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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission file number: 000-56032

Black Creek Industrial REIT IV Inc.

(Exact name of registrant as specified in its charter)

Maryland	**47-1592886**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
518 Seventeenth Street, 17th Floor, Denver, CO	**80202**
(Address of principal executive offices)	**(Zip Code)**

(303) 228-2200
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $0.01 Par Value
(Title of Each Class)

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

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

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

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2018 cannot be calculated because no established market exists for the registrant's common stock.

As of February 28, 2019 , there were 25,128,546 shares of the registrant's Class T common stock, 479,651 shares of the registrant's Class W common stock and 437,235 shares of the registrant's Class I common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates certain information by reference to the definitive proxy statement for the registrant's 2019 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission (the "SEC") no later than April 30, 2019 .

BLACK CREEK INDUSTRIAL REIT IV INC.
TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes certain statements that may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements relate to, without limitation, our ability to raise capital and effectively and timely deploy the net proceeds of our public offering, the expected use of net proceeds from the offering, our reliance on BCI IV Advisors LLC (the "Advisor") and BCI IV Advisors Group LLC (the "Sponsor"), our understanding of our competition and our ability to compete effectively, our financing needs, our expected leverage, the effects of our current strategies, rent and occupancy growth, general conditions in the geographic area where we will operate, our future debt and financial position, our future capital expenditures, future distributions and acquisitions (including the amount and nature thereof), other developments and trends of the real estate industry, business strategies and the expansion and growth of our operations. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "project," or the negative of these words or other comparable terminology. These statements are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that are difficult to predict.

The forward-looking statements included herein are based upon our current expectations, plans, estimates, assumptions, and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. Factors that could have a material adverse effect on our operations and future prospects include, but are not limited to:

- Our ability to raise capital and effectively deploy the net proceeds raised in our public offering in accordance with our investment strategy and objectives;
- The failure of properties to perform as we expect;
- Risks associated with acquisitions, dispositions and development of properties;
- Our failure to successfully integrate acquired properties and operations;
- Unexpected delays or increased costs associated with any development projects;
- The availability of cash flows from operating activities for distributions and capital expenditures;
- Defaults on or non-renewal of leases by customers, lease renewals at lower than expected rent, or failure to lease properties at all or on favorable rents and terms;
- Difficulties in economic conditions generally and the real estate, debt, and securities markets specifically;
- Legislative or regulatory changes, including changes to the laws governing the taxation of real estate investment trusts ("REITs");
- Our failure to obtain, renew, or extend necessary financing or access the debt or equity markets;
- Conflicts of interest arising out of our relationships with the Sponsor, the Advisor, and their affiliates;
- Risks associated with using debt to fund our business activities, including re-financing and interest rate risks;
- Increases in interest rates, operating costs, or greater than expected capital expenditures;
- Changes to U.S. generally accepted accounting principles ("GAAP"); and
- Our ability to continue to qualify as a REIT.

Any of the assumptions underlying forward-looking statements could prove to be inaccurate. Our stockholders are cautioned not to place undue reliance on any forward-looking statements included in this Annual Report on Form 10-K. All forward-looking statements are made as of the date of this Annual Report on Form 10-K and the risk that actual results will differ materially from the expectations expressed in this Annual Report on Form 10-K will increase with the passage of time. Except as otherwise required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this Annual Report on Form 10-K, whether as a result of new information, future events, changed circumstances, or any other reason. In light of the significant uncertainties inherent in the forward-looking statements included in this Annual Report on Form 10-K, including, without limitation, the risks described under "Risk Factors," the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this Annual Report on Form 10-K will be achieved.

PART I

ITEM 1. BUSINESS

The Company

Black Creek Industrial REIT IV Inc. is a Maryland corporation formed on August 12, 2014. As used herein, the terms “Black Creek Industrial REIT IV,” “BCI IV,” the “Company,” “we,” “our,” or “us” refer to Black Creek Industrial REIT IV Inc. and its consolidated subsidiaries, except where otherwise indicated.

We were formed to make equity and debt investments in income-producing real estate assets consisting primarily of high-quality distribution warehouses and other industrial properties that are leased to creditworthy corporate customers throughout the U.S. Although we will continue to focus our investment activities primarily on distribution warehouses and other industrial properties, our charter and bylaws do not preclude us from investing in other types of commercial property, real estate debt, or real estate related equity securities.

We currently operate as a REIT for U.S. federal income tax purposes, and elected to be treated as a REIT beginning with our taxable year ended December 31, 2017. We utilize an Umbrella Partnership Real Estate Investment Trust (“UPREIT”) organizational structure to hold all or substantially all of our assets through our operating partnership, BCI IV Operating Partnership LP (the “Operating Partnership”), a Delaware limited partnership of which we are the sole general partner and a limited partner.

We have registered with the SEC an initial public offering of up to $2.0 billion in shares of our common stock in any combination of Class T shares, Class W shares and Class I shares, consisting of $1.5 billion in our primary offering and up to $500.0 million in shares under our distribution reinvestment plan. We are offering shares of our common stock at the “transaction price,” plus applicable selling commissions and dealer manager fees. The “transaction price” generally is equal to the net asset value (“NAV”) per share of our common stock most recently disclosed. Our NAV per share is calculated as of the last calendar day of each month for each of our outstanding classes of common stock, and is available generally within 15 calendar days after the end of the applicable month. Shares issued pursuant to our distribution reinvestment plan are offered at the transaction price, as indicated above, in effect on the distribution date. We may update a previously disclosed transaction price in cases where we believe there has been a material change (positive or negative) to our NAV per share relative to the most recently disclosed monthly NAV per share. See Item 5, “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Estimated Net Asset Value Per Share” for further detail.

As of December 31, 2018 , we had raised gross proceeds of approximately $212.8 million from the sale of 20.3 million shares of our common stock and the issuance of notes payable in our public and private offerings, including shares issued pursuant to our distribution reinvestment plan. See “ Note 8 to the Consolidated Financial Statements ” for information concerning our public and private offerings.

On January 4, 2019, we filed a new registration statement for the offering of up to $2.0 billion in Class T shares, Class W shares and Class I shares of common stock, consisting of up to $1.5 billion offered in the primary offering and up to $500.0 million offered under the distribution reinvestment plan. We may reallocate amounts between the primary offering and the distribution reinvestment plan. This registration statement is not yet effective and our initial public offering will continue until the time that such registration statement becomes effective.

As of December 31, 2018 , we owned and managed a real estate portfolio that included 13 industrial buildings totaling 2.7 million square feet located in eight markets throughout the U.S., with 18 customers, and was 99.3% occupied (100.0% leased) with a weighted-average remaining lease term (based on square feet) of 5.6 years. The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced. See Item 2, “Properties,” for further details on our real estate portfolio. See “ Note 3 to the Consolidated Financial Statements ”for detail regarding our acquisition activity for the year ended December 31, 2018 .

We rely on the Advisor, a related party, to manage our day-to-day operating and acquisition activities and to implement our investment strategy pursuant to the terms of the amended and restated advisory agreement, dated June 13, 2018 (the “Advisory Agreement”), by and among us, the Operating Partnership, and the Advisor. The current term of the Advisory Agreement ends June 13, 2019, subject to renewals by our board of directors for an unlimited number of successive one-year periods. The Advisor performs its duties and responsibilities under the Advisory Agreement as a fiduciary of us and our stockholders. The Advisor may, but is not required to, establish working capital reserves from proceeds from our initial public offering, from cash flow generated by operating assets or from proceeds from the sale of assets. Working capital reserves are typically utilized to fund tenant improvements, leasing commissions, and major capital expenditures. Our lenders also may require working capital reserves.

Investment Objectives

Our primary investment objectives include the following:

- preserving and protecting our stockholders' capital contributions;
- providing current income to our stockholders in the form of regular cash distributions; and
- realizing capital appreciation upon the potential sale of our assets or other liquidity event.

There is no assurance that we will attain our investment objectives. Our charter places numerous limitations on us with respect to the manner in which we may invest our funds. In most cases these limitations cannot be changed unless our charter is amended, which may require the approval of our stockholders.

Investment Strategy

We will continue to focus our investment activities on and use the proceeds raised in the offerings principally for building a national industrial warehouse operating company. Our investment activities include the acquisition, development and/or financing of income-producing real estate assets consisting primarily of high-quality distribution warehouses and other industrial properties that are leased to creditworthy corporate customers. Creditworthiness does not necessarily mean investment grade and the majority of our customers do not have a public credit rating. Furthermore, it is anticipated that much of our portfolio will be leased to non-investment grade customers going forward. We evaluate creditworthiness and financial strength of prospective customers based on financial, operating and business plan information that is provided to us by such prospective customers, as well as other market and economic information that is generally publicly available.

The number and type of properties we may acquire or develop will depend upon real estate market conditions and other circumstances existing at the time we make our investments. Although we intend to continue to focus our investment activities primarily on distribution warehouses and other industrial properties, our charter and bylaws do not preclude us from investing in other types of commercial property or real estate-related debt. However, we will not invest more than 25% of net proceeds we receive from the sale of shares of our common stock in the offerings in other types of commercial property or real estate-related debt.

Our investment in any distribution warehouse, other industrial property, or other property type will be based upon the best interests of our company and our stockholders as determined by the Advisor and our board of directors. Real estate assets in which we may invest may be acquired or developed either directly by us or through joint ventures or other co-ownership arrangements with affiliated or unaffiliated third parties, and may include: equity investments in commercial properties; mortgage, mezzanine, construction, bridge, and other loans related to real estate; and investments in other real estate-related entities, including REITs, private real estate funds, real estate management companies, real estate development companies, and debt funds, both foreign and domestic. Subject to the 25% limitation described above, we may invest in any of these asset classes, including those that may present greater risk than industrial properties. As of December 31, 2018 , our portfolio was comprised entirely of industrial properties. See Item 2, "Properties," for further detail.

Business Strategy

We seek to provide income in the form of regular cash distributions to our stockholders by generating sustained internal growth in rental income. The keys to long-term rental income growth are maintaining a stabilized occupancy rate (generally above 90%) through active leasing efforts, negotiating contractual rent increases on existing leases and renewals on expiring leases, cultivating strong customer relationships, and controlling operating expenses.

Financing Objectives

We may use secured and unsecured debt as a means of providing additional funds for the acquisition of assets, to pay distributions, and for other corporate purposes. While a large percentage of our debt financings may typically be comprised of long-term, fixed-rate loans, our use of leverage generally increases the risk of default on loan payments and the resulting foreclosure on a particular asset or group of assets. Upon a default, our lenders may also have recourse to assets other than those specifically securing the repayment of the indebtedness. Our ability to enhance our investment returns and to increase our diversification by acquiring assets using additional funds provided through borrowings could be adversely impacted if the credit markets are closed or limited and banks and other lending institutions impose severe restrictions on the amount of funds available for the types of loans we seek. We may source institutional or other capital through joint ventures or other co-partnerships to help diversify risk associated with development and value-add opportunities. See Item 1A, "Risk Factors—Risks Related to Debt Financing" for further detail.

Competition

The market for the acquisition of industrial real estate is highly competitive. We compete for real property investments with other REITs and institutional investors, such as pension funds and their advisors, private real estate investment funds, insurance company investment accounts, private investment companies, individuals and other entities engaged in real estate investment activities, including certain other entities sponsored or advised by affiliates of the Sponsor, including Industrial Property Trust Inc. ("IPT") and Black Creek Diversified Property Fund Inc. ("DPF"), some of which have greater financial resources than we do and generally may be able to accept more risk, including risks relating to the creditworthiness of potential customers, the breadth of the markets in which to invest, or the level of leverage they are willing to take on. They also may possess significant competitive advantages that result from, among other things, a lower cost of capital or greater operating efficiencies associated with a larger platform.

The market for the leasing of industrial real estate is also very competitive. We experience competition for customers from other existing assets in proximity to our buildings, as well as from proposed new developments. As a result, we may have to provide free rental periods, incur charges for tenant improvements, or offer other inducements, all of which may have an adverse impact on our results of operations.

Significant Customers

We are dependent upon the ability of current customers to pay their contractual rent amounts as the rents become due. As we are early in the acquisition phase of our life cycle, there were seven customers that individually represented more than 5.0% of total annualized base rent, and our 10 largest customers represented approximately 84.3% of total annualized base rent of our properties as of December 31, 2018 . We are not aware of any current customers whose inability alone to pay their contractual rental amounts would have a material adverse impact on our results of operations. See Item 2, "Properties," for further detail about customer diversification.

Conflicts of Interest

We are subject to various potential conflicts of interest that could arise out of our relationship with the Advisor and other affiliates and related parties, including: conflicts related to the compensation arrangements among the Advisor, certain affiliates and related parties, and us; conflicts with respect to the allocation of the Advisor's and its key personnel's time; conflicts related to our potential acquisition of assets from affiliates of the Advisor; and conflicts with respect to the allocation of investment opportunities. Further, entities currently sponsored by or that in the future may be advised by affiliates of the Sponsor, and those in which Sponsor-affiliated or related entities own interests, may compete with us or may be given priority over us with respect to the acquisition of certain types of investments. As a result of our potential competition with these entities, certain investment opportunities that would otherwise be available to us may not in fact be available. See Item 1A, "Risk Factors—Risks Related to the Advisor and Its Affiliates," for additional detail. The independent directors have an obligation to function on our behalf in all situations in which a conflict of interest may arise and have a fiduciary obligation to act on behalf of our stockholders.

Compliance with Federal, State and Local Environmental Laws

Properties that we acquire, and the properties underlying our investments, are subject to various federal, state, and local environmental laws, ordinances, and regulations. Under these laws, ordinances, and regulations, a current or previous owner of real estate (including, in certain circumstances, a secured lender that succeeds to ownership or control of a property) may become liable for the costs of removal or remediation of certain hazardous or toxic substances or petroleum product releases at, on, under, or in its property. These laws typically impose cleanup responsibility and liability without regard to whether the owner or control party knew of or was responsible for the release or presence of the hazardous or toxic substances. The costs of investigation, remediation, or removal of these substances may be substantial and could exceed the value of the property. An owner or control party of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Certain environmental laws also impose liability in connection with the handling of or exposure to materials containing asbestos. These laws allow third parties to seek recovery from owners of properties for personal injuries associated with materials containing asbestos. Our operating costs and the values of these assets may be adversely affected by the obligation to pay for the cost of complying with existing environmental laws, ordinances, and regulations, as well as the cost of complying with future legislation, and our income and ability to make distributions to our stockholders could be affected adversely by the existence of an environmental liability with respect to our properties. We will endeavor to ensure our properties are in compliance in all material respects with all federal, state and local laws, ordinances, and regulations regarding hazardous or toxic substances or petroleum products.

Employees

We have no employees. Pursuant to the terms of the Advisory Agreement, the Advisor assumes principal responsibility for managing our affairs and we compensate the Advisor for certain services.

Additional Information

Our internet address is *www.bcindustrialiv.com.* Through a link on our website, we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and prospectus, along with any amendments to those filings, as soon as reasonably practicable after we file or furnish them to the SEC.

ITEM 1A. RISK FACTORS

RISKS RELATED TO INVESTING IN OUR PUBLIC OFFERING

We have a limited operating history and there is no assurance that we will be able to successfully achieve our investment objectives; the prior performance of other Sponsor affiliated entities may not be an accurate barometer of our future results.

We have a limited operating history and we may not be able to achieve our investment objectives. As a result, an investment in our shares of common stock may entail more risk than the shares of common stock of a real estate investment trust with a substantial operating history. In addition, stockholders should not rely on the past performance of investments by other Sponsor affiliated entities to predict our future results. Our investment strategy and key employees may differ from the investment strategies and key employees of other Sponsor affiliated programs in the past, present and future.

There is no public trading market for the shares of our common stock and we do not anticipate that there will be a public trading market for our shares; therefore, our stockholders' ability to dispose of their shares will likely be limited to redemption by us. If our stockholders do sell their shares to us, they may receive less than the price they paid.

There is no public market for the shares of our common stock and we currently have no obligation or plans to apply for listing on any public securities market. Therefore, redemption of the shares of our common stock by us will likely be the only way for our stockholders to dispose of their shares. We will redeem shares at a price equal to the transaction price on the last calendar day of the applicable month (which is equal to our most recently disclosed monthly NAV per share), and not based on the price at which our stockholders initially purchased their shares. We may redeem our stockholders' shares if they fail to maintain a minimum balance of $2,000 of shares, even if their failure to meet the minimum balance is caused solely by a decline in our NAV. Since Class T shares are sold at the transaction price plus applicable selling commissions and dealer manager fees, holders of Class T shares may receive less than the price they paid for their shares upon redemption by us. Subject to limited exceptions, holders of our common stock that have not held their shares for at least one year will be eligible for redemption at 95% of the transaction price on the redemption date and holders of Class T shares that have held their shares for at least one year but less than two years will be eligible for redemption at 97.5% of the transaction price on the redemption date, which will inure indirectly to the benefit of our remaining stockholders. As a result of this and the fact that our NAV will fluctuate, holders of our common stock may receive less than the price they paid for their shares upon redemption by us.

Our ability to redeem our stockholders' shares may be limited. In addition, our board of directors may modify, suspend or terminate our share redemption program at any time.

Our share redemption program contains significant restrictions and limitations. For example, only stockholders who purchase their shares directly from us or who received their shares through a non-cash transaction, not in the secondary market, are eligible to participate and if holders of our common stock do not hold their shares for a minimum of one year, then they will only be eligible for redemption at 95% of the transaction price on the redemption date. Further, if holders of Class T shares have held their shares for at least one year but less than two years, they will only be eligible for redemption at 97.5% of the transaction price on the redemption date.

We may redeem fewer shares than have been requested in any particular month to be redeemed under our share redemption program, or none at all, in our discretion at any time. We may redeem fewer shares due to the total amount of shares requested for redemption being in excess of the limits and/or caps applicable to our redemption program, the lack of readily available funds because of adverse market conditions beyond our control, the need to maintain liquidity for our operations or because we have determined that investing in real property or other illiquid investments is a better use of our capital than redeeming our shares.

The vast majority of our assets will consist of properties which cannot generally be readily liquidated on short notice without impacting our ability to realize full value upon their disposition. Therefore, we may not always have a sufficient amount of cash to immediately satisfy redemption requests. Further, we may invest in real estate-related securities and other securities with the primary goal of maintaining liquidity in support of our share redemption program. Any such investments may result in lower returns than an investment in real estate assets, which could adversely impact our ability to pay distributions and our stockholders' overall return. In addition, our board of directors may modify, suspend or terminate our share redemption program at any time in its sole discretion. As a result, our stockholders' ability to have their shares redeemed by us may be limited, our shares should be considered as having only limited liquidity and at times may be illiquid.

Our capacity to redeem shares may be further limited if we experience a concentration of investors.

The current limitations of our share redemption program are based, in part, on the number of outstanding shares. Thus, the ability of a single investor, or of a group of investors acting similarly, to redeem all of their shares may be limited if they own a large percentage of our shares. Similarly, if a single investor, or a group of investors acting in concert or independently, owns a large percentage of our shares, a significant redemption request by such investor or investors could significantly further limit our ability to satisfy redemption requests of other investors of such classes. Such concentrations could arise in a variety of circumstances, especially while we have relatively few outstanding shares. For example, we could sell a large number of our shares to one or more institutional investors, either in a public offering or in a private placement. In addition, we may issue a significant number of our shares in connection with an acquisition of another company or a portfolio of properties to a single investor or a group of investors that may request redemption at similar times following the acquisition.

Purchases and redemptions of our common shares will not be made based on the current NAV per share of our common stock.

We are offering shares of our common stock at the transaction price, plus applicable selling commissions and dealer manager fees. The transaction price generally will be equal to the NAV per share of our common stock most recently disclosed by us, however, we may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the most recently disclosed NAV per share, including by updating a previously disclosed transaction price, in cases where we believe there has been a material change to our NAV per share relative to the most recently disclosed NAV per share. Further, our board of directors may amend our NAV procedures from time to time. For example, if our stockholders wish to subscribe for shares of our common stock in October, their subscription request must be received in good order at least five business days before November 1. Generally, the offering price per share would equal the transaction price of the applicable class as of the last calendar day of September, plus applicable upfront selling commissions and dealer manager fees. If accepted, their subscription would be effective on the first calendar day of November. Conversely, if our stockholders wish to submit their shares for redemption in October, their redemption request and required documentation must be received in good order by 4:00 p.m. (Eastern time) on the second to last business day of October. If accepted, their shares would be redeemed as of the last calendar day of October and, generally, the redemption price would equal the transaction price of the applicable class as of the last calendar day of September, subject to a 5.0% reduction, for early redemption of shares of our common stock that have not been outstanding for at least one year and a 2.5% reduction for Class T shares that have been outstanding for at least one year but less than two years. In each of these cases, the NAV that is ultimately determined as of the last day of October may be higher or lower than the NAV as of the last day of September used for determining the transaction price. Therefore, the price at which our stockholders purchase shares may be higher than the current NAV per share at the time of sale and the price at which our stockholders redeem shares may be lower than the current NAV per share at the time of redemption.

In order to provide liquidity to fund redemptions, we currently intend to maintain a number of sources of aggregate liquidity including cash, cash equivalents, other short-term investments, U.S. government securities, agency securities and liquid real estate-related securities of at least 10%, and up to 20% of our equity. In addition, we may draw down amounts under our corporate line of credit. These measures may result in lower returns to you.

Although the majority of our assets consist of properties that cannot generally be readily liquidated on short notice without impacting our ability to realize full value upon their disposition, in order to provide liquidity to fund redemptions, we currently intend to maintain, under normal operating circumstances and subject to any limitations and requirements relating to our qualification as a REIT, a number of sources of liquidity including cash, cash equivalents (e.g. money market funds), other short-term investments, U.S. government securities, agency securities and liquid real estate-related securities ("cash-related liquidity'') of at least 10%, and up to 20% of our equity. In addition, we may draw down amounts under our corporate line of credit, which will cover any difference between our cash-related liquidity up to at least 20% of our equity. Our allocation of a portion of our equity to liquid investments may result in lower returns than if we had invested in additional properties and using borrowings for redemptions will reduce the funds available to retire debt or acquire additional properties, which may result in reduced profitability and restrict our ability to grow our NAV.

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

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

A portion of the proceeds raised in our public offering is expected to be used to satisfy redemption requests, and such portion of the proceeds may be substantial.

We currently expect to use a portion of the proceeds from our public offering to satisfy redemption requests with respect to our share redemption program. Using the proceeds from our public offering for redemptions will reduce the net proceeds available to retire debt or acquire additional properties, which may result in reduced liquidity and profitability or restrict our ability to grow our NAV.

Our public offering is a "blind pool" offering and stockholders will not have the opportunity to evaluate our future investments prior to purchasing shares of our common stock.

As a result, stockholders will not be able to evaluate the economic merits, transaction terms or other financial or operational data concerning our future investments that we have not yet identified prior to purchasing shares of our common stock. Stockholders must rely on the Advisor and our board of directors to implement our investment policies, to evaluate our investment opportunities and to structure the terms of our investments. We may invest in any asset class, including those that present greater risk than industrial assets. Because stockholders cannot evaluate our future investments in advance of purchasing shares of our common stock, a "blind pool" offering may entail more risk than other types of offerings. This additional risk may hinder stockholders' ability to achieve their own personal investment objectives related to portfolio diversification, risk-adjusted investment returns and other objectives.

Our public offering is a "best efforts" offering and if we are unable to raise substantial funds, we will be limited in the number and type of investments we may make which could negatively impact an investment in shares of our common stock.

Our public offering is being made on a "best efforts" basis, whereby the broker dealers participating in the offering are only required to use their best efforts to sell shares of our common stock and have no firm commitment or obligation to purchase any of the shares of our common stock. As a result, the amount of proceeds we raise in our public offering may be substantially less than the amount we would need to achieve a diversified industrial portfolio. Our inability to raise substantial funds would increase our fixed operating expenses as a percentage of gross income, and our financial condition and ability to make distributions could be adversely affected. If we are unable to raise substantially more funds in our public offering, we will be thinly capitalized and will make fewer investments in properties, and will more likely focus on making investments in loans and real estate related entities, resulting in less diversification in terms of the number of investments owned, the geographic regions in which our property investments are located and the types of investments that we make. As a result, the likelihood increases that any single investment's poor performance would materially affect our overall investment performance. As of December 31, 2018 , we had raised gross proceeds of approximately $212.8 million from the sale of approximately 20.3 million shares of our common stock and the issuance of notes payable in our public and private offerings, including shares issued pursuant to our distribution reinvestment plan. See " Note 8 to the Consolidated Financial Statements " for information concerning our public and private offerings.

Valuations and appraisals of our properties, real estate - related assets and real estate - related liabilities are estimates of value and may not necessarily correspond to realizable value.

The valuation methodologies that are used to value our properties and certain real estate-related assets involve subjective judgments regarding such factors as comparable sales, rental revenue and operating expense data, known contingencies, the capitalization or discount rate, and projections of future rent and expenses based on appropriate analysis. As a result, any valuations and appraisals of our properties, real estate-related assets and real estate-related liabilities are only estimates of current market value. Ultimate realization of the value of an asset or liability depends to a great extent on economic and other conditions beyond our control and the control of Altus Group U.S. Inc., a third-party valuation firm, ("Altus Group" or "Independent Valuation Firm") and other parties involved in the valuation of our assets and liabilities. Further, these valuations may not necessarily represent the price at which an asset or liability would sell, because market prices of assets and liabilities can only be determined by negotiation between a willing buyer and seller. Valuations used for determining our NAV also are generally made without consideration of the expenses that would be incurred in connection with disposing of assets and liabilities. Therefore, the valuations of our properties, our investments in real estate-related assets and our liabilities may not correspond to the timely realizable value upon a sale of those assets and liabilities. In addition to being a month old when share purchases and redemptions take place, our NAV will not represent the then-current enterprise value and may not accurately reflect the actual prices at which our assets could be liquidated on any given day, the value a third party would pay for all or substantially all of our shares, or the price that our shares would trade at on a national stock exchange. There will be no retroactive adjustment in the valuation of such assets or liabilities, the price of our shares of common stock, the price we paid to redeem shares of our common stock or NAV-based fees we paid to the Advisor, the Sponsor and Black Creek Capital Markets, LLC (the "Dealer Manager") to the extent such valuations prove to not accurately reflect the true estimate of value and are not a precise measure of realizable value. Because the price our stockholders will pay for shares of our common stock in our public offering, and the price at which our stockholders' shares may be redeemed by us pursuant to our share redemption program, will generally be based on our estimated NAV per share once we commence monthly valuations, our stockholders may pay more than realizable value or receive less than realizable value for our stockholders' investment.

In order to disclose a monthly NAV, we are reliant on the parties that we engage for that purpose, in particular the Independent Valuation Firm and the appraisers that we hire to value and appraise our real estate portfolio.

In order to disclose a monthly NAV, our board of directors, including a majority of our independent directors, has adopted valuation procedures that contain a comprehensive set of methodologies to be used in connection with the calculation of our NAV, including the engagement of independent third parties such as the Independent Valuation Firm, to value our real estate portfolio on a monthly basis, and independent appraisal firms, to provide periodic appraisals with respect to our properties. We have also engaged a firm to act as the NAV Accountant and may engage other independent third parties or our Advisor to value other assets or liabilities. Although our board of directors, with the assistance of the Advisor, oversees all of these parties and the reasonableness of their work product, we will not independently verify our NAV or the components thereof, such as the appraised values of our properties. Our management's assessment of the market values of our properties may also differ from the appraised values of our properties as determined by the Independent Valuation Firm. If the parties engaged by us to determine our monthly NAV are unable or unwilling to perform their obligations to us, our NAV could be inaccurate or unavailable, and we could decide to suspend any ongoing public offering and our share redemption program.

Our NAV is not subject to GAAP, is not independently audited and involves subjective judgments by the Independent Valuation Firm and other parties involved in valuing our assets and liabilities.

Our valuation procedures and our NAV are not subject to GAAP and are not subject to independent audit. Additionally, we are dependent on our Advisor to be reasonably aware of material events specific to our properties (such as tenant disputes, damage, litigation and environmental issues) that may cause the value of a property to change materially and to promptly notify the Independent Valuation Firm so that the information may be reflected in our real estate portfolio valuation. In addition, the implementation and coordination of our valuation procedures include certain subjective judgments of our Advisor, such as whether the Independent Valuation Firm should be notified of events specific to our properties that could affect their valuations, as well as of the Independent Valuation Firm and other parties we engage, as to whether adjustments to asset and liability valuations are appropriate. Accordingly, our stockholders must rely entirely on our board of directors to adopt appropriate valuation procedures and on the Independent Valuation Firm and other parties we engage in order to arrive at our NAV, which may not correspond to realizable value upon a sale of our assets.

No rule or regulation requires that we calculate our NAV in a certain way, and our board of directors, including a majority of our independent directors, may adopt changes to the valuation procedures. In addition, because we do not include organization and offering expenses and acquisition expenses for which the Advisor has agreed to defer reimbursement in our calculation of NAV for a certain period of time, our NAV will be higher during the period of the deferral and may decrease once such deferral ends.

There are no existing rules or regulatory bodies that specifically govern the manner in which we calculate our NAV. As a result, it is important that our stockholders pay particular attention to the specific methodologies and assumptions we will use to calculate our NAV. Other public REITs may use different methodologies or assumptions to determine their NAV. In addition, each year our board of directors, including a majority of our independent directors, will review the appropriateness of our valuation procedures and may, at any time, adopt changes to the valuation procedures. For example, we do not currently include any enterprise value or real estate acquisition costs in our assets calculated for purposes of our NAV. If we acquire real property assets as a portfolio, we may pay a premium over the amount that we would pay for the assets individually. In addition, we will not include organization and offering expenses (other than selling commissions, dealer manager fees and distribution fees) in our calculation of NAV for periods through December 31, 2018, but rather will amortize them to expense on a straight-line basis over the five years following December 31, 2018. Beginning January 1, 2019, all organization and offering expenses (other than selling commissions, dealer manager fees and distribution fees, which will affect the NAV as indicated below) incurred, as well as those expenses incurred prior to January 1, 2019 which will be amortized, will reduce NAV as part of our estimated income and expense accruals. We have adopted this methodology due to the Advisor's agreement to advance all such organization and offering expenses through December 31, 2018 and to be reimbursed by us for such advanced organization and offering expenses ratably over the sixty months following December 31, 2018. Similarly, for NAV calculation purposes, any acquisition expenses incurred or paid which have not been reimbursed to the Advisor will not reduce NAV for periods through December 31, 2019, but rather will be amortized to expense on a straight-line basis over the eighteen months following December 31, 2019. Beginning January 1, 2020, all acquisition expenses incurred, as well as those expenses incurred prior to January 1, 2020, which will be amortized, will reduce NAV as part of our estimated income and expense accruals. We have adopted this methodology due to the Advisor's agreement to defer reimbursement of all or a portion of acquisition expenses incurred or paid on our behalf if, in a given month, the reimbursement of acquisition expenses to the Advisor would cause the NAV per share to be lower than the lesser of $10.00 or the NAV per share calculated for the prior month, which we refer to as a shortfall. If the reimbursement would result in a shortfall, then the Advisor will defer reimbursement of acquisition expenses in the amount necessary to prevent a shortfall for such month. The Advisor will be reimbursed for any such unreimbursed acquisition expenses ratably over the eighteen months following December 31, 2019. Accordingly, during the period of the Advisor's deferral of the reimbursement of organization and offering expenses and acquisition expenses, our NAV will be higher than it would otherwise be but for the deferral and may decrease once such deferral ends. Investors should consider this when determining to purchase shares of our common stock during the period of the deferral. As of December 31, 2018 , the Advisor had incurred organization and offering expenses and acquisition expenses for which the Advisor had deferred reimbursement in an aggregate amount equal to $17.7 million. Our board of directors may change these or other aspects of our valuation procedures, which changes may have an adverse effect on our NAV and the price at which our stockholders may sell shares to us under our share redemption program. See our valuation procedures, filed as Exhibit 99.1 to this Annual Report on Form 10-K, for more details regarding our valuation methodologies, assumptions and procedures.

Our NAV per share may suddenly change if the valuations of our properties materially change from prior valuations or the actual operating results materially differ from what we originally budgeted.

It is possible that the annual appraisals of our properties may not be spread evenly throughout the year and may differ from the most recent monthly valuation. As such, when these appraisals are reflected in our Independent Valuation Firm's valuation of our real estate portfolio, there may be a sudden change in our NAV per share for each class of our common stock. Property valuation changes can occur for a variety of reasons, such as local real estate market conditions, the financial condition of our customers, or lease expirations. For example, we expect to regularly face lease expirations across our portfolio, and as we move further away from lease commencement toward the end of a lease term, the valuation of the underlying property will be expected to drop depending on the likelihood of a renewal or a new lease on similar terms. Such a valuation drop can be particularly significant when closer to a lease expiration, especially for single tenant buildings or where an individual tenant occupies a large portion of a building. We will be at the greatest risk of these valuation changes during periods in which we have a large number of lease expirations as well as when the lease of a significant tenant is closer to expiration. Similarly, if a tenant will have an option in the future to purchase one of our properties from us at a price that is less than the current valuation of the property, then if the value of the property exceeds the option price, the valuation will be expected to decline and begin to approach the purchase price as the date of the option approaches. In addition, actual operating results may differ from what we originally budgeted, which may cause a sudden increase or decrease in the NAV per share amounts. We will accrue estimated revenues and expenses on a monthly basis based on actual leases and expenses in that month. On a periodic basis, we will adjust the revenues and expense accruals we estimated to reflect the revenues and expenses actually earned and incurred. We will not retroactively adjust the NAV per share of each class for any adjustments. Therefore, because actual results from operations may be better or worse than what we previously budgeted, the adjustment to reflect actual operating results may cause the NAV per share for each class of our common stock to increase or decrease.

New acquisitions may be valued for purposes of our NAV at less than what we pay for them, which would dilute our NAV and deferred reimbursements of acquisition expenses will dilute our NAV when repaid to the Advisor.

Pursuant to our valuation procedures, the acquisition price of newly acquired properties will serve as our appraised value for the year of acquisition, and thereafter will be part of the rotating appraisal cycle such that they are appraised at least every calendar year. This is true whether the acquisition is funded with cash, equity or a combination thereof. However, the Independent Valuation Firm always has the ability to adjust property valuations for purposes of our NAV from the most recent appraised value. Similarly, if the Independent Valuation Firm believes that the purchase price for a recent acquisition does not reflect the current value of the property, the Independent Valuation Firm has the ability to adjust the valuation for purposes of our NAV downwards immediately after acquisition. Even if the Independent Valuation Firm does not adjust the valuation downwards immediately following the acquisition, when we obtain an appraisal on the property, it may not appraise at a value equal to the purchase price. Accordingly, the value of a new acquisition as established under our valuation procedures could be less than what we pay for it, which could negatively affect our NAV. Large portfolio acquisitions, in particular, may require a "portfolio premium" to be paid by us in order to be a competitive bidder, and this "portfolio premium" may not be taken into consideration in calculating our NAV. In addition, acquisition expenses we incur in connection with new acquisitions will negatively impact our NAV. The Advisor has agreed to defer reimbursement of all or a portion of acquisition expenses incurred or paid on our behalf if, in a given month, the reimbursement of acquisition expenses to the Advisor would cause the NAV per share to be lower than the lesser of $10.00 or the NAV per share calculated for the prior month, which we refer to as a shortfall. If the reimbursement would result in a shortfall, then the Advisor will defer reimbursement of acquisition expenses in the amount necessary to prevent a shortfall for such month. The Advisor will be reimbursed for any such unreimbursed acquisition expenses ratably over the eighteen months following December 31, 2019. Accordingly, during the period of the Advisor's deferral of the reimbursement of acquisition expenses, our NAV will be higher than it would otherwise be but for the deferral, and may decrease once such deferral ends. Investors should consider this when determining to purchase shares of our common stock during the period of the deferral. As of December 31, 2018 , the Advisor had incurred acquisition expenses for which the Advisor had deferred reimbursement in an amount equal to $3.5 million. We may make acquisitions (with cash or equity) of any size without stockholder approval, and such acquisitions may be dilutive to our NAV.

The NAV per share that we publish may not necessarily reflect changes in our NAV that are not immediately quantifiable.

From time to time, we may experience events with respect to our investments that may have a material impact on our NAV. For example, and not by way of limitation, changes in governmental rules, regulations and fiscal policies, environmental legislation, acts of God, terrorism, social unrest, civil disturbances and major disturbances in financial markets may cause the value of a property to change materially. The NAV per share of each class of our common stock as published on any given month may not reflect such extraordinary events to the extent that their financial impact is not immediately quantifiable. As a result, the NAV per share that we publish may not necessarily reflect changes in our NAV that are not immediately quantifiable, and the NAV per share of each class published after the announcement of a material event may differ significantly from our actual NAV per share for such class until such time as the financial impact is quantified and our NAV is appropriately adjusted in accordance with our valuation procedures. The resulting potential disparity in our NAV may inure to the benefit of redeeming stockholders or non-redeeming stockholders and new purchasers of our common stock, depending on whether our published NAV per share for such class is overstated or understated.

The realizable value of specific properties may change before the value is adjusted by the Independent Valuation Firm and reflected in the calculation of our NAV.

