related to such Existing Loan and including an agreement by such lender to execute and/or deliver Uniform Commercial Code termination statements and such other documents or endorsements necessary to release its Liens and other security interests in the assets, properties and securities of the Group Companies. (the "Pay-Off Letters"). For the avoidance of doubt, any prepayment penalties, defeasance costs and assumption fees relating to the assumption or the discharge of the Existing Loans at the Closing shall be borne by Buyer.

Section 6.13 **REIT Matters**

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(a) Notwithstanding anything to the contrary contained herein, Sellers shall be permitted to take any action at any time as may be required (in Seller's reasonable discretion) to maintain each REIT Entity's qualification for taxation as a REIT, including causing a REIT Entity to declare or pay any dividends (including "consent dividends" within the meaning of Section 565 of the Code); provided, that, if the Sellers determine that it is necessary to take any such action, the Sellers shall first notify Buyer and shall reasonably consult with Buyer as to the actions to be taken.

(b) To the extent the taxable year of any REIT Entity does not terminate on the Closing Date, until the end of such REIT Entity's taxable year that includes the Closing Date, Buyer shall preserve the status of such REIT Entity as a REIT, and cause such REIT Entity to satisfy all requirements to qualify for taxation as a REIT for such taxable year, with respect to the portion of the taxable year that begins on the Closing Date after the Closing and shall not knowingly take or allow any action or omit to take any action, if such action or omission, as the case may be, could reasonably be expected to result in a challenge to a REIT Entity's qualification for taxation as a REIT for such taxable year. Without limiting the foregoing, prior to the end of the taxable year that includes the Closing, Buyer shall cause each REIT Entity to make such distributions (including actual or deemed distributions in connection with an actual or deemed liquidation of such REIT Entity to the extent such distributions qualify for a dividends paid deduction within the meaning of Section 857(a)(1)) as are necessary to cause such entity to eliminate substantially all of its REIT taxable income, including its net capital gain, for such

taxable year (based on a good faith estimate of such entity's REIT taxable income and net capital gain for such period).

(c) Buyer will not cause or permit any REIT Entity to (A) designate any distributions paid (or deemed paid) by such REIT Entity to any person that was a shareholder prior to the Closing (solely in such person's capacity as a shareholder on or prior to the Closing) as "capital gain dividends" under Section 857(b)(3) of the Code or (B) otherwise treat such distributions as attributable to gain from the sale of a "United States real property interest" ("USRPI") under Section 897(h)(1) of the Code, except to the extent any such distribution was attributable to such gain recognized on a disposition of a USRPI that occurred prior to the Closing Date.

(d) This Section 6.13 shall survive the Closing for a period of sixty (60) days after the expiration of the applicable statute of limitations.

Section 6.14 Employee Matters

. For a period of one year following the Closing Date, Buyer shall, or shall cause the applicable Group Company to, use commercially reasonable efforts (taking into the account the fact that neither Buyer nor any Group Company is the sponsor of the PEO Plans) to provide each Transferred Employee who is employed by Buyer or one of its Affiliates following the Closing, solely during any period of employment, with compensation and employee benefits that are substantially comparable in the aggregate to the compensation and employee benefits (other than equity or equity-based compensation, retention awards and any transaction based compensation or benefits) provided to such Transferred Employee immediately prior to the Closing. Buyer shall, or shall cause the applicable Group Company to, give Transferred Employees full credit for all purposes (other than benefit accrual under a defined benefit pension plan) under the employee benefit plans or arrangements maintained by Buyer or its Affiliates in which the Transferred Employees may participate after the date of transfer of such Transferred Employee ("Transfer Date") for such Transferred Employee's service with GLP US Management LLC or its Affiliates or their benefit plans immediately prior to the Closing. With respect to any welfare benefit plans maintained by Buyer or its Affiliates for the benefit of Transferred Employees on and after the Transfer Date, Buyer shall, or shall cause the applicable Group Company to, (i) cause there to be waived any eligibility requirements or pre-existing condition limitations to the same extent waived under comparable plans of GLP US Management LLC or its Affiliates and (ii) give effect, in determining any deductible and maximum out-of-pocket limitations, to amounts paid by such Transferred Employees with respect to comparable plans maintained by GLP US Management LLC or its Affiliates. Buyer shall provide to each Transferred Employee who participates in an annual cash incentive plan of GLP US Management LLC or its Affiliates immediately before the Closing Date and who is employed through the end of the applicable performance period, a cash lump sum payment no later than March 15 of the year following the year in which the Closing occurs equal to a prorated portion (based on the portion of the applicable bonus performance period that occurs on and after the Transfer Date) of the Transferred Employee's annual bonus calculated based on the Transferred Employee's target bonus (the "Post-Closing Bonus"). Notwithstanding the foregoing, Buyer shall provide to each Transferred Employee who is terminated without cause after the Transfer Date a prorated portion of the Post-Closing Bonus (based on the portion of the period that occurs between the Transfer Date and the termination date). Nothing in this Section

6.14 is intended nor shall be construed to (i) be treated as an amendment to any particular Employee Benefit Plan or PEO Plan, (ii) prevent Buyer or its Affiliates from amending or terminating any of its benefit plans in accordance their terms, (iii) create a right in any employee to employment with Buyer or any of its Affiliates or (iv) create any third-party beneficiary rights in any employee with respect to the compensation, terms and conditions of employment and/or benefits that may be provided to any Transferred Employee by Buyer or any of its Affiliates or under any benefit plan which Buyer or any of its Affiliates may maintain.

Section 6.15 Representation and Warranty Insurance

. If Buyer or any of its Affiliates procures a representation and warranty insurance policy (or other similar policy) (a "R&W Policy"), then (i) such R&W Policy shall be at Buyer's sole expense and (ii) Buyer shall cause such R&W Policy to expressly include a waiver by the insurer of any and all subrogation rights (except in the case of Fraud) against any Seller, its Affiliates and their respective officers, directors and employees. Buyer shall cause each insured party under any such R&W Policy not to waive, amend, modify or otherwise revise such subrogation provision, or allow such provision to be waived, amended, modified or otherwise revised, in each case in a manner that is adverse to a Seller without the prior written consent of such Seller. Sellers shall reasonably cooperate with Buyer with respect to Buyer's procurement of any such R&W Policy.

Section 6.16 **Trademark Matters**

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(a) Except as expressly set forth in this Section 6.16, immediately following the Closing, Buyer and its Affiliates shall cease and discontinue all uses of the GLP Trademarks, either alone or in combination with other words, symbols, designs, or logos, and all Trademarks, Internet domain names or social media handles likely to cause confusion with any of the foregoing or embodying any of the foregoing alone or in combination with other words, symbols, designs, or logos. Except as expressly set forth in this Section 6.16, the rights of the Group Companies to any of the GLP Trademarks pursuant to the terms of any existing agreements shall terminate on the Closing Date. As soon as reasonably practicable after Closing, and (i) in no event later than six (6) months following the Closing Date, Buyer and its Affiliates (including, after the Closing, the Group Companies) shall cease all of their use of the GLP Trademarks (other than on any signage) and relabel, destroy, delete the GLP Trademarks from or exhaust all materials (other than signage) bearing the GLP Trademarks that were in existence as of the Closing Date, including advertising, promotional materials, software, packaging, inventory, electronic materials, collateral goods, stationery, business cards, websites and other materials (except to the extent any such materials must be retained to comply with applicable Laws or document retention notices issued by any Governmental Entity), (ii) in no event later than one (1) year following the Closing Date, Buyer and its Affiliates shall cease all of their use of the GLP Trademarks on all signage and relabel, destroy, delete or exhaust all signage bearing the GLP Trademarks that was in existence as of the Closing Date, and (iii) in no event later than ten (10) Business Days following the Closing Date, Buyer shall, and shall cause its Affiliates to, file to change its and their corporate names, registered names, registered fictitious names or any similar names so that such names do not include any GLP Trademarks, and make all filings with any office, agency or body to effect the elimination of any use of the GLP Trademarks from the businesses of the Group Companies (including by amending, eliminating from and terminating any organizational documents, certificates of assumed names or "doing business as" filings and

any other similar documents, certificates and filings so as to remove from such documents, certificates and filings any of the GLP Trademarks), in each case of (i), (ii) and (iii), to the extent required to bring Buyer and its Affiliates into compliance with this Section 6.16. Promptly after the completion of (i), (ii) and (iii) (but no later than 10 Business Days thereafter), Buyer shall send a written statement to the Sellers verifying that it and its Affiliates have ceased using the GLP Trademarks and complied with the foregoing obligations set forth in this Section 6.16. In no event shall anything in this Section 6.16 be interpreted to permit Buyer to create any new materials or reproduce any existing materials bearing GLP Trademarks after the Closing Date. After the Closing Date, Buyer and its Affiliates shall not expressly, or by implication, do business as or represent themselves as any Seller or any of its Affiliates, or any Affiliate of any Seller or any of its Affiliates.

(b) In no event shall Buyer or its Affiliates use any GLP Trademarks after the Closing Date in any manner or for any purpose different from the use of such GLP Trademarks by the Group Companies during the ninety (90) day period preceding the Closing Date. As between the Parties hereto, Sellers and their Affiliates are the sole and exclusive owners of all right, title and interest in and to the GLP Trademarks and all rights related thereto and goodwill associated therewith, and all uses of the GLP Trademarks and the goodwill arising therefrom shall inure solely to the benefit of Sellers and their Affiliates. Any use by Buyer or the Group Companies of any of the GLP Trademarks during the time periods referred to in this Section 6.16 shall be consistent with the form and manner, and standards of quality, of those in effect by the Group Companies with respect thereto as of immediately prior to the Closing and in accordance with all applicable Laws. Seller Representative shall have a reasonable right to inspect and exercise quality control with respect to Buyer's and the Group Companies' use of the GLP Trademarks. From and after the Closing, Buyer and the Group Companies shall, jointly and severally, indemnify Sellers and their Affiliates and each of their respective officers, directors, employees, agents and representatives against, and hold them harmless from, any Costs suffered or incurred by any such indemnified party to the extent arising from any use by Buyer or any of its Affiliates of the GLP Trademarks from and after the Closing Date or any breach of this Section 6.16. Buyer shall not, and shall cause its Affiliates not to, use the GLP Trademarks in a manner that could reasonably be expected in any respect to reflect negatively on, or otherwise adversely affect, any such GLP Trademarks (including the goodwill associated therewith) or any Seller or any of its Affiliates.

(c) Effective as of the Closing Date, each of the Group Companies hereby sells, conveys, assigns, and transfers to Seller Representative or its designee, on an as-is and where-is basis, without any representations, warranties or indemnities of any kind, any and all right, title and interest such Group Company may have in, to and under all Trademarks in the United States and throughout the world, including the right to renew any registrations included in such Trademarks, the right to apply for trademark registrations within or outside of the United States based in whole or in part upon such Trademarks, the right to collect royalties and proceeds in connection therewith, and all rights and remedies (including the right to sue for and recover damages, profits and any other remedy) for past, present or future infringement, misappropriation, or other violation relating to any of the foregoing, together with any priority right that may arise from any of the foregoing, and all other rights that are or may be secured

under the Laws of the United States or any foreign country, now or hereafter arising or in effect, including all goodwill arising therefrom or associated therewith.