Our valuation procedures generally provide that the Independent Valuation Firm will adjust a real property's valuation, as necessary, based on known events that have a material impact on the most recent value (adjustments for non-material events may also be made). We are dependent on our Advisor to be reasonably aware of material events specific to our properties (such as tenant disputes, damage, litigation and environmental issues, as well as positive events such as new lease agreements) that may cause the value of a property to change materially and to promptly notify the Independent Valuation Firm so that the information may be reflected in our real estate portfolio valuation. Events may transpire that, for a period of time, are unknown to us or the Independent Valuation Firm that may affect the value of a property, and until such information becomes known and is processed, the value of such asset may differ from the value used to determine our NAV. In addition, although we may have information that suggests a change in value of a property may have occurred, there may be a delay in the resulting change in value being reflected in our NAV until such information is appropriately reviewed, verified and processed. For example, we may receive an unsolicited offer from an unrelated third party to sell one of our assets at a price that is materially different than the price included in our NAV. Or, we may be aware of a new lease, lease expiry, or entering into a contract for capital expenditure. Where possible, adjustments generally will be made based on events evidenced by proper final documentation. It is possible that an adjustment to the valuation of a property may occur prior to final documentation if the Independent Valuation Firm determines that events warrant adjustments to certain assumptions (including probability of occurrence) that materially affect value. However, to the extent that an event has not yet become final based on proper documentation, its impact on the value of the applicable property may not be reflected (or may be only partially reflected) in the calculation of our NAV.

Our NAV and the NAV of our stockholders' shares may be diluted in connection with this and future securities offerings.

In connection with our public offering, we incur fees and expenses, which will decrease the amount of cash we have available for operations and new investments. In addition, because the prices of shares sold in our public offering will be based on our NAV once we commence monthly valuations, our public offering may be dilutive if our NAV procedures do not fully capture the value of our shares and/or we do not utilize the proceeds accretively.

In the future we intend to conduct other offerings of common stock (whether existing or new classes), preferred stock, debt securities or of interests in the Operating Partnership. We may also amend the terms of our public offering. We may structure or amend such offerings to attract institutional investors or other sources of capital. The costs of our public offering and future offerings may negatively impact our ability to pay distributions and our stockholders' overall return.

Interest rate changes may cause volatility in our monthly NAV.

In accordance with our valuation procedures, we generally will use the fair value of our assets and liabilities to determine our monthly NAV. The fair value of certain of our assets and liabilities may be very sensitive to interest rate changes, such as fixed-rate borrowings and interest rate hedges. As a result, changes in projected forward interest rates may cause volatility in our monthly NAV.

Our stockholders will experience dilution in the net tangible book value of our stockholders' shares equal to the upfront offering costs associated with their shares.

Our stockholders will incur immediate dilution equal to the upfront costs of the offering associated with the sale of their shares, including with respect to Class T shares sold in the primary offering, upfront selling commissions and dealer manager fees, and with respect to all shares sold in the offering, organization and offering expenses. This means that investors who purchase our shares of common stock will pay a price per share that exceeds the amount available to us to purchase assets and therefore, the value of these assets upon purchase.

Our stockholders may be at a greater risk of loss than the Sponsor or the Advisor since our primary source of capital is funds raised through the sale of shares of our common stock.

Because our primary source of capital is funds raised through the sale of shares of our common stock, any losses that may occur will be borne primarily by our stockholders, rather than by the Sponsor or the Advisor.

Stockholders will not have the benefit of an independent due diligence review in connection with our public offering, which increases the risk of their investment.

Because the Advisor and the Dealer Manager are affiliates of, or otherwise related to, the Sponsor, stockholders will not have the benefit of an independent due diligence review and investigation of the type normally performed by an independent underwriter in connection with a securities offering. This lack of an independent due diligence review and investigation increases the risk of the stockholders' investment.

The performance component of the advisory fee is calculated on the basis of the overall investment return provided to holders of Fund Interests over a calendar year, so it may not be consistent with the return on our stockholders' shares.

The performance component of the advisory fee is calculated on the basis of the overall investment return provided to holders of Fund Interests (i.e., our outstanding shares and OP Units held by third parties) in any calendar year such that the Sponsor (or the Advisor, if the Sponsor elects to have the performance component of the advisory fee paid to the Advisor) will earn a performance component of the advisory fee equal to the lesser of (1) 12.5% of (a) the annual total return amount less (b) any loss carryforward, and (2) the amount equal to (x) the annual total return amount, less (y) any loss carryforward, less (z) the amount needed to achieve an annual total return amount equal to 5.0% of the NAV per Fund Interest at the beginning of such year (the "Hurdle Amount"). Therefore, if the annual total return amount exceeds the Hurdle Amount plus the amount of any loss carryforward, then the Sponsor or the Advisor, as applicable, will earn a performance component equal to 100% of such excess, but limited to 12.5% of the annual total return amount that is in excess of the loss carryforward. The foregoing calculations are performed based on the weighted-average number of outstanding Fund Interests during the year and the weighted-average total return per Fund Interest. The "annual total return amount" referred to above means all distributions paid or accrued per Fund Interest plus any change in NAV per Fund Interest since the end of the prior calendar year, adjusted to exclude the negative impact on annual total return resulting from our payment or obligation to pay, or distribute, as applicable, the performance component of the advisory fee as well as ongoing distribution fees (i.e., our ongoing class-specific fees). If the performance component is being calculated with respect to a year in which we complete a Liquidity Event, for purposes of determining the "annual total return amount," the change in NAV per Fund Interest will be deemed to equal the difference between the NAV per Fund Interest as of the end of the prior calendar year and the value per Fund Interest determined in connection with such Liquidity Event. The "loss carryforward" referred to above will track any negative annual total return amounts from prior years and offset the positive annual total return amount for purposes of the calculation of the performance component of the advisory fee. The loss carryforward was zero as of the effective date of the Advisory Agreement. Therefore, payment of the performance component of the advisory fee (1) is contingent upon the overall return to the holders of Fund Interests exceeding the Hurdle Amount plus the amount of any loss carryforward, (2) will vary in amount based on our actual performance and (3) cannot cause the overall return to the holders of Fund Interests for the year to be reduced below 5.0%.

As a result of the manner in which the performance component is calculated, as described above, the performance component is not directly tied to the performance of the shares our stockholders purchase, the class of shares they purchase, or the time period during which they own their shares. The performance component may be payable to the Advisor or the Sponsor even if the NAV of a stockholder's shares at the time the performance component is calculated is below the stockholder's purchase price, and the thresholds at which increases in NAV count towards the overall return to the holders of Fund Interests are not based on at stockholder's purchase price. Because of the class-specific allocations of the ongoing distribution fee, which differ among classes, we do not expect the overall return of each class of Fund Interests to ever be the same. However, if and when the performance component of the advisory fee is payable, the expense will be allocated among all holders of Fund Interests ratably according to the NAV of their units or shares, regardless of the different returns achieved by different classes of Fund Interests during the year. Further, our stockholders who redeem their shares during a given year may redeem their shares at a lower NAV per share as a result of an accrual for the estimated performance component of the advisory fee, even if no performance component is ultimately payable to the Advisor or the Sponsor for all or any portion of such calendar year. In addition, if the Sponsor or the Advisor earns the performance component of the advisory fee in any given year, neither of them will be obligated to return any portion of it based on our subsequent performance.

The payment of fees and expenses to the Advisor and its affiliates and the Dealer Manager reduces the cash available for distribution and increases the risk that our stockholders will not be able to recover the amount of their investment in our shares.

The Advisor and the Dealer Manager perform services for us, including, among other things, the selection and acquisition of our investments, the management of our assets, the disposition of our assets, the financing of our assets and certain administrative services. We pay the Advisor and its affiliates and the Dealer Manager fees and expense reimbursements for these services, which will reduce the amount of cash available for further investments or distribution to our stockholders.

We will be required to pay substantial compensation to the Advisor and its affiliates or related parties, which may be increased or decreased during our public offering or future offerings by a majority of our board of directors, including a majority of the independent directors.

Subject to limitations in our charter, the fees, compensation, income, expense reimbursements, interest and other payments that we will be required to pay to the Advisor and its affiliates or related parties may increase or decrease during our public offering or future offerings if such change is approved by a majority of our board of directors, including a majority of the independent directors. For example, we recently made substantial changes to our agreements with the Advisor and the Dealer Manager. These payments to the Advisor and its affiliates or related parties will decrease the amount of cash we have available for operations and new investments and could negatively impact our ability to pay distributions and our stockholders overall return.

We may have difficulty completely funding our distributions with funds provided by cash flows from operating activities; therefore, we may use cash flows from financing activities, which may include borrowings and net proceeds from primary shares sold in our public offering, proceeds from the issuance of shares under our distribution reinvestment plan, cash resulting from a waiver or deferral of fees by the Advisor or from expense support provided by the Advisor, or other sources to fund distributions to our stockholders. The use of these sources to pay distributions and the ultimate repayment of any liabilities incurred could adversely impact our ability to pay distributions in future periods, decrease the amount of cash we have available for operations and new investments and/or potentially impact the value or result in dilution of our stockholders' investment by creating future liabilities, reducing the return on their investment or otherwise.

Until the proceeds from our public offering are fully invested, and from time to time thereafter, we may not generate sufficient cash flows from operating activities, as determined on a GAAP basis, to fully fund distributions to you. To date, we have funded, and expect to continue to fund, distributions to our stockholders, with cash flows from financing activities, which may include borrowings and net proceeds from primary shares sold in our public offering, proceeds from the issuance of shares under our distribution reinvestment plan, cash resulting from a waiver or deferral of fees or expense reimbursements otherwise payable to the Advisor or its affiliates, cash resulting from the Advisor or its affiliates paying certain of our expenses, proceeds from the sales of assets, or from our cash balances. Our charter does not prohibit our use of such sources to fund distributions. We may be required to fund distributions from a combination of some of these sources if our investments fail to perform as anticipated, if expenses are greater than expected or as a result of numerous other factors. We have not established a cap on the amount of our distributions that may be paid from any of these sources. Using certain of these sources may result in a liability to us, which would require a future repayment. For the term of, and pursuant to, the Expense Support Agreement (the "Expense Support Agreement"), we expect to rely on cash resulting from the deferral of the fixed component of the advisory fee and/or expense support from the Advisor to help fund our cash distributions in excess of certain thresholds defined in the Expense Support Agreement. The Expense Support Agreement has an effective term through June 30, 2020, but may be terminated prior thereto without cause or penalty by a majority of our independent directors upon 30 days' written notice to the Advisor. Upon the earlier of the termination or expiration of the Expense Support Agreement or upon reaching the maximum support amount of $15.0 million as further described in the Expense Support Agreement, the Advisor will not be obligated to defer fees or otherwise support our distributions, which could adversely impact our ability to pay distributions. In addition, the Advisor's obligations under the Expense Support Agreement will immediately terminate upon the earlier to occur of (i) the termination or non-renewal of the Advisory Agreement, (ii) the delivery by us of notice to the Advisor of our intention to terminate or not renew the Advisory Agreement, (iii) our completion of a Liquidity Event or (iv) the time the Advisor has deferred or paid the maximum support amount of $15.0 million. Further, the Advisor may elect to immediately terminate its obligations under the Expense Support Agreement if we modify our calculation of FFO. Except with respect to the early termination events described above, any obligation of the Advisor to make payments under the Expense Support Agreement with respect to the calendar quarter ending June 30, 2020 will remain operative and in full force and effect through the end of such quarter. To the extent the Expense Support Agreement is no longer available, we may need to borrow additional money under our debt financings to support distributions or we may determine to reduce distributions. For the year ended December 31, 2018 , 100.0% of our total gross distributions were funded from sources other than cash flows from operating activities, as determined on a GAAP basis;

specifically, 51.9% of our total gross distributions were paid from cash provided by expense support from the Advisor and 48.1% were funded with proceeds from the issuance of shares under our distribution reinvestment plan.

The use of the sources described above for distributions and the ultimate repayment of any liabilities incurred, as well as the payment of distributions in excess of our FFO, could adversely impact our ability to pay distributions in future periods, decrease the amount of cash we have available for operations and new investments and reduce our stockholders' overall return and adversely impact and dilute the value of their investment in shares of our common stock. To the extent distributions in excess of current and accumulated earnings and profits (i) do not exceed a stockholder's adjusted basis in our stock, such distributions will not be taxable to a stockholder, but rather a stockholder's adjusted basis in our stock will be reduced; and (ii) exceed a stockholder's adjusted tax basis in our stock, such distributions will be included in income as long-term capital gain if the stockholder has held its shares for more than one year and otherwise as short-term capital gain.

In addition, the Advisor or its affiliates could choose to receive shares of our common stock or interests in the Operating Partnership in lieu of cash or deferred fees or the repayment of advances to which they are entitled, and the issuance of such securities may dilute our stockholders' investment in shares of our common stock.

There is very limited liquidity for our shares of common stock. If we do not effect a Liquidity Event, it will be very difficult for our stockholders to have liquidity for their investment in shares of our common stock.

On a limited basis, our stockholders may be able to have their shares redeemed through our share redemption program. However, in the future we may also consider various Liquidity Events. There can be no assurance that we will ever seek to effect, or be successful in effecting, a Liquidity Event (as defined in Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities"). Our charter does not require us to pursue a Liquidity Event or any transaction to provide liquidity to our stockholders. If we do not effect a Liquidity Event, it will be very difficult for our stockholders to have liquidity for their investment in shares of our common stock other than limited liquidity through any share redemption program.

We currently do not have research analysts reviewing our performance.

We do not have research analysts reviewing our performance or our securities on an ongoing basis. Therefore, we do not have an independent review of our performance and value of our common stock relative to publicly traded companies.

The availability and timing of cash distributions to our stockholders is uncertain.

We bear all expenses incurred in our operations, which are deducted from cash funds generated by operations prior to computing the amount of cash from operations available for distributions to our stockholders. In addition, there are ongoing distribution fees payable on Class T shares and Class W shares, which will reduce the amount of cash available for distribution to holders of Class T shares and Class W shares. Distributions could also be negatively impacted by the failure to deploy available cash on an expeditious basis, the inability to find suitable investments that are not dilutive to distributions, potential poor performance of our investments, an increase in expenses for any reason (including expending funds for redemptions in excess of the proceeds from our distribution reinvestment plan) and due to numerous other factors. Any request by the holders of our OP Units to redeem some or all of their OP Units for cash may also impact the amount of cash available for distribution to our stockholders. In addition, our board of directors, in its discretion, may retain any portion of such funds for working capital. There can be no assurance that sufficient cash will be available to make distributions to our stockholders or that the amount of distributions will increase and not decrease over time. Should we fail for any reason to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding any net capital gain), we would not qualify for the favorable tax treatment accorded to REITs.

If we internalize our management functions, the percentage of our outstanding shares of common stock owned by our other stockholders could be reduced, we could incur other significant costs associated with being self-managed, and any internalization could have other adverse effects on our business and financial condition.

At some point in the future, we may internalize the functions performed for us by the Advisor, particularly if we seek to list our shares on an exchange as a way of providing our stockholders with a Liquidity Event. The method by which we could internalize these functions could take many forms. We may hire our own group of executives and other employees or we may acquire the Advisor or its assets, including its existing workforce. Any internalization transaction could result in significant payments to the owners of the Advisor, including in the form of our stock which could reduce the percentage ownership of our then existing stockholders and concentrate ownership in the Sponsor. Such costs also may limit or preclude our ability to successfully achieve a Liquidity Event. In addition, there is no assurance that internalizing our management functions will be beneficial to us and our stockholders. For example, we may not realize the perceived benefits because of the costs of being self-managed or we may not be able to properly integrate a new staff of managers and employees or we may not be able to effectively replicate the services provided previously by the Advisor or its affiliates. Internalization transactions have also, in some cases, been the subject of litigation. Even if these claims are without merit, we could be forced to spend significant amounts of money defending claims which would reduce the amount of funds available for us to invest in real estate assets or to pay distributions.

If another investment program, whether sponsored by the Sponsor or otherwise, hires the current executives or key personnel of the Advisor in connection with an internalization transaction or otherwise, or if we were to internalize our management but cannot retain some or all of our current executives or key personnel of the Advisor, our ability to conduct our business may be adversely affected.

We will rely on key personnel of the Advisor to manage our day-to-day operating and acquisition activities. In addition, all of our current executives and other key personnel of the Advisor may provide services to one or more other investment programs, including other public investment programs sponsored or advised by affiliates of the Sponsor. These programs or third parties may decide to retain or hire some or all of our current executives and the Advisor's other key personnel in the future through an internalization transaction or otherwise. If this occurs, we may not be able to retain some or all of our current executives and other key personnel of the Advisor who are most familiar with our business and operations, thereby potentially adversely impacting our business. If we were to effectuate an internalization of the Advisor, we may not be able to retain all of the current executives and the Advisor's other key personnel or to maintain a relationship with the Sponsor, which also may adversely affect our ability to conduct our business.

We have broad authority to incur debt, and high debt levels could hinder our ability to make distributions and could decrease the value of an investment in shares of our common stock.

Under our charter, we have a limitation on borrowing which precludes us from borrowing in excess of 300% of the value of our net assets, provided that we may exceed this limit if a higher level of borrowing is approved by a majority of our independent directors. High debt levels could cause us to incur higher interest charges, could result in higher debt service obligations, could be accompanied by restrictive covenants, and generally could make us subject to the risks associated with higher leverage. These factors could limit the amount of cash we have available to distribute and could result in a decline in the value of an investment in shares of our common stock.

RISKS RELATED TO OUR GENERAL BUSINESS OPERATIONS AND OUR CORPORATE STRUCTURE

If we are delayed in finding or unable to find suitable investments, we may not be able to achieve our investment objectives and make distributions to our stockholders.

We could suffer from delays in identifying suitable investments due to, among other factors, competition we face for real property investments from other REITs and institutional investors, as well as from certain other entities sponsored or advised by affiliates of the Sponsor, which may have greater financial resources than we do, may be able to accept more risk than we can and may possess other significant competitive advantages over us, including a lower cost of capital. Because we are conducting our public offering on a "best efforts" basis over time, our ability to commit to purchase specific assets will also depend, in part, on the amount of proceeds we have received at a given time. If we are delayed in finding or unable to find suitable investments, we may not be able to achieve our investment objectives, make distributions to our stockholders or continue to fund distributions from sources other than cash flows from operating activities. In addition, such delays in our ability to find suitable investments would increase the length of time that offering proceeds are held in short term liquid investments that are expected to only produce minimal returns.

We anticipate that our investments will continue to be concentrated in the industrial real estate sector and primarily in the largest distribution and logistics markets in the U.S., and our business could be adversely affected by an economic downturn in that sector or in those geographic areas.

We anticipate that our investments will continue to be concentrated in the industrial real estate sector and primarily in the largest distribution and logistics markets in the U.S. Such industry concentration may expose us to the risk of economic downturns in this sector, such as downturns that may result from economic uncertainty with respect to imports and international trade or changes to trade agreements, to a greater extent than if our business activities included investing a more significant portion of the net proceeds of our public offering in other sectors of the real estate industry; and such market concentrations may expose us to the risk of economic downturns in these areas. As of December 31, 2018, 32.5% , 18.7% , 16.8% and 15.7% of our total annualized base rent was concentrated in the Southern California, Las Vegas, Orlando and Central Valley markets, respectively. As a result of this geographic concentration, our business is dependent on the economy in these markets generally, and on the respective markets for industrial property demand in particular, which could expose us to greater economic risks than if we were invested in a more geographically diverse portfolio. In addition, if our customers are concentrated in any particular industry, any adverse economic developments in such industry could expose us to additional risks. These concentration risks could negatively impact our operating results and affect our ability to make distributions to our stockholders.

We are dependent on customers for revenue and our inability to lease our properties or to collect rent from our customers will adversely affect our results of operations and returns to our stockholders.

Our revenues from property investments depend on the creditworthiness of our customers and would be adversely affected by the loss of or default by significant customers. Much of our customer base is comprised of non-rated and non-investment grade customers. As of December 31, 2018, our top five customers represented 59.8% of our total annualized base rent, our top ten customers represented 84.3% of our total annualized base rent and there were seven customers that individually represented more than 5.0% of our total annualized base rent. Our results of operations are currently substantially dependent on our top customers, and any downturn in their businesses could have a material adverse effect on our operations. In addition, certain of our properties are occupied by a single customer, and as a result, the success of those properties depends on the financial stability of that customer. Lease payment defaults by customers could impact operating results, causing us to lower our NAV, reduce the amount of distributions to our stockholders, or could force us to find an alternative source of funding to pay any mortgage loan interest or principal, taxes, or other obligations relating to the property. In the event of a customer default, we may also experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-leasing our property. If a lease is terminated, the value of the property may be immediately and negatively affected and we may be unable to lease the property for the rent previously received or at all or sell the property without incurring a loss.

A prolonged national or world-wide economic downturn or volatile capital market conditions could harm our operations, cash flows and financial condition and lower returns to our stockholders.

If disruptions in the capital and credit markets occur, they could adversely affect our ability to obtain loans, credit facilities, debt financing and other financing, or, when available, to obtain such financing on reasonable terms, which could negatively impact our ability to implement our investment strategy.

If these disruptions in the capital and credit markets should occur again as a result of, among other factors, uncertainty, changing regulation, changes in trade agreements, reduced alternatives or additional failures of significant financial institutions, our access to liquidity could be significantly impacted. For example, customers and potential customers of our properties operate in industries including e-commerce, traditional retail, third-party logistics, warehousing and manufacturing, all of which may be adversely impacted by recently enacted and proposed changes to U.S. foreign trade policies, including tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other policies. Prolonged disruptions could result in us taking measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs could be arranged. Such measures could include deferring investments, reducing or eliminating the number of shares redeemed under our share redemption program and reducing or eliminating distributions we make to our stockholders.

We believe the risks associated with our business are more severe during periods of economic downturn if these periods are accompanied by declining values in real estate. For example, a prolonged economic downturn could negatively impact our property investments as a result of increased customer delinquencies and/or defaults under our leases, generally lower demand for rentable space, potential oversupply of rentable space leading to increased concessions, and/or tenant improvement expenditures, or reduced rental rates to maintain occupancies.

Our operations could be negatively affected to a greater extent if an economic downturn occurs, is prolonged or becomes more severe, which could significantly harm our revenues, results of operations, financial condition, liquidity, business prospects and our ability to make distributions to our stockholders.

Yields on and safety of deposits may be lower due to the extensive decline in the financial markets.

Until we invest the proceeds of the offerings in properties, debt and other investments, we generally plan to hold those funds in permitted investments. Subject to applicable REIT rules, such investments include money market funds, bank money market accounts and CDs or other accounts at third-party depository institutions. Continuous or unusual declines in the financial markets may result in a loss of some or all of these funds. In particular, during times of economic distress, money market funds have experienced intense redemption pressure and have had difficulty satisfying redemption requests. As such, we may not be able to access the cash in our money market investments. In addition, income from these investments is minimal.

The failure of any bank in which we deposit our funds could reduce the amount of cash we have available to pay distributions and make additional investments.

We will seek to diversify our excess cash and cash equivalents among several banking institutions in an attempt to minimize exposure to any one of these entities. However, the Federal Deposit Insurance Corporation generally only insures amounts up to $250,000 per depositor per insured bank. It is likely that we will have cash and cash equivalents and restricted cash deposited in certain financial institutions substantially in excess of federally insured levels. If any of the banking institutions in which we deposit funds ultimately fails, we may lose our deposits over $250,000. The loss of our deposits could reduce the amount of cash we have available to distribute or invest and could result in a decline in the value of our stockholders' investment.

Non-traded REITs have been the subject of increased scrutiny by regulators and media outlets resulting from inquiries and investigations initiated by Financial Industry Regulatory Authority ("FINRA") and the SEC. We could become the subject of scrutiny and may face difficulties in raising capital should negative perceptions develop regarding non-traded REITs. As a result, we may be unable to raise substantial funds which would negatively impact our business.

Our securities are sold primarily through the independent broker dealer channel (i.e., U.S. broker dealers that are not affiliated with money center banks or similar financial institutions). Governmental and self-regulatory organizations like the SEC and FINRA impose and enforce regulations on broker dealers, investment banking firms, investment advisers and similar financial services companies. Self-regulatory organizations, such as FINRA, adopt rules, subject to approval by the SEC that govern aspects of the financial services industry and conduct periodic examinations of the operations of registered investment dealers and broker dealers.

As a result of this increased scrutiny and accompanying negative publicity and coverage by media outlets, FINRA may impose additional restrictions on sales practices in the independent broker dealer channel for non-traded REITs, and accordingly we may face increased difficulty in raising capital in our public offering. If we are unable to raise substantial funds in our public offering, the number and type of investments we may make will be limited, which would negatively impact our overall business plan. If we become the subject of scrutiny, even if we have complied with all applicable laws and regulations, responding to such scrutiny could be expensive, harmful to our reputation, distracting to our management and may negatively impact our ability to raise capital.

Terrorist attacks and other acts of violence, civilian unrest or war may affect the markets in which we operate, our operations and our profitability.

Terrorist attacks and other acts of violence, civilian unrest, or war may negatively affect our operations and our stockholders' investment. We may acquire real estate assets located in areas that are susceptible to attack. In addition, any kind of terrorist activity or violent criminal acts, including terrorist acts against public institutions or buildings or modes of public transportation (including airlines, trains or buses) could have a negative effect on our business. These events may directly impact the value of our assets through damage, destruction, loss or increased security costs. Although we may obtain terrorism insurance, we may not be able to obtain sufficient coverage to fund any losses we may incur. Risks associated with potential acts of terrorism could sharply increase the premiums we pay for coverage against property and casualty claims. Further, certain losses resulting from these types of events are uninsurable or not insurable at reasonable costs.

More generally, any terrorist attack, other act of violence or war, including armed conflicts, could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility could adversely affect our customers' ability to pay rent on their leases or our ability to borrow money or issue capital stock at acceptable prices and have a material adverse effect on our financial condition, results of operations and ability to pay distributions to our stockholders.

Our business could suffer in the event the Advisor, the Dealer Manager, our transfer agent or any other party that provides us with services essential to our operations experiences system failures or cyber incidents or a deficiency in cybersecurity.

The Advisor, the Dealer Manager, our transfer agent and other parties that provide us with services essential to our operations are vulnerable to service interruptions or damages from any number of sources, including computer viruses, malware, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that may include, but is not limited to, gaining unauthorized access to systems to disrupt operations, corrupt data, steal assets or misappropriate company funds and/or confidential information, including, for example, confidential information regarding our stockholders. As reliance on technology in our industry has increased, so have the risks posed to our systems, both internal and those we have outsourced. In addition, the risk of cyber incidents has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Cyber incidents may be carried out by third parties or insiders, including by computer hackers, foreign governments and cyber terrorists, using techniques that range from highly sophisticated efforts to more traditional intelligence gathering and social engineering aimed at obtaining information. The remediation costs and lost revenues experienced by a victim of a cyber incident may be significant and significant resources may be required to repair system damage, protect against the threat of future security breaches or to alleviate problems, including reputational harm, loss of revenues and litigation, caused by any breaches. There also may be liability for any stolen assets or misappropriated company funds or confidential information. Any material adverse effect experienced by the Advisor, the Dealer Manager, our transfer agent and other parties that provide us with services essential to our operations could, in turn, have an adverse impact on us.

Our board of directors determines our major policies and operations which increases the uncertainties faced by our stockholders.

Our board of directors determines our major policies, including our policies regarding acquisitions, dispositions, financing, growth, debt capitalization, REIT qualification, listing, redemptions and distributions. Our board of directors may amend or revise these and other policies without providing notice to or obtaining the consent of our stockholders, which could result in investments that are different than those described in our prospectus. Under the Maryland General Corporation Law and our charter, our stockholders have a right to vote only on limited matters. Our board of directors' broad discretion in setting policies and our stockholders' inability to exert control over those policies increases the uncertainty and risks our stockholders face, especially if our board of directors and our stockholders disagree as to what course of action is in our stockholders' best interests.

Certain provisions in the partnership agreement of the Operating Partnership may delay, defer or prevent an unsolicited acquisition of us or a change of our control.

Provisions in the partnership agreement of the Operating Partnership may delay, defer or prevent an unsolicited acquisition of us or a change of our control. These provisions include, among others:

- redemption rights of qualifying parties;
- a requirement that we may not be removed as the general partner of the operating partnership without our consent;
- transfer restrictions on our Operating Partnership units ("OP Units");
- our ability, as general partner, in some cases, to amend the partnership agreement without the consent of the limited partners; and
- the right of the limited partners to consent to transfers of the general partnership interest and mergers under specified circumstances.

These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or a change of our control, although some stockholders might consider such proposals, if made, desirable. Our charter and bylaws, the partnership agreement of the Operating Partnership and Maryland law also contain other provisions that may delay, defer or prevent a transaction or a change of control of us that might involve a premium price for our common stock or that our stockholders otherwise might believe to be in their best interests.

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

Limited partners in the Operating Partnership have the right to vote on certain amendments to the fourth amended and restated limited operating partnership agreement of the Operating Partnership as well as on certain other matters. Persons holding such voting rights may exercise them in a manner that conflicts with our stockholders' interests. As general partner of the Operating Partnership, we are obligated to act in a manner that is in the best interests of all partners of the Operating Partnership. Circumstances may arise in the future when the interests of limited partners in the Operating Partnership may conflict with the interests of our stockholders. These conflicts may be resolved in a manner stockholders believe is not in their best interests.

We may acquire co-ownership interests in property that are subject to certain co-ownership agreements which may have an adverse effect on our results of operations, relative to if the co-ownership agreements did not exist.

We may acquire co-ownership interests, especially in connection with the Operating Partnership's potential private placements, such as tenancy-in-common interests in property, interests in Delaware statutory trusts that own property and/or similar interests, which are subject to certain co-ownership agreements. The co-ownership agreements may limit our ability to encumber, lease, or dispose of our co-ownership interest. Such agreements could affect our ability to turn our investments into cash and could affect cash available for distributions to our stockholders. The co-ownership agreements could also impair our ability to take actions that would otherwise be in the best interest of our stockholders and, therefore, may have an adverse effect on our results of operations, relative to if the co-ownership agreements did not exist.

The Operating Partnership's potential private placements of tenancy-in-common interests in properties, Delaware statutory trust interests and/or similar interests could subject us to liabilities from litigation or otherwise.

The Operating Partnership may offer undivided tenancy-in-common interests in properties, interests in Delaware statutory trusts that own properties and/or similar interests to accredited investors in private placements exempt from registration under the Securities Act of 1933. We anticipate that these tenancy-in-common interests, Delaware statutory trust interests and/or similar interests may serve as replacement properties for investors seeking to complete like-kind exchange transactions under

Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). Additionally, the properties associated with any tenancy-in-common interests, Delaware statutory trust interests and/or similar interests sold to investors pursuant to such private placements are expected to be 100% leased by the Operating Partnership, and such leases would be expected to contain purchase options whereby the Operating Partnership would have the right to acquire the tenancy-in-common interests, Delaware statutory trust interests and/or similar interests from the investors at a later time in exchange for OP Units under Section 721 of the Code. Investors who acquire tenancy-in-common interests, Delaware statutory trust interests and/or similar interests pursuant to such private placements may do so seeking certain tax benefits that depend on the interpretation of, and compliance with, extremely technical tax laws and regulations. As the general partner of the Operating Partnership, we may become subject to liability, from litigation or otherwise, as a result of such transactions, including in the event an investor fails to qualify for any desired tax benefits.

If we invest in a limited partnership as a general partner, we could be responsible for all liabilities of such partnership.

We may invest in limited partnership entities through joint ventures or other co-ownership arrangements, in which we acquire all or a portion of our interest in such partnership as a general partner. Such general partner status could expose us to all the liabilities of such partnership. Additionally, we may take a non-managing general partner interest in the limited partnership, which would limit our rights of management or control over the operation of the partnership but would still make us potentially liable for all liabilities of the partnership. Therefore, we may be held responsible for all of the liabilities of an entity in which we do not have full management rights or control, and our liability may be greater than the amount or value of our initial, or then current, investment in the entity.

Maryland law and our organizational documents limit our stockholders' rights to bring claims against our officers and directors.

Maryland law provides that a director will not have any liability as a director so long as he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter provides that, subject to the applicable limitations set forth therein or under Maryland law, no director or officer will be liable to us or our stockholders for monetary damages. Our charter also provides that we will generally indemnify and advance expenses to our directors, our officers, the Advisor and its affiliates for losses they may incur by reason of their service in those capacities unless their act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, they actually received an improper personal benefit in money, property or services or, in the case of any criminal proceeding, they had reasonable cause to believe the act or omission was unlawful. Moreover, we have entered into separate indemnification agreements with each of our officers and directors. As a result, we and our stockholders have more limited rights against these persons than might otherwise exist under common law.

In addition, we are obligated to fund the defense costs incurred by these persons in some cases. However, our charter provides that we may not indemnify our directors, the Advisor and its affiliates for any liability or loss suffered by them or hold our directors, the Advisor and its affiliates harmless for any liability or loss suffered by us unless they have determined that the course of conduct that caused the loss or liability was in our best interests, they were acting on our behalf or performing services for us, the liability or loss was not the result of negligence or misconduct by our non-independent directors, the Advisor and its affiliates or gross negligence or willful misconduct by our independent directors, and the indemnification or agreement to hold harmless is recoverable only out of our net assets or the proceeds of insurance and not from our stockholders.

We may issue preferred stock, additional shares of common stock or other classes of common stock, which issuance could adversely affect the holders of our common stock issued pursuant to our public offering.

Holders of our common stock do not have preemptive rights to any shares issued by us in the future. We may issue additional shares of common stock, without stockholder approval, including through the declaration of stock dividends, at a price which could dilute the value of existing stockholders' shares. Further, we may issue, without stockholder approval, preferred stock or other classes of common stock with voting and conversion rights which could adversely affect the voting power of the common stockholders and with rights that could dilute the value of our stockholders' shares of common stock. This would increase the number of stockholders entitled to distributions without simultaneously increasing the size of our asset base. Under our charter, we have authority to issue a total of 1.7 billion shares of capital stock. Of the total number of shares of capital stock authorized (a) 1.5 billion shares are designated as common stock, including 225.0 million classified as Class I shares, 1.2 billion classified as Class T shares and 75.0 million classified as Class W shares, and (b) 200.0 million shares are designated as preferred stock. Our board of directors may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of capital stock or the number of authorized shares of capital stock of any class or series that we have authority to issue without stockholder approval. If we ever created and issued preferred stock with a distribution preference over common stock, payment of any distribution preferences of outstanding preferred stock would reduce the amount of funds available for the payment of distributions on our common stock. Further, holders of preferred stock are normally entitled to receive a preference payment in the event we liquidate, dissolve or wind up before any payment is made to our common stockholders, likely reducing the amount common stockholders would otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of preferred stock or a separate class or series of common stock may render more difficult or tend to discourage:

- A merger, tender offer or proxy contest;
- The assumption of control by a holder of a large block of our securities; and/or
- The removal of incumbent management.

The limit on the percentage of shares of our common stock that any person may own may discourage a takeover or business combination that could benefit our stockholders.

Our charter restricts the direct or indirect ownership by one person or entity to no more than 9.8% of the value of our then outstanding capital stock (which includes common stock and any preferred stock we may issue) and no more than 9.8% of the value or number of shares, whichever is more restrictive, of our then outstanding common stock. This restriction may discourage a change of control of us and may deter individuals or entities from making tender offers for shares of our common stock on terms that might be financially attractive to stockholders or which may cause a change in our management. This ownership restriction may also prohibit business combinations that would have otherwise been approved by our board of directors and our stockholders. In addition to deterring potential transactions that may be favorable to our stockholders, these provisions may also decrease our stockholders' ability to sell their shares of our common stock.

Maryland law and our organizational documents limit our stockholders' ability to amend our charter or terminate our company without the approval of our board of directors.

Although the Statement of Policy Regarding Real Estate Investment Trusts published by the North American Securities Administrators Association (the "Statement of Policy"), indicates that stockholders are permitted to amend our charter or terminate our company without the necessity for concurrence by our board of directors, we are required to comply with the Maryland General Corporation Law, which provides that any amendment to our charter or any termination of our company must first be declared advisable by our board of directors. Therefore, our charter provides that stockholders may vote to authorize the amendment of our charter or the termination of our company, but only after such action has been declared advisable by our board of directors. Accordingly, the only proposals to amend our charter or to terminate our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors.

A change in U.S. accounting standards regarding operating leases may make the leasing of our properties less attractive to our potential customers, which could reduce overall demand for property leasing services.

In order to address concerns raised by the SEC regarding the transparency of contractual lease obligations under the existing accounting standards for operating leases, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02 on February 25, 2016, which substantially changes the current lease accounting standards, primarily by eliminating the concept of operating lease accounting. As a result, a lease asset and obligation will be recorded on the customer's balance sheet for all lease arrangements. In addition, ASU 2016-02 will impact the method in which contractual lease payments will be recorded. In order to mitigate the effect of the new lease accounting standards, customers may seek to negotiate certain terms within new lease arrangements or modify terms in existing lease arrangements, such as shorter lease terms, which would generally have less impact on their balance sheets. Also, customers may reassess their lease-versus-buy strategies. This could result in a greater renewal risk, a delay in investing our offering proceeds, or shorter lease terms, all of which may negatively impact our operations and our ability to pay distributions to our stockholders. The new leasing standard became effective for annual and interim reporting periods beginning after December 15, 2018, with early adoption permitted.

Our bylaws designate the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland shall be the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders with respect to our company, our directors, our officers or our employees (we currently have no employees). This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that the stockholder believes is favorable for disputes with us or our directors, officers or employees, which may discourage meritorious claims from being asserted against us and our directors, officers and employees. Alternatively, if a court were to find this provision of our charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations. We adopted this provision because we believe it makes it less likely that we will be forced to incur the expense of defending duplicative actions in multiple forums and less likely that plaintiffs' attorneys will be able to employ such litigation to coerce us into otherwise unjustified settlements, and we believe the risk of a court declining to enforce this provision is remote, as the General Assembly of Maryland has specifically amended the MGCL to authorize the adoption of such provisions.

RISKS RELATED TO INVESTMENTS IN PROPERTY

Changes in global, national, regional or local economic, demographic, political, real estate or capital market conditions may adversely affect our results of operations and returns to our stockholders.

We are subject to risks generally incident to the ownership of property including changes in global, national, regional or local economic, demographic, political, real estate, or capital market conditions and other factors particular to the locations of the respective property investments. We are unable to predict future changes in these market conditions. For example, an economic downturn or a rise in interest rates could make it more difficult for us to lease properties or dispose of them. In addition, rising interest rates could also make alternative interest bearing and other investments more attractive and, therefore, potentially lower the relative value of our existing real estate investments.

Adverse economic and other conditions in the regions where our assets are located may adversely affect our levels of occupancy, the terms of our leases, and our ability to lease available areas, which could have an adverse effect on our results of operations.

Our results of operations depend substantially on our ability to lease the areas available in the properties that we own as well as the price at which we lease such space. Adverse conditions in the regions and specific markets where we operate may reduce our ability to lease our properties, reduce occupancy levels, restrict our ability to increase rental rates and force us to lower rental rates and/or offer customer incentives. Should our assets fail to generate sufficient revenues for us to meet our obligations, our financial condition and results of operations, as well as our ability to make distributions, could be adversely affected. The following factors, among others, may adversely affect the operating performance of our properties:

- Economic downturn and turmoil in the financial markets may preclude us from leasing our properties or increase the vacancy level of our assets;
- Periods of increased interest rates could result in, among other things, an increase in defaults by customers, a decline in our property values, and make it more difficult for us to dispose of our properties at an attractive price;
- Rising vacancy rates for commercial property, particularly in large metropolitan areas;
- Our inability to attract and maintain quality customers;
- Default or breaches by our customers of their contractual obligations;
- Increases in our operating costs, including the need for capital improvements;
- Increases in the taxes levied on our business;
- Regulatory changes affecting the real estate industry, including zoning rules; and
- Susceptibility of certain areas to natural disasters.

We anticipate that our investments in real estate assets will be concentrated in industrial properties, and the demand for industrial space in the U.S. is related to the level of economic activity. Accordingly, reduced economic activity may lead to lower occupancy and/or rental rates for our properties.

Properties that we own or acquire may incur vacancies for a significant period of time and could be difficult to sell, which could diminish the return to our stockholders.

A property may incur a vacancy either by the normal expiration of a lease or the continued default of a customer under its lease. In addition, our investments in value-add properties or other types of development properties may have significant vacancies at the time of acquisition. We may have difficulty obtaining a new customer for any vacant space we have in our real properties, including properties we acquire with vacancies. If property vacancies continue for a long period of time, we may suffer reduced revenues, which could materially and adversely affect our liquidity and NAV, or result in lower cash distributions to our stockholders. In addition, because properties' market values depend principally upon the cash flow generated by the properties' leases, the resale value of properties with prolonged vacancies could suffer, which could further reduce returns to our stockholders.

Risks related to the development of properties may have an adverse effect on our results of operations and returns to our stockholders.

The risk associated with development and construction activities carried out by real estate companies like ours include, among others, the following:

- Long periods of time may elapse between the commencement and the completion of our projects;
- Construction and development costs may exceed original estimates;
- The developer/builder may be unable to index costs or receivables to inflation indices prevailing in the industry;
- The level of interest of potential customers for a recently launched development may be low;
- There could be delays in obtaining necessary permits;
- The supply and availability of construction materials and equipment may decrease and the price of construction materials and equipment may increase;
- Construction and sales may not be completed on time, resulting in a cost increase;
- It may be difficult to acquire land for new developments or properties;
- Labor may be in limited availability;
- Changes in tax, real estate and zoning laws may be unfavorable to us; and
- Unforeseen environmental or other site conditions.

In addition, our reputation and the construction quality of any future real estate developments, whether operated individually or through partnerships, may be determining factors for our ability to lease space and grow. The timely delivery of real estate projects and the quality of our developments, however, will depend on certain factors beyond our full control, including the quality and timeliness of construction materials delivered to us and the technical capabilities of our contractor. If one or more problems affect our real estate developments, our reputation and future performance may be negatively affected and we may be exposed to civil liability.

Companies in the real estate industry, including us, depend on a variety of factors outside of their control to develop, build and operate real estate projects. These factors include, among others, the availability of market resources for financing, land acquisition and project development. We may be unable to obtain financing for construction and development activities under favorable terms, including but not limited to interest rates, maturity dates and/or loan to value ratios, or at all, which could cause us to delay or even abandon potential development projects. Further, any scarcity of market resources, including human capital, may decrease our development capacity due to either difficulty in obtaining credit for land acquisition or construction financing or a need to reduce the pace of our growth. The combination of these risks may adversely affect our revenues, results of operations, financial condition and our ability to make distributions to our stockholders which may adversely affect the value of our stockholders' investment.

Delays in the acquisition, development and construction of properties or debt investments may have adverse effects on portfolio diversification, results of operations, and returns on our stockholders' investment.

Delays we encounter in the acquisition, development and construction of properties could adversely affect our stockholders' returns. To the extent that such disruptions continue, we may be delayed in our ability to invest our capital in property investments that meet our acquisition criteria. Such delays would result in our maintaining a relatively higher cash balance than expected, which could have a negative effect on our stockholders' returns until the capital is invested.

In addition, where properties are acquired prior to the start of construction or during the early stages of construction, it will typically take several months or longer to complete construction, to rent available space, and for rent payments to commence. Therefore, we may not receive any income from these properties and distributions to our stockholders could suffer. Delays in the completion of construction could give customers the right to terminate preconstruction leases for space at a newly developed project. We may incur additional risks when we make periodic progress payments or other advances to builders prior to completion of construction. Each of those factors could result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects. Furthermore, the price we agree to pay for a property will be based on our projections of rental income and expenses and estimates of the fair market value of the property upon completion of construction. If our projections are inaccurate, we may pay too much for a property.

Changes in supply of or demand for similar properties in a particular area may increase the price of real estate assets we seek to purchase or adversely affect the value of the properties we own.

The real estate industry is subject to market forces and we are unable to predict certain market changes including changes in supply of or demand for similar properties in a particular area. For example, if demand for the types of real estate assets in which we seek to invest were to sharply increase or supply of those assets were to sharply decrease, the prices of those assets could rise significantly. Any potential purchase of an overpriced asset could decrease our rate of return on these investments and result in lower operating results and overall returns to our stockholders. Likewise, a sharp increase in supply could adversely affect leasing rates and occupancy, which could impact operating results, our NAV or overall returns to our stockholders.

Actions of joint venture partners could adversely impact our performance.

We may enter into joint ventures with third parties, including entities that are affiliated with the Advisor. We may also purchase and develop properties in joint ventures or in partnerships, co-tenancies or other co-ownership arrangements with the sellers of the properties, affiliates of the sellers, developers or other persons. Such investments may involve risks not otherwise present with a direct investment in real estate, including, for example:

- The possibility that our venture partner, co-tenant or partner in an investment might become bankrupt or otherwise be unable to meet its capital contribution obligations;
- That such venture partner, co-tenant or partner may at any time have economic or business interests or goals which are or which become inconsistent with our business interests or goals;
- That such venture partner, co-tenant or partner may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives; or
- That actions by such venture partner could adversely affect our reputation, negatively impacting our ability to conduct business.

Actions by such a joint venture partner or co-tenant, which are generally out of our control, might have the result of subjecting the property to liabilities in excess of those contemplated and may have the effect of reducing our stockholders' returns, particularly if the joint venture agreement provides that the joint venture partner is the managing partner or otherwise maintains a controlling interest that could allow it to take actions contrary to our interests.

Under certain joint venture arrangements, neither venture partner may have the power to control the venture, and an impasse could be reached, which might have a negative influence on the joint venture and decrease potential returns to our stockholders. In the event that a venture partner has a right of first refusal to buy out the other partner, it may be unable to finance such a buy-out at that time. For example, certain actions by the joint venture partnership may require joint approval of our affiliated partners, on the one hand, and our joint venture partner, on the other hand. An impasse among the partners could result in a "deadlock event," which could trigger a buy-sell mechanism under the partnership agreement and, under certain circumstances, could lead to a liquidation of all or a portion of the partnership's portfolio. In such circumstances, we may also be subject to the 100% penalty tax on "prohibited transactions." It may also be difficult for us to sell our interest in any such joint venture or partnership or as a co-customer in a particular property. In addition, to the extent that our venture partner or co-customer is an affiliate of the Advisor, certain conflicts of interest will exist.

Properties are illiquid investments and we may be unable to adjust our portfolio in response to changes in economic or other conditions or sell a property if or when we decide to do so.

Properties are illiquid investments and we may be unable to adjust our portfolio in response to changes in economic or other conditions. In addition, the real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. We cannot predict whether we will be able to sell any property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We cannot predict the length of time needed to find a willing purchaser and to close the sale of a property.

We may also be required to expend funds to correct defects or to make improvements before a property can be sold. There can be no assurance that we will have funds available to correct such defects or to make such improvements.

In acquiring a property, we may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. All of these provisions would restrict our ability to sell a property.

Our operating expenses may increase in the future and to the extent such increases cannot be passed on to our customers, our cash flow and our operating results would decrease.

Operating expenses, such as expenses for property and other taxes, fuel, utilities, labor, building materials and insurance are not fixed and may increase in the future. Furthermore, we may not be able to pass these increases on to our customers. To the extent such increases cannot be passed on to our customers, any such increases would cause our cash flow and our operating results to decrease.

We compete with numerous other parties or entities for property investments and customers and may not compete successfully.

We compete with numerous other persons or entities seeking to buy or develop real estate assets and to attract customers to properties we already own, including with entities sponsored or advised by affiliates of the Sponsor, which may have a negative impact on our ability to acquire real property assets or attract customers on favorable terms, if at all, and the returns on our properties. These persons or entities may have greater experience and financial strength than us. There is no assurance that we will be able to acquire or develop real estate assets or attract customers on favorable terms, if at all. For example, our competitors may be willing to offer space at rental rates below our rates, causing us to lose existing or potential customers and pressuring us to reduce our rental rates to retain existing customers or convince new customers to lease space at our properties. Similarly, the opening of new competing assets near the assets that we own may hinder our ability to renew our existing leases or to lease to new customers, because the proximity of new competitors may divert existing or new customers to such competitors. In addition, if market rental rates decline during the term of an existing lease, we may be unable to renew or find a new customer without lowering the rental rate. Each of these could adversely affect our results of operations, financial condition, value of our investments or ability to pay distributions to our stockholders.

The operating results of the assets that we own may be impacted by our customers' financial condition.

Our income is derived primarily from lease payments made by our customers. As such, our performance is indirectly affected by the financial results of our customers, as difficulties experienced by our customers could result in defaults in their obligations to us. Furthermore, certain of our assets may utilize leases with payments directly related to customer sales, where the amount of rent that we charge a customer is calculated as a percentage of such customer's revenues over a fixed period of time, and a reduction in sales can reduce the amount of the lease payments required to be made to us by customers leasing space in such assets.

The financial results of our customers can depend on several factors, including but not limited to the general business environment, interest rates, inflation, the availability of credit, taxation and overall consumer confidence. An economic downturn can be expected to negatively impact all of these factors, some to a greater degree than others.

In addition, our ability to increase our revenues and operating income partially depends on steady growth of demand for the products and services offered by the customers located in the assets that we own and manage. A drop in demand, as a result of a slowdown in the U.S. and global economy or otherwise, could result in a reduction in customer performance and consequently, adversely affect us.

If we enter into long-term leases with customers, those leases may not reflect market rental rates over time, which could adversely affect our revenues and ability to make distributions to our stockholders.

We expect that the majority of our leases will be long-term operating leases. Long-term leases, as well as leases with renewal options that specify a maximum rent increase, may not allow for market-based or significant increases in rental payments during the term of the lease. If we do not accurately judge the potential for increases in market rental rates when negotiating these long-term leases, we may have no ability to terminate those leases or to adjust the rent to then-prevailing market rates. These circumstances could negatively impact our operating results and affect our ability to make distributions to our stockholders.

Lease agreements may have specific provisions that create risks to our business and may adversely affect us.

Our lease agreements are regulated by local, municipal, state and federal laws, which may grant certain rights to customers, such as the compulsory renewal of their lease by filing lease renewal actions when certain legal conditions are met. A lease renewal action may represent two principal risks for us: (i) if we plan to vacate a given unit in order to change or adapt an asset's mix of customers, the customer could remain in that unit by filing a lease renewal action and interfere with our strategy; and (ii) if we desire to increase the lease price for a specific unit, this increase may need to be approved in the course of a lease renewal action, and the final value could be decided at the discretion of a judge. We would then be subject to the court's interpretation and decision, and could be forced to accept an even lower price for the lease of the unit. The compulsory renewal of our lease agreements and/or the judicial review of our lease prices may adversely affect our cash flow and our operating results.

Certain of our lease agreements are not "triple net leases," under which the customer undertakes to pay all the expenses of maintaining the leased property, including insurance, taxes, utilities and repairs. We may be exposed to higher maintenance, tax, and property management expenses with respect to all of our leases that are not "triple net."

Operating expenses, such as expenses for fuel, utilities, labor, building materials and insurance are not fixed and may increase in the future. There is no guarantee that we will be able to pass such increases on to our customers. To the extent such increases cannot be passed on to our customers, any such increases could negatively impact our cash flow, NAV or operating results.

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

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

Our industry is subject to extensive regulation, which may result in higher expenses or other negative consequences that could adversely affect us.

Our activities are subject to federal, state and municipal laws, and to regulations, authorizations and license requirements with respect to, among other things, zoning, environmental protection and historical heritage, all of which may affect our business. We may be required to obtain licenses and permits with different governmental authorities in order to acquire and manage our assets.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which generally took effect in 2011, contains a sweeping overhaul of the regulation of financial institutions and the financial markets. Key provisions of the Dodd-Frank Act require extensive rulemaking by the SEC and the U.S. Commodity Futures Trading Commission, some of which remains ongoing. Thus, the full impact of the Dodd-Frank Act on our business cannot be fully assessed until all final implementing rules and regulations are promulgated.

Various rules currently in effect under the Dodd-Frank Act may have a significant impact on our business, including, without limitation, provisions of the legislation that increase regulation of and disclosure requirements related to investment advisors, swap transactions and hedging policies, corporate governance and executive compensation, investor protection and enforcement provisions, and asset-backed securities. In February 2017, the U.S. President ordered the Secretary of the U.S. Treasury to review certain existing rules and regulations, such as those promulgated under the Dodd-Frank Act; however, the implications of that review are not yet known and none of the rules and regulations promulgated under the Dodd-Frank Act have been modified or rescinded as of the date of this report.

For example, but not by way of limitation, the Dodd-Frank Act and the rules and regulations promulgated thereunder provide for significantly increased regulation of the derivatives markets and transactions that affect our interest rate hedging activities, including: (i) regulatory reporting, (ii) subject to limited exemptions, mandated clearing through central counterparties and execution on regulated exchanges or execution facilities, and (iii) margin and collateral requirements. While the full impact of the Dodd-Frank Act on our interest rate hedging activities cannot be fully assessed until all final implementing rules and regulations are promulgated, the foregoing requirements may affect our ability to enter into hedging or other risk management transactions, may increase our costs in entering into such transactions, and/or may result in us entering into such transactions on less favorable terms than prior to the effectiveness of the Dodd-Frank Act. For example, subject to an exception for “end-users” of swaps upon which we may seek to rely, we may be required to clear certain interest rate hedging transactions by submitting them to a derivatives clearing organization. To the extent we are required to clear any such transactions, we will be required to, among other things, post margin in connection with such transactions. The occurrence of any of the foregoing events may have an adverse effect on our business and on our stockholders’ return.

In addition, public authorities may enact new and more stringent standards, or interpret existing laws and regulations in a more restrictive manner, which may force companies in the real estate industry, including us, to spend funds to comply with these new rules. Any such action on the part of public authorities may adversely affect our results from operations.

In the event of noncompliance with such laws, regulations, licenses and authorizations, we may face the payment of fines, project shutdowns, cancellation of licenses, and revocation of authorizations, in addition to other civil and criminal penalties.

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

Our properties will be subject to real and personal property and other taxes that may increase as tax rates change and as the properties are assessed or reassessed by taxing authorities. Certain of our leases provide that the property taxes, or increases therein, are charged to the lessees as an expense related to the properties that they occupy while other leases generally provide that we are responsible for such taxes. In any case, as the owner of the properties, we are ultimately responsible for payment of the taxes to the applicable governmental authorities. If property taxes increase, our customers may be unable to make the required tax payments, ultimately requiring us to pay the taxes even if otherwise stated under the terms of the lease. If we fail to pay any such taxes, the applicable taxing authorities may place a lien on the property and the property may be subject to a tax sale. In addition, we will generally be responsible for property taxes related to any vacant space.

Uninsured losses or premiums for insurance coverage relating to property may adversely affect our operating results.

There are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. Risks associated with potential acts of terrorism could sharply increase the premiums we pay for coverage against property and casualty claims. Additionally, mortgage lenders sometimes require commercial property owners to purchase specific coverage against terrorism as a condition for providing mortgage loans. These policies may not be available at a reasonable cost, if at all, which could inhibit our ability to finance or refinance our properties. In such instances, we may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. Changes in the cost or availability of insurance could expose us to uninsured casualty losses. In the event that any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by any such uninsured loss. In addition, we could be held liable for indemnifying possible victims of an accident. There can be no assurance that funding will be available to us for repair or reconstruction of damaged property in the future or for liability payments to accident victims.

Environmentally hazardous conditions may adversely affect our operating results.

Under various federal, state and local environmental laws, a current or previous owner or operator of property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, natural resources or property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of hazardous or toxic substances on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect our business, assets or results of operations and, consequently, amounts available for distribution to our stockholders.

Environmental laws in the U.S. also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of our properties may contain asbestos-containing building materials.

We intend to invest in properties historically used for industrial, manufacturing and commercial purposes. Some of these properties may contain at the time of our investment, or may have contained prior to our investment, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. All of these operations create a potential for the release of petroleum products or other hazardous or toxic substances. Some of the properties that we acquire may be adjacent to or near other properties that have contained or then currently contain underground storage tanks used to store petroleum products or other hazardous or toxic substances. In addition, certain of the properties that we acquire may be on or adjacent to or near other properties upon which others, including former owners or customers of our properties, have engaged, or may in the future engage, in activities that may release petroleum products or other hazardous or toxic substances.

From time to time, we may acquire properties, or interests in properties, with known adverse environmental conditions. In such an instance, we will underwrite the new anticipated costs of environmental investigation, clean-up and monitoring into the cost, as applicable. Further, in connection with property dispositions, we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

All of our properties will have been subject to a Phase I or similar environmental assessment by independent environmental consultants prior to or in connection with our acquisition of such properties. Phase I assessments are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties. Phase I assessments generally include a historical review, a public records review, an investigation of the surveyed site and surrounding properties, and preparation and issuance of a written report, but do not include soil sampling or subsurface investigations and typically do not include an asbestos survey. Nonetheless, an environmental liability that could have a material adverse effect on our business, financial condition or results of operations taken as a whole, may exist at the time of acquisition or may arise in the future, with respect to any properties that we acquire. Material environmental conditions, liabilities or compliance concerns may arise after an environmental assessment has been completed. Moreover, it is possible that (i) future laws, ordinances or regulations may impose a material environmental liability or (ii) the then current environmental condition of the properties that we acquire may be affected by customers, by the condition of land or operations in the vicinity of such properties (such as releases from underground storage tanks), or by third parties unrelated to us.

Costs of complying with environmental laws and regulations may adversely affect our income and the cash available for any distributions.

All property and the operations conducted on property are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Customers' ability to operate and to generate income to pay their lease obligations may be affected by permitting and compliance obligations arising under such laws and regulations. Some of these laws and regulations may impose joint and several liability on customers, owners or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. Leasing properties to customers that engage in industrial, manufacturing, and commercial activities will cause us to be subject to the risk of liabilities under environmental laws and regulations. In addition, the presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect our ability to sell, rent or pledge such property as collateral for future borrowings.

Some of these laws and regulations have been amended so as to require compliance with new or more stringent standards as of future dates. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances or regulations may impose material environmental liability. Additionally, our customers' operations, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third parties may affect our properties. In addition, there are various local, state and federal fire, health, life-safety and similar regulations with which we may be required to comply and which may subject us to liability in the form of fines or damages for noncompliance. Any material expenditures, fines or damages we must pay will reduce our ability to make distributions.

In addition, changes in these laws and governmental regulations, or their interpretation by agencies or the courts, could occur.

The costs associated with complying with the Americans with Disabilities Act may reduce the amount of cash available for distribution to our stockholders.

Investment in properties may also be subject to the Americans with Disabilities Act of 1990, as amended (the "Disabilities Act"). Under this act, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. The Disabilities Act has separate compliance requirements for "public accommodations" and "commercial facilities" that generally require that buildings and services be made accessible and available to people with disabilities. The Disabilities Act's requirements could require us to remove access barriers and our failure to comply with the act's requirements could result in the imposition of injunctive relief, monetary penalties or, in some cases, an award of damages. Any monies we use to comply with the Disabilities Act will reduce our NAV and the amount of cash available for distribution to our stockholders.

We may not have funding for future customer improvements which may adversely affect the value of our assets, our results of operations and returns to our stockholders.

If a customer at one of our properties does not renew its lease or otherwise vacates its space in one of our buildings, it is likely that, in order to attract one or more new customers, we will be required to expend substantial funds to construct new customer improvements in the vacated space. Substantially all of the net proceeds from our public offering will be used to acquire property, debt and other investments, and we do not anticipate that we will maintain permanent working capital reserves. We do not currently have an identified funding source to provide funds which may be required in the future for customer improvements and customer refurbishments in order to attract new customers. If we do not establish sufficient reserves for working capital or obtain adequate secured financing to supply necessary funds for capital improvements or similar expenses, we may be required to defer necessary or desirable improvements to our properties. If we defer such improvements, the applicable properties may decline in value, and it may be more difficult for us to attract or retain customers to such properties or the amount of rent we can charge at such properties may decrease. There can be no assurance that we will have any sources of funding available to us for repair or reconstruction of damaged property in the future.

Property investments made outside of the U.S. will be subject to currency rate exposure and risks associated with the uncertainty of foreign laws and markets.

We may invest outside of the U.S., most likely in Mexico or Canada, to the extent that opportunities exist that may help us meet our investment objectives. To the extent that we invest in property located outside of the U.S., in addition to risks inherent in an investment in real estate generally discussed herein, we will also be subject to fluctuations in foreign currency exchange rates, changes in U.S. regulations concerning foreign investments, if any, and the uncertainty of foreign laws and markets including, but not limited to, unexpected changes in regulatory requirements, political and economic instability in certain geographic locations, difficulties in managing international operations, currency exchange controls, potentially adverse tax consequences, additional accounting and control expenses and the administrative burden associated with complying with a wide variety of foreign laws. Changes in foreign currency exchange rates may adversely impact the fair values and earnings streams of our international holdings and therefore the returns on our non-dollar denominated investments. Although we may hedge our foreign currency risk subject to the REIT income qualification tests, we may not be able to do so successfully and may incur losses on these investments as a result of exchange rate fluctuations.

RISKS RELATED TO DEBT FINANCING

We intend to incur mortgage indebtedness, corporate indebtedness and other borrowings, which may increase our business risks, and could hinder our ability to make distributions to our stockholders.

As of December 31, 2018 , we had approximately $119.0 million outstanding under our line of credit. We intend to continue to finance a portion of the purchase price of our investments by borrowing funds. Under our charter, we have a limitation on borrowing which precludes us from borrowing in excess of 300% of the value of our net assets, provided that we may exceed this limit if a higher level of borrowing is approved by a majority of our independent directors. Net assets for purposes of this calculation are defined to be our total assets (other than intangibles), valued at cost prior to deducting depreciation, reserves for bad debts or other non-cash reserves, less total liabilities. Generally speaking, the preceding limitation provides for borrowings of up to 75% of the aggregate cost of our real estate assets before non-cash reserves and depreciation. In addition, we may incur mortgage debt and pledge some or all of our properties or other assets as security for that debt to obtain funds to acquire additional property, debt or other investments. We may also borrow funds to make distributions, to redeem securities, to satisfy the REIT distribution requirements or for any working capital purposes. Furthermore, we may borrow if we otherwise deem it necessary or advisable to ensure that we maintain our qualification as a REIT for federal income tax purposes.

High debt levels will cause us to incur higher interest charges, which would result in higher debt service payments and could be accompanied by restrictive covenants. If there is a shortfall between the cash flow from a property and the cash flow needed to service mortgage debt on that property, then the amount available for distributions to stockholders may be reduced. In addition, incurring mortgage debt increases the risk of loss since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default, thus reducing the value of our stockholders' investment. For tax purposes, a foreclosure on any of our properties will be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we will recognize taxable income on foreclosure, but we would not receive any cash proceeds. We may give full or partial guarantees to lenders. When we give a guaranty on behalf of an entity that owns one of our properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by such entity. If any mortgage contains cross collateralization or cross default provisions, a default on a single property could affect multiple properties. If any of our properties are foreclosed upon due to a default, our ability to pay cash distributions to our stockholders could be adversely affected.

We may not be able to obtain debt financing necessary to run our business.

We do not anticipate that we will maintain any permanent working capital reserves. Accordingly, we expect to need to borrow capital for acquisitions, the improvement of our properties, and for other purposes. Under current or future market conditions, we may not be able to borrow all of the funds we may need. If we cannot obtain debt or equity financing on acceptable terms, our ability to acquire new investments to expand our operations will be adversely affected. As a result, we would be less able to achieve our investment objectives, which may negatively impact our results of operations and reduce our ability to make distributions to our stockholders.

Increases in interest rates and/or unfavorable changes in other financing terms may make it more difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire and the amount of cash distributions we can make to our stockholders.

If mortgage or corporate debt is unavailable on reasonable terms as a result of increased interest rates, increased credit spreads, decreased liquidity or other factors, we may not be able to finance the initial purchase of properties. In addition, when we incur debt, we run the risk of being unable to refinance such debt when the loans come due, or of being unable to refinance on favorable terms. If interest rates are higher or other financing terms, such as principal amortization, are not as favorable when we refinance debt, our income could be reduced. We may be unable to refinance debt at appropriate times, which may require us to sell properties on terms that are not advantageous to us, or, with respect to mortgage debt, could result in the foreclosure of such properties. If any of these events occur, our cash flow would be reduced. This, in turn, would reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing securities or by borrowing more money.

Risks related to floating rate indebtedness rates could increase the amount of our debt payments and therefore negatively impact our operating results.

Borrowings under our line of credit are, and certain of our future debt debt may be, subject to the fluctuation of market interest rates such as the London Interbank Offered Rate ("LIBOR"), Prime rate, and other benchmark rates. Should such interest rates increase, our debt payments may also increase, reducing cash available for distributions. Furthermore, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments at times which may not permit realization of the maximum return on such investments. Additionally, as it relates to any real estate assets that we may own, an increase in interest rates may negatively impact activity in the consumer market and reduce consumer purchases, which could adversely affect us.

Furthermore, U.S. and international regulators and law enforcement agencies have conducted investigations into a number of rates or indices which are deemed to be "reference rates." Actions by such regulators and law enforcement agencies may result in changes to the manner in which certain reference rates are determined, their discontinuance, or the establishment of alternative reference rates. In particular, on July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (the "FCA"), which regulates LIBOR, stated that it is the FCA's intention that it will no longer be necessary to persuade or compel banks to submit rates for the calculation of LIBOR after 2021. Such statement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. As a result, it is possible that LIBOR will be discontinued or modified by 2021.

At this time, it is not possible to predict the effect that these developments, any discontinuance, modification or other reforms to LIBOR or any other reference rate, or the establishment of alternative reference rates may have on LIBOR or other benchmarks. The use of alternative reference rates or other reforms could cause the interest rates for our floating rate indebtedness to be materially higher than expected.

Lenders may require us to enter into restrictive covenants that relate to or otherwise limit our operations, which could limit our ability to make distributions to our stockholders, to replace the Advisor or to otherwise achieve our investment objectives.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. Loan documents we enter into may contain covenants that limit our ability to further mortgage property, discontinue insurance coverage, or make distributions under certain circumstances. In addition, provisions of our loan documents may deter us from replacing the Advisor because of the consequences under such agreements and may limit our ability to replace the property manager or terminate certain operating or lease agreements related to the property. These or other limitations may adversely affect our flexibility and our ability to achieve our investment objectives.

We may enter into financing arrangements that require us to use and pledge offering proceeds to secure and repay such borrowings, and such arrangements may adversely affect our ability to make investments and operate our business.

We may enter into financing arrangements that require us to use and pledge future proceeds from our public offering or future offerings, if any, to secure and repay such borrowings. Such arrangements may cause us to have less proceeds available to make investments or otherwise operate our business, which may adversely affect our flexibility and our ability to achieve our investment objectives.

We assume the risk that our credit facility lenders may not honor their commitments to us.

We may enter into credit facility arrangements with lenders pursuant to which, subject to certain conditions, they commit to lend us money, provide us with letters of credit or provide other financial services to us. If we fail to comply with the covenants in such arrangements, the lenders could declare us in default, accelerate the maturities of our borrowings and refuse to make loans or provide other financial services to us. Or, if a lender becomes unable or unwilling to honor its commitments to us, we may not receive the loans and other financial services for which we we negotiated. In such a situation, a replacement lender may be difficult or impossible to find quickly or at all. If we are unable to receive loans and other financial services, our liquidity and business could be negatively impacted.

We may enter into financing arrangements involving balloon payment obligations, which may adversely affect our ability to refinance or sell properties on favorable terms, and to make distributions to our stockholders.

Some of our financing arrangements may require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment at maturity will be uncertain and may depend upon our ability to obtain additional financing or our ability to sell the particular property. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the particular property at a price sufficient to make the balloon payment. The effect of a refinancing or sale could affect the rate of return to our stockholders and the projected time of disposition of our assets. In an environment of increasing mortgage rates, if we place mortgage debt on properties, we run the risk of being unable to refinance such debt if mortgage rates are higher at a time a balloon payment is due. In addition, payments of principal and interest made to service our debts, including balloon payments, may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

The derivative instruments that we may use to hedge against interest rate fluctuations may not be successful in mitigating our risks associated with interest rates and could reduce the overall returns on our stockholders' investment.

We may use derivative instruments to hedge exposure to changes in interest rates on certain of our variable rate loans, but no hedging strategy can protect us completely. We cannot assure our stockholders that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate volatility or that our hedging of these transactions will not result in losses. Any settlement charges incurred to terminate unused derivative instruments may result in increased interest expense, which may reduce the overall return on our investments. These instruments may also generate income that may not be treated as qualifying REIT income for purposes of the 75% or 95% REIT income tests.

RISKS RELATED TO INVESTMENTS IN REAL ESTATE - RELATED DEBT AND SECURITIES

The mortgage loans in which we may invest will be subject to the risk of delinquency, foreclosure and loss, which could result in losses to us.

Commercial mortgage loans are secured by commercial property and are subject to risks of delinquency and foreclosure and risks of loss. The ability of a borrower to repay a loan secured by a property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of an income producing property can be affected by, among other things: customer mix, success of customer businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expenses or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, current and potential future capital markets uncertainty, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, acts of God, terrorism, social unrest and civil disturbances.

In the event of any default under a mortgage loan held directly by us, we will bear a risk of loss of principal to the extent of any realized deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have a material adverse effect on our cash flow and limit amounts available for distribution to our stockholders. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Foreclosure of a mortgage loan can be an expensive and lengthy process, which could have a substantial adverse effect on our anticipated return on the foreclosed mortgage loan. In addition, if we foreclose on a particular property, we could become, as owner of the property, subject to liabilities associated with such property, including liabilities related to taxes and environmental matters.

The mezzanine loans, B-notes, and other junior financings in which we may invest would involve greater risks of loss than senior loans secured by income-producing properties.

We may invest in mezzanine loans, B-notes, and other junior financings that substantially take the form of subordinated loans secured by second mortgages on the underlying property or loans secured by a pledge of the ownership interests of either the entity owning the property or the entity that owns the interest in the entity owning the property. These types of investments involve a higher degree of risk than senior mortgage lending secured by income producing property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, we may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy our mezzanine loan in whole or in part. In addition, there may be significant delays and costs associated with the process of foreclosing on collateral securing or supporting these investments. If a borrower defaults on our mezzanine loan or debt senior to our loan, or in the event of a borrower bankruptcy, our mezzanine loan will be satisfied only after the senior debt. As a result, we may not recover some or all of our investment. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal. Further, even if we are successful in foreclosing on the equity interests serving as collateral for certain mezzanine loans, such foreclosure could result in us inheriting all of the liabilities of the underlying mortgage borrower, including the senior mortgage on the applicable property. This may result in both increased costs to us and a negative impact on our overall debt covenants and occupancy levels. In many cases a significant restructuring of the senior mortgage may be required in order for us to be willing to retain longer term ownership of the property. If we are unsuccessful in restructuring the underlying mortgage debt in these scenarios, the mortgage lender ultimately may foreclose on the property causing us to lose any of our remaining investment.

The B-notes in which we may invest may be subject to additional risks relating to the privately negotiated structure and terms of the transaction, which may result in losses to us.

We may invest in B-notes. A B-note is a mortgage loan typically (i) secured by a first mortgage on a single large commercial property or group of related properties and (ii) subordinated to an A-note secured by the same first mortgage on the same collateral. As a result, if a borrower defaults, there may not be sufficient funds remaining for B-note holders after payment to the A-note holders. Since each transaction is privately negotiated, B-notes can vary in their structural characteristics and risks. For example, the rights of holders of B-notes to control the process following a borrower default may be limited in certain B-note investments, particularly in situations where the A-note holders have the right to trigger an appraisal process pursuant to which control would shift from the holder of the B-note when it is determined, for instance, that a significant portion of the B-note is unlikely to be recovered. We cannot predict the terms of each B-note investment. Further, B-notes typically are secured by a single property, and, as a result, reflect the increased risks associated with a single property compared to a pool of properties. Our ownership of a B-note with controlling class rights may, in the event the financing fails to perform according to its terms, cause us to elect to pursue our remedies as owner of the B-note, which may include foreclosure on, or modification of, the note or the need to acquire or payoff the A-note. Acquiring or paying off the A-note could require a significant amount of cash, and we may not have sufficient cash to be able to do so.

Bridge loans may involve a greater risk of loss than conventional mortgage loans.

We may provide bridge loans secured by first lien mortgages on properties to borrowers who are typically seeking short-term capital to be used in an acquisition, development or refinancing of real estate. The borrower may have identified an undervalued asset that has been undermanaged or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower’s projections, or if the borrower fails to improve the quality of the asset’s management or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the bridge loan, and we may not recover some or all of our investment.

In addition, owners usually borrow funds under a conventional mortgage loan to repay a bridge loan. We may, therefore, be dependent on a borrower’s ability to obtain permanent financing to repay our bridge loan, which could depend on market conditions and other factors. Bridge loans, like other loans secured directly or indirectly by property, are subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under bridge loans held by us, we bear the risk of loss of principal and nonpayment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount of the bridge loan. Any such losses with respect to our investments in bridge loans could have an adverse effect on our NAV, results of operations and financial condition.

Investment in non-conforming and non-investment grade loans may involve increased risk of loss.

Loans we may acquire or originate may not conform to conventional loan criteria applied by traditional lenders and may not be rated or may be rated as non-investment grade. Non-investment grade ratings for these loans typically result from the overall leverage of the loans, the lack of a strong operating history for the properties underlying the loans, the borrowers’ credit history, the properties’ underlying cash flow or other factors. As a result, loans we acquire or originate may have a higher risk of default and loss than conventional loans. Any loss we incur may reduce distributions to stockholders and adversely affect our value.

Risks of cost overruns and non-completion of the construction or renovation of the properties underlying loans we make or acquire may materially adversely affect our investment.

The renovation, refurbishment or expansion by a borrower of a mortgaged or leveraged property involves risks of cost overruns and non-completion. Costs of construction or improvements to bring a property up to standards established for the market intended for that property may exceed original estimates, possibly making a project uneconomical. Other risks may include: environmental risks, permitting risks, other construction risks and subsequent leasing of the property not being completed on schedule or at projected rental rates. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower may experience a prolonged impairment of net operating income and may not be able to make payments of interest or principal to us.

Interest rate fluctuations and changes in prepayment rates could cause the value of our debt investments to decrease or could reduce our ability to generate income from such investments.