(d) Notwithstanding the foregoing, Buyer and Subsidiaries (including, after the Closing, the Group Companies) may, at all times after the Closing, use the GLP Trademarks (i) to the extent required by applicable Law, (ii) in a neutral, non-trademark manner to describe in a factual, accurate, and non-disparaging way the history of the business of the Group Companies, and (iii) on internal business assets (including historical legal and business documents) that are not visible to the public.

Section 6.17 **Risk of Loss; Condemnation and Casualty**

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(a) If at any time prior to the Closing, (i) any Property or any portion thereof is materially damaged or destroyed as a result of fire or any other casualty, or (ii) any material action or proceeding is filed, under which any Property, or any portion thereof, may be taken pursuant to any Law, ordinance, regulation or by condemnation or the right of eminent domain, the Seller Representative shall give Buyer written notice thereof (which notice shall describe the casualty or the type of action being taken against such Property, as applicable, and which portions of such Property will be affected thereby). To the extent that Sellers or any Group Company receive insurance proceeds from any casualty insurance policies and/or condemnation proceeds in respect of damage, destruction or condemnation of such Property or any portion thereof (collectively, "Proceeds"), Sellers or such Group Company, as applicable, shall either: (i) use such proceeds to repair such damage or destruction, or replace such taken property, as applicable ("Restoration of the Property") or (ii) give Buyer a credit at the Closing against the Closing Consideration in an amount equal to the Proceeds, if any, received by the Sellers or any Group Company or any lender thereto as a result of such casualty or condemnation, together with a credit for any deductible under such insurance, less any amounts spent for Restoration of the Property. To the extent any Affiliate of the Sellers (other than a Group Company) receives Proceeds, the Sellers shall cause such Affiliate to pay such Proceeds to the Group Company designated by Buyer within five (5) Business Days of receipt thereof.

(b) Any Restoration of the Property shall be performed by the Sellers or the Group Companies or any other Affiliates of Sellers in accordance with applicable Laws and the applicable contracts in a good and workmanlike manner and the Sellers and the Group Companies shall consult with Buyer in connection with any Restoration of the Property.

Section 6.18 **Termination of Affiliate Arrangements**

. Immediately prior to the Closing, the Seller Parties shall terminate, or otherwise cause the termination of, all Affiliate Arrangements such that there shall be no further payment, performance or other liability under any Affiliate Arrangement and each Affiliate Arrangement shall cease to have any further force and effect. Sellers shall be responsible for all termination fees and any other costs and expenses relating to the termination of the Affiliate Arrangements. All payables and receivables of any Group Company due from or due to Affiliates (that are not Group Companies) shall be settled and repaid immediately prior to the Adjustment Time.

Section 6.19 **Notification of Certain Matters**

. The Seller Parties, Management Holdings and the Group Companies shall give prompt notice to Buyer, and Buyer shall give

prompt notice to the Seller Representative, of any notice or other communication received by such party from any Governmental Entity in connection with this Agreement or the Transactions, or from any Person, alleging that the consent of such Governmental Entity or Person is or may be required in connection with the Transactions.

Section 6.20 **Section 280G Matters**

. If required to avoid the imposition of Taxes under Code Section 4999 or the loss of a deduction to any Group Company under Code Section 280G, in each case, with respect to any payment or benefit arising in connection with the transactions contemplated by this Agreement, prior to the Closing, each of the Group Companies shall use its reasonable efforts to (i) secure from each person who has a right to any payments and/or benefits as a result of or in connection with the transactions contemplated herein that would be deemed to constitute "parachute payments" (within the meaning of Section 280G of the Code and the regulations promulgated thereunder) a waiver of such person's rights to some or all of such payments and/or benefits (the "Waived 280G Benefits") applicable to such person so that all remaining payments and/or benefits applicable to such person shall not be deemed to be "excess parachute payments" that would not be deductible under Section 280G of the Code and (ii) seek the approval of its equityholders who are entitled to vote in a manner intended to comply with Section 280G(b)(5)(B) of the Code and Treasury Regulation Section 1.280G-1. The Group Companies shall provide Buyer with drafts of all such solicitation materials and consents for review and comment prior to delivery (such review and comment not to be unreasonably withheld, conditioned or delayed). Prior to the Closing, the Group Companies shall inform Buyer and deliver evidence of the results.

Section 6.21 **Management Holdings**.

(a) Management Holdings agrees to the covenants set forth in Exhibit C.

(b) At or prior to the Closing, Sellers shall cause all outstanding preferred units in Management Holdings held by a Group Company to be redeemed for cash in accordance with the terms thereof and treated as "Closing Cash" to the extent held in any account of a Group Company as of the Adjustment Time.

(c) For purposes of Section 3.10 and Section 3.13 (and Article VII to the extent related to such Sections), all references to "Group Company" shall include Management Holdings and its Subsidiaries.

(d) The first paragraph of Section 6.1 shall apply to Management Holdings and its Subsidiaries as if it were a Group Company other than clause (iv) thereof except that the covenants set forth in Section 6.1(I), and Section 6.1(O) shall apply to Management Holdings (and references to Group Companies in such provisions shall be deemed to apply to Management Holdings and its Subsidiaries).

Section 6.22 **Miramar Disposition**. In the event that the Miramar Disposition does not occur prior to the Closing, then Buyer shall pay to the Seller Representative an amount equal to the net proceeds received after the Closing by any Group Company in connection with the Miramar Disposition pursuant to the terms of the Miramar PSA after the payment of all

transaction expenses associated therewith and the expiration of any reproration period under the Miramar PSA.

ARTICLE VII
CONDITIONS TO CONSUMMATION OF THE TRANSACTIONS

Section 7.1 **Conditions to the Obligations of the Parties**

. The obligations of each Party to consummate the Transactions are subject to the satisfaction (or, if permitted by applicable Law, waiver by the Party for whose benefit such condition exists) of the following conditions:

(a) any applicable waiting period under the HSR Act relating to the Transactions shall have expired or been terminated, if applicable; and

(b) no statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other Governmental Entity of competent jurisdiction, in each case which prohibits the consummation of the Transactions, shall be in effect.

Section 7.2 **Other Conditions to the Obligations of Buyer Parties**

. The obligation of Buyer Parties to consummate the Transactions is subject to the satisfaction or, if permitted by applicable Law, waiver by Buyer of the following additional conditions:

(a) (i) the representations and warranties of the Acquired Companies set forth in Section 3.2(a) and of Sellers set forth in Section 4.4, shall be true and correct in all respects (other than in any de minimis respects) as of the Closing Date as though made on and as of the Closing Date, (ii) the representations and warranties of the Acquired Companies set forth in Sections 3.1(a), 3.2(b), 3.2(e), 3.3, 3.4, 3.15(f), and 3.22, and of Sellers set forth in Sections 4.1, 4.2, and 4.5, shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date (unless made as of a specified date, in which case as of such specified date), (iii) the representations and warranties of the Acquired Companies set forth in the first sentence of Section 3.7 shall be true and correct in all respects, and (iv) the other representations and warranties of the Acquired Companies set forth in Article III and of Sellers set forth in Article IV shall be true and correct (without giving effect to any limitation as to materiality or Company Material Adverse Effect) as of the Closing Date as though made on and as of the Closing Date (unless made as of a specified date, in which case as of such specified date), except, in the case of this clause (iv), where the failure of such representations and warranties to be true and correct, individually or in the aggregate, has not had, or would not reasonably be expected to have, a Company Material Adverse Effect;

(b) each of Management Holdings, Sellers and the Acquired Companies shall have performed and complied in all material respects with all covenants required to be performed or complied with by it under this Agreement on or prior to the Closing Date;

(c) Seller Representative shall have delivered the following closing documents:

(i) a certificate of an authorized officer of the Seller Representative, dated as of the Closing Date, to the effect that the conditions specified in Section 7.2(a) and Section 7.2(b) have been satisfied; and

(ii) an executed counterpart to the Escrow Agreement, duly executed by each of the Escrow Agent and the Seller Representative;

(d) Seller Parties shall have delivered the items contemplated by Section 2.3(a); and

(e) Buyer shall have received a tax opinion of Kirkland & Ellis LLP, dated as of the Closing Date, substantially in the form of Exhibit E attached hereto, with respect to each REIT Entity, together with the related officer's certificate in substantially the form of Exhibit F attached hereto, and which may contain such reasonable and immaterial changes or modifications from the language set forth on such exhibits as may be mutually agreeable to Buyer and the Seller Representative, such agreement not to be unreasonably withheld.

Section 7.3 **Other Conditions to the Obligations of the Acquired Companies and Sellers**

. The obligations of the Acquired Companies, Management Holdings and Sellers to consummate the Transactions are subject to the satisfaction or, if permitted by applicable Law, waiver by the Acquired Companies and Sellers of the following additional conditions:

(a) the representations and warranties of Buyer Parties set forth in Article V shall be true and correct as of the Closing Date as though made on and as of the Closing Date (unless made as of a specified date, in which case as of such specified date), except where the failure of any such representations and warranties to be true and correct would not reasonably be expected to prevent or materially delay beyond the Outside Date the ability of Buyer to consummate the Transactions;

(b) Buyer Parties shall have performed and complied in all material respects with all covenants required to be performed or complied with by it under this Agreement on or prior to the Closing Date;

(c) Buyer shall have delivered the following closing documents:

(i) a certificate of an authorized officer of Buyer, dated as of the Closing Date, to the effect that the conditions specified in Section 7.3(a) and Section 7.3(b) have been satisfied; and

(ii) the Escrow Agreement, duly executed by each of the Escrow Agent and Buyer; and

(d) Buyer Parties shall have taken the actions, and delivered the items, contemplated by Section 2.3(b).

Section 7.4 **Frustration of Closing Conditions**

. No Buyer Party, on the one hand, nor Sellers and Acquired Companies, on the other hand, may rely on the failure of any condition

set forth in this Article VII to be satisfied if such Party's failure to act in compliance with the provisions of this Agreement has been a principal cause of the failure of the Closing to occur.

ARTICLE VIII
TERMINATION; AMENDMENT; WAIVER

Section 8.1 **Termination**

. This Agreement may be terminated and the Transactions may be abandoned at any time prior to the Closing:

(a) by mutual written consent of Buyer and the Seller Representative;

(b) by Buyer, if a breach of any of the representations or warranties of the Acquired Companies set forth in Article III or of Sellers (including, where applicable, Management Holdings) set forth in Article IV shall have occurred or if any Acquired Company, Management Holdings or Seller has breached any covenant or agreement on the part of Management Holdings, Sellers or the applicable Acquired Company, as the case may be, set forth in this Agreement, in either case, such that the condition to Closing set forth in either Section 7.2(a) or Section 7.2(b) would not be satisfied and such breach cannot be cured by the Outside Date or, if curable by the Outside Date, has not been cured within thirty (30) days after Buyer delivers written notice of such breach; provided, that no Buyer Party is then in breach of this Agreement so as to cause the condition to Closing set forth in either Section 7.3(a) or Section 7.3(b) not to be satisfied as of the date of termination if the Closing were to occur on such date;

(c) by the Seller Representative, if a breach of any of the representations or warranties of a Buyer Party set forth in Article V shall have occurred or if a Buyer Party has breached any covenant or agreement on the part of such Buyer Party set forth in this Agreement, in either case, such that the condition to Closing set forth in either Section 7.3(a) or Section 7.3(b) would not be satisfied and such breach cannot be cured by the Outside Date or, if curable by the Outside Date, has not been cured within thirty (30) days after the Seller Representative delivers written notice of such breach; provided, that neither Management Holdings, Sellers nor the Acquired Companies are then in breach of this Agreement so as to cause the condition to Closing set forth in Section 7.2(a) or Section 7.2(b) not to be satisfied as of the date of termination if the Closing were to occur on such date;

(d) by either Buyer or the Seller Representative, if the Transactions shall not have been consummated on or prior to December 2, 2019 (the "Outside Date"); provided, that the right to terminate this Agreement pursuant to this Section 8.1(d) shall not be available to Buyer, if any Buyer Party, or to the Seller Representative, if Management Holdings or any Seller or Acquired Company, as applicable, shall have failed to act in compliance with the provisions of this Agreement and such failure has been a principal cause of the failure of the Transactions to be consummated or prior to the Outside Date;

(e) by either Buyer or the Seller Representative, if any statute, rule, regulation, executive order, decree, injunction or other order issued by any court of competent jurisdiction or other Governmental Entity of competent jurisdiction, in each case which permanently prohibits the consummation of the Transactions, shall have become final and

nonappealable; provided, that the right to terminate this Agreement pursuant to this Section 8.1(e) shall not be available to Buyer, if any Buyer Party, or to the Seller Representative, if Management Holdings or any Seller or Acquired Company, as applicable, shall have failed to act in compliance with the provisions of this Agreement and such failure has been a principal cause of such statute, rule, regulation, executive order, decree, injunction or other order to have been issued; or

(f) by the Seller Representative, if (i) all of the conditions set forth in Section 7.1 and Section 7.2 have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing; provided that such conditions to be satisfied at the Closing would be satisfied as of the date of the notice referenced in clause (ii) of this Section 8.1(f) if the Closing were to occur on the date of such notice), (ii) on or after the date the Closing should have occurred pursuant to Section 2.2(a), the Seller Representative has delivered written notice to Buyer to the effect that all of the conditions set forth in Section 7.1 and Section 7.2 have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing; provided that such conditions to be satisfied at the Closing would be satisfied as of the date of such notice if the Closing were to occur on the date of such notice), and the Seller Parties and Management Holdings are ready, willing and able to consummate the Closing and (iii) the Buyer Parties fail to consummate the Transactions on or before the third Business Day after delivery of the notice referred to in clause (ii) of this Section 8.1(f), and the Seller Parties and Management Holdings were prepared to consummate the Closing during such three Business Day period.

Section 8.2 **Effect of Termination**

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(a) In the event of the termination of this Agreement pursuant to Section 8.1, this entire Agreement shall forthwith become void and there shall be no liability or obligation on the part of Buyer, Sellers, Management Holdings, the Seller Representative, the Acquired Companies, Merger Subs, any Buyer Related Person, any Group Company Related Person any USIP I Holder or any other Person relating to, based on or arising under or out of this Agreement, the Transactions or the subject matter hereof (including the negotiation and performance of this Agreement), except that this Section 8.2, Section 6.5, the indemnification and reimbursement obligations of Buyer Parties contained in the penultimate sentence of Section 6.3(b) and in Section 6.8(b), and Article X shall survive such termination and remain valid and binding obligations of the Parties.

(b) Upon a termination of this Agreement by Buyer pursuant to Section 8.1(b) as a result of a willful breach by Management Holdings, an Acquired Company or the Seller Parties, as the case may be, the Seller Parties shall within three (3) Business Days after the date of such termination, reimburse or cause to be reimbursed at the direction of Buyer any actual out-of-pocket costs and expenses incurred by Buyer and/or its Affiliates in connection with this Agreement and/or the Transactions, by wire transfer of same day funds to an account designated by Buyer, not to exceed an amount equal to $50,000,000 (the "Seller Expense Reimbursement").

(c) Upon a termination of this Agreement (i) by the Seller Representative pursuant to Section 8.1(c) or Section 8.1(f) or (ii) by either Buyer or the Seller Representative pursuant to Section 8.1(d) and at the time of termination the Seller Representative could have terminated this Agreement pursuant to Section 8.1(c) or Section 8.1(f), Buyer shall, within three

(3) Business Days after the date of such termination, pay or cause to be paid to the Paying Agent (for disbursement to the Seller Parties in accordance with payment instructions provided by Seller Representative to the Paying Agent and using such account or accounts as the Seller Representative shall designate), by wire transfer of same day funds, an amount equal to $1,000,000,000 (the "Buyer Termination Fee"). The Buyer Termination Fee shall be allocated among the USIP I Companies in the aggregate, the USIP II Companies in the aggregate, the USIP III Companies in the aggregate and Management Holdings in accordance with Section 2.6 of the Disclosure Schedules.

(d) The Parties acknowledge that the agreements contained in this Section 8.2 are an integral part of the Transactions, and that, without these agreements, the Parties would not enter into this Agreement. The Parties acknowledge that (x) the Buyer Termination Fee constitutes liquidated damages and is not a penalty and (y) the Seller Expense Reimbursement constitutes liquidated damages and is not a penalty.

(e) In the event this Agreement is terminated, Buyer's right to receive the Seller Expense Reimbursement pursuant to Section 8.2(b) shall be the sole and exclusive remedy (whether at Law or in equity, in contract, tort or otherwise) for any and all losses, damages, costs or expenses of the Buyer Parties or any of their respective Affiliates in connection with this Agreement (and the termination hereof) and the Transactions (and the abandonment thereof) or any matter forming the basis for such termination and in no event shall any Buyer Party or any of their respective Affiliates seek any other amounts in connection with this Agreement or the Transactions or in respect of any other document or theory of Law or equity or in respect of any oral representations made or alleged to be made in connection herewith or therewith, whether at Law or in equity, in contract, tort or otherwise.

(f) In the event this Agreement is terminated, the Seller Parties' right to receive the Buyer Termination Fee pursuant to Section 8.2(c) shall be the sole and exclusive remedy (whether at Law or in equity, in contract, tort or otherwise) for any and all losses, damages, costs or expenses of the Seller Parties, Management Holdings, the Acquired Companies, the Seller Representative or any of their respective Affiliates in connection with this Agreement (and the termination hereof) and the Transactions (and the abandonment thereof) or any matter forming the basis for such termination and in no event shall any Seller Party, any Acquired Company, Management Holdings, the Seller Representative or any of their respective Affiliates seek any other amounts in connection with this Agreement or the Transactions or in respect of any other document or theory of Law or equity or in respect of any oral representations made or alleged to be made in connection herewith or therewith, whether at Law or in equity, in contract, tort or otherwise. Each Seller Party, Acquired Company, Management Holdings and the Seller Representative agrees that it has no right of recovery against, and no personal liability shall attach to, any of the Buyer Non-Recourse Parties (other than the Buyer Parties to the extent provided in this Agreement and Blackstone Real Estate Advisors L.P. to the extent provided in the Confidentiality Agreement), through any Buyer Party or otherwise, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil, by or through a claim by or on behalf of any Buyer Party against any Buyer Non-Recourse Party, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any applicable Law, whether in contract, tort or otherwise, except for its rights to

recover from the Guarantor (but not any other Buyer Non-Recourse Party) under and to the extent provided in the Guaranty and subject to the Cap (as defined therein) and the other limitations described therein. Recourse against the Guarantor under the Guaranty shall be the sole and exclusive remedy of the Seller Parties, Management Holdings, the Acquired Companies, the Seller Representative or any of their respective Affiliates against the Guarantor and any other Buyer Non-Recourse Party (other than the Buyer Parties to the extent provided in this Agreement and Blackstone Real Estate Advisors L.P. to the extent provided in the Confidentiality Agreement) in connection with this Agreement or the transactions contemplated hereby or in respect of any other document or theory of Law or equity or in respect of any oral representations made or alleged to be made in connection herewith or therewith, whether at Law or in equity, in contract, in tort or otherwise. Without limiting the rights of the Seller Parties against the Buyer Parties hereunder and Blackstone Real Estate Advisors L.P. under the Confidentiality Agreement, in no event shall the Seller Parties, Management Holdings, the Acquired Companies, the Seller Representative or any of their respective Affiliates seek to enforce this Agreement against, make any claims for breach of this Agreement against, or seek to recover damages from, any Buyer Non-Recourse Party (other than the Guarantor to the extent provided in the Guaranty and subject to the Cap and the other limitations described therein).

(g) In the event that Buyer or the Seller Parties, as the case may be, commences litigation to seek all or a portion of the amounts payable under this Section 8.2, and it prevails in such litigation, it shall be entitled to receive, in addition to all amounts that it is otherwise entitled to receive under this Section 8.2, all reasonable expenses (including attorneys' fees) which it has incurred in enforcing its rights hereunder. In no event will any Party be entitled to seek, or to receive payment of, monetary damages prior to the earlier of the termination of this Agreement or, subject to Section 10.1, the Closing.