Interest rate risk is the risk that debt investments will decline in value because of changes in market interest rates. Generally, when market interest rates rise, the market value of such investments will decline, and vice versa. Accordingly, the yield on our debt investments may be sensitive to changes in prevailing interest rates and corresponding changes in prepayment rates. Therefore, changes in interest rates may affect our net interest income, which is the difference between the interest income we earn on our interest-earning investments and the interest expense we incur in financing these investments. Interest rate fluctuations could also cause a borrower to prepay a mortgage loan more quickly than we expect, which could lead to our expected return on the investment being adversely affected.

Our debt investments may be considered illiquid and we may not be able to adjust our portfolio in response to changes in economic and other conditions.

The debt investments we may make in connection with privately negotiated transactions may not be registered under the relevant securities laws, resulting in a prohibition against their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise registered in accordance with, those laws. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited. The mezzanine, B-note and bridge loans we may originate or purchase in the future may be particularly illiquid investments due to their short life, their unsuitability for securitization and the greater difficulty of recovery in the event of a borrower’s default.

Delays in liquidating defaulted loans could reduce our investment returns.

If there are defaults under mortgage or other types of loans that we make, we may not be able to repossess and sell the underlying properties or equity collateral quickly. The resulting time delay could reduce the value of our investment in the defaulted loans. An action to foreclose on a property securing a loan is regulated by state statutes and regulations and is subject to many of the delays and expenses of other lawsuits if the defendant raises defenses or counterclaims. In the event of default by a mortgagor or other borrower, these restrictions, among other things, may impede our ability to foreclose on or sell the mortgaged property or other equity collateral or to obtain proceeds sufficient to repay all amounts due to us on the mortgage or other type of loan.

We may make investments in non-U.S. dollar denominated securities, which will be subject to currency rate exposure and risks associated with the uncertainty of foreign laws and markets.

Some of our real estate-related securities may be denominated in foreign currencies and, therefore, we expect to have currency risk exposure to any such foreign currencies. A change in foreign currency exchange rates may have an adverse impact on returns on our non-U.S. dollar denominated investments. Although we may hedge our foreign currency risk subject to the REIT income qualification tests, we may not be able to do so successfully and may incur losses on these investments as a result of exchange rate fluctuations. To the extent that we invest in non-U.S. dollar denominated securities, in addition to risks inherent in this investment in securities as generally discussed herein, we will also be subject to risks associated with the uncertainty of foreign laws and markets including, but not limited to, unexpected changes in regulatory requirements, political and economic instability in certain geographic locations, difficulties in managing international operations, currency exchange controls, potentially adverse tax consequences, additional accounting and control expenses and the administrative burden of complying with a wide variety of foreign laws.

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

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

We will depend on debtors for our revenue, and, accordingly, our revenue and our ability to make distributions to our stockholders will be dependent upon the success and economic viability of such debtors.

The success of our real estate-related investments will materially depend on the financial stability of the debtors underlying such investments. The inability of a single major debtor or a number of smaller debtors to meet their payment obligations could result in reduced revenue or losses. In the event of a debtor default or bankruptcy, we may experience delays in enforcing our rights as a creditor, and such rights may be subordinated to the rights of other creditors. These events could negatively affect the cash available for distribution to our stockholders.

We may invest in real estate-related preferred equity securities, which may involve a greater risk of loss than traditional debt financing.

We may invest in real estate-related preferred equity securities, which are currently volatile and which securities may involve a higher degree of risk than traditional debt financing due to a variety of factors, including that such investments are subordinate to traditional loans and are not secured. Furthermore, should the issuer default on our investment, we would only be able to proceed against the entity in which we have an interest, and not the property owned by such entity and underlying our investment. As a result, we may not recover some or all of our investment. Since there may be a number of debt obligations that have priority over our preferred stock investment, any determination by us to cure defaults could be costly and we may not have the cash to be able to do so. If we become the equity owner of the issuer, we would be responsible for other liabilities of the issuer, including liabilities relating to taxes and environmental matters.

Investments in real estate - related securities will be subject to specific risks relating to the particular issuer of the securities and may be subject to the general risks of investing in subordinated real estate - related securities.

We may invest in real estate-related common equity, preferred equity and debt securities of both publicly traded and private real estate companies. Our investments in such real estate-related securities will involve special risks relating to the particular issuer of the securities, including the financial condition and business outlook of the issuer. Issuers of real estate-related securities generally invest in real estate or real estate-related assets and are subject to the inherent risks associated with real estate-related debt investments discussed herein.

Real estate-related securities may be unsecured and subordinated to other obligations of the issuer. As a result, investments in real estate-related securities are subject to risks of (i) limited liquidity in the secondary trading, (ii) substantial market price volatility, (iii) subordination to prior claims of banks and other senior lenders of the issuer and preferred equity holders (iv) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause the issuer to reinvest redemption proceeds in lower yielding assets, (v) the possibility that earnings of the issuer may be insufficient to meet its debt service and distribution obligations and (iv) the declining creditworthiness and potential for insolvency of the issuer during periods of rising interest rates and economic downturn. These risks may adversely affect the value of outstanding real estate-related securities and the ability of the issuers thereof to pay dividends.

RISKS RELATED TO THE ADVISOR AND ITS AFFILIATES

Our Advisor faces conflicts of interest because certain of the fees it receives for services performed are based on our NAV, the procedures for which the Advisor will assist our board of directors in developing, overseeing, implementing and coordinating.

The Advisor assists our board of directors in developing, overseeing, implementing and coordinating our NAV procedures. It will assist our Independent Valuation Firm in valuing our real property portfolio by providing the firm with property-level information, including (i) historical and projected operating revenues and expenses of the property; (ii) lease agreements on the property; and (iii) the revenues and expenses of the property. Our Independent Valuation Firm assumes and relies upon the accuracy and completeness of all such information, does not undertake any duty or responsibility to verify independently any of such information and relies upon us and our Advisor to advise if any material information previously provided becomes inaccurate or was required to be updated during the period of its review. In addition, the Advisor may have some discretion with respect to valuations of certain assets and liabilities, which could affect our NAV. Because the Advisor is paid certain fees for its services based on our NAV, the Advisor could be motivated to influence our NAV and NAV procedures such that they result in an NAV exceeding realizable value, due to the impact of higher valuations on the compensation to be received by the Advisor. If our NAV is calculated in a way that is not reflective of our actual NAV, then the purchase price of shares of our common stock on a given date may not accurately reflect the value of our portfolio, and our stockholder’s shares may be worth less than the purchase price.

Advisory fees may not create proper incentives or may induce the Advisor and its affiliates to make certain investments, including speculative investments, that increase the risk of our real estate portfolio.

The advisory fees we pay the Advisor or the Sponsor, as applicable, are made up of a fixed component and a performance component. We will pay the Advisor the fixed component regardless of the performance of our portfolio. The Advisor's entitlement to the fixed component, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We will be required to pay the Advisor the fixed component in a particular period despite experiencing a net loss or a decline in the value of our portfolio during that period. The performance component, which is based on our total distributions plus the change in NAV per share, may create an incentive for the Advisor to make riskier or more speculative investments on our behalf than it would otherwise make in the absence of such performance-based compensation. Because the performance component is based on our NAV, the Advisor may be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail dispositions of assets or share redemptions to maintain a higher NAV, which would, in each case, increase amounts payable to the Advisor or the Sponsor.

The Advisor's management personnel, other employees and affiliates face conflicts of interest relating to time management and, accordingly, the Advisor's management personnel, other employees and affiliates may not be able to devote significant time to our business activities and the Advisor may not be able to hire adequate additional employees.

All of the Advisor's management personnel, other personnel, affiliates and related parties may also provide services to other Sponsor affiliated entities and related parties. We are not able to estimate the amount of time that such management personnel, other personnel, affiliates and related parties will devote to our business. As a result, the Advisor's management personnel, other personnel, affiliates and related parties may have conflicts of interest in allocating their time between our business and their other activities, which may include advising and managing various other real estate programs and ventures, which may be numerous and may change as programs are closed or new programs are formed. During times of significant activity in other programs and ventures, the time they devote to our business may decline. Accordingly, there is a risk that the Advisor's affiliates and related parties may not devote significant time to our business activities and the Advisor may not be able to hire adequate additional personnel.

The Advisor and its affiliates or related parties, including our officers and some of our directors, face conflicts of interest caused by compensation arrangements with us, other Sponsor affiliated entities and related parties and joint venture partners or co‑owners, which could result in actions that are not in our stockholders' best interests.

Our executive officers, some of our directors and other key personnel are also officers, directors, managers, key personnel and/or holders of an ownership interest in the Advisor, the Dealer Manager and/or other entities related to our Sponsor. Our Advisor and its affiliates receive substantial fees from us in return for their services and these fees could influence their advice to us. Among other matters, the compensation arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of our agreements with the Advisor and its affiliates, including the Advisory Agreement and the agreement with the Dealer Manager;
- recommendations to our board of directors with respect to developing, overseeing, implementing and coordinating our NAV procedures, or the decision to adjust the value of certain of our assets or liabilities if the Advisor is responsible for valuing them;
- public offerings of equity by us, which may result in increased advisory fees for the Advisor;
- competition for customers from entities sponsored or advised by affiliates of our Sponsor that own properties in the same geographic area as us; and
- investments through a joint venture or other co-ownership arrangements, which may result in increased fees for the Advisor.

Further, certain advisory fees paid to our Advisor are paid irrespective of the quality of the underlying real estate or property management services during the term of the related agreement. In evaluating investments and other management strategies, the opportunity to earn these fees may lead our Advisor to place undue emphasis on criteria relating to its compensation at the expense of other criteria, such as preservation of capital, in order to achieve higher short-term compensation. Considerations relating to compensation to our Advisor and its affiliates from us and other entities sponsored or advised by affiliates of our Sponsor could result in decisions that are not in our stockholders' best interests, which could hurt our ability to pay our stockholders distributions or result in a decline in the value of our stockholders' investment. Conflicts of interest such as those described above have contributed to stockholder litigation against certain other externally managed REITs that are not affiliated with our Advisor or the Sponsor.

The time and resources that Sponsor affiliated entities and related parties devote to us may be diverted and we may face additional competition due to the fact that Sponsor affiliated entities and related parties are not prohibited from raising money for another entity that makes the same types of investments that we target.

Sponsor affiliated entities and related parties are not prohibited from raising money for another investment entity that makes the same types of investments as those we target. As a result, the time and resources they could devote to us may be diverted. For example, the Dealer Manager is currently involved in separate public offerings for two other entities sponsored or advised by affiliates of the Sponsor. In addition, we may compete with other entities sponsored or advised by affiliates of the Sponsor for the same investors and investment opportunities.

We may co-invest or joint venture an investment with a Sponsor affiliated entity or related party.

We may also co-invest or joint venture with other Sponsor affiliated entities and related parties. Even though all such co-investments will be subject to approval by a majority of our board of directors, including a majority of our independent directors, they could be on terms not as favorable to us as those we could achieve co-investing with a third party. In addition, we may share control with or cede control of the venture to the Sponsor affiliated entity or related party and decisions could be made that are not in our best interests.

We may enter into transactions with the Advisor or affiliates or other related entities of the Advisor; as a result, in any such transaction, we may not have the benefit of arm's length negotiations of the type normally conducted between unrelated parties and we may incur additional expenses.

We may enter into transactions with the Advisor or with affiliates or other related entities of the Advisor. For example, we may purchase assets from affiliates or other related entities of the Advisor that they currently own or hereafter acquire from third parties. The Advisor may also cause us to enter into a joint venture with its affiliates or to dispose of an interest in a property to its affiliates. We may also purchase properties developed and completed by affiliates of the Advisor or provide loans for the development of properties being developed by affiliates of the Advisor. The Advisor and/or its management team could experience a conflict in representing our interests in these transactions. In any such transaction, we will not have the benefit of arm's length negotiations of the type normally conducted between unrelated parties and may receive terms that are less beneficial to us than if such transactions were with a third party. In addition, our independent directors may request that independent legal counsel be provided to them on any matter in which they deem such counsel appropriate or necessary. If the independent directors request independent legal counsel, we will pay the cost of such counsel, which could reduce the cash available to us for other purposes, including paying distributions to our stockholders.

We depend on the Advisor and its key personnel; if any of such key personnel were to cease employment with the Advisor or its affiliates, our business could suffer.

Our ability to make distributions and achieve our investment objectives is dependent upon the performance of the Advisor in the acquisition, disposition and management of our investments, the selection of customers for our properties, the determination of any financing arrangements and other factors. In addition, our success depends to a significant degree upon the continued contributions of certain of the Advisor's key personnel, including, in alphabetical order, Rajat Dhanda, David M. Fazekas, Andrea L. Karp, Thomas G. McGonagle, Dwight L. Merriman III, Lainie P. Minnick, James R. Mulvihill, Taylor M. Paul, Scott W. Recknor, Jeffrey W. Taylor, Peter M. Vanderburg, J. R. Wetzel, Joshua J. Widoff and Evan H. Zucker, each of whom would be difficult to replace. We currently do not have, nor do we expect to obtain, key man life insurance on any of the Advisor's key personnel. If the Advisor were to lose the benefit of the experience, efforts and abilities of one or more of these individuals through their resignation, retirement, or due to an internalization transaction effected by another investment program sponsored by the Sponsor or its affiliates, or due to such individual or individuals becoming otherwise unavailable because of other activities on behalf of the Sponsor or its affiliates, our operating results could suffer.

The fees we pay to entities sponsored or advised by affiliates of our Sponsor in connection with our offerings of securities and in connection with the management of our investments were not determined on an arm's‑length basis, and therefore, we do not have the benefit of arm's‑length negotiations of the type normally conducted between unrelated parties.

The Advisor, affiliates of the Advisor and the Dealer Manager have earned and will continue to earn fees, performance allocations, commissions and expense reimbursements from us. The fees, performance allocations, commissions and expense reimbursements paid and to be paid to the Advisor, affiliates of the Advisor and the Dealer Manager for services they provided us in connection with past offerings and in connection with our public offering were not determined on an arm's-length basis. As a result, the fees have been determined without the benefit of arm's-length negotiations of the type normally conducted between unrelated parties.

We compete with entities sponsored or advised by affiliates of the Sponsor, for whom affiliates of the Sponsor provide certain advisory or management services, for opportunities to acquire or sell investments, and for customers, which may have an adverse impact on our operations.

We compete with existing entities sponsored or advised by affiliates of the Sponsor and may compete with any such entity created in the future, as well as entities for whom affiliates of the Sponsor provide certain advisory or management services, for opportunities to acquire, lease, finance or sell certain types of properties. We may also buy, finance or sell properties at the same time as these entities are buying, financing or selling properties. In this regard, there is a risk that we will purchase a property that provides lower returns to us than a property purchased by entities sponsored or advised by affiliates of the Sponsor and entities for whom affiliates of the Sponsor provide certain advisory or management services. Certain entities sponsored or advised by affiliates of the Sponsor own and/or manage properties in geographical areas in which we expect to own properties. Therefore, our properties may compete for customers with other properties owned and/or managed by these entities. The Advisor may face conflicts of interest when evaluating customer leasing opportunities for our properties and other properties owned and/or managed by these entities and these conflicts of interest may have a negative impact on our ability to attract and retain customers.

The Sponsor and the Advisor have implemented lease allocation guidelines to assist with the process of the allocation of leases when we and certain other entities to which affiliates of the Advisor are providing certain advisory services have potentially competing properties with respect to a particular customer. Pursuant to the lease allocation guidelines, if we have an opportunity to bid on a lease with a prospective customer and one or more of these other entities has a potentially competing property, then, under certain circumstances, we may not be permitted to bid on the opportunity and in other circumstances, we and the other entities will be permitted to participate in the bidding process. The lease allocation guidelines are overseen by a joint management committee consisting of our management committee and certain other management representatives associated with other entities to which affiliates of the Advisor are providing similar services.

Because affiliates of the Sponsor and the Advisor currently sponsor and in the future may advise other investment vehicles (each, an “Investment Vehicle”) with overlapping investment objectives, strategies and criteria, potential conflicts of interest may arise with respect to industrial real estate investment opportunities (“Industrial Investments”). In order to manage this potential conflict of interest, in allocating Industrial Investments among the Investment Vehicles, the Sponsor follows an allocation policy (the “Allocation Policy”) which currently provides that if the Sponsor or one of its affiliates is awarded and controls an Industrial Investment that is suitable for more than one Investment Vehicle, based upon various Allocation Factors (defined below), including without limitation availability of capital, portfolio objectives, diversification goals, target investment markets, return requirements, investment timing and the Investment Vehicle’s applicable approval discretion and timing, then the Industrial Investment will be allocated to Investment Vehicles on a rotational basis and will be offered to the Investment Vehicle at the top of the rotation list (that is, the Investment Vehicle that has gone the longest without being allocated an Industrial Investment). If an Investment Vehicle on the list declines the Industrial Investment, it will be rotated to the bottom of the rotation list. Exceptions may be made to the Allocation Policy for (x) transactions necessary to accommodate an exchange pursuant to Section 1031 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or (y) characteristics of a particular Industrial Investment or Investment Vehicle, such as adjacency to an existing asset, legal, regulatory or tax concerns or benefits, portfolio balancing or other Allocation Factors listed below, which make the Industrial Investment more advantageous to one of the Investment Vehicles. In addition, the Sponsor may from time to time specify that it will not seek new allocations for more than one Investment Vehicle until certain minimum allocation levels are reached.

The Sponsor may from time to time grant to certain Investment Vehicles certain exclusivity, rotation or other priority (each, a “Special Priority”) with respect to Industrial Investments or other investment opportunities. The only currently existing Special Priority has been granted to Build-to-Core Industrial Partnership III LLC (“BTC III”), pursuant to which BTC III will be presented one out of every three qualifying development Industrial Investments (subject to the terms and conditions of the BTC III partnership agreement) until such time as capital commitments thereunder have been fully committed. The Sponsor or its affiliates may grant additional special priorities in the future and from time to time. In addition, to the extent that a potential conflict of interest arises with respect to an investment opportunity other than an Industrial Investment, the Sponsor currently expects to manage the potential conflict of interest by allocating the investment in accordance with the principles of the Allocation Policy the Sponsor follows with respect to Industrial Investments.

“Allocation Factors” are those factors that the Sponsor maintains and updates from time to time based on review by the Sponsor’s Head of Real Estate. Current examples of Allocation Factors include:

- Overall investment objectives, strategy and criteria, including product type and style of investing (for example, core, core plus, value-add and opportunistic);
- The general real property sector or debt investment allocation targets of each program and any targeted geographic concentration;

- The cash requirements of each program;
- The strategic proximity of the investment opportunity to other assets;
- The effect of the acquisition on diversification of investments, including by type of property, geographic area, customers, size and risk;
- The policy of each program relating to leverage of investments;
- The effect of the acquisition on loan maturity profile;
- The effect on lease expiration profile;
- Customer concentration;
- The effect of the acquisition on ability to comply with any restrictions on investments and indebtedness contained in applicable governing documents, SEC filings, contracts or applicable law or regulation;
- The effect of the acquisition on the applicable entity's intention not to be subject to regulation under the Investment Company Act;
- Legal considerations, such as Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Foreign Investment in Real Property Tax Act ("FIRPTA"), that may be applicable to specific investment platforms;
- The financial attributes of the investment opportunity;
- Availability of financing;
- Cost of capital;
- Ability to service any debt associated with the investment opportunity;
- Risk return profiles;
- Targeted distribution rates;
- Anticipated future pipeline of suitable investments;
- Expected holding period of the investment opportunity and the applicable entity's remaining term;
- Whether the applicable entity still is in its fundraising and acquisition stage, or has substantially invested the proceeds from its fundraising stage;
- Whether the applicable entity was formed for the purpose of making a particular type of investment;
- Affiliate and/or related party considerations;
- The anticipated cash flow of the applicable entity and the asset;
- Tax effects of the acquisition, including on REIT or partnership qualifications;
- The size of the investment opportunity; and
- The amount of funds available to each program and the length of time such funds have been available for investment.

The Sponsor may modify its overall allocation policies from time to time. Any changes to the Sponsor's allocation policies will be timely reported to our Conflicts Resolution Committee. The Advisor will be required to provide information to our board of directors on a quarterly basis to enable our board of directors, including the independent directors, to determine whether such policies are being fairly applied.

If we invest in joint venture or co-ownership arrangements with the Advisor or its affiliates, they may retain significant control over our investments even if our independent directors terminate the Advisor.

While a majority of our independent directors may terminate the Advisor upon 60 days' written notice, our ability to remove co-general partners or advisors to any entities in which the Advisor or its affiliates serve in such capacities and in which we may serve as general partner or manager is limited. As a result, if we invest in such joint-venture or co-ownership arrangements; an affiliate of the Advisor may continue to maintain a substantial degree of control over our investments despite the termination of the Advisor.

RISKS RELATED TO OUR TAXATION AS A REIT

Failure to qualify as a REIT could adversely affect our operations and our ability to make distributions.

We have elected to be taxed as a REIT for U.S. federal income tax purposes, commencing with the taxable year ended December 31, 2017 and we intend to continue to operate in accordance with the requirements for qualification as a REIT. Although we do not intend to request a ruling from the Internal Revenue Service ("IRS") as to our REIT status, we have received the opinion of our special U.S. federal income tax counsel, Greenberg Traurig, LLP, with respect to our qualification as a REIT. This opinion was issued in connection with our public offering. Investors should be aware, however, that opinions of counsel are not binding on the IRS or on any court. The opinion of Greenberg Traurig, LLP represents only the view of our counsel based on our counsel's review and analysis of existing law and on certain representations as to factual matters and covenants made by us, including representations relating to the values of our assets, the sources of our income, the amount of distributions that we pay, the composition of our stockholders, and various other matters relating to the requirements for qualification as a REIT. Greenberg Traurig, LLP has no obligation to advise us or the holders of our common stock of any subsequent change in the matters stated, represented or assumed in its opinion or of any subsequent change in applicable law. Furthermore, both the validity of the opinion of Greenberg Traurig, LLP and our qualification as a REIT will depend on our satisfaction of numerous requirements (some on an annual and quarterly basis) established under highly technical and complex provisions of the Code, for which there are only limited judicial or administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. The complexity of these provisions and of the applicable income tax regulations that have been promulgated under the Code is greater in the case of a REIT that holds its assets through a partnership, as we do. Moreover, no assurance can be given that legislation, new regulations, administrative interpretations or court decisions will not change the tax laws with respect to qualification as a REIT or the U.S. federal income tax consequences of that qualification. We have not requested a ruling from the IRS as to our REIT status.

If we were to fail to qualify as a REIT for any taxable year, we would be subject to U.S. federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year in which we lose our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer be deductible in computing our taxable income and we would no longer be required to make distributions. However, any distributions made would be subject to the favorable tax rate applied to "qualified dividend income." To the extent that distributions had been made in anticipation of our qualifying as a REIT, we might be required to borrow funds or liquidate some investments in order to pay the applicable corporate income tax. In addition, although we intend to operate in such a manner as to qualify as a REIT, it is possible that future economic, market, legal, tax or other considerations may cause our board of directors to determine that it is no longer in our best interest to continue to be qualified as a REIT and recommend that we revoke our REIT election.

We believe that the Operating Partnership will be treated for federal income tax purposes as a partnership and not as an association or as a publicly traded partnership taxable as a corporation. If the IRS successfully determines that the Operating Partnership should be treated as a corporation, the Operating Partnership would be required to pay U.S. federal income tax at corporate rates on its net income, its partners would be treated as stockholders of the Operating Partnership and distributions to partners would constitute distributions that would not be deductible in computing the Operating Partnership's taxable income. In addition, if the Operating Partnership were not treated as a taxable REIT subsidiary, we could fail to qualify as a REIT, with the resulting consequences described above.

To qualify as a REIT, we must meet annual distribution requirements, which may result in us distributing amounts that may otherwise be used for our operations.

To obtain the favorable tax treatment accorded to REITs, in addition to other qualification requirements, we normally will be required each year to distribute to our stockholders at least 90% of our REIT taxable income (which may not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for distributions paid and by excluding net capital gains. We will be subject to U.S. federal income tax on our undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be invested in acquisitions of properties and it is possible that we might be required to borrow funds or sell assets to fund these distributions. It is possible that we might not always be able to continue to make distributions sufficient to meet the annual distribution requirements required to maintain our REIT status, avoid corporate tax on undistributed income and/or avoid the 4% excise tax.

From time to time, we may generate taxable income greater than our income for financial reporting purposes, or differences in timing between the recognition of taxable income and the actual receipt of cash may occur. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell investments at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our equity. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect our value.

Recharacterization of sale-leaseback transactions may cause us to lose our REIT status.

We may purchase properties and lease them back to the sellers of such properties. There can be no assurance that the IRS will not challenge our characterization of any such sale-leaseback transaction as a 'true lease.' In the event that any such sale-leaseback transaction is challenged and successfully recharacterized as a financing or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the REIT qualification "asset tests," the "income tests" or the "distribution requirements" and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year in the event we cannot make a sufficient deficiency distribution.

Our stockholders may have current tax liability on distributions if they elect to reinvest in shares of our common stock.

Stockholders who elect to participate in the distribution reinvestment plan, and who are subject to U.S. federal income taxation laws, will incur a tax liability on an amount equal to the fair market value on the relevant distribution date of the shares of our common stock purchased with reinvested distributions, to the extent such distribution is properly treated as being paid out of "earnings and profits," even though such stockholders have elected not to receive the distributions used to purchase those shares of common stock in cash. As a result, each of our stockholders that is not a tax-exempt entity may have to use funds from other sources to pay such tax liability on the value of the common stock received.

Distributions payable by REITs do not qualify for the reduced tax rates that apply to other corporate distributions.

The maximum tax rate applicable to income from "qualified dividends" payable to U.S. stockholders that are individuals, trusts and estates is currently 20% plus a 3.8% "Medicare tax" surcharge. Distributions payable by REITs, however, generally continue to be taxed at the normal rate applicable to the individual recipient on ordinary income, rather than the 20% preferential rate and are also subject to the 3.8% Medicare tax provided however, that all such distributions (other than distributions designated as capital gain distributions and distributions traceable to distributions from a taxable REIT subsidiary), which are received by a pass-through entity or an individual, are eligible for a 20% deduction from gross income under the new tax laws effective January 1, 2018. This eligibility for a 20% deduction will expire as of 2025. Although this tax rate does not adversely affect the taxation of REITs or distributions paid by REITs, the more favorable rates applicable to regular corporate distributions could cause investors who are individuals to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay distributions, which could adversely affect the value of our common stock.

In certain circumstances, we may be subject to federal and state income taxes as a REIT, which would reduce our cash available for distribution to our stockholders.

Even if we qualify and maintain our status as a REIT, we may be subject to U.S. federal income taxes or state taxes. For example, net income from a "prohibited transaction" will be subject to a 100% tax. We may not be able to make sufficient distributions to avoid excise taxes applicable to REITs. We may also decide to retain income we earn from the sale or other disposition of our properties and pay income tax directly on such income. In that event, our stockholders would be treated as if they had earned that income and paid the tax on it directly, would be eligible to receive a credit or refund of the taxes deemed paid on the income deemed earned, and shall increase the adjusted basis of its shares by the excess of such deemed income over the amount of taxes deemed paid. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability. We may also be subject to state and local taxes on our income or property, either directly or at the level of the companies through which we indirectly own our assets. Any U.S. federal or state taxes we pay will reduce our cash available for distribution to our stockholders.

Distributions to tax-exempt investors may be classified as unrelated business taxable income.

Neither ordinary nor capital gain distributions with respect to our common stock, or gain from the sale of common stock should generally constitute unrelated business taxable income to a tax-exempt investor. However, there are certain exceptions to this rule. In particular:

- Part of the income and gain recognized by certain qualified employee pension trusts with respect to our common stock may be treated as unrelated business taxable income if shares of our common stock are predominately held by qualified employee pension trusts, and we are required to rely on a special look-through rule for purposes of meeting one of the REIT share ownership tests, and we are not operated in a manner to avoid treatment of such income or gain as unrelated business taxable income;
- Part of the income and gain recognized by a tax-exempt investor with respect to our common stock would constitute unrelated business taxable income if the investor incurs debt in order to acquire the common stock; and
- Part or all of the income or gain recognized with respect to our common stock by social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans which are exempt from federal income taxation under Sections 501(c)(7), (9), (17), or (20) of the Code may be treated as unrelated business taxable income.

Investments in other REITs and real estate partnerships could subject us to the tax risks associated with the tax status of such entities.

We may invest in the securities of other REITs and real estate partnerships. Such investments are subject to the risk that any such REIT or partnership may fail to satisfy the requirements to qualify as a REIT or a partnership, as the case may be, in any given taxable year. In the case of a REIT, such failure would subject such entity to taxation as a corporation, may require such REIT to incur indebtedness to pay its tax liabilities, may reduce its ability to make distributions to us, and may render it ineligible to elect REIT status prior to the fifth taxable year following the year in which it fails to so qualify. In the case of a partnership, such failure could subject such partnership to an entity level tax and reduce the entity's ability to make distributions to us. In addition, such failures could, depending on the circumstances, jeopardize our ability to qualify as a REIT.

Complying with the REIT requirements may cause us to forego otherwise attractive opportunities.

To qualify as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of shares of our common stock. We may be required to forego attractive investments. We also may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

Complying with the REIT requirements may force us to liquidate otherwise attractive investments.

To qualify as a REIT, we must ensure that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets. The remainder of our investments (other than governmental securities and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer, and, effective January 1, 2018, no more than 20% of the value of our total assets can be represented by securities of one or more taxable REIT subsidiaries. If we fail to comply with these requirements at the end of any calendar quarter, we must correct such failure within 30 days after the end of the calendar quarter to avoid losing our REIT status and suffering adverse tax consequences or, generally, must have "reasonable cause" for the failure and pay a penalty, in addition to satisfying such requirements. As a result, we may be required to liquidate otherwise attractive investments.

The stock ownership limit imposed by the Code for REITs and our charter may restrict our business combination opportunities.

To qualify as a REIT under the Code, not more than 50% in value of our outstanding stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of each taxable year after our first year in which we qualify as a REIT. Our charter, with certain exceptions, authorizes our board of directors to take the actions that are necessary and desirable to preserve our qualification as a REIT. Unless an exemption is granted by our board of directors, no person (as defined to include entities) may own more than 9.8% in value of our capital stock or more than 9.8% in value or in number of shares, whichever is more restrictive, of our common stock. In addition, our charter generally prohibits beneficial or constructive ownership of shares of our capital stock by any person that owns, actually or constructively, an interest in any of our lessees that would cause us to own, actually or constructively, 10% or more of any of our lessees. Our board of directors may grant an exemption, prospectively or retroactively, in its sole discretion, subject to such conditions, representations and undertakings as it may determine. These ownership limitations in our charter are common in REIT charters and are intended, among other purposes, to assist us in complying with the tax law requirements and to minimize administrative burdens. However, these ownership limits might also delay or prevent a transaction or a change in our control that might involve a premium price for our common stock or otherwise be in the best interests of our stockholders.

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

The IRS has issued Revenue Procedure 2003-65, which provides a safe harbor pursuant to which a mezzanine loan that is secured by interests in a pass-through entity will be treated by the IRS as a real estate asset for purposes of the REIT 75% asset test, and interest derived from such loan will be treated as qualifying mortgage interest for purposes of the REIT 75% income test. Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. We may make investments in loans secured by interests in pass-through entities in a manner that complies with the various requirements applicable to our qualification as a REIT. To the extent, however, that any such loans do not satisfy all of the requirements for reliance on the safe harbor set forth in the Revenue Procedure, there can be no assurance that the IRS will not challenge the tax treatment of such loans, which could jeopardize our ability to qualify as a REIT.

Liquidation of assets may jeopardize our REIT status.

To qualify as a REIT, we must comply with requirements regarding our assets and our sources of income. If we are compelled to liquidate our investments to satisfy our obligations to our lenders, we may be unable to comply with these requirements, ultimately jeopardizing our status as a REIT, or we may be subject to a 100% tax on any resultant gain if we sell assets that are treated as dealer property or inventory.

Legislative or regulatory action could adversely affect us or our stockholders.

In recent years, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments in REITs and similar entities, including, without limitation, the recently enacted tax reform effective January 1, 2018. Additional changes to tax laws may continue to occur in the future and may take effect retroactively, and there can be no assurance that any such changes will not adversely affect how we are taxed or the taxation of our stockholders. There is substantial lack of clarity around the likelihood, timing and details of any such additional tax reform. Any such changes could have an adverse effect on an investment in shares of our common stock. We urge our stockholders to consult with their own tax advisor with respect to the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in shares of our common stock.

Foreign investors may be subject to FIRPTA on the sale of common stock if we are unable to qualify as a domestically controlled REIT.

A foreign person (other than a "qualified foreign pension plan") disposing of a U.S. real property interest, including shares of a U.S. corporation whose assets consist principally of U.S. real property interests, is generally subject to a tax under FIRPTA on the gain recognized on the disposition. FIRPTA does not apply, however, to the disposition of stock in a REIT if the REIT is a "domestically controlled REIT." A domestically controlled REIT is a REIT in which, at all times during a specified testing period, less than 50% in value of its shares is held directly or indirectly by non-U.S. holders. There can be no assurance that we will qualify as a domestically controlled REIT. If we were to fail to so qualify, gain realized by a foreign investor (other than a "qualified foreign pension plan") on a sale of our common stock would be subject to FIRPTA unless our common stock was traded on an established securities market and the foreign investor did not at any time during a specified testing period directly or indirectly own more than 5% (10% after December 18, 2015) of the value of our outstanding common stock. We are not currently traded on an established securities market.

We may enter into certain hedging transactions which may have a potential impact on our REIT status.

From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate and/or foreign currency swaps, caps, and floors, options to purchase these items, and futures and forward contracts. Income and gain from "hedging transactions" that we enter into to hedge indebtedness incurred or to be incurred to acquire or carry real estate assets and that are clearly and timely identified as such will be excluded from both the numerator and the denominator for purposes of the gross income and asset tests that apply to REITs. Moreover, any income from a transaction entered into primarily to manage risk of currency fluctuations with respect to any item of income that would be qualifying REIT income under the REIT gross income tests, and any gain from the unwinding of any such transaction, does not constitute gross income for purposes of the REIT annual gross income tests. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, or hedge other types of indebtedness, the income from those transactions may not be treated as qualifying income for purposes of the REIT gross income tests, and might also give rise to an asset that does not qualify for purposes of the REIT asset tests.

The Tax Cuts and Jobs Act, which made significant changes to the U.S. federal income tax rules for taxation of individuals and corporations, including REITs and their stockholders, was signed into law on December 22, 2017 and the precise application of all facets of the legislation is unclear. In addition, as a result of these changes, we may be limited in our ability to deduct interest expense, or be required to spread depreciation deductions over longer periods of time and we may be limited in our ability to utilize losses incurred in earlier years to offset income generated in subsequent years.

The Tax Cuts and Jobs Act made significant changes to the U.S. federal income tax rules for taxation of individuals and corporations, including REITs and their stockholders. In the case of individuals, the tax brackets were adjusted, the top federal income rate was reduced to 37%, special rules reduce taxation of certain income earned through pass-through entities and reduce the top effective rate applicable to ordinary dividends from REITs to 29.6% (through a 20% deduction for ordinary REIT dividends received that are not "capital gain dividends" or "qualified dividend income," subject to complex limitations) and various deductions were eliminated or limited, including limiting the deduction for state and local taxes to $10,000 per year. Most of the changes applicable to individuals are temporary and apply only to taxable years beginning after December 31, 2017 and before January 1, 2026. The top corporate income tax rate was reduced to 21%. There are only minor changes to the tax rules applicable to REITs (other than the 20% deduction applicable to individuals for ordinary REIT dividends received). The Tax Cuts and Jobs Act makes numerous other large and small changes to the tax rules that do not affect REITs directly but may affect our stockholders and may indirectly affect us. For example, the Tax Cuts and Jobs Act amended the rules for accrual of income so that income is taken into account no later than when it is taken into account on applicable financial statements, even if financial statements take such income into account before it would accrue under the original issue discount rules, market discount rules or other rules in the Code. Such rule may cause us to recognize income before receiving any corresponding receipt of cash, which may make it more likely that we could be required to borrow funds or take other action to satisfy the REIT distribution requirements for the taxable year in which such income is recognized, although the precise application of this rule is unclear at this time.

In addition, per the Tax Cuts and Jobs Act, the amount of business interest expense that we may deduct may be limited to the sum of 30% of our adjusted taxable income for the tax year and our business interest income for the tax year. Business interest expense generally is interest paid or accrued with respect to indebtedness allocable to a trade or business. It does not include investment interest. Adjusted taxable income generally means taxable income from trade or business activities before any deductions for interest, net operating losses, or the new deduction for pass-through business income provided for in the Tax Cuts and Jobs Act. In taxable years beginning before January 1, 2022, adjusted taxable income is also computed before deducting depreciation and amortization expense. Interest expense that is disallowed may be carried forward indefinitely. Businesses with average annual gross receipts of $25 million or less (determined by taking into account businesses operated by certain affiliated entities) are exempt from this limitation. A real property trade or business may elect to not be subject to this limit. A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. An electing real property trade or business must use longer alternative depreciation system periods prospectively for all real estate, including real estate acquired prior to the election. We believe our subsidiaries are eligible for this election, but the final determination and election will not be made until the filing of our 2018 tax returns. Once made, this election is irrevocable. Further, under the Tax Cuts and Jobs Act, for taxable years beginning after December 31, 2017, a company's ability to deduct net operating losses is generally limited to 80% of taxable income (prior to the application of the dividends paid deduction), which may limit our ability or the ability of our subsidiaries to derive tax benefits in a later year from losses incurred and carried forward from a prior year. Additionally, the Tax Cuts and Jobs Act reduced individual taxpayers' ability to deduct state and local taxes, including property taxes further limited their ability to deduct mortgage interest expense, such that interest is only deductible with respect to up to a total of $750,000 of mortgages and the legislation does not permit deduction of interest on home equity loans (after grandfathering all existing mortgages). These changes may potentially (and negatively) affect the markets in which we may invest.