ARTICLE IX
SELLER REPRESENTATIVE

Section 9.1 **Authorization of the Seller Representative**

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(a) The Seller Representative is hereby appointed, authorized and empowered to act as the Seller Representative, for the benefit of each Seller Party, as the exclusive agent and attorney-in-fact to act on behalf of each Seller Party, in connection with and to facilitate the consummation of the Transactions. In furtherance (and not in limitation) of the foregoing, the Seller Representative has the power and authority to:

(i) waive one or more conditions set forth in Section 7.1 and Section 7.3 that is for the benefit of the Seller Parties or the Acquired Companies;

(ii) give and receive any written notice or instruction permitted or required under this Agreement, the Escrow Agreement or any other Ancillary Document by the Seller Representative or any Acquired Company, including providing payment instructions to the Paying Agent and/or Escrow Agent under Section 2.3(c), Section 2.4 or Section 8.2(c), as applicable, and accounting for all fees, expenses, distributions and payments in connection therewith;

(iii) take any actions required or otherwise contemplated to be taken by the Seller Representative, any Seller Party or any Acquired Company under this Agreement;

(iv) execute and deliver the Escrow Agreement and any other Ancillary Document;

(v) agree to such amendments or modifications to this Agreement, the Escrow Agreement or any other Ancillary Document as the Seller Representative, in its sole discretion, determines to be desirable; provided, that, in the event the express terms of such amendments or modification (A) adversely and disproportionately affect the rights or obligations of any Seller Party as compared to any other Seller Parties or (B) modify any payment reasonably expected to be made to or from any Seller Party, then such Seller Party shall provide its prior written consent for any such action to be taken;

(vi) enforce and protect the rights and interests of each Seller Party (including Seller Representative, in its capacity as a Seller) and to enforce and protect the rights and interests of the Seller Representative, in each case, arising out of or under or in any manner relating to this Agreement, the Escrow Agreement, any other Ancillary Document or the Transactions, and to take any and all actions which the Seller Representative believes are necessary or appropriate under this Agreement, the Escrow Agreement or any other Ancillary Document for and on behalf of each Seller Party, including asserting or pursuing any claim, action, proceeding or investigation arising out of or under or in any manner relating to this Agreement, the Escrow Agreement or any other Ancillary Document (a "Claim") against Buyer or its Affiliates, consenting to, compromising or settling any such Claims, conducting negotiations with Buyer or its Affiliates or their respective representatives regarding such Claims, and, in connection therewith, to: (A) assert or institute any Claim; (B) receive and accept services of legal process in connection with any Claim; (C) investigate, defend, contest or litigate any Claim initiated by Buyer or its Affiliates or any other Person, or by any federal, state or local Governmental Entity against any Seller, and receive process on behalf of any or all of Sellers in any such Claim and compromise or settle any such Claim on such terms as the Seller Representative determines to be appropriate, and give receipts, releases and discharges with respect to any such Claim; (D) file any proofs of debt, claims and petitions in connection with any such Claim as the Seller Representative may deem advisable or necessary; and (E) file and prosecute appeals from any decision, judgment or award rendered with respect to any such Claims, it being understood that the Seller Representative (in its capacity as such) will not have any obligation to take any such actions, and, subject to Section 9.2, will not have any liability to any Seller Party for any failure to take any such actions;

(vii) refrain from enforcing any right of any Seller Party or the Seller Representative arising out of or under or in any manner relating to this Agreement, the Escrow Agreement or any other Ancillary Document; provided, however, that no such failure to act on the part of the Seller Representative, except as otherwise provided in this Agreement, the Escrow Agreement or any other Ancillary Document shall be deemed a waiver of any such right or interest by the Seller Representative or by such Seller Party unless such waiver is in writing signed by the Seller Representative;

(viii) engage counsel, accountants and other representatives in connection with carrying out its duties as the Seller Representative; and

(ix) make, execute, acknowledge and deliver all such other receipts, endorsements, notices, requests, instructions, letters and other writings, and, in general, to do any and all things and to take any and all action that the Seller Representative, in its sole and absolute discretion, may consider desirable in connection with or to carry out the Transactions.

(b) Except as expressly set forth herein, the Seller Representative will not be entitled to any fee, commission or other compensation for the performance of its services hereunder, but shall be entitled to the payment of all its out-of-pocket expenses reasonably incurred as Seller Representative. Each Seller Party shall pay on a pro rata basis all expenses and other charges and liabilities (including taxes) incurred by the Seller Representative or its Affiliates, including the fees and expenses of outside legal counsel, accountants and other advisors, in connection with the Transactions.

(c) All of the indemnities, immunities and powers granted to the Seller Representative under this Agreement will survive the Closing Date or any termination of this Agreement, the Escrow Agreement or any other Ancillary Document.

(d) The grant of authority provided for herein (i) is coupled with an interest and is irrevocable and survives the death, incompetency, bankruptcy or liquidation of any Seller Party, (ii) will survive the consummation of the Transactions, and (iii) shall be binding on each Seller Party's successors, heirs and assigns.

(e) Each Buyer Party shall have the right to conclusively rely (without further inquiry or investigation) upon all actions taken (including any documents delivered) or omitted to be taken by the Seller Representative in its capacity as a representative of each Seller Party pursuant to this Agreement, the Escrow Agreement or any other Ancillary Document, all of which actions and omissions shall be legally binding upon each Seller Party.

Section 9.2 **Limitations on Liability**

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(a) Each Buyer Party and each Seller Party acknowledge and agree that the Seller Representative, in its capacity as the Seller Representative, is a party to this Agreement, the Escrow Agreement and the other Ancillary Documents solely to perform certain administrative functions in connection with the consummation of the Transactions. Accordingly, each Buyer Party and each Seller Party acknowledge and agree that the Seller Representative has no liability to, and will not be liable for any Costs of, any Party or any other Person in connection with any obligations of the Seller Representative under this Agreement, the Escrow Agreement, any other Ancillary Document or otherwise in connection with the Transactions, except to the extent such Costs are proven to be the direct result of gross negligence or willful misconduct by the Seller Representative in connection with the performance of its obligations hereunder or thereunder. Each Seller Party acknowledges and agrees that no Buyer Party will be responsible for any obligations of the Seller Representative (or any failure to comply with such obligations), including for any amounts relating to the Sellers' Representative Costs.

(b) In the performance of its duties hereunder, the Seller Representative shall be entitled to (i) rely upon any document or instrument reasonably believed to be genuine, accurate as to content and signed by any Seller Party or any other Party hereunder and (ii) assume that any Person purporting to give any notice in accordance with the provisions hereof has been duly authorized to do so.

(c) Each Seller Party (i) agrees that all actions taken by the Seller Representative under this Agreement, the Escrow Agreement, any other Ancillary Document or otherwise in connection with the Transactions shall be binding upon such Seller Party and its successors as if expressly confirmed and ratified in writing by such Seller Party and (ii) waives any and all claims and defenses which may be available to contest, negate or disaffirm the action of the Seller Representative taken in good faith under this Agreement, the Escrow Agreement, any other Ancillary Document or otherwise in connection with the Transactions.

ARTICLE X
MISCELLANEOUS

Section 10.1 **Survival**

. This Article X and those covenants and agreements set forth in this Agreement and any Ancillary Document that by their terms contemplate performance in whole or in part after the Closing shall survive the Closing. All other representations, warranties, covenants and agreements in this Agreement and any Ancillary Document shall not survive the Closing. Notwithstanding the foregoing sentence, the limitations set forth in this Section 10.1 shall not apply to any claim arising from Fraud.

Section 10.2 **Entire Agreement**

. This Agreement, together with the Confidentiality Agreement, the Escrow Agreement, and the Guaranty, constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

Section 10.3 **Assignment**

. This Agreement shall not be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any attempted assignment of this Agreement not in accordance with the terms of this Section 10.3 shall be void. Notwithstanding the foregoing, the Buyer Parties may designate all or any of their rights and duties hereunder to one or more Persons at or prior to the Closing, provided Buyer will continue to remain primarily liable under this Agreement notwithstanding any such designation and no such assignment shall impair or otherwise affect the Guaranty.

Section 10.4 **Notices**

. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by email (upon the sender's receipt of confirmation (which may be in the form of an automated electronic response) or upon the first attempted delivery on a Business Day), or by registered or certified mail (postage prepaid, return receipt requested) to the other Parties as follows:

To any Buyer Party:

c/o Blackstone Real Estate Advisors L.P.
345 Park Avenue
New York, New York 10154
Attn: Head, U.S. Asset Management
Email: realestatenotices@blackstone.com

with a copy (which shall not constitute notice) to:

c/o Blackstone Real Estate Advisors L.P.
345 Park Avenue
New York, New York 10154
Attn: General Counsel
E-mail: realestatenotices@blackstone.com

with a copy (which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Sasan Mehrara
Brian Stadler
Email: smehrara@stblaw.com
bstadler@stblaw.com

To the Seller Representative, any Seller Party, Management Holdings or any Acquired Company:

c/o GLP Pte. Ltd
100 Wilshire Boulevard, Suite 940
Santa Monica, CA 90401
Attention: Alan Yang
Adam Berns
Email: ayang@glprop.com
aberns@glprop.com

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Attention: Michael P. Brueck, P.C.
Sarkis Jebejian, P.C.
David L. Perechocky
Email: michael.brueck@kirkland.com
sarkis.jebejian@kirkland.com

or to such other address as the Party to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

Section 10.5 **Fees and Expenses**

. Except as otherwise set forth in this Agreement (including the penultimate sentence of Section 6.3(b), Section 6.8(b), Section 8.2(b), Section 8.2(c) and Section 8.2(g)), all fees and expenses incurred in connection with this Agreement and the Transactions, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Party incurring such fees or expenses.

Section 10.6 **Construction; Interpretation**

. The term "this Agreement" means this Agreement together with the schedules and exhibits hereto, as the same may from time to time be amended, modified, supplemented or restated in accordance with the terms hereof. The headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. No Party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions hereof, and all provisions of this Agreement shall be construed as if drafted jointly by the Parties. Unless otherwise indicated to the contrary herein by the context or use thereof: (a) the words, "herein," "hereto," "hereof" and words of similar import refer to this Agreement as a whole, including the schedules and exhibits, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Agreement; (b) masculine gender shall also include the feminine and neutral genders, and vice versa; (c) words importing the singular shall also include the plural, and vice versa; (d) the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation"; (e) references to "$" or "dollar" or "US$" shall be references to United States dollars and (f) the term "or" shall not be exclusive and shall mean "and/or." Where a reference in this Agreement is made (i) to any agreement (including this Agreement), contract, statute or regulation, such reference shall be to (except as context may otherwise require) the agreement, contract, statute or regulation as amended, modified, supplemented, restated or replaced from time to time (in the case of an agreement or contract, to the extent permitted by the terms thereof) and (ii) to any statute or regulation, such reference shall also be to any rules or regulations promulgated thereunder.

Section 10.7 **Exhibits and Schedules**

. All exhibits and schedules are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement. Any item disclosed in any section or subsection of the Disclosure Schedules shall be deemed to have been disclosed with respect to every other section or subsection if the relevance of such disclosure to such other section or subsection is reasonably apparent. The specification of any dollar amount in the representations or warranties contained in this Agreement or the inclusion of any specific item in any section of the Disclosure Schedules is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no Person shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation, items or matter is or is not material for purposes of this Agreement or whether a Company Material Adverse Effect has, would or could occur.

Section 10.8 **No Third Party Beneficiaries**

. This Agreement shall be binding upon and inure solely to the benefit of each Party and its successors and permitted assigns and, except as provided in Section 6.6, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

Section 10.9 **Severability**

. If any term or other provision of this Agreement is invalid, illegal or unenforceable, all other provisions of this Agreement shall remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any Party.

Section 10.10 **Counterparts; Facsimile Signatures**

. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this Agreement.

Section 10.11 **Knowledge**

. For all purposes of this Agreement, (a) the phrase "to the knowledge of Sellers" and any derivations thereof shall mean, as of the applicable date, the actual knowledge of the Persons set forth on Section 10.11(a) of the Disclosure Schedules after due and reasonable inquiry, none of whom shall have any personal liability or obligations regarding such knowledge, and (b) the phrase "to the knowledge of Buyer" and any derivations thereof shall mean, as of the applicable date, the actual knowledge of the Persons set forth on Section 10.11(b) of the Disclosure Schedules after due and reasonable inquiry, none of whom shall have any personal liability or obligations regarding such knowledge.

Section 10.12 **No Recourse**

. Notwithstanding anything that may be expressed or implied in this Agreement, (a) each Buyer Party agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against, and no personal liability whatsoever shall attach to, any past, present or future Group Company Related Person (other than Seller Parties, Management Holdings, the Seller Representative or the Acquired Companies in accordance with the terms of this Agreement) or any of their respective heirs and estates, whether by virtue of any legal or equitable proceeding or any statute, regulation or other applicable Law and (b) each Seller Party and Management Holdings agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against, and no personal liability whatsoever shall attach to, any past, present or future Buyer Non-Recourse Party (other than Buyer Parties in accordance with the terms of this Agreement or Guarantor under, and subject to the terms and limitations of, the Guaranty) or any of their respective heirs and estates, whether by virtue of any legal or equitable proceeding or any statute, regulation or other applicable Law. Except as expressly provided by this Agreement, from and after the Closing, no Person will have any entitlement, remedy or recourse, whether in contract, tort or otherwise, with respect to this Agreement or the Transactions, it being agreed that all such entitlements, remedies and recourse are expressly waived and released by the Parties provided that this sentence shall not apply to any claim arising from Fraud or pursuant to the Confidentiality Agreement.

Section 10.13 **Governing Law**

. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Law of any jurisdiction other than the State of Delaware.

Section 10.14 **Jurisdiction and Venue**

. Each of the Parties (a) submits to the exclusive jurisdiction of (i) the Court of Chancery of the State of Delaware and (ii) to the extent the Court of Chancery of the State of Delaware does not have jurisdiction, the United States District Court of the District of Delaware, as well as to the jurisdiction of all courts to which an appeal may be taken from any such courts, in any action or proceeding arising out of or relating to this Agreement, (b) agrees that all claims in respect of such action or proceeding may be heard and determined in any such court and (c) agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Each Party agrees that service of summons and complaint or any other process that might be served in any action or proceeding may be made on such Party by sending or delivering a copy of the process to the Party to be served at the address of the Party and in the manner provided for the giving of notices in Section 10.4. Nothing in this Section 10.14, however, shall affect the right of any Party to serve legal process in any other manner permitted by Law. Each Party agrees that a final, nonappealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by Law.

Section 10.15 **WAIVER OF JURY TRIAL**

. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH PARTY HEREBY FURTHER AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 10.16 **Specific Performance**

.

(a) The Parties agree that irreparable damage for which monetary damages, even if available, may not be an adequate remedy in the event that the Seller Parties, Management Holdings, the Seller Representative and/or the Acquired Companies do not perform their respective obligations under the provisions of this Agreement in accordance with their specific terms or otherwise breach such provisions. It is accordingly agreed that, prior to the valid termination of this Agreement pursuant to Section 8.1, the Buyer Parties shall be entitled to seek an injunction or injunctions, specific performance and other equitable relief. In no case

shall the Buyer Parties be entitled to receive both a grant of specific performance and the payment of any monetary damages. The Parties agree that none of the Seller Parties, Management Holdings, the Seller Representative and/or the Acquired Companies shall be entitled to seek an injunction or injunctions, specific performance or other equitable relief to enforce specifically the terms and provisions of this Agreement; provided, however, that the Seller Representative shall be entitled to seek specific performance to prevent any breach by a Buyer Party of Section 6.3(a).

(b) The Parties further agree (i) the seeking of remedies pursuant to Section 10.16(a) shall not in any respect constitute a waiver by any Buyer Party seeking such remedies of its respective right to seek its remedies under Section 8.2(b), in the event that this Agreement has been terminated or in the event that the remedies provided for in Section 10.16(a) are not available or otherwise not granted, and (ii) nothing set forth in this Agreement shall require any Buyer Party to institute any proceeding for (or limit any Buyer Party's right to institute any proceeding for) specific performance under this Section 10.16 prior or as a condition to exercising any termination right under Article VIII (and pursuing its remedies after such termination pursuant to Section 8.2(b)), nor shall the commencement of any legal proceeding by any Buyer Party seeking remedies pursuant to Section 10.16(a) or anything set forth in this Section 10.16 restrict or limit Buyer's right to terminate this Agreement in accordance with the terms of Article VIII and pursue its remedies under Section 8.2(b).

Section 10.17 **Amendment**

. This Agreement may be amended or modified only by a written agreement executed and delivered by Buyer and the Seller Representative. This Agreement may not be modified or amended except as provided in the immediately preceding sentence and any purported amendment by any Party or Parties effected in a manner which does not comply with this Section 10.17 shall be void.

Section 10.18 **Extension; Waiver**

. Subject to Section 8.1(d), at any time prior to the Closing, each of Buyer (on behalf of the Buyer Parties) and the Seller Representative (on behalf of the Seller Parties, Management Holdings, the Acquired Companies and itself) may (a) extend the time for the performance of any of the obligations or other acts of any other Party contained herein, (b) waive any inaccuracies in the representations and warranties of any other Party contained herein or in any document, certificate or writing delivered by any other Party pursuant hereto or (c) waive compliance by any other Party with any of the agreements or conditions contained herein. Any agreement on the part of any Party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such Party. The failure of any Party to assert any of its rights hereunder shall not constitute a waiver of such rights. For purposes of this Section 10.18, the Buyer Parties shall be treated as a single Party, and the Seller Parties, Management Holdings, the Acquired Companies and the Seller Representative shall collectively be treated as a single Party.

* * * * *

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS:

NEW WESTERN HOLDINGS, LLC

By: /s/ Mark Tan
Name: Mark Tan
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS: (cont.)

GLOBAL PALM TREE LP

By: Western Global Palm Tree GP LLC,
its general partner

By: New Western Holdings, LLC,
its managing member

By: /s/ Mark Tan
Name: Mark Tan
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS: (cont.)

GLOBAL BASS LP

By: Western Global Palm Tree GP LLC,
its general partner

By: New Western Holdings, LLC,
its managing member

By: /s/ Mark Tan

Name: Mark Tan
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS: (cont.)

KOREA INVESTMENT CORPORATION

By: /s/ Jea Young, Huh

Name: Jea Young, Huh

Title: Managing Director

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS: (cont.)

AMPLE GLOW INVESTMENTS LIMITED

By: /s/ Haisong Jiao
Name: Haisong Jiao
Title: Authorized Representative

By: /s/ Shuiwen Hu
Name: Shuiwen Hu
Title: Authorized Representative

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS: (cont.)

GLOBAL STAR TREE LP

By: Western Global Palm Tree GP LLC,
its general partner

By: New Western Holdings, LLC,
its managing member

By: /s/ Mark Tan
Name: Mark Tan
Title: Authorized Representative

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS: (cont.)

GLOBAL PINE TREE LP

By: Western Global Palm Tree GP LLC,
its general partner

By: New Western Holdings, LLC,
its managing member

By: /s/ Mark Tan Name: Mark Tan
Title: Authorized Representative

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLERS: (cont.)

HARVEST LOGISTICS INVESTMENT, LP

By: Harvest Logistics Investment GP, LLC,
its general partner

By: /s/ Mark Tan
Name: Mark Tan
Title: Authorized Representative

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES:

ICON NEWCO POOL 1 TEXAS, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 1 LA BUSINESS PARKS, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 1 LA NON-BUSINESS PARKS, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 1 INLAND EMPIRE/OC NON-BUSINESS PARKS, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 1 SF BUSINESS PARKS, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 1 SF NON-BUSINESS PARKS, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 1 WEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 1 WEST/SOUTHWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 2, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 2 NORTHEAST/SOUTHWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 2 WEST/NORTHEAST/MIDWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 3 NEVADA, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 3 WEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 3 MIDWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 3 MIDWEST/SOUTHEAST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 4 DC/VA, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 4 NJ, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 4 NORTHEAST/MIDWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 5 GA/FL, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 5 SOUTH FL, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 5 NC/TN, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 6 AUSTIN, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 6 DALLAS, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 6 EL PASO, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

ICON NEWCO POOL 6 WEST/SOUTHWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN A MIDWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN A SOUTH, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN A WEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN A EAST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN B SOUTHEAST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN B NORTHWEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN B SOUTH, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN B WEST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN B EAST, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

WESTERN C REIT, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

HARVEST A REIT, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

HARVEST B REIT, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

ACQUIRED COMPANIES: (cont.)

HARVEST C REIT, LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

GLP US MANAGEMENT HOLDINGS LLC

By: /s/ Stephen Schutte
Name: Stephen Schutte
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

SELLER REPRESENTATIVE:

GLP US MANAGEMENT HOLDINGS II LLC

By: /s/ Alan Yang
Name: Alan Yang
Title: Authorized Signatory

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

BUYER:

BRE JUPITER LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS:

JUPITER INDUSTRIAL MERGER SUB 1 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 2 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 3 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 4 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 5 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 6 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 7 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 8 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 9 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 10 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 11 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 12 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 13 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 14 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

[Signature Page to Transaction Agreement]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 15 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 16 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 17 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 18 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 19 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 20 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 21 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 22 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 23 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 24 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MERGER SUBS: (cont.)

JUPITER INDUSTRIAL MERGER SUB 25 LLC

By: /s/ Tyler Henritze
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

Exhibit A - Sellers, Acquired Companies and Merger Subs

USIP II Sellers
Ample Glow Investments Limited, a British Virgin Islands company
Global Bass LP, a Delaware limited partnership
Global Palm Tree LP, a Delaware limited partnership
Global Pine Tree LP, a Delaware limited partnership
Global Star Tree LP, a Delaware limited partnership
Korea Investment Corporation, a statutory judicial corporation organized under the laws of the Republic of Korea, in its capacity as agent for the Ministry of Strategy and Finance of the Republic of Korea
New Western Holdings, LLC, a Delaware limited liability company

USIP I Companies	Merger Subs
Icon Newco Pool 1 Texas, LLC	Jupiter Industrial Merger Sub 1 LLC
Icon Newco Pool 1 LA Business Parks, LLC	Jupiter Industrial Merger Sub 2 LLC
Icon Newco Pool 1 LA Non-Business Parks, LLC	Jupiter Industrial Merger Sub 3 LLC
Icon Newco Pool 1 Inland Empire/OC Non-Business Parks, LLC	Jupiter Industrial Merger Sub 4 LLC
Icon Newco Pool 1 SF Business Parks, LLC	Jupiter Industrial Merger Sub 5 LLC
Icon Newco Pool 1 SF Non-Business Parks, LLC	Jupiter Industrial Merger Sub 6 LLC
Icon Newco Pool 1 West, LLC	Jupiter Industrial Merger Sub 7 LLC
Icon Newco Pool 1 West/Southwest, LLC	Jupiter Industrial Merger Sub 8 LLC
Icon Newco Pool 2, LLC	Jupiter Industrial Merger Sub 9 LLC
Icon Newco Pool 2 Northeast/Southwest, LLC	Jupiter Industrial Merger Sub 10 LLC
Icon Newco Pool 2 West/Northeast/Midwest, LLC	Jupiter Industrial Merger Sub 11 LLC