Prospective stockholders are urged to consult with their tax advisors with respect to the Tax Cuts and Jobs Act and any other regulatory or administrative developments and proposals, including their potential impact on stockholders' investment in our common stock.

INVESTMENT COMPANY RISKS

We are not registered as an investment company under the Investment Company Act, and therefore we will not be subject to the requirements imposed on an investment company by the Investment Company Act which may limit or otherwise affect our investment choices.

The Company, the Operating Partnership, and our subsidiaries intend to conduct our businesses so that we are not required to register as "investment companies" under the Investment Company Act. The operation of a business in a manner so as not to be subject to regulation as an investment company requires an analysis of and compliance with complex laws, regulations and SEC staff interpretations, not all of which are summarized herein. Although we could modify our business methods at any time, at the present time we expect that the focus of our activities will involve investments in real estate, buildings, and other assets that can be referred to as "sticks and bricks" and therefore we will not be an investment company under Section 3(a)(1)(A) of the Investment Company Act. We also may invest in other real estate investments, such as real estate related securities, and will otherwise be considered to be in the real estate business.

Companies subject to the Investment Company Act are required to comply with a variety of substantive requirements such as requirements relating to:

- Limitations on the capital structure of the entity;
- Restrictions on certain investments;
- Prohibitions on transactions with affiliated entities; and
- Public reporting disclosures, record keeping, voting procedures, proxy disclosure and similar corporate governance rules and regulations.

These and other requirements are intended to provide benefits or protections to security holders of investment companies. Because we and our subsidiaries do not expect to be subject to these requirements, our stockholders will not be entitled to these benefits or protections. It is our policy to operate in a manner that will not require us to register as an investment company, and we do not expect to register as an "investment company" under the Investment Company Act.

We do not expect that we, the Operating Partnership, or other subsidiaries will be an investment company because, if we have any securities that are considered to be investment securities held by an entity, then we will seek to ensure that holdings of investment securities in such entity will not exceed 40% of the total assets of that entity and that no such entity holds itself out as being engaged primarily in the business of investing in securities. If an entity were to hold investment securities having a value exceeding 40% of the value of the entity's total assets, and no other exclusion from registration was available, that entity might be required to register as an investment company. In order to avoid such a result, we, the Operating Partnership, or a subsidiary may be unable to sell assets we would otherwise want to sell or we may need to sell assets we would otherwise wish to retain. In addition, we may also have to forgo opportunities to acquire certain investments or interests in companies or entities that we would otherwise want to acquire, or acquire assets we might otherwise not select for purchase.

If the Company, the Operating Partnership or any subsidiary owns assets that qualify as "investment securities" and the value of such assets exceeds 40% of the value of its total assets, the entity would be deemed to be an investment company absent another exclusion from the Investment Company Act. Certain of the subsidiaries that we may form in the future could seek to rely upon the exclusion provided by Section 3(c)(5)(C) of that Act, which is available for entities, among other things, "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." This exclusion, as interpreted by the staff of the SEC, generally requires that at least 55% of an entity's portfolio be comprised of qualifying interests and the remaining 45% of the entity's portfolio be comprised of real estate-type interests (as such terms have been interpreted by the staff of the SEC). SEC staff no-action letters have indicated that the foregoing real estate-type interests test will be met if at least 25% of such entity's assets are invested in real estate-type interests, which threshold is subject to reduction to the extent that the entity invested more than 55% of its total assets in qualifying interests, and no more than 20% of such entity's total assets are invested in miscellaneous investments. Qualifying interests for this purpose include actual interests in real estate, certain mortgage loans and other assets as interpreted in a manner consistent with SEC staff guidance. We intend to treat as real estate-type interests those assets that do not qualify for treatment as qualifying interests, including any securities of companies primarily engaged in real estate businesses that are not within the scope of SEC staff positions and/or interpretations regarding qualifying interests and securities issued by pass-through entities of which substantially all of the assets consist of qualifying interests and/or real estate-type interests. Due to the factual nature of this test, we, the Operating Partnership, or a subsidiary may be unable to sell assets we would otherwise want to sell or may need to sell assets we would otherwise wish to retain, if we deem it necessary to remain in compliance with the foregoing standards. In addition, we may have to forgo opportunities to acquire certain investments or interests in companies or entities that we would otherwise want to acquire, or acquire assets we might otherwise not select for purchase, if we deem it necessary to remain in compliance with the foregoing standards.

In addition, we, the Operating Partnership and/or our subsidiaries may rely upon other exclusions, including the exclusion provided by Section 3(c)(6) of the Investment Company Act (which excludes, among other things, parent entities whose primary business is conducted through majority-owned subsidiaries relying upon the exclusion provided by Section 3(c)(5)(C), discussed above), from the definition of an investment company and the registration requirements under the Investment Company Act.

There can be no assurance that the laws and regulations governing the Investment Company Act status of REITs (and/or their subsidiaries), including actions by the SEC or its staff providing more specific or different guidance regarding these exclusions, will not change in a manner that adversely affects our operations. For example, on August 31, 2011, the SEC issued a concept release requesting comments regarding a number of matters relating to the exclusion provided by Section 3(c)(5)(C) of the Investment Company Act, including the nature of assets that qualify for purposes of the exclusion and whether mortgage REITs should be regulated in a manner similar to investment companies. To the extent that the SEC or the SEC staff provides more specific guidance regarding any of the matters bearing upon the exclusions discussed above or other exclusions from the definition of an investment company under the Investment Company Act upon which we may rely, we may be required to change the way we conduct our business or adjust our strategy accordingly. Any additional guidance from the SEC staff could provide additional flexibility to us, or it could further inhibit our ability to pursue the strategies we have chosen. If we meet the definition of an investment company under the Investment Company Act and we fail to qualify for an exclusion therefrom, our ability to use leverage and other business strategies would be substantially reduced. Our business will be materially and adversely affected if we fail to qualify for an exemption or exclusion from regulation under the Investment Company Act.

If we or the Operating Partnership are required to register as an investment company under the Investment Company Act, the additional expenses and operational limitations associated with such registration may reduce our stockholders' investment return or impair our ability to conduct our business as planned.

If we become an investment company or are otherwise required to register as an investment company, we might be required to revise some of our current policies, or substantially restructure our business, to comply with the Investment Company Act. This would likely require us to incur the expense and delay of holding a stockholder meeting to vote on proposals for such changes. Further, if we were required to register as an investment company, but failed to do so, we would be prohibited from engaging in our business, criminal and civil actions could be brought against us, some of our contracts might be unenforceable, unless a court were to direct enforcement, and a court could appoint a receiver to take control of us and liquidate our business.

ERISA RISKS

If our assets are deemed to be ERISA plan assets, the Advisor and we may be exposed to liabilities under Title I of ERISA and the Internal Revenue Code.

In some circumstances where an ERISA plan holds an interest in an entity, the assets of the entire entity are deemed to be ERISA plan assets unless an exception applies. This is known as the "look-through rule." Under those circumstances, the obligations and other responsibilities of plan sponsors, plan fiduciaries and plan administrators, and of parties in interest and disqualified persons, under Title I of ERISA and Section 4975 of the Code, as applicable, may be applicable, and there may be liability under these and other provisions of ERISA and the Code. We believe that our assets should not be treated as plan assets because the shares should qualify as "publicly-offered securities" that are exempt from the look-through rules under applicable Treasury Regulations, once we have 100 stockholders that are independent of us and one another. We note, however, that because certain limitations are imposed upon the transferability of shares so that we may qualify as a REIT, and perhaps for other reasons, it is possible that this exemption may not apply. If that is the case, and if the Advisor or we are exposed to liability under ERISA or the Code, our performance and results of operations could be adversely affected. Prior to making an investment in us, our stockholders should consult with their legal and other advisors concerning the impact of ERISA and the Code on their investment and our performance.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2018 , we owned and managed a real estate portfolio that included 13 industrial buildings totaling approximately 2.7 million square feet located in eight markets throughout the U.S., with 18 customers, and was 99.3% occupied (100.0% leased) with a weighted-average remaining lease term (based on square feet) of approximately 5.6 years. The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced. Refer to “ Note 3 to the Consolidated Financial Statements ” for detail regarding our 2018 acquisition activity.

Unless otherwise indicated, the term “property” as used herein refers to one or more buildings in the same market that were acquired by us in the same transaction.

Building Types. Our industrial buildings consist primarily of warehouse distribution facilities suitable for single or multiple customers. The following table summarizes our portfolio by building type as of December 31, 2018 :

Building Type	Description	Percent of Rentable Square Feet
Bulk distribution	Building size of 150,000 to over 1 million square feet, single or multi-customer	83.6%
Light industrial	Building size of 75,000 to 150,000 square feet, single or multi-customer	16.4
		100.0%

Portfolio Overview and Market Diversification. As of December 31, 2018 , the average effective annual rent of our total real estate portfolio (calculated by dividing total annualized base rent, which includes the impact of any contractual tenant concessions (cash basis), by total occupied square footage) was approximately $5.02 per square foot. The following table summarizes certain operating metrics of our portfolio by market as of December 31, 2018 :

($ and square feet in thousands)	Number of Buildings	Rentable Square Feet	Occupied Rate (1)	Leased Rate (1)	Annualized Base Rent (2)	
Central Valley	1	382	100.0%	100.0%	$ 2,138	15.7%
Chicago	2	386	100.0	100.0	554	4.1
D.C. / Baltimore	1	126	100.0	100.0	519	3.7
Las Vegas	1	482	100.0	100.0	2,547	18.7
Orlando	2	441	95.9	100.0	2,288	16.8
Pennsylvania	1	154	100.0	100.0	750	5.5
Southern California	4	709	100.0	100.0	4,428	32.5
South Florida	1	57	100.0	100.0	414	3.0
Total Portfolio	13	2,737	99.3%	100.0%	$ 13,638	100.0%

(1) The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced.
(2) Annualized base rent is calculated as monthly base rent including the impact of any contractual tenant concessions (cash basis) per the terms of the lease as of December 31, 2018 , multiplied by 12.

Lease Terms. Our industrial properties are typically subject to leases on a “triple net basis,” in which customers pay their proportionate share of real estate taxes, insurance, common area maintenance, and certain other operating costs. In addition, most of our leases include fixed rental increases or Consumer Price Index-based rental increases. Lease terms typically range from one to 10 years, and often include renewal options.

Lease Expirations. As of December 31, 2018 , the weighted-average remaining lease term (based on square feet) of our total occupied portfolio was approximately 5.6 years, excluding renewal options. The following table summarizes the lease expirations of our occupied portfolio for leases in place as of December 31, 2018 , without giving effect to the exercise of renewal options or termination rights, if any:

($ and square feet in thousands)	Number of Leases	Occupied Square Feet		Annualized Base Rent (1)	
2019	2	86	3.2%	$ 659	4.8%
2020	1	107	3.9	435	3.2
2021	2	370	13.6	2,386	17.5
2022	—	—	—	—	—
2023	6	1,218	44.8	6,475	47.5
2024	—	—	—	—	—
2025	4	376	13.8	1,859	13.6
2026	—	—	—	—	—
2027	—	—	—	—	—
Thereafter	3	562	20.7	1,824	13.4
Total occupied	18	2,719	100.0%	$ 13,638	100.0%

(1) Annualized base rent is calculated as monthly base rent including the impact of any contractual tenant concessions (cash basis) per the terms of the lease as of December 31, 2018 , multiplied by 12.

Customer Diversification. As we are early in the acquisition phase of our life cycle, there were seven customers that individually represented more than 5.0% of total annualized base rent or total occupied square feet as of December 31, 2018 . The following table reflects our 10 largest customers, based on annualized base rent, which occupied a combined 2.1 million square feet as of December 31, 2018 :

Customer	Percent of Total Occupied Square Feet	Percent of Total Annualized Base Rent
The Kroger Co.	17.7%	18.7%
Boyd Flotation, Inc.	11.7	14.8
City Furniture, Inc.	9.0	9.5
G.P.R. Logistics LLC	9.0	8.9
Pactra USA, Inc.	6.8	7.9
Exel, Inc.	7.3	7.8
Enersys Delaware Inc.	5.6	5.5
Lanic Engineering, Inc.	2.2	3.9
Lowe's Companies, Inc.	3.3	3.7
Kramer America, Inc.	3.3	3.6
Total	75.9%	84.3%

The majority of our customers do not have a public corporate credit rating. We evaluate creditworthiness and financial strength of prospective customers based on financial, operating and business plan information that is provided to us by such prospective customers, as well as other market, industry, and economic information that is generally publicly available.

Industry Diversification. The table below illustrates the diversification of our portfolio by industry classifications of our customers as of December 31, 2018 :

($ and square feet in thousands)	Number of Leases	Occupied Square Feet		Annualized Base Rent (1)	
Transportation / Logistics	3	628	23.1%	$ 3,352	24.6%
Home Furnishings	2	564	20.8	3,315	24.3
Food & Beverage	1	482	17.7	2,546	18.7
Storage / Warehousing	4	507	18.6	1,025	7.5
Auto	2	139	5.1	970	7.1
Aerospace	1	59	2.2	532	3.9
Home Improvement	1	89	3.3	505	3.7
Electrical / Wire	1	107	3.9	435	3.2
Refrigeration	1	57	2.1	414	3.0
Post & Courier Services	1	52	1.9	363	2.7
Apparel / Clothing	1	35	1.3	181	1.3
Total	18	2,719	100.0%	$ 13,638	100.0%

(1) Annualized base rent is calculated as monthly base rent including the impact of any contractual tenant concessions (cash basis) per the terms of the lease as of December 31, 2018 , multiplied by 12.

Debt Obligations. As of December 31, 2018 , we had $119.0 million outstanding under our line of credit with an interest rate of 4.10% and a maturity date of September 18, 2020, excluding extension options. See “ Note 5 to the Consolidated Financial Statements ” for additional information.

ITEM 3. LEGAL PROCEEDINGS

As of the date hereof, there are no material pending legal proceedings to which we are a party or of which any of our properties are the subject.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Market Information

There is no public trading market for our shares of common stock. On a limited basis, our stockholders may be able to have their shares redeemed through our share redemption program. In the future we may also consider various forms of additional liquidity, each of which we refer to as a "Liquidity Event," including, but not limited to, a listing of our common stock on a national securities exchange (or the receipt by our stockholders of securities that are listed on a national securities exchange in exchange for our common stock); the sale, merger, or other transaction of our company in which our stockholders either receive, or have the option to receive, cash, securities redeemable for cash, and/or securities of a publicly traded company; and the sale of all or substantially all of our assets where our stockholders either receive, or have the option to receive, cash or other consideration. We presently intend to consider alternatives for effecting a Liquidity Event for our stockholders beginning generally after seven to ten years following the investment of substantially all of the net proceeds from all offerings made by us. Although this is our present intention, there can be no assurance that a suitable transaction will be available or that market conditions for a transaction will be favorable during that timeframe.

Alternatively, we may seek to complete a Liquidity Event earlier than seven years following the investment of substantially all of the net proceeds from all offerings made by us. For purposes of the time frame for seeking a Liquidity Event, investment of "substantially all" of the net proceeds means the equity investment of 90% or more of the net proceeds from all offerings made by us.

In order to assist FINRA members and their associated persons that have participated in the offer and sale of shares of our common stock pursuant to our initial public offering in their efforts to comply with NASD Conduct Rule 2340, we disclose in each annual report distributed to stockholders a per share estimated value of our common stock, the method by which it was developed, and the date of the data used to develop the estimated value. For a description of the risks associated with the determination of and reliance on a net investment value or an estimated NAV per share of our common stock, see Part I, Item 1A, "Risk Factors—Risks Related to Investing in Our Public Offering."

We commenced calculating a NAV on June 15, 2018. The following table presents the high and low NAV per share of each class of common stock for each reported quarter this year. Each class of common stock has had the same NAV.

Quarter	Low	High
2018		
Second Quarter	$ 10.0032	$ 10.0086
Third Quarter	10.0113	10.0469
Fourth Quarter	10.0481	10.0571

Net Asset Value Calculation

Our board of directors, including a majority of our independent directors, has adopted valuation procedures that contain a comprehensive set of methodologies to be used in connection with the calculation of our NAV. One fundamental element of the valuation process, the valuation of our real property portfolio, is managed by Altus Group U.S., Inc., an independent valuation firm (the "Independent Valuation Firm") approved by our board of directors, including a majority of our independent directors. All parties engaged by us in the calculation of our NAV, including the Advisor, are subject to the oversight of our board of directors. As part of this process, our Advisor reviews the estimates of the values of our real property portfolio and real estate-related assets for consistency with our valuation guidelines and the overall reasonableness of the valuation conclusions, and informs our board of directors of its conclusions (as needed, but at least once per year as part of their annual review, described below). Although our Independent Valuation Firm or other pricing sources may consider any comments received from us or our Advisor to their individual valuations, the final estimated values of our real properties or certain other assets and liabilities are determined by the Independent Valuation Firm or other pricing source. Our Independent Valuation Firm is available to meet with our board of directors to review valuation information, as well as our valuation guidelines and the operation and results of the valuation process generally. Our board of directors has the right to engage additional valuation firms and pricing sources to review the valuation process or valuations, if deemed appropriate. Every month our senior management team and the Independent Valuation Firm hold an NAV committee meeting to review the prior month's adjustments to NAV and discuss any potential changes to the NAV policies and procedures which may be recommended to our board of directors. The information reviewed by this committee is summarized for our audit committee. At least once each calendar year our board of directors, including a majority of our independent directors, reviews the appropriateness of our valuation procedures. With respect to the valuation of our properties, the Independent Valuation Firm provides our board of directors with periodic valuation reports. From time to time our board of directors, including a majority of our independent directors, may adopt changes to the valuation procedures if it (1) determines that such changes are likely to result in a more accurate reflection of NAV or a more efficient or less costly procedure for the determination of NAV without having a material adverse effect on the accuracy of such determination or (2) otherwise reasonably believes a change is appropriate for the determination of NAV. We will publicly announce material changes to our valuation procedures or the identity or role of the Independent Valuation Firm. See Exhibit 99.1 of this Annual Report on Form 10-K for a more detailed description of our valuation procedures, including important disclosure regarding real property valuations provided by the Independent Valuation Firm.

The following table sets forth the components of our NAV as of December 31, 2018 and September 30, 2018 . As used below,
"Fund Interests" means our Class T shares, Class W shares and Class I shares, along with the partnership units in the Operating Partnership ("OP Units") held directly or indirectly by the Sponsor, and "Aggregate Fund NAV" means the NAV of all of the Fund Interests.

	As of	
(in thousands)	**December 31, 2018**	**September 30, 2018**
Real estate properties	$ 306,550	$ 153,450
Cash and other assets, net of other liabilities	16,257	15,041
Debt obligations	(119,000)	(46,000)
Aggregate Fund NAV	$ 203,807	$ 122,491
Total Fund Interests outstanding	20,265	12,192

The following table shows the NAV per Fund Interest as of December 31, 2018 :

(in thousands, except per share data)	**Total**	**Class T Shares**	**Class W Shares**	**Class I Shares**
Monthly NAV	$ 203,807	$ 198,718	$ 1,614	$ 3,475
Fund Interests outstanding	20,265	19,759	161	345
NAV Per Fund Interest	$ 10.0571	$ 10.0571	$ 10.0571	$ 10.0571

When the fair value of our real estate assets is calculated for the purposes of determining our NAV per share, the calculation is done using the fair value principles detailed within the FASB Accounting Standards Codification under Topic 820, Fair Value Measurements and Disclosures ("ASC Topic 820"). However, our valuation procedures and our NAV are not subject to GAAP and are not be subject to independent audit.

Our valuation procedures, which address specifically each category of our assets and liabilities and are applied separately the preparation of our financial statements in accordance with GAAP, involve adjustments from historical cost. There are certain factors which cause NAV to be different from net book value on a GAAP basis. Most significantly, the valuation of our real estate assets, which is the largest component of our NAV calculation, is provided to us by the Independent Valuation Firm on a monthly basis. For GAAP purposes, these assets are generally recorded at depreciated or amortized cost. Other examples that will cause our NAV to differ from our GAAP net book value include the straight-lining of rent, which results in a receivable for GAAP purposes that is not included in the determination of our NAV. Third party appraisers may value our individual real estate assets using appraisal standards that deviate from fair value standards under GAAP. The use of such appraisal standards may cause our NAV to deviate from GAAP fair value principles. We did not develop our valuation procedures with the intention of complying with fair value concepts under GAAP and, therefore, there could be differences between our fair values and the fair values derived from the principal market or most advantageous market concepts of establishing fair value under GAAP.

We include no discounts to our NAV for the illiquid nature of our shares, including the limitations on your ability to redeem shares under our share redemption program and our ability to suspend or terminate our share redemption program at any time. Our NAV generally does not consider exit costs (e.g. selling costs and commissions related to the sale of properties) that would likely be incurred if our assets were liquidated or sold. While we may use market pricing concepts to value individual components of our NAV, our per share NAV is not derived from the market pricing information of open-ended real estate funds listed on stock exchanges.

Please note that our NAV is not a representation, warranty or guarantee that: (i) we would fully realize our NAV upon a sale of our assets; (ii) shares of our common stock would trade at our per share NAV on a national securities exchange; and (iii) a stockholder would be able to realize the per share NAV if such stockholder attempted to sell his or her shares to a third party.

The valuation for our real properties as of December 31, 2018 was provided by the Independent Valuation Firm in accordance with our valuation procedures and determined starting with the appraised value. The aggregate real property valuation of $306.6 million compares to a GAAP basis of real properties (net of intangible lease liabilities and before accumulated amortization and depreciation) of $300.9 million, representing an increase of approximately $5.7 million or 1.9%. Certain key assumptions that were used by our Independent Valuation Firm in the discounted cash flow analysis are set forth in the following table:

	Weighted-Average Rates
Exit capitalization rate	5.4%
Discount rate / internal rate of return	6.4%
Holding period of real properties (years)	9.9

A change in the rates used would impact the calculation of the value of our real properties. For example, assuming all other factors remain constant, the changes listed below would result in the following effects on the value of our real properties:

Input	Hypothetical Change	Increase (Decrease) to the NAV of Real Properties
Exit capitalization rate (weighted-average)	0.25% decrease	3.2 %
	0.25% increase	(2.9)%
Discount rate (weighted-average)	0.25% decrease	2.1 %
	0.25% increase	(2.1)%

The valuation of our debt obligations as of December 31, 2018 was calculated in accordance with fair value standards under GAAP. The key assumption used in the discounted cash flow analysis was the market interest rate. Market interest rates relating to the underlying debt obligations are based on unobservable Level 3 inputs, which we have determined to be our best estimate of current market interest rates of similar instruments. The weighted-average market interest rate used in the December 31, 2018 valuation was 3.85%.

A change in the market interest rates used could impact the calculation of the fair value of our debt obligations. Assuming all other factors remain constant, neither a decrease or increase in the weighted-average market interest rate of 0.25% would have a material impact on the fair value of our debt obligations as of December 31, 2018.

Share Redemption Program

Subject to certain restrictions and limitations, our share redemption program may provide a limited opportunity for stockholders to have shares of our common stock redeemed for cash. To the extent our board of directors determines that we have sufficient available cash for redemptions, we initially intend to redeem shares under our share redemption program on a monthly basis; however, our board of directors may determine from time to time to adjust the timing of redemptions or suspend, terminate or otherwise modify our share redemption program.

While stockholders may request on a monthly basis that we redeem all or any portion of their shares pursuant to our share redemption program, we are not obligated to redeem any shares and may choose to redeem only some, or even none, of the shares that have been requested to be redeemed in any particular month, in our discretion. In addition, our ability to fulfill redemption requests is subject to a number of limitations. As a result, share redemptions may not be available each month. Under our share redemption program, to the extent we determine to redeem shares in any particular month, we will only redeem shares as of the last calendar day of that month (each such date, a “Redemption Date”). Redemptions will be made at the transaction price in effect on the Redemption Date, except that all shares of our common stock that have not been outstanding for at least one year will be redeemed at 95.0% of the transaction price and Class T shares that have been outstanding for at least one year but less than two years will be redeemed at 97.5% of the transaction price. Each of these deductions is referred to as an “Early Redemption Deduction.” An Early Redemption Deduction will not be applied with respect to: (i) Class W shares and Class I shares that have been outstanding for at least one year; and (ii) Class T shares that have been outstanding for at least two years. The “transaction price” generally will be equal to the NAV per share of our common stock most recently disclosed by us. We will redeem shares at a price that we believe reflects the NAV per share of such stock more appropriately than the most recently disclosed monthly NAV per share, including by updating a previously disclosed transaction price, in cases where we believe there has been a material change (positive or negative) to the NAV per share relative to the most recently disclosed monthly NAV per share. An Early Redemption Deduction may be waived in certain circumstances including: (i) in the case of redemption requests arising from the death or qualified disability of the holder; (ii) in the event that a stockholder’s shares are redeemed because the stockholder has failed to maintain the $2,000 minimum account balance; or (iii) with respect to shares purchased through our distribution reinvestment plan or received from us as a stock dividend. To have shares redeemed, a stockholder's redemption request and required documentation must be received in good order by 4:00 p.m. (Eastern time) on the second to last business day of the applicable month. Settlements of share redemptions will be made within three business days of the Redemption Date. An investor may withdraw its redemption request by notifying the transfer agent before 4:00 p.m. (Eastern time) on the last business day of the applicable month.

Under our share redemption program, we may redeem during any calendar month shares whose aggregate value (based on the price at which the shares are redeemed) is 2.0% of our aggregate NAV as of the last calendar day of the previous quarter and during any calendar quarter whose aggregate value (based on the price at which the shares are redeemed) is up to 5.0% of our aggregate NAV as of the last calendar day of the prior calendar quarter. During a given quarter, if in each of the first two months of such quarter the 2.0% redemption limit is reached and stockholders' redemptions are reduced *pro rata* for such months, then in the third and final month of that quarter, the applicable limit for such month will likely be less than 2.0% of our aggregate NAV as of the last calendar day of the previous month because the redemptions for that month, combined with the redemptions in the previous two months, cannot exceed 5% of our aggregate NAV as of the last calendar day of the prior calendar quarter.

Although the vast majority of our assets consist of properties that cannot generally be readily liquidated on short notice without impacting our ability to realize full value upon their disposition, we intend to maintain a number of sources of liquidity including: (i) cash equivalents (e.g. money market funds), other short-term investments, U.S. government securities, agency securities and liquid real estate-related securities; and (ii) one or more borrowing facilities. We may fund redemptions from any available source of funds, including operating cash flows, borrowings, proceeds from our public offering and/or sales of our assets.

Should redemption requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on us as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than redeeming our shares is in the best interests of the company as a whole, then we may choose to redeem fewer shares than have been requested to be redeemed, or none at all. In the event that we determine to redeem some but not all of the shares submitted for redemption during any month for any of the foregoing reasons, shares submitted for redemption during such month will be redeemed on a pro rata basis. All unsatisfied redemption requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share redemption program, as applicable. 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 redemption requests will be accepted for such month and stockholders who wish to have their shares redeemed the following month must resubmit their redemption requests.

Please see the full text of the share redemption program, which is incorporated by reference as Exhibit 4.2 to this Annual Report on Form 10-K, for all of the terms and conditions of the program.

Refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for detail regarding our redemption and repurchase history.

The table below summarizes the redemption activity for the three months ended December 31, 2018 :

For the Month Ended	Total Number of Shares Redeemed	Average Price Paid per Share	Total Number of Shares Redeemed as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Redeemed Under the Plans or Programs (1)
October 31, 2018	48,642	$ 9.52	48,642	—
November 30, 2018	—	—	—	—
December 31, 2018	13,703	10.05	13,703	—
Total	62,345	$ 9.64	62,345	—

(1) We limit the number of shares that may be redeemed per calendar quarter under the program as described above.

Dividends

Each year, we must distribute dividends, other than capital gain dividends and deemed distributions of retained capital gain, to our stockholders in an aggregate amount at least equal to the sum of 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gain or loss, 90% of our after-tax net income, if any, from foreclosure property, minus the sum of certain items of non-cash income. We will pay federal income tax on taxable income, including net capital gain, which we do not distribute to stockholders. Furthermore, if we fail to distribute with respect to each year, at least the sum of 85% of our REIT ordinary income for such year, 95% of our REIT capital gain income for such year, and any undistributed taxable income from prior periods, we will incur a 4% nondeductible excise tax on the excess of such required distribution over the amounts we actually distribute. Distributions will be authorized at the discretion of our board of directors, in accordance with our earnings, cash flow and general financial condition. Our board's discretion will be directed, in substantial part, by its obligation to cause us to comply with the REIT requirements. Because we may receive income from interest or rents at various times during our fiscal year, and because our board may take various factors into consideration in setting distributions, distributions may not reflect our income earned in that particular distribution period and may be made in advance of actual receipt of funds in an attempt to make distributions relatively uniform. Our organizational documents permit us to pay distributions from any source, including offering proceeds. We are authorized to borrow money, issue new securities or sell assets in order to make distributions. There are no restrictions on the ability of the Operating Partnership to transfer funds to us.

We intend to accrue and continue to make cash distributions on a regular basis. Prior to the third quarter of 2017, cash distributions were paid on a quarterly basis and were calculated for each day the stockholder had been a stockholder of record during such quarter. Beginning with the third quarter of 2017, cash distributions have been paid on a monthly basis and are calculated as of monthly record dates. Cash distributions for stockholders who had elected to participate in our distribution reinvestment plan were reinvested into shares of the same class of our common stock as the shares to which the distributions relate. Some or all of the distributions may be paid from sources other than cash flows from operating activities, such as cash flows from financing activities, which could include borrowings and net proceeds from primary shares sold in our public offering, proceeds from the issuance of shares pursuant to our distribution reinvestment plan, cash resulting from a waiver or deferral of fees otherwise payable to the Advisor or its affiliates, cash resulting from the Advisor or its affiliates paying certain of our expenses, proceeds from the sales of assets, and our cash balances. We have not established a cap on the amount of its distributions that may be paid from any of these sources.

There can be no assurances that the current cash distribution rate will be maintained. In the near-term, we expect that we may need to continue to utilize cash flows from financing activities, as determined on a GAAP basis, and cash resulting from the expense support received from the Advisor to pay our cash distributions, which if insufficient could negatively impact our ability to pay such distributions. For the year ended December 31, 2018 , 100.0% of our total gross distributions were funded from sources other than cash flows from operating activities, as determined on a GAAP basis; specifically 51.9% of our total gross distributions were paid from cash provided by expense support from the Advisor, and 48.1% were funded with proceeds from the issuance of shares under our distribution reinvestment plan. See " Note 10 to the Consolidated Financial Statements " for further details regarding the Expense Support Agreement among us, the Operating Partnership and the Advisor.

Refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for detail regarding our distribution history, as well as the sources used to pay our distributions.

Use o f Proceeds

On February 18, 2016, our Registration Statement on Form S-11 (File No. 333-200594), pursuant to which we are making our initial public offering of up to $2.0 billion in shares of common stock, was declared effective under the Securities Act, and our initial public offering commenced the same day. Our initial public offering is a continuous offering that was initially expected to end no later than February 18, 2019. On January 4, 2019, we filed a new registration statement for the offering of up to $2.0 billion in Class T shares, Class W shares and Class I shares of common stock, consisting of up to $1.5 billion offered in the primary offering and up to $500.0 million offered under the distribution reinvestment plan. We may reallocate amounts between the primary offering and distribution reinvestment plan. This registration statement is not yet effective and our initial public offering will continue until the time that such registration statement becomes effective.

The table below summarizes the gross offering proceeds raised from our initial public offering, including shares issued pursuant to our distribution reinvestment plan; the direct selling costs incurred by certain of our affiliates on our behalf in connection with the issuance and distribution of our registered securities; and the offering proceeds net of those direct selling costs.

(in thousands)		For the Period from Inception (August 12, 2014) to December 31, 2018
Gross offering proceeds	$	212,260
Selling commissions (1)	$	4,575
Dealer manager fees (1)		4,683
Offering costs (2)		14,119
Total direct selling costs incurred related to public offering (3)	$	23,377
Offering proceeds, net of direct selling costs	$	188,883

(1) The selling commissions and dealer manager fees were payable to the Dealer Manager. A substantial portion of the commissions and fees were reallowed by the Dealer Manager to participating broker dealers as commissions and marketing fees and expenses.
(2) See " Note 10 to the Consolidated Financial Statements " for a description of offering costs.
(3) This amount excludes the distribution fees paid to the Dealer Manager, all or a portion of which are reallowed by the Dealer Manager to participating broker dealers or broker dealers servicing accounts of investors who own Class T shares or Class W shares, referred to as servicing broker dealers. The distribution fees are not paid from and do not reduce offering proceeds, but rather they reduce the distributions payable to stockholders with respect to Class T shares and Class W shares.

As of December 31, 2018 , we had acquired 13 industrial buildings totaling approximately 2.7 million square feet for an aggregate total purchase price of approximately $300.0 million , exclusive of transfer taxes, due diligence expenses, and other closing costs. See Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Subsequent Events" for a description of our acquisition activity (including acquisitions under contract) since December 31, 2018 .

Holders

As of February 28, 2019 , we had 25.1 million shares of our Class T common stock, 0.5 million shares of our Class W common stock and 0.4 million shares of our Class I common stock outstanding, held by a total of 7,078 stockholders, 267 stockholders and 433 stockholders, respectively, including shares held by our affiliates.

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Consolidated Financial Statements and Notes to Consolidated Financial Statements."

	For the Year Ended December 31,				For the Period from Inception (August 12, 2014) to December 31, 2014 (1)
(in thousands, except per share data)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	
Operating data:					
Total revenues	$ 6,520	$ —	$ —	$ —	$ —
Total operating expenses	$ (14,076)	$ (1,223)	$ (310)	$ —	$ —
Total other expenses	$ (2,250)	$ (309)	$ (15)	$ —	$ —
Total expenses before expense support from Advisor	$ (16,326)	$ (1,532)	$ (325)	$ —	$ —
Expense support from Advisor	$ 5,583	$ 1,735	$ 150	$ —	$ —
Net (expenses) income after expense support from Advisor	$ (10,743)	$ 203	$ (175)	$ —	$ —
Net (loss) income	$ (4,223)	$ 203	$ (175)	$ —	$ —
Net (loss) income attributable to common stockholders	$ (4,223)	$ 203	$ (175)	$ —	$ —
Net (loss) income per common share - basic and diluted	$ (0.46)	$ 0.53	$ (4.39)	$ —	$ —
Weighted-average shares outstanding	9,107	381	40	20	6
Distributions:					
Gross cash distributions declared (2)	$ 4,942	$ 203	$ 11	$ —	$ —
Cash distributions declared per common share (2)(3)(4)	$ 0.5450	$ 0.5315	$ 0.1295	$ —	$ —
Company-defined FFO (5):					
Reconciliation of net (loss) income to Company-defined FFO:					
Net (loss) income attributable to common stockholders	$ (4,223)	$ 203	$ (175)	$ —	$ —
Total NAREIT-defined adjustments (6)	$ 3,541	$ —	$ —	$ —	$ —
Total Company-defined adjustments (7)	$ 4,900	$ —	$ —	$ —	$ —
Company-defined FFO	$ 4,218	$ 203	$ (175)	$ —	$ —
Cash flow data:					
Net cash provided by (used in) operating activities	$ 3,154	$ 264	$ (482)	$ —	$ —
Net cash used in investing activities	$ (299,953)	$ —	$ —	$ —	$ —
Net cash provided by financing activities	$ 304,774	$ 8,661	$ 2,402	$ —	$ 201

	As of December 31,				
(in thousands, except building count and number of customers)	2018 (1)	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Balance sheet data:					
Cash and cash equivalents	$ 19,016	$ 10,565	$ 1,640	$ 201	$ 201
Total assets	$ 324,620	$ 12,548	$ 2,530	$ 201	$ 201
Total liabilities	$ 152,847	$ 1,942	$ 415	$ —	$ —
Total stockholders' equity	$ 171,772	$ 10,605	$ 2,113	$ 200	$ 200
Gross offering proceeds raised during period (8)	$ 200,070	$ 10,190	$ 2,500	$ —	$ —
Shares outstanding	20,265	1,238	255	20	20
Portfolio data:					
Number of buildings	13	—	—	—	—
Rentable square feet	2,737	—	—	—	—
Number of customers	18	—	—	—	—

(1) The SEC declared the registration statement for our initial public offering effective on February 18, 2016. We broke escrow on November 30, 2016 and then adjusted our share class structure in July 2017. We commenced real estate operations on February 26, 2018 when we acquired our first property. We are early in the acquisition phase of our life cycle, and the results of our operations are primarily impacted by the timing of our acquisitions and the equity raised through our public offering. Accordingly, our year-over-year financial data is not directly comparable.

(2) Gross cash distributions are total distributions before the deduction of distribution fees relating to Class T shares and Class W shares.