Icon Newco Pool 3 Nevada, LLC	Jupiter Industrial Merger Sub 12 LLC
Icon Newco Pool 3 West, LLC	Jupiter Industrial Merger Sub 13 LLC
Icon Newco Pool 3 Midwest, LLC	Jupiter Industrial Merger Sub 14 LLC
Icon Newco Pool 3 Midwest/Southeast, LLC	Jupiter Industrial Merger Sub 15 LLC
Icon Newco Pool 4 DC/VA, LLC	Jupiter Industrial Merger Sub 16 LLC
Icon Newco Pool 4 NJ, LLC	Jupiter Industrial Merger Sub 17 LLC
Icon Newco Pool 4 Northeast/Midwest, LLC	Jupiter Industrial Merger Sub 18 LLC
Icon Newco Pool 5 GA/FL, LLC	Jupiter Industrial Merger Sub 19 LLC
Icon Newco Pool 5 South FL, LLC	Jupiter Industrial Merger Sub 20 LLC
Icon Newco Pool 5 NC/TN, LLC	Jupiter Industrial Merger Sub 21 LLC
Icon Newco Pool 6 Austin, LLC	Jupiter Industrial Merger Sub 22 LLC
Icon Newco Pool 6 Dallas, LLC	Jupiter Industrial Merger Sub 23 LLC
Icon Newco Pool 6 El Paso, LLC	Jupiter Industrial Merger Sub 24 LLC
Icon Newco Pool 6 West/Southwest, LLC	Jupiter Industrial Merger Sub 25 LLC

USIP II Companies

Western A Midwest, LLC
Western A South, LLC
Western A West, LLC
Western A East, LLC
Western B Southeast, LLC
Western B Northwest, LLC
Western B South, LLC
Western B West, LLC
Western B East, LLC
Western C REIT, LLC

USIP III Companies
Harvest A REIT, LLC
Harvest B REIT, LLC
Harvest C REIT, LLC

Exhibit 10.2

MEMORANDUM OF DESIGNATION AND UNDERSTANDING

This MEMORANDUM OF DESIGNATION AND UNDERSTANDING ("Agreement") is entered into as of June 2, 2019, by and among (i) BRE Jupiter LLC ("Buyer"), Blackstone Real Estate Partners VIII L.P. (together with its parallel funds and applicable alternative investment vehicles, "BREP VIII") and Blackstone Real Estate Partners IX L.P. (together with its parallel funds and applicable alternative investment vehicles, "BREP IX"; and, together with the Buyer and BREP VIII, the "BREP Parties") on the one hand, and (ii) Blackstone Real Estate Income Trust, Inc., a Maryland corporation ("BREIT") on the other hand, to memorialize the understanding of the BREP Parties and BREIT in respect of their acquisition of certain entities being sold pursuant to the Transaction Agreement, dated as of June 2, 2019, by and among the Buyer Parties, the Seller Parties, the Acquired Companies, Management Holdings and the Seller Representative (each as defined therein; the Seller Parties, the Acquired Companies, Management Holdings and the Seller Representative are collectively referred to herein as the "Sellers"), a copy of which is attached as Schedule I hereto (as it may be amended or supplemented from time to time in accordance with this Agreement, the "Transaction Agreement"). Unless otherwise set forth on Annex A hereto, capitalized terms used but not defined herein have the meanings given to them in the Transaction Agreement; provided that the definition of "Affiliate" as used herein shall exclude the proviso to such definition set forth in the Transaction Agreement, and BREIT shall not be considered to be an Affiliate of the Other BREP Funds.

RECITALS:

A. Buyer is a Subsidiary of BREP VIII and BREP IX and, pursuant to that certain Guaranty dated as of June 2, 2019, Blackstone Real Estate Partners VIII L.P. has guaranteed certain of the obligations of the Buyer under the Transaction Agreement.

B. Subject to its rights under the Transaction Agreement, BREIT anticipates acquiring, or certain of BREIT's Subsidiaries acquiring, the Acquired Companies specified on Schedule II attached hereto (the "BREIT Allocated Entities") from the Sellers on the terms and conditions set forth in the Transaction Agreement.

C. Subject to its rights under the Transaction Agreement, the balance of the Acquired Companies not being acquired by BREIT (the "BREP Allocated Entities") are intended to be acquired directly or indirectly by BREP VIII, BREP IX and/or their respective parallel funds, applicable alternative investment vehicles and/or Subsidiaries and certain other investment funds, vehicles (including certain co-investment vehicles), accounts, trusts or companies sponsored or managed by affiliates of BREP VIII and BREP IX, respectively (the "Other BREP Funds").

D. (i) The purchase price allocation relating to the acquisition of the BREIT Allocated Entities by BREIT has been reviewed by the Affiliate Transaction Committee of the Board of Directors of BREIT and its independent advisors and (ii) the determination of the allocation of the investment opportunity relating to the Acquired Companies and the BREIT Allocated Entities has been made by BREIT's investment adviser and other Affiliates of The Blackstone Group L.P. ("Blackstone") in good faith in accordance with Blackstone's investment allocation policies and procedures and the Second Amended and Restated Advisory Agreement, dated as of March 16, 2018, by and between BREIT, BREIT Operating Partnership, L.P. and BX REIT Advisors L.L.C.

E. In connection with the foregoing, the parties desire to enter into this Agreement with respect to BREIT's acquisition of the BREIT Allocated Entities, and certain other agreements with respect to the rights of the parties with respect to the transactions contemplated under the Transaction Agreement.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, each of the parties hereto agree as follows:

1. Designation and Assignment.

a. Pursuant to Section 10.3 of the Transaction Agreement, Buyer agrees to promptly assign its rights to acquire the BREIT Allocated Entities to BREIT, or such Subsidiary or Subsidiaries of BREIT as BREIT may designate (the "Buyer Party Designee"), and BREIT agrees to accept such assignment.

b. In furtherance but not in limitation of the foregoing, prior to the Closing, Buyer hereby agrees to transfer (the "Merger Sub Transfer") to BREIT or such Subsidiary or Subsidiaries of BREIT as BREIT may designate, free and clear of all Liens, all of the equity interests issued and outstanding in the Merger Subs set forth opposite the name of any BREIT Allocated Entity on Exhibit A to the Transaction Agreement (the "Assigned Merger Subs"), and BREIT hereby agrees to (or agrees to cause its applicable Subsidiaries to) accept such transfer. Following the Merger Sub Transfer, BREIT or such Subsidiary or Subsidiaries of BREIT as BREIT may designate, will be the sole owner of each of the Assigned Merger Subs. The parties further agree that BREIT's execution and delivery of this Agreement provides adequate consideration for the Merger Sub Transfer.

2. Purchase and Sale Agreement Obligations.

a. BREIT's Performance of Obligations. Except for obligations that BREIT is not reasonably capable of performing because Buyer and (prior to the Merger Sub Transfer) the applicable Merger Subs are the signatories under the Transaction Agreement (which obligations the BREP Parties agree to cause the Buyer Parties to timely perform as required under the Transaction Agreement), BREIT agrees (and following the Merger Sub Transfer agrees to cause each of the Assigned Merger Subs) to timely perform all of the obligations of the Buyer Parties under the Transaction Agreement with respect to the BREIT Allocated Entities in accordance with the terms and conditions of the Transaction Agreement, including, following the Closing, with respect to the payment of transfer taxes pursuant to Section 6.2 of the Transaction Agreement. Without limiting the foregoing, and subject to the terms and conditions of the Transaction Agreement and BREIT's rights under this Agreement, at the Closing, BREIT agrees to:

i. pay to the Paying Agent, by wire transfer of immediately available funds denominated in dollars (to an account or accounts specified no later than two (2) Business Days prior to the Closing Date by the Paying Agent), an amount equal to (A) the portion of the Estimated Purchase Price allocable to such BREIT Allocated Entities under the Transaction Agreement as set forth in the Allocation pursuant to Section 2.6 of the Transaction Agreement, *minus* (B) the BREIT Pro Rata Portion (as defined below) of the Adjustment Escrow Amount, *plus* (C) the amount of all Closing Payoff Indebtedness attributable to the BREIT Allocated Entities in accordance with the Pay-Off Letters in such amounts and to such accounts as specified in the Pay-Off Letters; and

ii. pay to the Escrow Agent, by wire transfer of immediately available funds denominated in dollars (to an account or accounts specified no later than two (2) Business Days prior to the Closing Date by the Escrow Agent), the amount set forth in clause (B) of the preceding clause (i).

b. Buyer Parties' Performance of Obligations. Subject to the terms and conditions of the Transaction Agreement, the BREP Parties agree to cause the Buyer Parties (other than the Assigned Merger Subs following the Merger Sub Transfer) to timely perform all of their respective obligations under the Transaction Agreement with respect to the BREP Allocated Entities. Without limiting the foregoing, and subject to the terms and conditions of the Transaction Agreement and the BREP Parties' rights under this Agreement, at the Closing, the BREP Parties agree to cause Buyer to pay the remaining amounts required to be paid pursuant to Section 2.3(b) of the Transaction Agreement (after taking into account the payments to be made by BREIT pursuant to Section 2(a) hereof).

c. Purchase Price Adjustment. Promptly following the determination of the Final Purchase Price pursuant to the Transaction Agreement, (i) if the BREIT Base Adjustment Amount is a positive number, Buyer will pay, or cause to be paid, to BREIT or its designee, by wire transfer of immediately available funds, an amount equal to the BREIT Base Adjustment Amount, up to the amount of the BREIT Adjustment Cap, and (ii) if the BREIT Base Adjustment Amount is a negative number, BREIT will pay, or cause to be paid, to Buyer or its designee, by wire transfer of immediately available funds, an amount equal to the BREIT True-Up Payment; provided, that if the Seller Adjustment Amount is a positive number, then the foregoing amounts in clause (i) shall not be required to be paid until amounts from the Adjustment Escrow Fund are released to Buyer or its designee.

3. Other Rights and Obligations under Transaction Agreement. The parties hereto also agree as follows:

a. Amendments; Consents; Approvals. Buyer agrees that, without the prior written consent of BREIT, which may be withheld in its sole discretion, Buyer shall not amend, supplement or modify the Transaction Agreement, grant consents or approvals or waive any conditions thereto, in each case to the extent the same affects the BREIT Allocated Entities or the rights or obligations of BREIT (or any Subsidiary of BREIT) as the Buyer Party Designee. Buyer shall: (i) provide BREIT no less than two (2) days' advance written notice of any proposed amendments, modifications or supplements to the Transaction Agreement; (ii) promptly provide BREIT with copies of (A) any written materials received from the Sellers (including, without limitation, memoranda, summaries, complaints and any other materials provided to Buyer pursuant to the Transaction Agreement), and (B) written notices from or to the Sellers, the Buyer Parties, any third-parties or any Governmental Entity given to or received by the Buyer Parties, in each case relating to the BREIT Allocated Entities or the rights or obligations of BREIT (or any Subsidiary of BREIT) as a Buyer Party Designee; and (iii) keep BREIT reasonably informed of the transactions contemplated by the Transaction Agreement.

b. Exercise of Pre-Closing Rights. Buyer agrees to deliver any notice or election to the Sellers with respect to the BREIT Allocated Entities or any of the Buyer Parties' rights that relate to BREIT's rights or obligations under the Transaction Agreement as directed by BREIT.

c. Post-Closing Indemnification.

i. BREP Indemnification. Subject to BREIT's obligation to first seek recovery from the Sellers for any losses, damages, costs or expenses ("Losses") recoverable from the Sellers under the Transaction Agreement, following the Closing, the BREP Parties shall (severally and not jointly based on their percentage ownership of Buyer) indemnify, defend and hold harmless BREIT and its Subsidiaries, Affiliates, consultants, contractors and subcontractors and their respective employees, agents and representatives (collectively, the "BREIT Indemnity Parties") from and against any Losses arising from any litigation, arbitration, claim action or proceeding (an "Action") made or brought by a third party (a "Third Party Claim") to the extent such Losses arise directly or indirectly from, result from or relate to the BREP Allocated Entities; provided that the Losses were not the result of negligence or misconduct of any BREIT Indemnity Party.

ii. BREIT Indemnification. Subject to the BREP Parties' obligation to first seek recovery from the Sellers for Losses recoverable from the Sellers under the Transaction Agreement, following the Closing, BREIT shall indemnify, defend and hold harmless each BREP Party and its Subsidiaries, Affiliates, consultants, contractors and subcontractors and their respective employees, agents and representatives (collectively, the "BREP Indemnity Parties") from and against any Losses arising from any Third Party Claim to the extent such Losses arise directly or indirectly from, result from or relate to the BREIT Allocated Entities; provided that the Losses were not the result of negligence or misconduct of any BREP Indemnity Party and that such indemnification is otherwise permitted by BREIT's charter.

iii. Notice of Claims. Each Person entitled to indemnification pursuant to Sections 3(c)(i) and 3(c)(ii) (an "Indemnified Party") shall give written notice to the indemnifying party or parties from whom the indemnity is sought (the "Indemnifying Party") promptly after obtaining knowledge of any claims that it may have under Sections 3(c)(i) and 3(c)(ii), as applicable. The notice shall set forth in reasonable detail the claim and the basis for indemnification. Failure to give notice shall not release the Indemnifying Party from its obligations under Sections 3(c)(i) and 3(c)(ii), as applicable, except to the extent that the failure prejudices the ability of the Indemnifying Party to contest that claim.

iv. Defense of Third Party Claims. At its election the Indemnifying Party may assume the defense of the Third Party Claim, which defense shall be conducted by counsel chosen by the Indemnifying Party, who shall be reasonably acceptable to the Indemnified Party, provided that the Indemnified Party shall retain the right to employ its own counsel and participate in the defense of the Third Party Claim at its own expense (which shall not be recoverable from the Indemnifying Party under this Section 3 unless (1) the Indemnified Party is advised by counsel that (x) there may be one or more legal defenses available to the Indemnified Party which are not available to the Indemnifying Party, or available to the Indemnifying Party and the assertion of which would be adverse to or in conflict with the interests of the Indemnified Party, or (y) that representation of both parties by the same counsel would be otherwise inappropriate under applicable standards of professional conduct, (2) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within thirty (30) Business Days after notice of the assertion of any such claim or institution of any such Third Party Claim, or (3) the Indemnifying Party shall authorize the Indemnified Party in writing to employ separate counsel at the expense of the Indemnifying Party, in each of which cases the reasonable expenses of counsel to the Indemnified Party shall be reimbursed by the Indemnifying

Party). Notwithstanding the foregoing provisions of this Section 3(c)(iv), (1) no Indemnifying Party shall be entitled to settle any Third Party Claim for which indemnification is sought under Sections 3(c)(i) and 3(c)(ii) without the Indemnified Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, unless it has assumed the defense of such Third Party Claim and as part of the settlement the Indemnified Party is released from all liability with respect to the Third Party Claim and the settlement does not impose any equitable remedy on the Indemnified Party or require the Indemnified Party to admit any fault, culpability or failure to act by or on behalf of the Indemnified Party, and (2) no Indemnified Party shall be entitled to settle any Third Party Claim for which indemnification is sought under Sections 3(c)(i) and 3(c)(ii) without the Indemnifying Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing provisions of this Section 3(c)(iv), if the Indemnifying Party does not notify the Indemnified Party within thirty (30) Business Days after receipt of the Indemnified Party's notice of a Third Party Claim of indemnity hereunder that it elects to assume the control of the defense of any Third Party Claim, the Indemnified Party shall have the right to contest the Third Party Claim but shall not thereby waive any right to indemnity therefor pursuant to this Agreement and the costs of such Actions by the Indemnified Party shall be paid by the Indemnifying Party.

v. Limitations on Third Party Claims Liability.

1. Notwithstanding the indemnifications set forth in Sections 3(c)(i) and 3(c)(ii), the Buyer shall not have any obligation or liability to the BREIT Indemnity Parties and BREIT shall not have any obligation or liability to the BREP Indemnity Parties with respect to any indirect, incidental, consequential, special or punitive damages.

2. An Indemnified Party shall first seek full recovery for any indemnifiable claims under this Agreement from the Sellers pursuant to and to the extent available under the Transaction Agreement. The Indemnifying Party's obligation under this Agreement shall be reduced by the amount of any such recovery under the Transaction Agreement, to the extent collected. If the amount of any Losses suffered by any Indemnified Party is reduced by recovery from the Sellers under the Transaction Agreement, an amount equal to the amount of such reduction (not to exceed, in any event, the amount so previously paid in respect thereof by the Indemnifying Party) shall promptly be repaid by the Indemnified Party to the Indemnifying Party.

vi. The provisions of this Section 3 shall be the sole and exclusive remedies available to a party with respect to any Third Party Claim following the Closing.

d. Efforts; HSR Act; Expenses.

i. BREIT and Buyer each agree to comply with the provisions of Section 6.4 of the Transaction Agreement.

ii. Subject to Section 5 below, the BREP Parties agree to reimburse BREIT, and BREIT agrees to reimburse the BREP Parties, so that (A) BREIT and the BREP Parties will bear 28.37% (the "BREIT Pro Rata Portion") and 71.63% (the "BREP Pro Rata Portion"), respectively, of all Joint Transaction Expenses, (B) BREIT will bear

100% of all BREIT Transaction Expenses and (C) the BREP Parties will collectively bear 100% of all BREP Transaction Expenses. In this Agreement, "Joint Transaction Expenses" means any actual out-of-pocket costs or expenses incurred by a BREP Party or BREIT in connection with this Agreement, the Transaction Agreement, the Guaranty and/or the Transactions, including any amounts required to be paid pursuant to the penultimate sentence of Section 6.3(b) or Section 6.8(b) of the Transaction Agreement; provided, that Joint Transaction Expenses shall exclude any (1) cost or expense that solely relates to a BREIT Allocated Entity (a "BREIT Transaction Expense") and (2) cost or expense that solely relates to a BREP Allocated Entity (a "BREP Transaction Expense"); provided that the Buyer Termination Fee shall not be included as a Joint Transaction Expense, a BREIT Transaction Expense or a BREP Transaction Expense except to the extent provided in Section 5(c) below.

iii. In furtherance but not in limitation of Section 3(d)(ii) above, to the extent that Buyer is entitled to receive the Seller Expense Reimbursement pursuant to the Transaction Agreement, then Buyer shall reimburse BREIT, by wire transfer of immediately available funds promptly following the receipt of the Seller Expense Reimbursement, an amount equal to the lesser of (A) the sum of (x) the BREIT Pro Rata Portion of the Joint Transaction Expenses and (y) any BREIT Transaction Expenses and (B) the amount of the Seller Expense Reimbursement together with any other fees or amounts actually received by Buyer from the Sellers in connection with the termination of the Transaction Agreement (the "Received Amount"); provided that if the aggregate Joint Transaction Expenses, BREP Transaction Expenses and BREIT Transaction Expenses (the "Aggregate Transaction Expenses") exceed the Received Amount, then Buyer shall instead reimburse BREIT for an amount equal to (1) the amount set forth in the preceding clause (A) divided by (2) the Aggregate Transaction Expenses multiplied by (3) the Received Amount.

4. Confidentiality. BREIT acknowledges and agrees to be bound by the confidentiality and press release provisions of the Transaction Agreement, as if such provisions were set forth herein in their entirety. In addition, neither the BREP Parties nor BREIT shall disclose any information with respect to the transaction contemplated under this Agreement nor the existence of this Agreement to any person or entity without the written consent of the other party, other than: (a) their respective officers, directors, employees, agents, attorneys, accountants, advisors; (b) as required by any law, rule or regulation or judicial process or as necessary for the enforcement of this Agreement; (c) as requested or required by any state, federal or foreign authority or examiner regulating Buyer or BREIT; and (d) to the Sellers. The BREP Parties and BREIT agree to seek the other's prior written consent (not to unreasonably withheld, conditioned or delayed) prior to issuing any press release with respect to the transactions contemplated by the Transaction Agreement. Notwithstanding the foregoing, but otherwise subject to the terms of this Agreement and the Transaction Agreement, the parties hereto agree that BREIT may release information concerning the transactions contemplated by this Agreement and the Transaction Agreement to comply with any applicable Laws, including pursuant to governmental regulations and statutes as required by Law for publicly filing entities, and may further publicly disclose the transactions contemplated by this Agreement and the Transaction Agreement consistent with any statements previously made in compliance with this Agreement or the Transaction Agreement.