(3) Amounts reflect the quarterly distribution rate authorized by our board of directors per Class I share of common stock. Our board of directors authorized distributions at this same rate per Class T and Class W share of common stock less respective distribution fees that are payable monthly with respect to such Class T and Class W shares (as calculated on a daily basis).
(4) Cash distributions were authorized to all common stockholders of record as of the close of business on each day of the Initial Quarter. We met the minimum offering requirements in connection with our initial public offering on November 30, 2016. Accordingly, the Initial Quarter commenced on that date and ended on December 31, 2016.
(5) Refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Additional Performance Measures" for a definition of Company-defined FFO, as well as a detailed reconciliation of our net (loss) income to Company-defined FFO.
(6) Included in our NAREIT-defined adjustments is real estate-related depreciation and amortization.
(7) Included in our Company-defined adjustments are acquisition expense reimbursements, which reflect amounts reimbursable to the Advisor for all expenses incurred by the Advisor and its affiliates on our behalf in connection with the selection, acquisition, development or origination of an asset.
(8) Reflects gross offering proceeds raised from our public and private offerings.

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

The following discussion and analysis should be read together with our consolidated financial statements and notes thereto included in this Annual Report on Form 10-K. The following information contains forward-looking statements, which are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, actual results may differ materially from those expressed or implied by the forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" above for a description of these risks and uncertainties.

OVERVIEW

General

Black Creek Industrial REIT IV Inc. is a Maryland corporation formed on August 12, 2014 to make investments in income-producing real estate assets consisting primarily of high-quality distribution warehouses and other industrial properties that are leased to creditworthy corporate customers. We currently operate as a REIT for U.S. federal income tax purposes, and elected to be treated as a REIT beginning with our taxable year ended December 31, 2017. We utilize an UPREIT organizational structure to hold all or substantially all of our assets through the Operating Partnership.

We have registered with the SEC an initial public offering of up to $2.0 billion in shares of our common stock in any combination of Class T shares, Class W shares and Class I shares, consisting of $1.5 billion in our primary offering and up to $500.0 million in shares under our distribution reinvestment plan. We are offering shares of our common stock at the "transaction price," plus applicable selling commissions and dealer manager fees. The "transaction price" generally is equal to the net asset value ("NAV") per share of our common stock most recently disclosed. Our NAV per share is calculated as of the last calendar day of each month for each of our outstanding classes of common stock, and is available generally within 15 calendar days after the end of the applicable month. Shares issued pursuant to our distribution reinvestment plan are offered at the transaction price, as indicated above, in effect on the distribution date. We may update a previously disclosed transaction price in cases where we believe there has been a material change (positive or negative) to our NAV per share relative to the most recently disclosed monthly NAV per share. See Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Estimated Net Asset Value Per Share" for further detail.

As of December 31, 2018 , we had raised gross proceeds of approximately $212.8 million from the sale of 20.3 million shares of our common stock and the issuance of notes payable in our public and private offerings, including shares issued pursuant to our distribution reinvestment plan. See " Note 8 to the Consolidated Financial Statements " for information concerning our public and private offerings.

As of December 31, 2018 , we owned and managed a real estate portfolio that included 13 industrial buildings totaling approximately 2.7 million square feet located in eight markets throughout the U.S., with 18 customers, and was 99.3% occupied (100.0% leased) with a weighted-average remaining lease term (based on square feet) of 5.6 years. The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced.

We have used, and intend to continue to use, the net proceeds from our offerings primarily to make investments in real estate assets. We may use the net proceeds from our offerings to make other real estate-related investments and debt investments and to pay distributions. The number and type of properties we may acquire and debt and other investments we may make will depend upon real estate market conditions, the amount of proceeds we raise in our offerings, and other circumstances existing at the time we make our investments.

Our primary investment objectives include the following:

- preserving and protecting our stockholders' capital contributions
- providing current income to our stockholders in the form of regular cash distributions; and
- realizing capital appreciation upon the potential sale of our assets or other liquidity events.

There is no assurance that we will attain our investment objectives. Our charter places numerous limitations on us with respect to the manner in which we may invest our funds. In most cases these limitations cannot be changed unless our charter is amended, which may require the approval of our stockholders.

We may acquire assets free and clear of mortgage or other indebtedness by paying the entire purchase price in cash or equity securities, or a combination thereof, and we may selectively encumber all or only certain assets with debt. The proceeds from our borrowings may be used to fund investments, make capital expenditures, pay distributions, and for general corporate purposes.

We expect to execute our corporate financing strategy by considering various lending sources, which may include long-term fixed-rate mortgage loans, unsecured or secured lines of credit or term loans, private placement or public bond issuances, and the assumption of existing loans in connection with certain property acquisitions, or any combination of the foregoing.

Real Estate Outlook

Overall, fundamentals for the U.S. industrial real estate sector continue to remain healthy, primarily driven by the continued growth in the U.S. economy. Both U.S. gross domestic product ("GDP") and consumer spending, including online retailing (or e-commerce), remain positive and we believe will continue growing over the next several quarters. There is a high correlation between these statistics and industrial warehouse demand. Additionally, forecasted growth in both employment and population levels is expected to drive consumer spending growth over the longer-term, leading to increased utilization of distribution warehouses. We expect moderate economic growth in the U.S. to continue throughout 2019, which should continue to drive positive demand for warehouse space as companies expand and upgrade their distribution networks and supply chains.

While growth in the U.S. economy has continued, global economic growth has slowed due to structural factors and increased restrictions on international trade, such as tariffs and quotas on imports. Financial market conditions tightened significantly and volatility has persisted following the 2016 and 2018 U.S. elections especially regarding concerns over protectionism, global trade and stock market valuations, which have led to decreased currency valuations and increased bond yields globally. Heightened policy uncertainty in the U.S., China, and Europe will likely weigh on global economies and capital flows throughout the coming year.

Despite certain global uncertainties, the U.S. industrial real estate sector continues to benefit from positive net absorption (the net change in total occupied industrial space), low vacancy rates and continued rent growth in our primary target markets. Consistent with recent experience and based on current market conditions, we expect average net effective rental rates on new leases signed during 2019 to be higher than the rates on expiring leases.

Technological advancements, shifting consumer preferences, and the resultant supply-chain innovations have supported continued growth of e-commerce. The dollar volume of retail goods purchased online continues to grow significantly, averaging a 14.6% annual increase compounded over the past five years, reaching $498.7 billion over the past year, and comprises an increasing proportion of total retail sales. As online sales grow and more retailers continue to adapt to changing consumer preferences and technologies, the need for highly-functional warehouse space near major cities is expected to increase.

The capital markets outlook for industrial real estate remains strong as institutional investor demand continues to increase in part driven by both the current industrial real estate fundamentals and the ongoing secular shift to online consumer spending.

RESULTS OF OPERATIONS

Summary of 2018 Activities

During 2018 , we completed the following activities:

- Our NAV was $10.06 per share as of December 31, 2018 .
- We raised $200.1 million of gross equity capital from our initial public offering.
- We acquired 13 industrial buildings comprising 2.7 million square feet for an aggregate total purchase price of approximately $300.0 million , exclusive of transfer taxes, due diligence expenses, and other closing costs. We funded these acquisitions with proceeds from our public offering and borrowings under our line of credit.

- As of December 31, 2018 , our portfolio consisted of 13 buildings in eight markets and was 99.3% occupied and 100.0% leased.

The SEC declared the registration statement for our public offering effective on February 18, 2016. We broke escrow on November 30, 2016 and then adjusted our share class structure in July 2017. We commenced real estate operations on February 26, 2018 when we acquired our first property. We are early in the acquisition phase of our life cycle, and the results of our operations are primarily impacted by the timing of our acquisitions and the equity raised through our public offering. Accordingly, our operating results for the years ended December 31, 2018 , 2017 and 2016 are not directly comparable, nor are our results of operations for the year ended December 31, 2018 indicative of those expected in future periods. We believe that our revenues, operating expenses and interest expense will continue to increase in future periods as a result of continued growth in our portfolio and as a result of the incremental effect of anticipated future acquisitions of industrial real estate properties.

Results for the Year Ended December 31, 2018 Compared to the Year Ended December 31, 2017

The following table summarizes the changes in our results of operations for the years ended December 31, 2018 and 2017 . Same store information is not provided due to the fact that all buildings were acquired during 2018 .

	For the Year Ended December 31,		
(in thousands, except per share data)	**2018**	**2017**	**Change**
Total revenues	$ 6,520	$ —	$ 6,520
Total rental expenses	(1,252)	—	(1,252)
Total net operating income	5,268	—	5,268
Other income and (expenses):			
Real estate-related depreciation and amortization	(3,541)	—	(3,541)
General and administrative expenses	(1,564)	(960)	(604)
Organization expenses, related party	—	(78)	78
Advisory fees, related party	(1,624)	—	(1,624)
Acquisition expense reimbursements, related party	(4,900)	—	(4,900)
Other expense reimbursements, related party	(1,195)	(185)	(1,010)
Interest expense	(2,250)	(309)	(1,941)
Total expense support from Advisor	5,583	1,735	3,848
Total other income (expense)	(9,491)	203	(9,694)
Net (loss) income	(4,223)	203	(4,426)
Net (loss) income attributable to noncontrolling interests	—	—	—
Net (loss) income attributable to common stockholders	$ (4,223)	$ 203	$ (4,426)
Weighted-average shares outstanding	9,107	381	8,726
Net (loss) income per common share - basic and diluted	$ (0.46)	$ 0.53	$ (0.99)

	As of December 31,	
(square feet in thousands)	**2018**	**2017**
Portfolio data:		
Total buildings	13	—
Total rentable square feet	2,737	—
Total number of customers	18	—
Percent occupied of total portfolio (1)	99.3%	—%
Percent leased of total portfolio (1)	100.0%	—%

(1) See “Overview—General” above for a description of the occupied and leased rates.

Rental Revenues. Rental revenues are comprised of base rent, straight-line rent, amortization of above- and below-market lease assets and liabilities, and tenant reimbursement revenue. Total rental revenues increased for the year ended December 31, 2018 , as compared to the same period in 2017 , due to our acquisition activity during 2018 .

Rental Expenses. Rental expenses include certain property operating expenses typically reimbursed by our customers, such as real estate taxes, property insurance, property management fees, repair and maintenance, and utilities. Total rental expenses increased for the year ended December 31, 2018 , as compared to the same period in 2017 , due to our acquisition activity during 2018 .

Results of Operations. Results of operations for the year ended December 31, 2018 were impacted by the following increase in expenses, which were each due to our acquisition activity during 2018 :

- real estate-related depreciation and amortization expense and advisory fees;
- acquisition expense reimbursements due to the Advisor as a result of us commencing our acquisition phase in 2018;
- interest expense primarily due to average net borrowings under the line of credit of $32.7 million for the year ended December 31, 2018 as compared to no net borrowings under the line of credit for the year ended December 31, 2017 ;
- general and administrative expenses that primarily consisted of: (i) compensation to our independent directors; (ii) accounting and legal expenses incurred; and (iii) other professional services incurred; and
- other expense reimbursements due to the Advisor primarily relating to compensation for services provided by individual employees of the Advisor.

Offsetting the increases above was:

- higher expense support from the Advisor pursuant to the Expense Support Agreement, as described in " Note 10 to the Consolidated Financial Statements ."

Results for the Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

As of December 31, 2017 , we were in our organizational and development stage and had not commenced property operations. For the year ended December 31, 2017 , our results of operations were primarily comprised of:

- General and administrative expenses that primarily consisted of: (i) compensation to our independent directors; (ii) accounting and legal expenses incurred; (iii) insurance and other expenses for our independent directors and officers; (iv) compensation to individual employees of the Advisor.
- Organization expenses consisted of expense reimbursements to the Advisor;
- Expense support from the Advisor pursuant to the Expense Support Agreement, as described in " Note 10 to the Consolidated Financial Statements ,"
- Interest expense related to the notes payable to investors in the private offering and costs related to our line of credit.

For the year ended December 31, 2016 , our results of operations consisted solely of general and administrative expenses incurred related to the compensation to our independent directors and insurance for our independent directors and officers.

ADDITIONAL MEASURES OF PERFORMANCE

Net Operating Income ("NOI")

We define NOI as GAAP rental revenues less GAAP rental expenses. For the year ended December 31, 2018 , GAAP net loss attributable to common stockholders was $4.2 million and NOI was $5.3 million . For the year ended December 31, 2017 , GAAP net income attributable to common stockholders was $0.2 million . There was no NOI for the years ended December 31, 2017 and 2016. We consider NOI to be an appropriate supplemental performance measure and believe NOI provides useful information to our investors regarding our financial condition and results of operations because NOI reflects the operating performance of our properties and excludes certain items that are not considered to be controllable in connection with the management of the properties, such as real estate-related depreciation and amortization, acquisition-related expenses, impairment charges, general and administrative expenses, and interest expense. However, NOI should not be viewed as an alternative measure of our financial performance since it excludes such expenses, which expenses could materially impact our results of operations. Further, our calculation of NOI may not be comparable to that of other real estate companies as they may use different methodologies for calculating NOI. Therefore, we believe our net income (loss), as defined by GAAP, to be the most appropriate measure to evaluate our overall performance. Refer to "Results of Operations" above for a reconciliation of our GAAP net income (loss) to NOI for the year ended December 31, 2018 .

Funds from Operations ("FFO"), Company-defined Funds from Operations ("Company-Defined FFO") and Modified Funds from Operations ("MFFO")

We believe that FFO, Company-defined FFO, and MFFO, in addition to net income (loss) and cash flows from operating activities as defined by GAAP, are useful supplemental performance measures that our management uses to evaluate our consolidated operating performance. However, these supplemental, non-GAAP measures should not be considered as an alternative to net income (loss) or to cash flows from operating activities as an indication of our performance and are not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders. No single measure can provide users of financial information with sufficient information and only our disclosures read as a whole can be relied upon to adequately portray our financial position, liquidity, and results of operations. Fees deferred or waived by the Advisor and payments received from the Advisor pursuant to the expense support agreement are included in determining our net income (loss), which is used to determine FFO, Company-defined FFO, and MFFO. If we had not received expense support from the Advisor, our FFO, Company-defined FFO, and MFFO would have been lower. In addition, other REITs may define FFO and similar measures differently and choose to treat acquisition-related costs and potentially other accounting line items in a manner different from us due to specific differences in investment and operating strategy or for other reasons.

FFO . As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), FFO is a non-GAAP measure that excludes certain items such as real estate-related depreciation and amortization. We believe FFO is a meaningful supplemental measure of our operating performance that is useful to investors because depreciation and amortization in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. We use FFO as an indication of our consolidated operating performance and as a guide to making decisions about future investments.

Company-defined FFO. Similar to FFO, Company-defined FFO is a non-GAAP measure that excludes real estate-related depreciation and amortization and also excludes acquisition-related costs, which are characterized as expenses in determining net income (loss) under GAAP. The purchase of operating properties has been a key strategic objective of our business plan focused on generating growth in operating income and cash flow in order to make distributions to investors. However, the corresponding acquisition-related costs are driven by transactional activity rather than factors specific to the on-going operating performance of our properties or investments. Company-defined FFO may not be a complete indicator of our operating performance, and may not be a useful measure of the long-term operating performance of our properties if we do not continue to operate our business plan as disclosed.

MFFO. As defined by the Institute for Portfolio Alternatives ("IPA"), MFFO is a non-GAAP supplemental financial performance measure used to evaluate our operating performance. Similar to FFO, MFFO excludes items such as real estate-related depreciation and amortization. Similar to Company-defined FFO, MFFO excludes acquisition-related costs. MFFO also excludes straight-line rent and amortization of above- and below-market leases. In addition, there are certain other MFFO adjustments as defined by the IPA that are not applicable to us and are not included in our presentation of MFFO.

We are early in the acquisition phase of our life cycle. Management does not include historical acquisition-related costs in its evaluation of future operating performance, as such costs are not expected to be incurred once our acquisition phase is complete. We use FFO, Company-defined FFO and MFFO to, among other things: (i) evaluate and compare the potential performance of the portfolio after the acquisition phase is complete, and (ii) evaluate potential performance to determine liquidity event strategies. Although some REITs may present similar measures differently from us, we believe FFO, Company-defined FFO and MFFO generally facilitate a comparison to other REITs that have similar operating characteristics to us. We believe investors are best served if the information that is made available to them allows them to align their analyses and evaluation with the same performance metrics used by management in planning and executing our business strategy. We believe that these performance metrics will assist investors in evaluating the potential performance of the portfolio after the completion of the acquisition phase. However, these supplemental, non-GAAP measures are not necessarily indicative of future performance and should not be considered as an alternative to net loss or to cash flows from operating activities and is not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs. Neither the SEC, NAREIT, nor any regulatory body has passed judgment on the acceptability of the adjustments used to calculate FFO, Company-defined FFO and MFFO. In the future, the SEC, NAREIT, or a regulatory body may decide to standardize the allowable adjustments across the non-traded REIT industry at which point we may adjust our calculation and characterization of FFO, Company-defined FFO and MFFO.

The following unaudited table presents a reconciliation of GAAP net (loss) income to NAREIT FFO, Company-defined FFO and MFFO:

(in thousands, except per share data)	For the Year Ended December 31, 2018	2017	2016	For the Period from Inception (August 12, 2014) to December 31, 2018
GAAP net (loss) income attributable to common stockholders	$ (4,223)	$ 203	$ (175)	$ (4,195)
GAAP net (loss) income per common share	$ (0.46)	$ 0.53	$ (4.39)	$ (3.02)
Reconciliation of GAAP net (loss) income to NAREIT FFO:				
GAAP net (loss) income attributable to common stockholders	$ (4,223)	$ 203	$ (175)	$ (4,195)
Add NAREIT-defined adjustments:				
Real estate-related depreciation and amortization	3,541	—	—	3,541
NAREIT FFO attributable to common stockholders	$ (682)	$ 203	$ (175)	$ (654)
NAREIT FFO per common share	$ (0.07)	$ 0.53	$ (4.39)	$ (0.47)
Reconciliation of NAREIT FFO to Company-defined FFO:				
NAREIT FFO attributable to common stockholders	$ (682)	$ 203	$ (175)	$ (654)
Add Company-defined adjustments:				
Acquisition expense reimbursements	4,900	—	—	4,900
Company-defined FFO attributable to common stockholders	$ 4,218	$ 203	$ (175)	$ 4,246
Company-defined FFO per common share	$ 0.46	$ 0.53	$ (4.39)	$ 3.05
Reconciliation of Company-defined FFO to MFFO:				
Company-defined FFO attributable to common stockholders	$ 4,218	$ 203	$ (175)	$ 4,246
Deduct MFFO adjustments:				
Straight-line rent and amortization of above/below market leases	(1,673)	—	—	(1,673)
MFFO attributable to common stockholders	$ 2,545	$ 203	$ (175)	$ 2,573
MFFO per common share	$ 0.28	$ 0.53	$ (4.39)	$ 1.85
Weighted-average shares outstanding	9,107	381	40	1,391

We believe that: (i) our FFO loss of $0.7 million , or $0.07 per share, as compared to the cash distributions declared (which are paid in cash or reinvested in shares offered through our distribution reinvestment plan) in the amount of $4.9 million or $0.55 per share, for the year ended December 31, 2018 ; and (ii) our FFO loss of $0.7 million , or 0.47 per share, as compared to the cash distributions declared (which are paid in cash or reinvested in shares offered through our distribution reinvestment plan) of $5.2 million , or $1.21 per share, for the period from inception (August 12, 2014) to December 31, 2018 , are not indicative of future performance as we recently initiated the acquisition phase of our life cycle. See "—Capital Resources and Uses of Liquidity-Cash Distributions" below for details concerning our cash distributions, which are paid in cash or reinvested in shares of our common stock by participants in our distribution reinvestment plan.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our primary sources of capital for meeting our cash requirements during our acquisition phase are and will be net proceeds from our public offerings, including proceeds from the sale of shares offered through our distribution reinvestment plan, debt financings, cash resulting from the expense support provided by the Advisor and cash generated from operating activities. Our principal uses of funds are, and will be, for the acquisition of properties and other investments, capital expenditures, operating expenses, payments under our debt obligations, and distributions to our stockholders. Over time, we intend to fund a majority of our cash needs for items other than asset acquisitions, including the repayment of debt and capital expenditures, from operating cash flows and refinancings. There may be a delay between the deployment of proceeds raised from our public offerings and our purchase of assets, which could result in a delay in the benefits to our stockholders, if any, of returns generated from our investments.

The Advisor, subject to the oversight of our board of directors and, under certain circumstances, the investment committee or other committees established by our board of directors, will continue to evaluate potential acquisitions and will engage in negotiations with sellers and lenders on our behalf. Pending investment in property, debt, or other investments, we may decide to temporarily invest any unused proceeds from our public offering in certain investments that are expected to yield lower returns than those earned on real estate assets. These lower returns may affect our ability to make distributions to our stockholders. Potential future sources of capital include proceeds from secured or unsecured financings from banks or other lenders, proceeds from the sale of assets, and undistributed funds from operations.

We believe that our cash on-hand, anticipated net offering proceeds, anticipated financing activities and cash resulting from the expense support provided by the Advisor will be sufficient to meet our liquidity needs for the foreseeable future.

Cash Flows. The following summarizes our cash flows, as determined on a GAAP basis, for the periods presented below.

2018 Cash Flows Compared to 2017 Cash Flows

Cash provided by operating activities of $3.2 million for the year ended December 31, 2018 was primarily a result of expense support provided by the Advisor during the year and growth in our property operations, offset in part by interest expense and other expense reimbursements paid to the Advisor's affiliates. Cash used in investing activities of $300.0 million was related to our acquisition activity during 2018 . Cash provided by financing activities of $304.8 million for the year ended December 31, 2018 was primarily due to our net borrowing activity under our line of credit and proceeds from the issuance of our common stock, partially offset by the cash distributions paid to our common stockholders.

Cash provided by operating activities of $0.3 million for the year ended December 31, 2017 was primarily a result of expense support provided by the Advisor during the period, which was offset by general, administrative, and organization expenses. Cash provided by financing activities of $8.7 million for the year ended December 31, 2017 was primarily due to: (i) net proceeds raised from our initial public offering; (ii) debt issuance costs paid related to the line of credit, which include up-front fees and costs incurred in order to be able to access the line of credit; and (iii) to the cash distributions we paid to our common stockholders.

2017 Cash Flows Compared to 2016 Cash Flows

Cash used in operating activities of $0.5 million for the year ended December 31, 2016 was primarily related to general, administrative and organization expenses. Cash provided by financing activities of $2.4 million for the year ended December 31, 2016 was primarily related to net proceeds from our public and private offerings.

Capital Resources and Uses of Liquidity

In addition to our cash and cash equivalents balance available, our capital resources and uses of liquidity are as follows:

Line of Credit. On September 18, 2017, we entered into a credit facility agreement with an initial aggregate revolving loan commitment of $100.0 million, and on June 28, 2018 we increased the commitment to $200.0 million. We have the ability from time to time to increase the size of the credit facility by up to an additional $400.0 million for a total of up to $600.0 million, subject to receipt of lender commitments and satisfaction of other conditions. Any increase to the size of the credit facility may be in the form of an increase in the aggregate revolving loan commitments, the establishment of a term loan, or a combination of both. The maturity date of the line of credit is September 18, 2020, and may be extended pursuant to two one-year extension options, subject to continuing compliance with certain financial covenants and other customary conditions. Borrowings under the line of credit will be charged interest based on either: (i) LIBOR plus a margin ranging from 1.60% to 2.50%; or (ii) an alternative base rate plus a margin ranging from 0.60% to 1.50%, each depending on our consolidated leverage ratio. Customary fall-back provisions apply if LIBOR is unavailable. The line of credit is available for general corporate purposes including, but not limited to, the acquisition and operation of permitted investments by us. A pledge of equity interests in our subsidiaries that directly own unencumbered properties will be provided until such time as we elect to terminate such pledges, subject to satisfaction of certain financial covenants. As of December 31, 2018 , we had $119.0 million outstanding under the line of credit with an interest rate of 4.10% . the unused portion was $80.9 million , of which $63.7 million was available.

Debt Covenants Our line of credit contains various property-level covenants, including customary affirmative and negative covenants, as well as certain corporate level financial covenants, including leverage ratio, fixed charge coverage ratio, and tangible net worth thresholds. These covenants may limit our ability to incur additional debt, to make borrowings under our line of credit, or to pay distributions. We were in compliance with all covenants as of December 31, 2018 .

Offering Proceeds. As of December 31, 2018 , aggregate gross proceeds raised from our public and private offerings, including proceeds raised through our distribution reinvestment plan, were $212.8 million ($189.4 million net of direct selling costs).

Distributions . We intend to continue to accrue and make cash distributions on a regular basis. For the year ended December 31, 2018 , 100.0% of our total gross cash distributions were funded from sources other than cash flows from operating activities, as determined on a GAAP basis; specifically 51.9% of our total gross cash distributions were paid from cash provided by expense support from the Advisor, and 48.1% of our total gross cash distributions were funded with proceeds from shares issued pursuant to our distribution reinvestment plan. Some or all of our future cash distributions may be paid from sources other than cash flows from operating activities, such as cash flows from financing activities, which include borrowings (including borrowings secured by our assets), proceeds from the issuance of shares pursuant to our distribution reinvestment plan, proceeds from sales of assets, cash resulting from a waiver or deferral of fees otherwise payable to the Advisor or its affiliates (including cash received pursuant to the Expense Support Agreement as described in “ Note 10 to the Consolidated Financial Statements ”), interest income from our cash balances, and the net proceeds from primary shares sold in our initial public offering. We have not established a cap on the amount of our cash distributions that may be paid from any of these sources. The amount of any cash distributions will be determined by our board of directors, and will depend on, among other things, current and projected cash requirements, tax considerations and other factors deemed relevant by our board.

For the first quarter of 2019 , our board of directors authorized monthly cash distributions to all common stockholders of record as of the close of business on the last business day of each month for the first quarter of 2019 , or January 31, 2019 , February 28, 2019 and March 30, 2019 (each a “Distribution Record Date”). The distributions were authorized at a quarterly rate of (i) $0.13625 per Class I share of common stock and (ii) $0.13625 per Class T share and per Class W share of common stock, less the respective annual distribution fees that are payable monthly with respect to such Class T shares and Class W shares. This quarterly rate is equal to a monthly rate of (i) $0.04542 per Class I share of common stock and (ii) $0.04542 per Class T share and per Class W share of common stock, less the respective annual distribution fees that are payable with respect to such Class T shares and Class W shares. Cash distributions for each month of the first quarter of 2019 have been or will be paid in cash or reinvested in shares of our common stock for those electing to participate in our distribution reinvestment plan following the close of business on the respective Distribution Record Date applicable to such monthly distributions.

There can be no assurances that the current distribution rate or amount per share will be maintained. In the near-term, we expect that we may need to continue to rely on expense support from the Advisor and sources other than cash flows from operations, as determined on a GAAP basis, to pay cash distributions, which if insufficient could negatively impact our ability to pay cash distributions. See “ Note 10 to the Consolidated Financial Statements ” for further detail regarding the Expense Support Agreement.

The following table outlines sources used, as determined on a GAAP basis, to pay total gross cash distributions (which are paid in cash or reinvested in shares of our common stock through our distribution reinvestment plan (“DRIP”)) for the quarters ended as of the dates indicated below:

	Source of Cash Distributions								
($ in thousands)	Provided by Expense Support (1)		Provided by Operating Activities		Proceeds from Financing Activities		Proceeds from DRIP (2)		Gross Distributions (3)
2018									
December 31	$ 1,153	51.1%	$ —	—%	$ —	—%	$ 1,102	48.9%	$ 2,255
September 30	751	52.4	—	—	—	—	681	47.6	1,432
June 30	452	53.1	—	—	—	—	399	46.9	851
March 31	207	51.2	—	—	—	—	197	48.8	404
Total	$ 2,563	51.9%	$ —	—%	$ —	—%	$ 2,379	48.1%	$ 4,942
2017									
December 31	$ 57	56.4%	$ —	—%	$ —	—%	$ 44	43.6%	$ 101
September 30	25	69.4	—	—	—	—	11	30.6	36
June 30	23	69.7	—	—	—	—	10	30.3	33
March 31	23	69.7	—	—	—	—	10	30.3	33
Total	$ 128	63.1%	$ —	—%	$ —	—%	$ 75	36.9%	$ 203

(1) For the years ended December 31, 2018 and 2017 , the Advisor provided expense support of $5.6 million and $1.7 million , respectively. Refer to “ Note 10 to the Consolidated Financial Statements ” for a description of the expense support agreement.
(2) Stockholders may elect to have cash distributions reinvested in shares of our common stock through our distribution reinvestment plan.
(3) Gross distributions are total distributions before the deduction of any distribution fees relating to Class T shares and Class W shares issued in the primary portion of our initial public offering.

For the year ended December 31, 2018 , our cash flows provided by operating activities was $3.2 million as compared to our aggregate total gross distributions declared (which are paid in cash or reinvested in shares issued pursuant to our distribution reinvestment plan) of $4.9 million . For the year ended December 31, 2017 , our cash flows used in operating activities was $0.3 million as compared to our aggregate total gross distributions declared (which are paid in cash or reinvested in shares issued pursuant to our distribution reinvestment plan) of $0.2 million .

Refer to " Note 8 to the Consolidated Financial Statements " for further detail regarding our cash distributions.

Redemptions . For the year ended December 31, 2018 , we received eligible redemption requests for approximately 63,000 shares of our common stock, all of which we redeemed using cash flows from financing activities, for an aggregate amount of approximately $603,000 , or an average price of $9.57 per share. We had not redeemed any shares of our common stock and had not received any eligible requests for redemption pursuant to our share redemption program for the year ended December 31, 2017 . See Part II, Item 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Share Redemption Program," for further description of our share redemption program.

RECENTLY ISSUED ACCOUNTING STANDARDS

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Subtopic 842)" ("ASU 2016-02"), which provides guidance for greater transparency in financial reporting by organizations that lease assets such as real estate, airplanes and manufacturing equipment by requiring such organizations to recognize lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The accounting for lessors will remain largely unchanged from current GAAP; however, the standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Under existing standards, certain of these costs are capitalizable and therefore this new standard will result in certain of these costs being expensed as incurred after adoption. ASU 2016-02 is effective for annual and interim reporting periods beginning after December 15, 2018, with early adoption permitted. We adopted the standard when it became effective for us, as of the reporting period beginning January 1, 2019, and we elected the practical expedients available for implementation under the standard. Under the practical expedients election, we would not be required to reassess: (i) whether an expired or existing contract meets the definition of a lease; (ii) the lease classification at the adoption date for expired or existing leases; and (iii) whether costs previously capitalized as initial direct costs would continue to be amortized. The standard also will require new disclosures within the notes accompanying the consolidated financial statements. Additionally, in January 2018, the FASB issued ASU No. 2018-01, "Leases (Subtopic 842): Land Easement Practical Expedient for Transition to Topic 842" ("ASU 2018-01"), which updates ASU 2016-02 to include land easements under the updated guidance, including the option to elect the practical expedient discussed above. We also adopted ASU 2018-01 when it became effective for us, as of the reporting period beginning January 1, 2019, and we elected the practical expedients available for implementation under the standard. In addition, in December 2018, the FASB issued ASU No. 2018-20, "Narrow—Scope Improvements for Lessors" ("ASU 2018-20"), which updates 2016-02 by providing the option to elect a practical expedient for lessors to exclude sales and other similar taxes from the transaction price of the contract, requires lessors to exclude from revenue and expense lessor costs paid directly to a third party by lessees, and clarifies lessors' accounting for variable payments related to both lease and nonlease components. We adopted ASU 2018-20 when it became effective for us, as of the reporting period beginning January 1, 2019, and we elected the practical expedients available for implementation under the standard. The adoption of these standards did not have a material effect on our consolidated financial statements.

SUBSEQUENT EVENTS

Status of the Public and Private Offerings

A summary of our initial public offering (including shares sold through the primary offering and the Company's distribution reinvestment plan ("DRIP")) and the private offering, as of February 28, 2019 , is as follows:

(in thousands)	Class T	Class W	Class I	Notes to Stockholders (1)	Total
Amount of gross proceeds raised:					
Primary offering	$ 261,319	$ 4,742	$ 4,381	$ —	$ 270,442
DRIP	2,832	14	123	—	2,969
Private offering (2)	62	—	62	376	500
Total offering	$ 264,213	$ 4,756	$ 4,566	$ 376	$ 273,911
Number of shares issued:					
Primary offering	24,890	472	458	—	25,820
DRIP	282	1	12	—	295
Private offering (2)	7	—	7	—	14
Stock dividends	—	6	3	—	9
Total offering	25,179	479	480	—	26,138

(1) Amount relates to notes payable issued to investors in the private offering. See " Note 6 to the Consolidated Financial Statements " for additional details.
(2) The private offering closed on December 1, 2016.

As of February 28, 2019 , approximately $1.7 billion in shares of our common stock remained available for sale pursuant to our initial public offering in any combination of Class T shares, Class W shares and Class I shares, including approximately $497.0 million in shares of common stock available for sale through our distribution reinvestment plan, which may be reallocated for sale in the primary offering.

Completed Acquisitions

Airport Industrial Center . On January 8, 2019, we acquired one industrial building located in the Southern California market (the " Airport Industrial Center "). The total purchase price was $8.1 million , exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Kelly Trade Center . On January 31, 2019, we acquired one industrial building located in the Austin market (the "Kelly Trade Center"). The total purchase price was $15.3 million , exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

7A Distribution Center . On February 11, 2019, we acquired one industrial building located in the New Jersey market (the "7A Distribution Center"). The total purchase price was $12.1 million , exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Acquisitions Under Contract

As of February 28, 2019 , we had entered into a contract to acquire a property with a contract purchase price of approximately $8.5 million , comprised of one industrial building.

Amended and Restated Credit Facility Agreement

On February 21, 2019 , we amended and restated our credit facility agreement. Refer to "Note 15 to the Consolidated Financial Statements" for further detail.

Amended and Restated Expense Support Agreement

On January 1, 2019, we, the Advisor and the Operating Partnership entered into the Second Amended and Restated Expense Support Agreement. Refer to "Note 15 to the Consolidated Financial Statements" for further detail.

CONTRACTUAL OBLIGATIONS

The following table summarizes future obligations, due by period, as of December 31, 2018 , under our various contractual obligations and commitments:

(in thousands)	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Line of credit	$ 4,950	$ 122,309	$ —	$ —	$ 127,259
Notes payable to stockholders (1)	84	167	167	1,921	2,339
Acquisition expense reimbursements (2)	—	3,500	—	—	3,500
Total	$ 5,034	$ 125,976	$ 167	$ 1,921	$ 133,098

(1) Includes principal and interest on the note payable issued pursuant to our private offering. See " Note 6 to the Consolidated Financial Statements " for more detail.

(2) Reflects amounts reimbursable to the Advisor for all expenses incurred by the Advisor and its affiliates on the Company's behalf in connection with the selection, acquisition, development or origination of an asset.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those estimates that require management to make challenging, subjective, or complex judgments, often because they must estimate the effects of matters that are inherently uncertain and may change in subsequent periods. Critical accounting estimates involve judgments and uncertainties that are sufficiently sensitive and may result in materially different results under different assumptions and conditions.

Investment in Real Estate Properties

When we acquire a property, we first determine whether an acquisition constitutes a business or asset acquisition. Upon acquisition, we allocate the purchase price of the acquisition based upon our assessment of the fair value of various components, including to land, building, land and building improvements, and intangible lease assets and liabilities. Fair value determinations are based on estimated cash flow projections that utilize discount and/or capitalization rates, as well as certain available market information. The fair value of land, building, and land and building improvements considers the value of the property as if it were vacant. The fair value of intangible lease assets is based on our evaluation of the specific characteristics of each lease. Factors considered include estimates of carrying costs during hypothetical expected lease-up periods, current market conditions and market rates, the customer's credit quality and costs to execute similar leases. The fair value of above- and below-market leases is calculated as the present value of the difference between the contractual amounts to be paid pursuant to each in-place lease and our estimate of fair market lease rates for each corresponding in-place lease, using a discount rate that reflects the risks associates with the leases acquired and measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed-rate renewal options for below-market leases. In estimating carrying costs, we include estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, we consider customer improvements, leasing commissions and legal and other related expenses.

Impairment of Real Estate Properties

We review our investment in real estate properties individually whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recorded for the difference between estimated fair value of the real estate property and the carrying amount when the estimated future cash flows and the estimated liquidation value of the real estate property are less than the real estate property carrying amount. Our estimates of future cash flows and liquidation values require us to make assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for customers, changes in market rental rates, costs to operate each property, and expected ownership periods that can be difficult to predict.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We may be exposed to the impact of interest rate changes. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows, and optimize overall borrowing costs. To achieve these objectives, we plan to borrow on a fixed interest rate basis for longer-term debt and utilize interest rate swap agreements on certain variable interest rate debt in order to limit the effects of changes in interest rates on our results of operations. As of December 31, 2018 , our debt outstanding consisted of borrowings under our line of credit and notes payable to investors in our private offering.

Fixed Interest Rate Debt. As of December 31, 2018 , our fixed interest rate debt consisted of $0.4 million of notes payable issued pursuant to our private offering. The interest rate on these notes is fixed and therefore the notes are not subject to interest rate fluctuations. Based on our debt as of December 31, 2018 , we do not expect that market fluctuations in interest rates will have a significant impact on our future earnings or operating cash flows.