5. Remedies.

a. In the event the Transaction Agreement is terminated as a result of BREIT's default in the performance of its obligations under this Agreement or the Transaction Agreement (a "BREIT Purchase Default") and no BREP Purchase Default (as defined below) has occurred,

BREIT shall (i) indemnify, defend and hold harmless the BREP Indemnity Parties from and against any Losses (including under the Guaranty or the Buyer Termination Fee, if applicable, which, for the avoidance of doubt, shall not be considered to be a Joint Transaction Expense) to the extent such Losses directly or indirectly arise or result from such BREIT Purchase Default and (ii) to the extent not included in the preceding clause (i) or previously reimbursed pursuant to Section 3(d)(ii), reimburse the BREP Parties for the amount of all Aggregate Transaction Expenses incurred by a BREP Party; provided that BREIT shall not have any obligation or liability to the BREP Indemnity Parties under this Section 5(a) (A) for any amounts in excess of the sum of the Cap (as defined in the Guaranty) and the amounts referred to in the preceding clause (ii) or (B) with respect to any indirect, incidental, consequential, special or punitive damages.

b. In the event the Transaction Agreement is terminated as a result of a BREP Party's default in the performance of its obligations under this Agreement or the Transaction Agreement (a "BREP Purchase Default") and no BREIT Purchase Default has occurred, the BREP Parties shall (i) indemnify, defend and hold harmless the BREIT Indemnity Parties from and against any Losses (including under the Guaranty or the Buyer Termination Fee, if applicable, which, for the avoidance of doubt, shall not be considered to be a Joint Transaction Expense) to the extent such Losses directly or indirectly arise or result from such BREP Purchase Default and (ii) to the extent not included in the preceding clause (i) or previously reimbursed pursuant to Section 3(d)(ii), reimburse the BREIT Parties for the amount of all Aggregate Transaction Expenses incurred by BREIT; provided that the BREP Parties shall not have any obligation or liability to the BREIT Indemnity Parties under this Section 5(b) (A) for any amounts in excess of the sum of the Cap (as defined in the Guaranty) and the amounts referred to in the preceding clause (ii) or (B) with respect to any indirect, incidental, consequential, special or punitive damages.

c. In the event that there is both a BREP Purchase Default and a BREIT Purchase Default, then the amount of the Buyer Termination Fee shall be deemed to be a Joint Transaction Expense for purposes of Section 3(d)(ii).

d. The provisions of this Section 5 shall be the sole and exclusive remedies available to a party in the event of a BREIT Purchase Default or BREP Purchase Default.

6. Further Assurances. Buyer and BREIT shall use commercially reasonable efforts to execute such instruments, documents, approvals and consents as are reasonably necessary or proper in order to complete and ensure the transactions contemplated hereby.

7. Effect of Agreement. This Agreement memorializes the understanding and agreement of the parties hereto with respect to the subject matter hereof, and each of the parties hereto hereby represents and warrants as of the date hereof that (i) this Agreement has been duly authorized, executed and delivered thereby and is the valid and legally binding obligation thereof in accordance with and subject to the terms and conditions of this Agreement and (ii) the execution, delivery and performance of this Agreement by such party and the consummation of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both violate any provision of law, statute, rule, regulation or executive order to which such party is subject; violate any judgment, order, writ or decree of any court applicable to such party; or result in the breach of or conflict with any term, covenant, condition or provision of, or constitute a default under, any material contract or other agreement or instrument, to which such party is or may be bound or affected.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective permitted successors, assigns, and legal representatives of the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto or their respective successors and assigns, any rights or benefits under or by reason of this Agreement. Neither this Agreement, nor any of the rights, obligations under this Agreement, may be assigned or delegated, in whole or in part, by operation of law or otherwise by any of the parties without the prior written consent of the other party.

9. Entire Agreement. It is expressly understood and agreed that this Agreement contains the entire agreement and understanding concerning the subject matter herein, and supersedes and replaces all prior negotiations and agreements between the parties hereto, whether written or oral. The parties hereto acknowledge that they have read this Agreement and have executed it without relying upon any statements, representations, or warranties, written, or oral, not expressly set forth herein or incorporated herein by reference.

10. Waiver, Modification and Amendment. No provision herein may be waived unless in writing signed by the party whose rights are thereby waived. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein. This Agreement may be modified or amended only by written agreement executed by all of the parties hereto.

11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

12. Severability. In the event that one or more of the provisions or portions thereof of this Agreement is determined to be illegal or unenforceable, the remainder of this Agreement shall not be affected thereby, and each of the remaining provisions or portion thereof shall remain, continue to be valid and effective and be enforceable to the fullest extent permitted by law.

13. No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the parties hereto, the Persons entitled to indemnification hereunder, and in each case their respective successors, heirs, legal representatives, and permitted assigns.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all when taken together shall constitute the Agreement. This Agreement may be executed by facsimile signature or in portable document format (PDF).

** *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

BRE JUPITER LLC

By: _/s/ Tyler Henritze_____
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

BLACKSTONE REAL ESTATE PARTNERS VIII L.P. on behalf of itself and/or one or more of its parallel funds, alternative investment vehicles and/or subsidiaries

By: Blackstone Real Estate Associates VIII L.P., its general partner

By: BREA VIII L.L.C., its general partner

By: _/s/ Tyler Henritze_____
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

BLACKSTONE REAL ESTATE PARTNERS IX L.P. on behalf of itself and/or one or more of its parallel funds, alternative investment vehicles and/or subsidiaries

By: Blackstone Real Estate Associates IX L.P., its general partner

By: BREA IX L.L.C., its general partner

By: _/s/ Tyler Henritze_____
Name: Tyler Henritze
Title: Senior Managing Director and Vice President

BLACKSTONE REAL ESTATE INCOME TRUST, INC.

1_____

)irector

Schedule I

Transaction Agreement

(See attached)

Schedule II

BREIT Allocated Entities

- Icon Newco Pool 5 GA/FL, LLC
- Harvest A REIT LLC
- Icon Newco Pool 4 Northeast/Midwest, LLC
- Harvest C REIT LLC
- Icon Newco Pool 6 West/Southwest, LLC
- Icon Newco Pool 3 Midwest/Southeast, LLC
- Harvest B REIT LLC
- Icon Newco Pool 6 El Paso, LLC
- Icon Newco Pool 4 DC/VA, LLC
- Icon Newco Pool 2, LLC
- Icon Newco Pool 3 Midwest, LLC
- Icon Newco Pool 2 Northeast/Southwest, LLC

Annex A

Definitions

"Action" has the meaning set forth in Section 3(c)(i).

"Aggregate Transaction Expenses" has the meaning set forth in Section 3(d)(iii).

"Agreement" has the meaning set forth in the preamble hereto.

"Assigned Merger Subs" has the meaning set forth in Section 1(b).

"BREIT" has the meaning set forth in the preamble hereto.

"BREIT Adjustment Cap" means the greater of (a) the BREIT Escrow Amount *plus* the BREP True-Up Payment, and (b) the BREIT Available Escrow Amount; provided that in no event shall the BREIT Adjustment Cap exceed the Adjustment Escrow Amount.

"BREIT Allocated Entities" has the meaning set forth in the recitals hereto.

"BREIT Available Escrow Amount" means the Adjustment Escrow Amount *minus* any positive BREP Base Adjustment Amount; provided that, for the avoidance of doubt, if the BREP Base Adjustment Amount is not a positive number, then the BREIT Available Escrow Amount shall equal the Adjustment Escrow Amount.

"BREIT Base Adjustment Amount" means an amount, which may be a positive or negative number, equal to (a) the portion of the Estimated Purchase Price allocable to the BREIT Allocated Entities under the Transaction Agreement as set forth in the Allocation pursuant to Section 2.6 of the Transaction Agreement *minus* (b) the portion of the Final Purchase Price allocable to the BREIT Allocated Entities under the Transaction Agreement as set forth in the Allocation pursuant to Section 2.6 of the Transaction Agreement.

"BREIT Escrow Amount" means an amount equal to $28,370,000.

"BREIT Indemnity Parties" has the meaning set forth in Section 3(c)(i).

"BREIT Pro Rata Portion" has the meaning set forth in Section 3(d)(ii).

"BREIT Purchase Default" has the meaning set forth in Section 5(b).

"BREIT Transaction Expense" has the meaning set forth in Section 3(d)(ii).

"BREIT True-Up Payment" means the absolute value of any BREIT Base Adjustment Amount that is a negative number; provided that the BREIT True-Up Payment shall not exceed the Adjustment Escrow Amount *minus* the Seller Adjustment Amount. For the avoidance of doubt, (a) the BREIT True-Up Payment shall equal $0 if the BREIT Base Adjustment Amount is a positive number, and (b) it is intended that, if the Seller Adjustment Amount is a negative number, the amount of the proviso will be higher than the Adjustment Escrow Amount, and if the Seller Adjustment Amount is a positive number, the amount of the proviso will be lower than the Adjustment Escrow Amount.

"BREP Allocated Entities" has the meaning set forth in the recitals hereto.

"BREP Base Adjustment Amount" means an amount, which may be a positive or negative number, equal to (a) the portion of the Estimated Purchase Price allocable to the BREP Allocated Entities under the Transaction Agreement as set forth in the Allocation pursuant to Section 2.6 of the Transaction Agreement *minus* (b) the portion of the Final Purchase Price allocable to the BREP Allocated Entities under the Transaction Agreement as set forth in the Allocation pursuant to Section 2.6 of the Transaction Agreement.

"BREP Indemnity Parties" has the meaning set forth in Section 3(c)(ii).

"BREP IX" has the meaning set forth in the preamble hereto.

"BREP Parties" has the meaning set forth in the preamble hereto.

"BREP Pro Rata Portion" has the meaning set forth in Section 3(d)(ii).

"BREP Purchase Default" has the meaning set forth in Section 5(a).

"BREP Transaction Expense" has the meaning set forth in Section 3(d)(ii).

"BREP True-Up Payment" means the absolute value of any BREP Base Adjustment Amount that is a negative number; provided that the BREP True-Up Payment shall not exceed the Adjustment Escrow Amount *minus* the Seller Adjustment Amount. For the avoidance of doubt, (a) the BREP True-Up Payment shall equal $0 if the BREP Base Adjustment Amount is a positive number, and (b) it is intended that, if the Seller Adjustment Amount is a negative number, the amount of the proviso will be higher than the Adjustment Escrow Amount, and if the Seller Adjustment Amount is a positive number, the amount in the proviso will be lower than the Adjustment Escrow Amount.

"BREP VIII" has the meaning set forth in the preamble hereto.

"Buyer" has the meaning set forth in the preamble hereto.

"Buyer Party Designee" has the meaning set forth in Section 1(a).

"Indemnified Party" has the meaning set forth in Section 3(c)(iii).

"Indemnifying Party" has the meaning set forth in Section 3(c)(iii).

"Joint Transaction Expenses" has the meaning set forth in Section 3(d)(ii).

"Merger Sub Transfer" has the meaning set forth in Section 1(b).

"Other BREP Funds" has the meaning set forth in the recitals hereto.

"Received Amount" has the meaning set forth in Section 3(d)(iii).

"Seller Adjustment Amount" means an amount, which may be a positive or a negative number, equal to the Estimated Purchase Price *minus* the Final Purchase Price, in each case as determined pursuant to the Transaction Agreement.

"Third Party Claim" has the meaning set forth in Section 3(c)(i).

"Transaction Agreement" has the meaning set forth in the preamble hereto.

Exhibit 31.1

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 quarterly report on Form 10-Q 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: August 14, 2019

/s/ Frank Cohen
Frank Cohen
Chief Executive Officer

Exhibit 31.2

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 quarterly report on Form 10-Q 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: August 14, 2019

/s/ Paul D. Quinlan
Paul D. Quinlan
Chief Financial Officer

Exhibit 32.1

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 Quarterly Report of Blackstone Real Estate Income Trust, Inc. (the "Company") on Form 10-Q for the period ended June 30, 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
August 14, 2019

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.

Exhibit 32.2

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 Quarterly Report of Blackstone Real Estate Income Trust, Inc. (the "Company") on Form 10-Q for the period ended June 30, 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
August 14, 2019

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.