Variable Interest Rate Debt. As of December 31, 2018 , our variable interest rate debt consisted of $119.0 million of borrowings under our line of credit. Interest rate changes on our variable-rate debt could impact our future earnings and cash flows, but would not significantly affect the fair value of such debt. As of December 31, 2018 , we were exposed to market risks related to fluctuations in interest rates on $119.0 million of borrowings. A hypothetical 10% change in the average interest rate on the outstanding balance of our variable interest rate debt as of December 31, 2018 , would change our annual interest expense by approximately $0.3 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Black Creek Industrial REIT IV Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Black Creek Industrial REIT IV Inc. and subsidiaries (the "Company") as of December 31, 2018 and 2017 , the related consolidated statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 2018 , and the related notes and financial statement schedule III (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017 , and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018 , in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

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

/s/ KPMG LLP

We have served as the Company's auditor since 2014.

Denver, Colorado
March 6, 2019

BLACK CREEK INDUSTRIAL REIT IV INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	As of December 31, 2018	As of December 31, 2017
ASSETS		
Net investment in real estate properties	$ 301,371	$ —
Cash and cash equivalents	19,016	10,565
Restricted cash	5	481
Straight-line and tenant receivables	1,394	—
Prepaid expenses	440	420
Due from affiliates	517	191
Debt issuance costs related to line of credit, net of amortization	1,167	887
Acquisition deposits	675	—
Other assets	35	4
Total assets	$ 324,620	$ 12,548
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued liabilities	$ 1,190	$ 210
Line of credit	119,000	—
Notes payable to stockholders, net of debt issuance costs	376	353
Due to affiliates	18,439	929
Distributions payable	920	56
Distribution fees payable to affiliates	7,457	394
Other liabilities	5,465	—
Total liabilities	152,847	1,942
Commitments and contingencies (Note 13)		
Equity		
Stockholders' equity:		
Preferred stock, $0.01 par value - 200,000 shares authorized, none issued and outstanding	—	—
Class T common stock, $0.01 par value per share - 1,200,000 shares authorized, 19,759 and 976 shares issued and outstanding, respectively	198	10
Class W common stock, $0.01 par value per share - 75,000 shares authorized, 161 and 6 shares issued and outstanding, respectively	2	—
Class I common stock, $0.01 par value per share - 225,000 shares authorized, 345 and 256 shares issued and outstanding, respectively	3	2
Additional paid-in capital	180,125	10,859
Accumulated deficit	(8,556)	(266)
Total stockholders' equity	171,772	10,605
Noncontrolling interests	1	1
Total equity	171,773	10,606
Total liabilities and equity	$ 324,620	$ 12,548

See accompanying Notes to Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	For the Year Ended December 31, 2018	2017	2016
Revenues:			
Rental revenues	$ 6,520	$ —	$ —
Total revenues	6,520	—	—
Operating expenses:			
Rental expenses	1,252	—	—
Real estate-related depreciation and amortization	3,541	—	—
General and administrative expenses	1,564	960	269
Organization expenses, related party	—	78	40
Advisory fees, related party	1,624	—	—
Acquisition expense reimbursements, related party	4,900	—	—
Other expense reimbursements, related party	1,195	185	1
Total operating expenses	14,076	1,223	310
Other expenses:			
Interest expense and other	2,250	309	15
Total other expenses	2,250	309	15
Total expenses before expense support	16,326	1,532	325
Total expense support from the Advisor	5,583	1,735	150
Net (expenses) income after expense support	(10,743)	203	(175)
Net (loss) income	(4,223)	203	(175)
Net (loss) income attributable to noncontrolling interests	—	—	—
Net (loss) income attributable to common stockholders	$ (4,223)	$ 203	$ (175)
Weighted-average shares outstanding	9,107	381	40
Net (loss) income per common share - basic and diluted	$ (0.46)	$ 0.53	$ (4.39)

See accompanying Notes to Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
CONSOLIDATED STATEMENTS OF EQUITY

	Stockholders' Equity					
	Common Stock					
(in thousands)	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Noncontrolling Interests	Total Equity
Balance as of December 31, 2015	20	$ —	$ 200	$ —	$ 1	$ 201
Net loss	—	—	—	(175)	—	(175)
Issuance of common stock	235	2	2,122	—	—	2,124
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(25)	—	—	(25)
Distributions to stockholders	—	—	—	(11)	—	(11)
Balance as of December 31, 2016	255	$ 2	$ 2,297	$ (186)	$ 1	$ 2,114
Net income	—	—	—	203	—	203
Issuance of common stock	983	10	10,273	—	—	10,283
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(1,305)	—	—	(1,305)
Trailing distribution fees	—	—	(406)	12	—	(394)
Dividends to stockholders	—	—	—	(295)	—	(295)
Balance as of December 31, 2017	1,238	$ 12	$ 10,859	$ (266)	$ 1	$ 10,606
Net loss	—	—	—	(4,223)	—	(4,223)
Issuance of common stock	19,090	191	199,879	—	—	200,070
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(22,072)	—	—	(22,072)
Trailing distribution fees	—	—	(7,938)	875	—	(7,063)
Redemptions of common stock	(63)	—	(603)	—	—	(603)
Dividends to stockholders	—	—	—	(4,942)	—	(4,942)
Balance as of December 31, 2018	20,265	$ 203	$ 180,125	$ (8,556)	$ 1	$ 171,773

See accompanying Notes to Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,		
(in thousands)	2018	2017	2016
Operating activities:			
Net (loss) income	$ (4,223)	$ 203	$ (175)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Real estate-related depreciation and amortization	3,541	—	—
Straight-line rent and amortization of above- and below-market leases	(1,673)	—	—
Amortization of debt issuance costs	557	152	2
Changes in operating assets and liabilities:			
Tenant receivables, prepaid expenses and other assets	(133)	(163)	(261)
Accounts payable and accrued liabilities	1,175	110	101
Due from / to affiliates, net	3,910	(38)	(149)
Net cash provided by (used in) operating activities	3,154	264	(482)
Investing activities:			
Real estate acquisitions	(298,478)	—	—
Acquisition deposits	(675)	—	—
Capital expenditures	(800)	—	—
Net cash used in investing activities	(299,953)	—	—
Financing activities:			
Proceeds from line of credit	203,000	—	—
Proceeds from notes to stockholders	—	—	376
Repayments of line of credit	(84,000)	—	—
Debt issuance costs paid	(814)	(990)	(74)
Proceeds from issuance of common stock	189,309	9,933	2,125
Offering costs paid upon issuance of common stock	—	(176)	(25)
Distributions paid to common stockholders	(1,404)	(102)	—
Distribution fees paid to affiliates	(714)	(4)	—
Redemptions of common stock	(603)	—	—
Net cash provided by financing activities	304,774	8,661	2,402
Net increase in cash, cash equivalents and restricted cash	7,975	8,925	1,920
Cash, cash equivalents, and restricted cash, at beginning of period	11,046	2,121	201
Cash, cash equivalents and restricted cash, at end of period	$ 19,021	$ 11,046	$ 2,121

See accompanying Notes to Consolidated Financial Statements.

1. DESCRIPTION OF BUSINESS

Black Creek Industrial REIT IV Inc. (the "Company") is a Maryland corporation formed on August 12, 2014. Unless the context otherwise requires, the "Company" refers to Black Creek Industrial REIT IV Inc. and its consolidated subsidiaries, which includes BCI IV Operating Partnership LP (the "Operating Partnership").

The Company was formed to make equity and debt investments in income-producing real estate assets consisting primarily of high-quality distribution warehouses and other industrial properties that are leased to creditworthy corporate customers throughout the U.S. Although the Company intends to focus investment activities primarily on distribution warehouses and other industrial properties, its charter and bylaws do not preclude it from investing in other types of commercial property, real estate debt, or real estate-related equity securities. The Company operates as one reportable segment comprised of industrial real estate.

The Company operates as a real estate investment trust ("REIT") for U.S. federal income tax purposes, and elected to be treated as a REIT beginning with its taxable year ended December 31, 2017. The Company utilizes an Umbrella Partnership Real Estate Investment Trust ("UPREIT") organizational structure to hold all or substantially all of its properties and securities through the Operating Partnership, of which the Company is the sole general partner and a limited partner.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). In the opinion of management, the accompanying consolidated financial statements contain all adjustments and eliminations, consisting only of normal recurring adjustments necessary for a fair presentation in conformity with GAAP.

Basis of Consolidation

The consolidated financial statements include the accounts of Black Creek Industrial REIT IV Inc., the Operating Partnership, and its wholly-owned subsidiaries, as well as amounts related to noncontrolling interests. See "Noncontrolling Interests" below for further detail concerning the accounting policies regarding noncontrolling interests. All material intercompany accounts and transactions have been eliminated.

Use of Estimates

GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they are determined to be necessary.

Reclassifications

Certain items in the Company's consolidated balance sheet for 2017 have been reclassified to conform to the 2018 presentation. Future estimated distribution fees payable have been reclassified from due to affiliates and are presented separately in the consolidated balance sheets.

Certain items in the Company's consolidated statements of operations for 2017 and 2016 have been reclassified to conform to the 2018 presentation. Other expense reimbursements have been reclassified from general and administrative expenses and are presented separately in the consolidated statements of operations.

Investment in Real Estate Properties

The Company first determines whether an acquisition constitutes a business or asset acquisition. Upon either a business or asset acquisition, the purchase price of a property is allocated to land, building, and intangible lease assets and liabilities based on their relative fair value. The allocation of the purchase price to building is based on management's estimate of the property's "as-if" vacant fair value. The "as-if" vacant fair value is determined by using all available information such as the replacement cost of such asset, appraisals, property condition reports, market data and other related information. The allocation of the purchase price to intangible lease assets represents the value associated with the in-place leases, which may include lost rent, leasing commissions, tenant improvements, legal and other related costs. The allocation of the purchase price to above-market lease assets and below-market lease liabilities results from in-place leases being above or below management's estimate of fair market rental rates at the acquisition date and are measured over a period equal to the remaining term of the lease for above-market leases and the remaining term of the lease, plus the term of any below-market fixed-rate renewal option periods, if applicable, for below-market leases. Intangible lease assets, above-market lease assets, and below-market lease liabilities are collectively referred to as “intangible lease assets and liabilities.”

If any debt is assumed in an acquisition, the difference between the fair value and the face value of debt is recorded as a premium or discount and amortized to interest expense over the life of the debt assumed. No debt was assumed in connection with any of the properties acquired during 2018. Transaction costs associated with the acquisition of a property are capitalized as incurred in an asset acquisition and are allocated to land, building, and intangible lease assets on a relative fair value basis. Properties that are probable to be sold are to be designated as “held for sale” on the balance sheet when certain criteria are met.

The results of operations for acquired properties are included in the consolidated statements of operations from their respective acquisition dates. Intangible lease assets are amortized to real estate-related depreciation and amortization over the remaining lease term. Above-market lease assets are amortized as a reduction in rental revenues over the remaining lease term and below-market lease liabilities are amortized as an increase in rental revenues over the remaining lease term, plus any applicable fixed-rate renewal option periods. The Company expenses any unamortized intangible lease asset or records an adjustment to rental revenue for any unamortized above-market lease asset or below-market lease liability when a customer terminates a lease before the stated lease expiration date.

Land, building, building and land improvements, tenant improvements, lease commissions, and intangible lease assets and liabilities, which are collectively referred to as “real estate assets,” are stated at historical cost less accumulated depreciation and amortization. Costs associated with the development and improvement of the Company’s real estate assets are capitalized as incurred. These costs include capitalized interest and development acquisition fees. Other than the transaction costs associated with the acquisition of a property described above, the Company does not capitalize any other costs, such as taxes, salaries or other general and administrative expenses. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred.

Real estate-related depreciation and amortization are computed on a straight-line basis over the estimated useful lives as described in the following table:

Land	Not depreciated
Building	20 to 40 years
Building and land improvements	5 to 20 years
Tenant improvements	Lesser of useful life or lease term
Lease commissions	Over lease term
Intangible lease assets	Over lease term
Above-market lease assets	Over lease term
Below-market lease liabilities	Over lease term, including below-market fixed-rate renewal options

Real estate assets that are determined to be held and used will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, and the Company will evaluate the recoverability of such real estate assets based on estimated future cash flows and the estimated liquidation value of such real estate assets, and provide for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the real estate asset. If impaired, the real estate asset will be written down to its estimated fair value.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less.

Straight-line Rent and Tenant Receivables

Straight-line rent and tenant receivables include all straight-line rent and accounts receivable, net of allowances. The Company maintains an allowance for estimated losses that may result from the inability of certain of its customers to make required payments. If a customer fails to make contractual payments beyond any allowance, the Company may recognize additional bad debt expense in future periods equal to the net outstanding balances. There was no allowance for doubtful accounts as of December 31, 2018 and 2017 .

Debt Issuance Costs

Debt issuance costs include fees and costs incurred to obtain long-term financing. These fees and costs are amortized to interest expense over the terms of the related credit facilities. Unamortized debt issuance costs are written off if debt is retired before its maturity date. Debt issuance costs related to the line of credit include up-front fees and costs incurred in order to close on the commitments for the line of credit. As such, these costs are recorded as an asset on the consolidated balance sheets. Debt issuance costs related to the notes payable to certain stockholders are recorded as a direct deduction from the principal amount of that liability.

Distribution Fees

Distribution fees are paid monthly. Distribution fees are accrued upon the issuance of Class T shares and Class W shares in the primary portion of the Company's initial public offering. The Company accrues for: (i) the monthly amount payable as of the balance sheet date, and (ii) the estimated amount of distribution fees to be paid in future periods based on the Class T shares and Class W shares outstanding as of the balance sheet date. The accrued distribution fees are reflected in additional paid-in capital in stockholders' equity. See " Note 10 " for additional information regarding when distribution fees become payable.

Noncontrolling Interests

Due to the Company's control of the Operating Partnership through its sole general partner interest and its limited partner interest, the Company consolidates the Operating Partnership. The limited partner interests not owned by the Company are presented as noncontrolling interests in the consolidated financial statements. The noncontrolling interests are reported on the consolidated balance sheets within permanent equity, separate from stockholders' equity. As the limited partner interests do not participate in the profits and losses of the Operating Partnership, there is no net income or loss attributable to the noncontrolling interests on the consolidated statements of operations. See " Note 12 " for additional information.

Revenue Recognition

The Company records rental revenue on a straight-line basis over the full lease term. Certain properties have leases that offer the tenant a period of time where no rent is due or where rent payments change during the term of the lease. Accordingly, the Company records receivables from tenants for rent that the Company expects to collect over the remaining lease term rather than currently, which are recorded as a straight-line rent receivable. When the Company acquires a property, the term of each existing lease is considered to commence as of the acquisition date for purposes of this calculation.

Tenant reimbursement revenue includes payments and amounts due from tenants pursuant to their leases for real estate taxes, insurance and other recoverable property operating expenses and is recognized as rental revenue in the period the applicable expenses are incurred. For the year ended December 31, 2018 , tenant reimbursement revenue recognized in rental revenues was approximately $1.0 million . There was no tenant reimbursement revenue for the years ended December 31, 2017 nor 2016.

In connection with property acquisitions, the Company may acquire leases with rental rates above or below estimated market rental rates. Above-market lease assets are amortized as a reduction to rental revenue over the remaining lease term, and below-market lease liabilities are amortized as an increase to rental revenue over the remaining lease term, plus any applicable fixed-rate renewal option periods.

The Company expenses any unamortized intangible lease asset or records an adjustment to rental revenue for any unamortized above-market lease asset or below-market lease liability by reassessing the estimated remaining useful life of such intangible lease asset or liability when it becomes probable a customer will terminate a lease before the stated lease expiration date.

Upon the disposition of an asset, the Company will evaluate the transaction to determine if control of the asset, as well as other specified criteria, has been transferred to the buyer to determine proper timing of recognizing gains or losses.

Organization and Offering Expenses

Organization costs are expensed as incurred and offering expenses associated with the Company's public offerings are recorded as a reduction of gross offering proceeds in additional paid-in capital. See " Note 10 " for additional information regarding when organization and offering expenses become reimbursable.

Income Taxes

The Company currently operates as a REIT under the Internal Revenue Code of 1986, as amended, for federal income tax purposes, and elected to be treated as such beginning with its taxable year ended December 31, 2017. As a REIT, the Company generally is not subject to federal income taxes on net income it distributes to stockholders. The Company intends to make timely distributions sufficient to satisfy the annual distribution requirements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax on its taxable income at regular corporate tax rates. Even if the

Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its income and property and federal income and excise taxes on its undistributed income.

Net Income (Loss) Per Common Share

The Company computes net income (loss) per common share by dividing net income (loss) by the weighted-average number of common shares outstanding during the period for each class. There are no class specific expenses and each class of common stock shares equally in the profits and losses of the Company. There were no dilutive shares for the years ended December 31, 2018 , 2017 and 2016 .

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. At times, balances with any one financial institution may exceed the Federal Deposit Insurance Corporation insurance limits. The Company believes it mitigates this risk by investing its cash with high-credit quality financial institutions.

Fair Value Measurements

Fair value measurements are determined based on the assumptions that market participants would use in pricing the asset or liability. Fair value measurements are categorized into one of three levels of the fair value hierarchy based on the lowest level of significant input used. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. Considerable judgment and a high degree of subjectivity are involved in developing these estimates. These estimates may differ from the actual amounts that the Company could realize upon settlement.

The fair value hierarchy is as follows:

Level 1—Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2—Other observable inputs, either directly or indirectly, other than quoted prices included in Level 1, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets/liabilities in non-active markets (e.g., few transactions, limited information, non-current prices, high variability over time);
- Inputs other than quoted prices that are observable for the asset/liability (e.g., interest rates, yield curves, volatilities, default rates); and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3—Unobservable inputs that cannot be corroborated by observable market data.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) ASU No. 2016-02, “Leases (Subtopic 842)” (“ASU 2016-02”), which provides guidance for greater transparency in financial reporting by organizations that lease assets such as real estate, airplanes and manufacturing equipment by requiring such organizations to recognize lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The accounting for lessors will remain largely unchanged from current GAAP; however, the standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Under existing standards, certain of these costs are capitalizable and therefore this new standard will result in certain of these costs being expensed as incurred after adoption. ASU 2016-02 is effective for annual and interim reporting periods beginning after December 15, 2018, with early adoption permitted. The Company adopted the standard when it became effective for the Company, as of the reporting period beginning January 1, 2019, and the Company elected the practical expedients available for implementation under the standard. Under the practical expedients election, the Company would not be required to reassess: (i) whether an expired or existing contract meets the definition of a lease; (ii) the lease classification at the adoption date for expired or existing leases; and (iii) whether costs previously capitalized as initial direct costs would continue to be amortized. The standard also will require new disclosures within the notes accompanying the consolidated financial statements. Additionally, in January 2018, the FASB issued ASU No. 2018-01, “Leases (Subtopic 842): Land Easement Practical Expedient for Transition to Topic 842” (“ASU 2018-01”), which updates ASU 2016-02 to include land easements under the updated guidance, including the option to elect the practical expedient discussed above. The Company also adopted ASU 2018-01 when it became effective for the Company, as of the reporting period beginning January 1, 2019, and the Company elected the practical expedients available for implementation under the standard. In addition, in December 2018, the FASB issued ASU No. 2018-20, “Narrow—Scope Improvements for Lessors” (“ASU 2018-20”), which updates 2016-02 by providing the option to elect a practical expedient for lessors to exclude sales and other similar taxes from the transaction price of the contract, requires lessors to exclude from revenue and expense lessor costs paid directly to a third party by lessees, and clarifies lessors' accounting for variable payments related to both lease and nonlease components. The Company adopted ASU 2018-20 when it became effective for the Company, as of the reporting period beginning January 1, 2019, and the Company elected the practical expedients available for implementation under the standard. The adoption of these standards did not have a material effect on the Company's consolidated financial statements.

3. REAL ESTATE ACQUISITIONS

The Company completed its first asset acquisition in February 2018. During the year ended December 31, 2018 , the Company allocated the purchase price of its acquisitions to land, building, and intangible lease assets and liabilities as follows:

	For the Year Ended December 31,	
(in thousands)	**2018**	**2017**
Land	$ 91,087	$ —
Building	188,638	—
Intangible lease assets	24,098	—
Above-market lease assets	247	—
Below-market lease liabilities	(4,042)	—
Total purchase price (1)	$ 300,028	$ —

(1) Total purchase price is equal to the total consideration paid.

The Company acquired 100% of the following properties, all of which determined to be asset acquisitions, during the year ended December 31, 2018 :

($ in thousands)	Acquisition Date	Number of Buildings	Total Purchase Price (1)
2018 Acquisitions:			
Ontario Industrial Center	2/26/2018	1	$ 10,595
Medley Industrial Center	4/11/2018	1	7,423
Ontario Distribution Center	5/17/2018	1	30,758
Park 429 Logistics Center	6/7/2018	2	44,882
Pescadero Distribution Center	6/20/2018	1	45,623
Gothard Industrial Center	6/25/2018	1	10,096
Midway Industrial Center	10/22/2018	1	8,127
Executive Airport Distribution Center	11/20/2018	1	51,070
Iron Run Distribution Center	12/4/2018	1	15,522
Elgin Distribution Center	12/11/2018	1	20,983
Addison Distribution Center II	12/21/2018	1	12,448
Fontana Distribution Center	12/28/2018	1	42,501
Total 2018 Acquisitions		13	$ 300,028

(1) Total purchase price is equal to the total consideration paid.

Intangible and above-market lease assets are amortized over the remaining lease term. Below-market lease liabilities are amortized over the remaining lease term, plus any below-market, fixed-rate renewal option periods. The weighted-average amortization periods for the intangible lease assets and liabilities acquired in connection with the Company's acquisitions during the year ended December 31, 2018 , as of the respective date of each acquisition, was 5.8 years.

4. INVESTMENT IN REAL ESTATE

As of December 31, 2018 , the Company's investment in real estate properties consisted of 13 industrial buildings. As of December 31, 2017 , the Company did not own any properties.

	As of December 31,	
(in thousands)	**2018**	**2017**
Land	$ 91,087	$ —
Building and improvements	188,872	—
Intangible lease assets	24,492	—
Construction in progress	476	—
Investment in real estate properties	304,927	—
Less accumulated depreciation and amortization	(3,556)	—
Net investment in real estate properties	$ 301,371	$ —

Intangible Lease Assets and Liabilities

Intangible lease assets and liabilities as of December 31, 2018 and 2017 included the following:

	As of December 31, 2018			As of December 31, 2017		
(in thousands)	**Gross**	**Accumulated Amortization**	**Net**	**Gross**	**Accumulated Amortization**	**Net**
Intangible lease assets (1)	$ 24,245	$ (1,450)	$ 22,795	$ —	$ —	$ —
Above-market lease assets (1)	247	(15)	232	—	—	—
Below-market lease liabilities (2)	(4,042)	582	(3,460)	—	—	—

(1) Included in net investment in real estate properties on the consolidated balance sheets.
(2) Included in other liabilities on the consolidated balance sheets.

The following table details the estimated net amortization of such intangible lease assets and liabilities, as of December 31, 2018 , for the next five years and thereafter:

	Estimated Net Amortization		
(in thousands)	**Intangible Lease Assets**	**Above-Market Lease Assets**	**Below-Market Lease Liabilities**
2019	$ 4,851	$ 68	$ (971)
2020	4,679	68	(823)
2021	4,264	54	(700)
2022	3,256	25	(496)
2023	2,594	17	(282)
Thereafter	3,151	—	(188)
Total	$ 22,795	$ 232	$ (3,460)

Future Minimum Rent

Future minimum base rental payments, which equal the cash basis of monthly contractual rent, owed to the Company from its customers under the terms of non-cancelable operating leases in effect as of December 31, 2018 , excluding rental revenues from the potential renewal or replacement of existing leases and from future tenant reimbursement revenue, were as follows for the next five years and thereafter:

(in thousands)	Future Minimum Base Rental Payments
2019	$ 14,354
2020	14,877
2021	14,567
2022	12,756
2023	10,834
Thereafter	21,378
Total	$ 88,766

Rental Revenue Adjustments and Depreciation and Amortization Expense

The following table summarizes straight-line rent adjustments, amortization recognized as an increase (decrease) to rental revenues from above-and below-market lease assets and liabilities, and real estate-related depreciation and amortization expense:

	For the Year Ended December 31,		
(in thousands)	2018	2017	2016
Increase (Decrease) to Rental Revenue:			
Straight-line rent adjustments	$ 1,106	$ —	$ —
Above-market lease amortization	(15)	—	—
Below-market lease amortization	582	—	—
Real Estate-Related Depreciation and Amortization:			
Depreciation expense	$ 2,091	$ —	$ —
Intangible lease asset amortization	1,450	—	—

5. LINE OF CREDIT

On September 18, 2017, the Company entered into a credit facility agreement with an initial aggregate revolving loan commitment of $100.0 million , and on June 28, 2018, the Company increased the commitment to $200.0 million . The Company has the ability from time to time to increase the size of the credit facility by up to an additional $400.0 million for a total of up to $600.0 million , subject to receipt of lender commitments and satisfaction of other conditions. Any increase to the size of the credit facility may be in the form of an increase in the aggregate revolving loan commitments, the establishment of a term loan, or a combination of both. The maturity date of the line of credit is September 18, 2020, and may be extended pursuant to two one -year extension options, subject to continuing compliance with certain financial covenants and other customary conditions. Borrowings under the line of credit will be charged interest based on either: (i) the London Interbank Offered Rate (“LIBOR”) plus a margin ranging from 1.60% to 2.50% ; or (ii) an alternative base rate plus a margin ranging from 0.60% to 1.50% , each depending on the Company’s consolidated leverage ratio. Customary fall-back provisions apply if LIBOR is unavailable. The line of credit is available for general corporate purposes including, but not limited to, the acquisition and operation of permitted investments by the Company. A pledge of equity interests in the Company’s subsidiaries that directly own unencumbered properties will be provided until such time as the Company elects to terminate such pledges, subject to satisfaction of certain financial covenants. As of December 31, 2018 , the Company had $119.0 million outstanding under the line of credit with an interest rate of 4.10% ; the unused portion was $80.9 million , of which $63.7 million was available. As of December 31, 2017 , there were no amounts outstanding under the line of credit.

Unamortized debt issuance costs and accumulated amortization of debt issuance costs related to the line of credit were $1.2 million and $0.6 million , respectively, as of December 31, 2018 . Unamortized debt issuance costs and accumulated amortization of debt issuance costs related to the line of credit were $0.9 million and $0.1 million , respectively, as of December 31, 2017 . Additionally, the Company’s interest expense for the years ended December 31, 2018 and 2017 , included

$0.5 million and $0.1 million , respectively, of amortization of debt issuance costs related to the line of credit. There were no debt issuance costs for the year ended December 31, 2016 .

The Company's line of credit contains various property-level covenants, including customary affirmative and negative covenants, as well as certain corporate level financial covenants, including leverage ratio, fixed charge coverage ratio, and tangible net worth thresholds. The Company was in compliance with all covenants as of December 31, 2018 .

6. NOTES PAYABLE TO STOCKHOLDERS

On December 1, 2016, the Company issued to each of the 125 separate investors in the private offering (as described in " Note 8 ") a promissory note with a principal amount of approximately $ 3,003 . The purchase price for each note was approximately $ 3,003 , for an aggregate amount of approximately $376,000 . The Company pays interest on the unpaid principal amount of the notes at a fixed rate of 18.25% per annum per note payable semi-annually in arrears. The notes mature on November 30, 2046. Some or all of the notes may be prepaid by the Company at any time, in whole or in part, provided that (i) the Company will pay on the date of such prepayment all accrued and unpaid interest due on such prepaid principal amount to and including the date of prepayment and (ii) if the prepayment occurs prior to the 18-month anniversary of the issue date of the note, the Company will pay on the date of such prepayment a one-time premium equal to $ 300 per note. The Company issued the notes as part of the private offering in a private transaction exempt from the registration requirements pursuant to Section 4(a)(2) of the Securities Act and Rule 506 promulgated thereunder.

There were no unamortized debt issuance costs related to the Notes as of December 31, 2018 . Unamortized debt issuance costs related to the notes were $22,636 and $72,024 as of December 31, 2017 and 2016 , respectively. Accumulated amortization of debt issuance costs related to the notes were $74,082 and $51,446 as of December 31, 2018 and 2017 , respectively. Additionally, the Company's interest expense for the years ended December 31, 2018 , 2017 and 2016 included $22,636 , $49,388 and $2,058 , respectively, of amortization of debt issuance costs related to the notes.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates fair value of its financial instruments using available market information and valuation methodologies it believes to be appropriate for these purposes. As of December 31, 2018 and 2017 , the fair values of cash and cash equivalents, restricted cash, tenant receivables, prepaid expenses, other assets, due from/to affiliates, accounts payable and accrued liabilities, and distributions payable approximate their carrying values due to the short-term nature of these instruments. The table below includes fair values for certain of the Company's financial instrument for which it is practicable to estimate fair value. The carrying values and fair values of these financial instruments were as follows:

	December 31, 2018		December 31, 2017	
(in thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
Line of credit	$ 119,000	$ 119,000	$ —	$ —
Notes payable to stockholders	376	376	376	376

8. STOCKHOLDERS' EQUITY

Initial Public Offering

The Company has registered with the SEC an initial public offering of up to $2.0 billion in shares of its common stock in any combination of Class T shares, Class W shares and Class I shares, consisting of $1.5 billion in the primary offering and up to $500.0 million in shares under the distribution reinvestment plan. The Company is offering shares of its common stock at the "transaction price," plus applicable selling commissions and dealer manager fees. The "transaction price" generally is equal to the net asset value ("NAV") per share of the Company's common stock most recently disclosed. The Company's NAV per share is calculated as of the last calendar day of each month for each of its outstanding classes of stock, and will be available generally within 15 calendar days after the end of the applicable month. Shares issued pursuant to the Company's distribution reinvestment plan are offered at the transaction price, as indicated above, in effect on the distribution date. The Company may update a previously disclosed transaction price in cases where the Company believes there has been a material change (positive or negative) to its NAV per share relative to the most recently disclosed monthly NAV per share. The Company's initial public offering is a continuous offering that was initially expected to end no later than February 18, 2019. On January 4, 2019, the Company filed a new registration statement for a follow-on public offering of up to $2.0 billion in Class T shares, Class I shares and Class W shares of common stock, consisting of up to $1.5 billion offered in the primary offering and up to $500.0 million offered under the distribution reinvestment plan. The Company may reallocate amounts between the primary offering and distribution reinvestment plan. This registration statement is not yet effective and the Company's initial public offering will continue until the time that such registration statement becomes effective.

The Class T shares, Class W shares, and Class I shares, all of which are collectively referred to herein as shares of common stock, have identical rights and privileges, including identical voting rights, but have differing fees that are payable on a class-specific basis. The per share amount of distributions paid on Class T shares and Class W shares will be lower than the per share amount of distributions paid on Class I shares because of the distribution fees payable with respect to Class T shares and Class W shares sold in the primary offering.

The Company is offering to sell its common stock in any combination of the share classes with an aggregate dollar value up to the maximum offering amount. The Company has the right to reallocate the shares of common stock offered between the Company's primary offering and the Company's distribution reinvestment plan. Black Creek Capital Markets, LLC (the "Dealer Manager"), a related party, provides dealer manager services in connection with the Company's initial public offering. The Company's initial public offering is a best efforts offering, which means that the Dealer Manager is not required to sell any specific number or dollar amount of shares of common stock in the initial public offering, but will use its best efforts to sell the shares of common stock.

Private Offering

On December 1 **,** 2016, the Company issued to each of 125 separate investors 56 Class I shares of common stock and 56 Class T shares of common stock. The purchase price for all shares was $8.90 per share. In the aggregate, the Company issued 7,000 Class I shares and 7,000 Class T shares for $124,600 . The Company issued these shares of common stock in a private transaction exempt from the registration requirements pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder. In conjunction with issuing these shares, the Company incurred offering costs of $24,694 . These costs were determined to be a cost of raising capital and were recorded as additional paid-in capital. The private offering also included the issuance of promissory notes to the investors, as described in " Note 6 ." See below for a summary of total amount raised in the private offering.

Summary of the Public and Private Offerings

A summary of the Company's initial public offering (including shares sold through the primary offering and the Company's distribution reinvestment plan ("DRIP")) and its private offering, as of December 31, 2018 , is as follows:

(in thousands)	Class T	Class W	Class I	Notes to Stockholders	Total
Amount of gross proceeds raised:					
Primary offering	$ 205,732	$ 1,541	$ 2,975	$ —	$ 210,248
DRIP	1,900	6	106	—	2,012
Private offering	62	—	62	376	500
Total offering	$ 207,694	$ 1,547	$ 3,143	$ 376	$ 212,760
Number of shares issued:					
Primary offering	19,611	154	318	—	20,083
DRIP	190	1	11	—	202
Private offering	7	—	7	—	14
Stock dividends	—	6	3	—	9
Total offering	19,808	161	339	—	20,308

As of December 31, 2018 , approximately $1.79 billion in shares of common stock remained available for sale pursuant to the Company's initial public offering in any combination of Class T, Class W and Class I shares, including approximately $498.0 million in shares of common stock available for sale through the Company's distribution reinvestment plan, which may be reallocated for sale in the primary offering.

Common Stock

The following table summarizes the changes in the shares outstanding for each class of common stock for the periods presented below:

(in thousands)	Class T Shares	Class W Shares	Class I Shares (1)	Total Shares
Balance as of December 31, 2015	—	—	20	20
Issuance of common stock:				
Primary shares	—	—	221	221
Private offering shares	7	—	7	14
Balance as of December 31, 2016	7	—	248	255
Issuance of common stock:				
Primary shares	968	—	—	968
DRIP	1	—	5	6
Stock dividends	—	6	3	9
Balance as of December 31, 2017	976	6	256	1,238
Issuance of common stock:				
Primary shares	18,643	154	97	18,894
DRIP	189	1	6	196
Redemptions	(49)	—	(14)	(63)
Balance as of December 31, 2018	19,759	161	345	20,265

(1) Includes 20,000 Class I shares sold to the Advisor in November 2014. See " Note 10 " for additional information.

Dividends

Prior to the third quarter of 2017, cash distributions were paid on a quarterly basis and were calculated for each day the stockholder had been a stockholder of record during such quarter. Beginning with the third quarter of 2017, cash distributions have been paid on a monthly basis and are calculated as of monthly record dates. Cash distributions for stockholders who had elected to participate in the Company's distribution reinvestment plan were reinvested into shares of the same class of the Company's common stock as the shares to which the distributions related. In addition to the cash distributions, the Company's board of directors authorized special daily stock dividends to all common stockholders of record as of the close of business on each day for the first, second and third quarters of 2017 in an amount equal to 0.0000410959 of a share of common stock on each outstanding share of common stock. These special stock dividends were issued as additional shares of the same class of the Company's common stock as the shares to which the stock dividends related. The special stock dividends were issued and recorded in our stockholder records on the first business day of the calendar month immediately following the last day of the applicable calendar quarter. Stock dividends for each stockholder were calculated for each day the stockholder had been a stockholder of record during such quarter. In addition to the special stock dividends, the Company's board of directors authorized the issuance of a stock dividend to all holders of Class T shares, whereby each Class T shareholder of record as of the close of business on September 29, 2017 received 50 Class W shares. This stock dividend was issued following the close of business on October 2, 2017. The Company refers to cash distributions and stock dividends collectively as dividends.

Cash Distributions. The following table summarizes the Company's cash distribution activity (including distributions reinvested in shares of the Company's common stock) for each of the quarters ended below:

		Amount			
(in thousands, except per share data)	Declared per Common Share (1)	Paid in Cash	Reinvested in Shares	Distribution Fees (2)	Gross Distributions (3)
2018					
December 31	$ 0.13625	$ 747	$ 1,102	$ 406	$ 2,255
September 30	0.13625	496	681	255	1,432
June 30	0.13625	305	399	147	851
March 31	0.13625	140	197	67	404
Total	$ 0.54500	$ 1,688	$ 2,379	$ 875	$ 4,942
2017					
December 31	$ 0.13625	$ 45	$ 44	$ 12	$ 101
September 30	0.13625	25	11	—	36
June 30	0.12950	23	10	—	33
March 31	0.12950	23	10	—	33
Total	$ 0.53150	$ 116	$ 75	$ 12	$ 203
2016					
December 31 (4)	$ 0.12950	$ 8	$ 4	$ —	$ 12

(1) Amounts reflect the quarterly distribution rate authorized by the Company's board of directors per Class T share, per Class W share, and per Class I share of common stock. As noted above, commencing with the third quarter of 2017, distributions were declared and paid as of monthly record dates. These monthly distributions have been aggregated and presented on a quarterly basis. The distributions on Class T shares and Class W shares of common stock are reduced by the respective distribution fees that are payable with respect to such Class T shares and Class W shares.

(2) Distribution fees are paid monthly to the Dealer Manager with respect to Class T shares and Class W shares issued in the primary portion of the Company's initial public offering only. Refer to " Note 10 " for further detail regarding distribution fees.

(3) Gross distributions are total distributions before the deduction of any distribution fees relating to Class T shares and Class W shares.

(4) Cash distributions were authorized to all common stockholders of record as of the close of business on each day commencing on the date that the minimum offering requirements were met in connection with the initial public offering and ending on the last day of the quarter in which the minimum offering requirements were met (the "Initial Quarter"). The Company met the minimum offering requirements in connection with the initial public offering on November 30, 2016. Accordingly, the Initial Quarter commenced on that date and ended on December 31, 2016.

Redemptions

Subject to certain restrictions and limitations, a stockholder may redeem shares of the Company's common stock, regardless of share class, for cash at a price equal to the transaction price in effect as of the last calendar day of that month, except that shares of the Company's common stock that have not been outstanding for at least one year will be redeemed at 95.0% of the transaction price and Class T shares that have been outstanding for at least one year but less than two years will be redeemed at 97.5% of the transaction price. The "transaction price" generally will be equal to the NAV per share of the Company's common stock most recently disclosed by the Company. Redemptions are limited by the Company in accordance with a monthly and quarterly cap. While the Company is not obligated to redeem shares of its common stock under its share redemption program, it intends to redeem shares under its share redemption program on a monthly basis. However, the Company's board of directors may determine from time to time to adjust the timing of redemptions or suspend, terminate or otherwise modify the Company's share redemption program.

The following table summarizes the Company’s redemption activity for the periods presented below:

	For the Year Ended December 31,		
(in thousands, except per share data)	2018	2017	2016
Number of eligible shares redeemed	63	—	—
Aggregate dollar amount of shares redeemed	$ 603	$ —	$ —
Average redemption price per share	$ 9.57	$ —	$ —

9. INCOME TAXES

The Company has concluded there were no uncertain tax positions as of December 31, 2018 , 2017 and 2016 . The U.S. is the major tax jurisdiction for the Company and the earliest tax year subject to examination by the taxing authority is 2015 .

Distributions

Distributions to stockholders are characterized for federal income tax purposes as: (i) ordinary income; (ii) non-taxable return of capital; or (iii) long-term capital gain. Distributions that exceed the Company’s current and accumulated tax earnings and profits constitute a return of capital and reduce the stockholders’ basis in the common shares. To the extent that a distribution exceeds both current and accumulated earnings and profits and the stockholders’ basis in the common shares, the distributions will generally be treated as a gain from the sale or exchange of such stockholders’ common shares. Under the new tax laws effective January 1, 2018, all distributions (other than distributions designated as capital gain distributions and distributions traceable to distributions from a taxable REIT subsidiary) which are received by a pass-through entity or an individual, are eligible for a 20% deduction from gross income. This eligibility for a 20% deduction will expire as of 2025. At the beginning of each year, the Company notifies its stockholders of the taxability of the distributions paid during the preceding year. The unaudited preliminary taxability of the Company’s 2018 and 2017 distributions were:

	For the Year Ended December 31,	
(unaudited)	2018	2017
Ordinary income	—%	—%
Non-taxable return of capital	100.0	100.0
Long-term capital gain	—	—
Total distribution	100.0%	100.0%

As distributions were not paid until January 2017, there was no taxability of the Company’s distributions for the year ended 2016.

10. RELATED PARTY TRANSACTIONS

The Company relies on the Advisor, a related party, to manage the Company’s day-to-day operating and acquisition activities and to implement the Company’s investment strategy pursuant to the terms of the amended and restated advisory agreement (2018), dated June 13, 2018, as amended on January 1, 2019 (the “Advisory Agreement”), by and among the Company, the Operating Partnership and the Advisor. The current term of the Advisory Agreement ends June 13, 2019, subject to renewals by the Company’s board of directors for an unlimited number of successive one -year periods. The Dealer Manager provides dealer manager services in connection with the Initial Public Offering pursuant to the terms of the second amended and restated dealer manager agreement, effective as of July 1, 2017 (the “Dealer Manager Agreement”), by and among the Company, the Advisor and the Dealer Manager. Black Creek Property Management Company LLC (the “Property Manager”) may perform certain property management services on behalf of the Company and the Operating Partnership. BCI IV Advisors Group LLC, the sponsor of the Company (the “Sponsor”), which owns the Advisor, is presently directly or indirectly majority owned by the estate of John A. Blumberg, James R. Mulvihill and Evan H. Zucker and/or their affiliates and the Sponsor and the Advisor are jointly controlled by the estate of Mr. Blumberg, Messrs Mulvihill and Zucker and/or their respective affiliates. The Dealer Manager and the Property Manager are presently each directly or indirectly majority owned, controlled and/or managed by the estate of Mr. Blumberg, Messrs Mulvihill and/or Zucker and/or their respective affiliates. Mr. Zucker is the Chairman of our board of directors. The Advisor, the Sponsor, the Dealer Manager and the Property Manager receive compensation in the form of fees and expense reimbursements for services relating to the Initial Public Offering and for the investment and management of the Company’s assets. The following is a description of the fees and expense reimbursements payable to the Advisor, the Sponsor, the Property Manager and the Dealer Manager. This summary does not purport to be a complete summary of the Advisory Agreement, the Dealer Manager Agreement, the amended and restated management agreement between the Company and the Property Manager, and the fourth amended and restated limited partnership agreement of the Operating Partnership, and is qualified in its entirety by reference to such agreements, which are incorporated by reference as exhibits to this Annual Report on Form 10-K.

Selling Commissions, Dealer Manager Fees and Distribution Fees. The Dealer Manager is entitled to receive upfront selling commissions and dealer manager fees with respect to Class T shares sold in the primary offering. The upfront selling commissions and dealer manager fees are calculated as a percentage of the offering price at the time of purchase of such shares. All or a portion of the upfront selling commissions and dealer manager fees will be retained by, or reallowed to, participating broker dealers. In addition, the Dealer Manager is entitled to receive ongoing distribution fees based on the NAV of Class T shares and Class W shares sold in the primary offering. The distribution fees will be payable monthly in arrears and will be paid on a continuous basis from year to year. The Dealer Manager will reallow the distribution fees to participating broker dealers and broker dealers servicing accounts of investors who own Class T shares and/or Class W shares. The following table details the selling commissions, dealer manager fees and distribution fees applicable for each share class.

	Class T	Class W	Class I
Selling commissions (as % of offering price)	up to 2.0%	—%	—%
Dealer manager fees (as % of offering price)	up to 2.5%	—%	—%
Distribution fees (as % of NAV per annum)	1.0%	0.5%	—%

The Company will cease paying the distribution fees with respect to individual Class T shares and Class W shares when they are no longer outstanding, including as a result of a conversion to Class I shares. Each Class T share or Class W share held within a stockholder’s account shall automatically and without any action on the part of the holder thereof convert into a number of Class I shares at the applicable conversion rate on the earliest of: (i) a listing of any shares of the Company’s common stock on a national securities exchange; (ii) the Company’s merger or consolidation with or into another entity, or the sale or other disposition of all or substantially all of the Company’s assets; and (iii) the end of the month in which the Dealer Manager, in conjunction with the Company’s transfer agent, determines that the total upfront selling commissions, upfront dealer manager fees and ongoing distribution fees paid with respect to all shares of such class held by such stockholder within such account (including shares purchased through the distribution reinvestment plan or received as stock dividends) equals or exceeds 8.5% of the aggregate purchase price of all shares of such class held by such stockholder within such account and purchased in the primary offering.

Advisory Fee. The advisory fee consists of a fixed component and a performance component. The fixed component of the advisory fee includes a fee that will be paid monthly to the Advisor for asset management services provided to the Company and a fee payable to the Advisor in connection with a disposition. The following table details the fixed component of the advisory fee.

	Fixed Component
% of aggregate cost of real property assets located in the U.S. (per annum)	0.80%
% of aggregate cost of real property assets located outside the U.S. (per annum)	1.20%
% of aggregate cost or investment of any interest in any other real estate-related entity or debt investment or other investment (per annum)	0.80%
% of total consideration paid in connection with the disposition of real property or a liquidity event involving gross market capitalization of the Company upon occurrence of a listing	1.00%

The performance component of the advisory fee, which generally will be paid to the Sponsor in its capacity as holder of a separate series of partnership interests in the Operating Partnership with special distribution rights (the “Special Units”), is a performance based amount in the form of an allocation and distribution. This amount will be paid to the Sponsor, so long as the Advisory Agreement has not been terminated, as a performance participation interest with respect to the Special Units or, at the election of the Sponsor, all or a portion of this amount will be paid instead to the Advisor in the form of an allocation and distribution, as described in the Advisory Agreement.

The performance component of the advisory fee is calculated as the lesser of: (1) 12.5% of (a) the annual total return amount less (b) any loss carryforward; and (2) the amount equal to (x) the annual total return amount, less (y) any loss carryforward, less (z) the amount needed to achieve an annual total return amount equal to 5.0% of the NAV per Fund Interest at the beginning of such year (the “Hurdle Amount”). The foregoing calculations are calculated on a per Fund Interest basis and multiplied by the weighted average Fund Interests outstanding during the year. In no event will the performance component of the advisory fee be less than zero. “Fund Interests” means the outstanding shares of the Company’s common stock and any Operating Partnership units (the “OP Units”) held by third parties. Accordingly, if the annual total return amount exceeds the Hurdle Amount plus the amount of any loss carryforward, then the Sponsor or the Advisor, as applicable, will earn a performance component equal to 100.0% of such excess, but limited to 12.5% of the annual total return amount that is in excess of the loss carryforward.

The “annual total return amount” referred to above means all distributions paid or accrued per Fund Interest plus any change in NAV per Fund Interest since the end of the prior calendar year, adjusted to exclude the negative impact on annual total return resulting from the Company’s payment or obligation to pay, or distribute, as applicable, the performance component of the advisory fee as well as ongoing distribution fees (i.e., the Company’s ongoing class-specific fees). If the performance component is being calculated with respect to a year in which the Company completes a liquidity event, for purposes of determining the annual total return amount, the change in NAV per Fund Interest will be deemed to equal the difference between the NAV per Fund Interest as of the end of the prior calendar year and the value per Fund Interest determined in connection with such liquidity event, as described in the Advisory Agreement. The “loss carryforward” referred to above tracks any negative annual total return amounts from prior years and offsets the positive annual total return amount for purposes of the calculation of the performance component of the advisory fee. The loss carryforward was zero as of the effective date of the Advisory Agreement.

The performance component of the advisory fee is calculated as the lesser of: (i) 12.5% of (a) the annual total return amount less (b) any loss carryforward; and (ii) the amount equal to (x) the annual total return amount, less (y) any loss carryforward, less (z) the amount needed to achieve an annual total return amount equal to 5% of the NAV per fund interest at the beginning of such year.

Property Management and Leasing Fees. Property management fees may be paid to the Property Manager or its affiliates in an amount equal to a market based percentage of the annual gross revenues of each real property owned by the Company and managed by the Property Manager. Such fee is expected to range from 2.0% to 5.0% of annual gross revenues. In addition, the Company may pay the Property Manager or its affiliates a separate fee for initially leasing-up the Company’s real properties, for leasing vacant space in the Company’s real properties and for renewing or extending current leases on the Company’s real properties. Such leasing fee will be in an amount that is usual and customary for comparable services rendered to similar assets in the geographic market of the asset (generally expected to range from 2.0% to 8.0% of the projected first year’s annual gross revenues of the property); provided, however, that the Company will only pay a leasing fee to the Property Manager or its affiliates if the Property Manager or its affiliates provide leasing services, directly or indirectly. No property management nor leasing fees had been incurred as of December 31, 2018 .

Organization and Offering Expenses. The Advisor agreed to advance all of the Company’s organization and offering expenses on the Company’s behalf, excluding upfront selling commissions, dealer manager fees and distribution fees, through December 31, 2019. The Company will reimburse the Advisor for all such advanced expenses ratably over the 60 months following December 31, 2019. Beginning January 1, 2020, the Company will reimburse the Advisor for any organization and offering expenses that it pays on the Company’s behalf as and when paid. The Company’s total cumulative organization and offering expenses may not exceed 15.0% of the gross proceeds from the primary offering. As such, the Company does not consider organization and offering expenses above that amount to be currently payable, but such amounts may become payable in the future.

Acquisition Expense Reimbursements. Pursuant to the Advisory Agreement, subject to certain limitations, the Company has agreed to reimburse the Advisor for all acquisition expenses incurred on the Company’s behalf in connection with the selection, acquisition, development or origination of its investments, whether or not such investments are acquired. As these expense reimbursements are not directly attributable to a specified property, they are expensed as incurred on the consolidated statements of operations. Until December 31, 2019, the Advisor will defer reimbursement of all or a portion of acquisition expenses incurred or paid on the Company’s behalf if, in a given month, the reimbursement of acquisition expenses to the Advisor would cause the NAV per share to be lower than the lesser of $10.00 or the NAV per share calculated for the prior month, which the Company refers to as a shortfall. If the reimbursement would result in a shortfall, then the Advisor will defer reimbursement of acquisition expenses in the amount necessary to prevent a shortfall for such month. The Advisor will be reimbursed for any such unreimbursed acquisition expenses ratably over the eighteen months following December 31, 2019.

Fees from Other Services. The Company retains certain of the Advisor’s affiliates, from time to time, for services relating to the Company’s investments or its operations, which may include property management services, leasing services, corporate services, statutory services, transaction support services, construction and development management, and loan management and servicing, and within one or more such categories, providing services in respect of asset and/or investment administration, accounting, technology, tax preparation, finance, treasury, operational coordination, risk management, insurance placement, human resources, legal and compliance, valuation and reporting-related services, as well as services related to mortgage servicing, group purchasing, healthcare, consulting/brokerage, capital markets/credit origination, property, title and/or other types of insurance, management consulting and other similar operational matters. Any fees paid to the Advisor’s affiliates for any such services will not reduce the advisory fees. Any such arrangements will be at market rates or reimbursement of costs.

The table below summarizes the fees and expenses incurred by the Company for services provided by the Advisor and its affiliates, and by the Dealer Manager related to the services described above, and any related amounts payable:

	For the Year Ended December 31,			Payable as of	
(in thousands)	2018	2017	2016	December 31, 2018	December 31, 2017
Expensed:					
Organization costs (1)	$ —	$ 78	$ 40	$ 78	$ 78
Advisory fee—fixed component	901	—	—	200	—
Advisory fee—performance component	723	—	—	723	—
Acquisition expense reimbursements	4,900	—	—	3,500	—
Other expense reimbursements (2)	1,195	185	1	299	59
Total	$ 7,719	$ 263	$ 41	$ 4,800	$ 137
Additional Paid-In Capital:					
Selling commissions	$ 4,372	$ 203	$ —	$ —	$ —
Dealer manager fees	4,430	253	—	—	—
Offering costs (1)	13,270	849	—	14,119	849
Distribution fees—current (3)	875	12	—	168	8
Distribution fees—trailing (3)	7,063	394	—	7,457	394
Total	$ 30,010	$ 1,711	$ —	$ 21,744	$ 1,251

(1) As of December 31, 2018 , the Advisor had incurred $14.4 million of offering costs and $0.1 million of organization costs on behalf of the Company.

(2) Other expense reimbursements include certain expenses incurred in connection with the services provided to the Company under the Advisory Agreement. These reimbursements include a portion of compensation expenses of individual employees of the Advisor, including certain of the Company's named executive officers, related to services for which the Advisor does not otherwise receive a separate fee. The Company reimbursed the Advisor approximately $0.9 million and $0.2 million for the years ended December 31, 2018 and 2017 , respectively, for such compensation expenses. There were no amounts reimbursed to the Advisor for the year ended December 31, 2016. The remaining amount of other expense reimbursements relate to other general overhead and administrative expenses including, but not limited to, allocated rent paid to both third parties and affiliates of the Advisor, equipment, utilities, insurance, travel and entertainment.

(3) The distribution fees accrue daily and are payable monthly in arrears. The monthly amount of distribution fees payable is included in distributions payable on the consolidated balance sheets. Additionally, the Company accrues for estimated trailing amounts payable based on the shares outstanding as of the balance sheet date, which are included in distribution fees payable to affiliates on the consolidated balance sheets. All or a portion of the distribution fees are reallowed or advanced by the Dealer Manager to unaffiliated participating broker dealers and broker dealers servicing accounts of investors who own Class T shares and/or Class W shares.

Transactions with Affiliates

In November 2014, the Company sold 20,000 shares of Class A common stock to the Advisor at a price of $10.00 per share. Additionally, the Operating Partnership issued 20,000 OP Units to the Company in exchange for $200,000 . BCI IV Operating Partnership LP (the "Operating Partnership") also issued 100 Special Units to the Sponsor for consideration of $1,000 . The Special Units are classified as noncontrolling interests.

Expense Support Agreement

On October 27, 2016, the Company entered into an Expense Support Agreement (the "Expense Support Agreement") with the Operating Partnership and the Advisor. See the Company's 2016 Form 10-K for a description of the Expense Support Agreement in effect for the six months ended June 30, 2017. Effective July 1, 2017, the Expense Support Agreement was amended and restated. Pursuant to the amended and restated Expense Support Agreement, effective for each quarter commencing October 1, 2016 and ending June 30, 2020, the Advisor has agreed to defer payment of all or a portion of the fixed component of the advisory fee otherwise payable to it pursuant to the Advisory Agreement, if the sum of (i) funds from operations ("FFO") as disclosed in the Company's quarterly and annual reports, (ii) the Company's acquisition expenses and (iii) the performance component of the advisory fee for a particular quarter (collectively, the "Expense Support Threshold") is less than the aggregate gross cash distributions declared for such quarter, assuming all such cash distributions had been declared at the aggregate distribution rate for Class I shares authorized by the Company's board of directors for such quarter

(“Baseline Distributions”). The amount of the fixed component of the advisory fee that will be deferred for a particular quarter, if any, will equal the lesser of (i) the difference between the Expense Support Threshold and Baseline Distributions for such quarter and (ii) the entire fixed component of the advisory fee payable to the Advisor pursuant to the Advisory Agreement for such quarter.

In addition, if in a given calendar quarter, the Expense Support Threshold is less than Baseline Distributions for such quarter, and the deferred fixed component of the advisory fee is not sufficient to satisfy the shortfall for such quarter, or a “Deficiency,” the Advisor will be required to fund certain of the Company’s or the Operating Partnership’s expenses in an amount equal to such Deficiency. In no event will the aggregate of the deferred fixed component of the advisory fee and the Deficiency support payments exceed $15.0 million (the “Maximum Amount”).

Subject to certain conditions, the Advisor is entitled to reimbursement from the Company for any fixed component of the advisory fee that is deferred and any Deficiency support payments that the Advisor makes pursuant to the Expense Support Agreement; provided, that, the Company will not be obligated to reimburse the Advisor for any amount not reimbursed by the Company to the Advisor within three years after the quarter in which such reimbursable amount originated. For any quarter in which the Expense Support Threshold exceeds Baseline Distributions for that quarter, the Expense Support Agreement requires that the Company reimburse the Advisor in an amount equal to the lesser of (i) the difference between the Expense Support Threshold and Baseline Distributions and (ii) the sum of all outstanding reimbursable amounts, including any Deficiency support payments. Further, in the event that the Company terminates the Advisory Agreement without cause and not in connection with a liquidity event, any reimbursable amounts that have not expired or been repaid pursuant to the terms of the Expense Support Agreement will become immediately due and payable to the Advisor. The Company’s obligation to reimburse the Advisor will be non-interest bearing.

During the term of the Expense Support Agreement, the Company may be able to use cash flow from operations to pay distributions to its stockholders that would otherwise be used to pay the fixed component of the advisory fee or expenses. Although the Expense Support Agreement has an effective term through June 30, 2020, the Expense Support Agreement may be terminated prior thereto without cause or penalty by a majority of the Company’s independent directors upon 30 days’ prior written notice to the Advisor. In addition, the Advisor’s obligations under the Expense Support Agreement will immediately terminate upon the earlier to occur of (i) the termination or non-renewal of the Advisory Agreement, (ii) the Company’s delivery of notice to the Advisor of its intention to terminate or not renew the Advisory Agreement, (iii) the Company’s completion of a liquidity event or (iv) the time the Advisor has deferred, waived or paid the Maximum Amount. Further, the Advisor may elect to immediately terminate its obligations under the Expense Support Agreement if the Company modifies the calculation of FFO. Except with respect to the early termination events described above, any obligation of the Advisor to make payments under the Expense Support Agreement with respect to the calendar quarter ending June 30, 2020 will remain operative and in full force and effect through the end of such quarter.

When the Expense Support Agreement terminates, the Advisor will not have an obligation to defer fees or support expenses in order to support the Company’s cash distributions. Notwithstanding the foregoing, amounts deferred or reimbursed pursuant to the Expense Support Agreement shall survive any termination or expiration and remain subject to the reimbursement terms described above without modification.

On January 1, 2019, the Company amended and restated the Expense Support Agreement. Refer to “Note 15” for further detail.

The table below provides information regarding the fees deferred and expense support provided by the Advisor, pursuant to the Expense Support Agreement. As of December 31, 2018 , the aggregate amount paid by the Advisor pursuant to the Expense Support Agreement was $7.5 million . No amounts have been reimbursed to the Advisor by the Company.

	For the Year Ended December 31,		
(in thousands)	**2018**	**2017**	**2016**
Fees deferred	$ 901	$ —	$ —
Other expenses supported	4,682	1,735	150
Total expense support from Advisor (1)	$ 5,583	$ 1,735	$ 150

(1) As of December 31, 2018 and 2017 , $0.7 million and $0.2 million , respectively, of expense support was payable to the Company by the Advisor and is included in due from affiliates on the consolidated balance sheets.

11. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information and disclosure of non-cash investing and financing activities is as follows:

	For the Year Ended December 31,		
(in thousands)	2018	2017	2016
Interest paid	$ 1,521	$ 84	$ 13
Distributions payable	920	56	11
Distribution fees payable to affiliates	7,457	394	—
Distributions reinvested in common stock	1,959	53	—
Accrued offering and organization costs due to the Advisor	14,197	927	—
Accrued acquisition expense reimbursements due to the Advisor	3,500	—	—
Non-cash capital expenditures	55	—	—
Non-cash selling commissions and dealer manager fees	8,802	203	—

Restricted Cash

As of December 31, 2018 , restricted cash consisted of cash held in escrow in connection with certain estimated property improvements. As of December 31, 2017 , restricted cash consisted of amounts deposited with a third-party escrow agent related to the notes issued pursuant to the private offering, which was released to the Company from escrow in January 2018. See " Note 6 " for further information on the notes, and " Note 8 " for further information on the private offering. The following table presents the components of the beginning of period and end of period cash, cash equivalents and restricted cash reported within the consolidated balance sheets to the totals shown in the consolidated statements of cash flows:

	For the Year Ended December 31,		
(in thousands)	2018	2017	2016
Beginning of period:			
Cash and cash equivalents	$ 10,565	$ 1,640	$ 201
Restricted cash	481	481	—
Cash, cash equivalents and restricted cash	$ 11,046	$ 2,121	$ 201
End of period:			
Cash and cash equivalents	$ 19,016	$ 10,565	$ 1,640
Restricted cash	5	481	481
Cash, cash equivalents and restricted cash	$ 19,021	$ 11,046	$ 2,121

12. NONCONTROLLING INTERESTS

Special Units

In November 2014, the Operating Partnership issued 100 Special Units to the parent of the Advisor for consideration of $1,000 . The holder of the Special Units does not participate in the profits and losses of the Operating Partnership. The Sponsor in its capacity as holder of the Special Units will be paid a performance based amount in the form of an allocation and distribution. Refer to " Note 10 " for details regarding the performance component of the advisory fee. This amount will be paid to the Sponsor, so long as the Advisory Agreement has not been terminated, as a performance participation interest with respect to the Special Units or, at the election of the Sponsor, will be paid instead to the Advisor in the form of an allocation and distribution, as described in the Advisory Agreement. The limited partner interests not owned by the Company are presented as noncontrolling interests in the consolidated financial statements. The noncontrolling interests are reported on the consolidated balance sheets within permanent equity, separate from stockholders' equity.

13. COMMITMENTS AND CONTINGENCIES

The Company and the Operating Partnership are not presently involved in any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company.

Environmental Matters

A majority of the properties the Company acquires have been or will be subject to environmental reviews either by the Company or the previous owners. In addition, the Company may incur environmental remediation costs associated with certain land parcels it may acquire in connection with the development of land. The Company has or may acquire certain properties in urban and industrial areas that may have been leased to or previously owned by commercial and industrial companies that discharged hazardous material. The Company may purchase various environmental insurance policies to mitigate its exposure to environmental liabilities. The Company is not aware of any environmental liabilities that it believes would have a material adverse effect on its business, financial condition, or results of operations as of December 31, 2018 .

14. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Selected quarterly financial data is as follows:

	For the Quarter Ended			
(in thousands, except per share data)	**March 31**	**June 30**	**September 30**	**December 31**
2018				
Total revenues	$ 93	$ 790	$ 2,429	$ 3,208
Total operating expenses	$ (1,375)	$ (2,905)	$ (4,419)	$ (5,377)
Total other expenses	$ (183)	$ (324)	$ (894)	$ (849)
Expense support from the Advisor	$ 1,062	$ 1,400	$ 1,354	$ 1,767
Net loss	$ (403)	$ (1,039)	$ (1,530)	$ (1,251)
Net loss attributable to common stockholders	$ (403)	$ (1,039)	$ (1,530)	$ (1,251)
Net loss per common share - basic and diluted (1)	$ (0.14)	$ (0.17)	$ (0.15)	$ (0.08)
Weighted-average shares outstanding	2,961	6,248	10,491	16,562
2017				
Total revenues	$ —	$ —	$ —	$ —
Total operating expenses	$ (252)	$ (306)	$ (377)	$ (288)
Total other expenses	$ (33)	$ (34)	$ (56)	$ (186)
Expense support from the Advisor	$ 318	$ 373	$ 469	$ 575
Net income	$ 33	$ 33	$ 36	$ 101
Net income attributable to common stockholders	$ 33	$ 33	$ 36	$ 101
Net income per common share - basic and diluted (1)	$ 0.13	$ 0.13	$ 0.14	$ 0.14
Weighted-average shares outstanding	256	258	260	745

(1) Quarterly net loss per common share amounts do not total the annual net loss per common share amount due to changes in the number of weighted-average shares outstanding calculated on a quarterly and annual basis and included in the net loss per share calculation.

15. SUBSEQUENT EVENTS

Status of the Public and Private Offering

A summary of the Company's initial public offering (including shares sold through the primary offering and the Company's distribution reinvestment plan ("DRIP")) and its private offering, as of February 28, 2019 is as follows:

(in thousands)	Class T	Class W	Class I	Notes to Stockholders (1)	Total
Amount of gross proceeds raised:					
Primary offering	$ 261,319	$ 4,742	$ 4,381	$ —	$ 270,442
DRIP	2,832	14	123	—	2,969
Private offering (2)	62	—	62	376	500
Total offering	$ 264,213	$ 4,756	$ 4,566	$ 376	$ 273,911
Number of shares issued:					
Primary offering	24,890	472	458	—	25,820
DRIP	282	1	12	—	295
Private offering (2)	7	—	7	—	14
Stock dividends	—	6	3	—	9
Total offering	25,179	479	480	—	26,138

(1) Amount relates to promissory notes issued to stockholders in the private offering. See " Note 6 " for additional details.
(2) The private offering closed on December 1, 2016.

As of February 28, 2019 , approximately $1.7 billion in shares of the Company's common stock remained available for sale pursuant to the Company's initial public offering in any combination of Class T shares, Class W shares or Class I shares, including approximately $497.0 million in shares of common stock available for sale through the Company's distribution reinvestment plan, which may be reallocated for sale in the primary offering.

Completed Acquisitions

Airport Industrial Center . On January 8, 2019, the Company acquired one industrial building located in the Southern California market (the " Airport Industrial Center "). The total purchase price was $8.1 million , exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Kelly Trade Center . On January 31, 2019, the Company acquired one industrial building located in the Austin market (the "Kelly Trade Center"). The total purchase price was $15.3 million , exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

7A Distribution Center . On February 11, 2019, the Company acquired one industrial building located in the New Jersey market (the "7A Distribution Center"). The total purchase price was $12.1 million , exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Acquisitions Under Contract

As of February 28, 2019 , the Company had entered into a contract to acquire a property with a contract purchase price of approximately $8.5 million , comprised of one industrial building.

Amended and Restated Credit Facility Agreement

On February 21, 2019 , the Company amended and restated its then existing $200.0 million credit facility by amending it to provide for a $200.0 million line of credit facility and a $200.0 million term loan facility. The Company has the ability to increase the size of the aggregate commitment under the credit facility agreement up to $600.0 million , subject certain conditions. The line of credit matures in September 2020 and may be extended pursuant to two one -year extension options, subject to certain conditions. The term loan matures in February 2024. Borrowings under the credit facility agreement will be charged interest based on either: (i) LIBOR plus a margin ranging from 1.60% to 2.50% with respect to the line of credit and 1.25% to 2.05% with respect to the term loan; or (ii) an alternative base rate plus a margin ranging from 0.60% to 1.50% with respect to the line of credit and 0.25% to 1.05% with respect to the term loan, each depending on the Company's consolidated leverage ratio. Customary fall-back provisions apply if LIBOR is unavailable. Borrowings under the line of credit and term loan are available for general corporate purposes including, but not limited to, the acquisition and operation of permitted investments by the Company. A pledge of equity interests in the Company's subsidiaries that directly own unencumbered properties will be provided until such time as the Company elects to terminate such pledges, subject to satisfaction of certain financial covenants. As of February 21, 2019, the Company had $90.0 million outstanding under the term loan and $17.0 million outstanding under the line of credit.

Amended and Restated Expense Support Agreement

On January 1, 2019, the Company, the Advisor and the Operating Partnership entered into the Second Amended and Restated Expense Support Agreement (the “Amended and Restated Expense Support Agreement”). The Amended and Restated Expense Support Agreement amended certain terms of the Expense Support Agreement that had been in effect since July 1, 2017. The Amended and Restated Expense Support Agreement revised the definition of “Expense Support Threshold” to mean, effective for each quarter commencing January 1, 2019 and ending June 30, 2020: the sum of (i) funds from operations (“FFO”), before taking into consideration any of the amounts paid to or by the Advisor pursuant to the Amended and Restated Expense Support Agreement, as disclosed in the Company’s quarterly and annual reports; (ii) the Company’s accrued acquisition expenses (net of any acquisition expenses paid by the Company or on its behalf); (iii) the performance component of the advisory fee; (iv) any adjustment that has been made in calculating the Company’s FFO based on straight-line rent and amortization of above/below market leases; (v) organization and offering expenses reimbursed by the Company to the Advisor; and (vi) the fair market value gain amount. In addition, the Amended and Restated Expense Support Agreement provides that, for purposes of calculating the Expense Support Threshold, the “fair market value gain amount” is an amount equal to up to the total net realized and unrealized fair market value gain on the Company’s real property investments, derivative instruments, and debt for a quarter. The Advisor, in its reasonable discretion, will determine the amount of such gain to be included in the calculation of the Expense Support Threshold each quarter; provided, that, in no event will the Advisor determine to include an amount of such gain that causes the Company’s NAV per share, as calculated in accordance with its valuation procedures for such quarter, to decrease below the lesser of (i) $10.00 per share and (ii) the Company’s most recently disclosed NAV per share. The Amended and Restated Expense Support Agreement further provides that, for purposes of calculating the Expense Support Threshold, the amounts in each of subsections (ii), (iii), (iv), and (v) of the definition will be a positive number if it was a deduction in calculating the Company’s FFO for such quarter, and conversely will be a negative number if it was an addition in calculating its FFO for such quarter. For example, if straight-line rent and amortization of above/below-market leases was an addition in calculating the Company’s FFO, then it would be a negative number in calculating the Expense Support Threshold. The fair market value gain amount and NAV will not be subject to audit by our independent registered accounting firm.

The Amended and Restated Expense Support Agreement also extends the period during which the Advisor would be entitled to reimbursement from the Company for any fixed component of the advisory fee that is deferred and any Deficiency support payments that the Advisor makes pursuant to the Amended and Restated Expense Support Agreement. Under the amended and restated version of the agreement, other than under certain circumstances in connection with a Liquidity Event (described below), the Company will not be obligated to reimburse the Advisor for any amount not reimbursed by the Company to the Advisor within four years after the quarter in which such reimbursable amount originated.

The Amended and Restated Expense Support Agreement also provides the Advisor with a right to reimbursement from the Company, in connection with the Company’s completion of a Liquidity Event, for any fixed component of the advisory fee that is deferred and any Deficiency support payments that the Advisor makes. This right to reimbursement is not subject to the four -year limitation described above. The Company will reimburse the Advisor for any outstanding reimbursable amounts that have not been repaid, including amounts that have not been reimbursed by the Company within four years after the quarter in which such reimbursable amount originated (the “Outstanding Reimbursable Amounts”); provided that the Company will reimburse the Advisor in these circumstances only if the “Annual Total Return Amount” exceeds the “Total Return Hurdle” (each as described below); and provided further that the amount of the reimbursement shall equal the lesser of (i) the sum of all Outstanding Reimbursable Amounts, or (ii) the maximum amount permitted to be reimbursed without causing the Annual Total Return Amount to be less than the Total Return Hurdle. For purposes of the Expense Support Agreement, “Annual Total Return Amount” means (i) a cumulative, non-compounded pre-tax rate of return equal to (a) the sum of (x) the cumulative gross distributions per share declared by the Company since the date on which it first issued shares to third-party retail investors in its public offering (the “Inception Date”), and (y) the “Ending NAV,” less $10.00 (the deemed NAV on the Inception Date), (b) divided by $10.00 , (ii) divided by the number of years, including fractional years, between the Inception Date and the Liquidity Event. “Ending NAV” means the NAV per share determined in connection with a Liquidity Event. In connection with a listing, the Ending NAV will be an amount equal to the per share market value of the listed shares based upon the average closing price or, if the average closing price is not available, the average of the bid and asked prices, for the 30 -day period beginning 90 days after such listing. Upon a Liquidity Event other than a listing, the Ending NAV shall be an amount equal to the per share consideration received by stockholders in connection with such Liquidity Event. For purposes of the Amended and Restated Expense Support Agreement, “Total Return Hurdle” means a non-compounded, pre-tax annual rate of return equal to 5% . If Outstanding Reimbursable Amounts are payable to the Advisor, the Company will pay them prior to any payment of any other distribution to any other party in connection with a Liquidity Event.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of December 31, 2018 . Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2018 , our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2018 , based upon criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2018 .

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included under the headings “Board of Directors,” “Executive Officers,” “Section 16(a) Beneficial Ownership Reporting Compliance,” and “Corporate Governance” in our definitive proxy statement for our 2019 Annual Meeting of Stockholders, and such required information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be included under the heading “Compensation of Directors and Executive Officers” in our definitive proxy statement for our 2019 Annual Meeting of Stockholders, and such required information is incorporated herein by reference.

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

The information required by this item will be included under the heading “Security Ownership of Certain Beneficial Owners and Management” in our definitive proxy statement for our 2019 Annual Meeting of Stockholders, and such required information is incorporated herein by reference.

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

The information required by this item will be included under the heading “Certain Relationships and Related Transactions” in our definitive proxy statement for our 2019 Annual Meeting of Stockholders, and such required information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be included under the heading “Principal Accountant Fees and Services” in our definitive proxy statement for our 2019 Annual Meeting of Stockholders, and such required information is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. *Financial Statements*— The financial statements are included under Item 8 of this report.

2. *Financial Statement Schedule*— The following financial statement schedule is included in Item 15(c):

Schedule III—Real Estate and Accumulated Depreciation.

All other financial statement schedules are not required under the related instructions or because the required information has been disclosed in the consolidated financial statements and the notes related thereto.

(b) Exhibits

The following exhibits are filed as part of this annual report on Form 10-K:

EXHIBIT NUMBER	DESCRIPTION
3.1	Third Articles of Amendment and Restatement. Incorporated by reference to Exhibit 3.1 to Pre-Effective Amendment No. 1 to Post-Effective Amendment No. 3 to the Registration Statement on Form S-11 (File No. 333-200594) filed with the SEC on June 30, 2017 ("Pre-Effective Amendment").
3.2	Third Amended and Restated Bylaws of Black Creek Industrial REIT IV Inc. (formerly known as Industrial Logistics Realty Trust Inc.). Incorporated by reference to Exhibit 3.2 to the Quarterly Report on form 10-Q filed with the SEC on November 9, 2017.
4.1	Form of Subscription Agreement. Incorporated by reference to Appendix B to Post-Effective Amendment No. 5 to the Registration Statement on Form S-11 (File No. 333-200594) on April 18, 2018
4.2	Third Amended and Restated Distribution Reinvestment Plan. Incorporated by reference to Exhibit 4.2 to the Pre-Effective Amendment
4.3	Share Redemption Program, effective as of November 1, 2017. Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on November 2, 2017.
10.1	Fourth Amended and Restated Limited Partnership Agreement of BCI IV Operating Partnership LP, dated as of June 13, 2018. Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on June 15, 2018.
10.2	Amended and Restated Management Agreement, dated as of July 1, 2016, by and between BCI IV Operating Partnership LP (formerly known as ILT Operating Partnership LP) and Black Creek Property Management Company LLC (formerly known as Dividend Capital Property Management LLC). Incorporated by reference to Exhibit 10.2 to Post-Effective Amendment No. 1 to Registration Statement on Form S-11 File No 333-200594 filed with the SEC on July 1, 2016 ("Post-Effective Amendment No. 1").
10.3	Amended and Restated Advisory Agreement (2018), dated June 13, 2018, by and among Black Creek Industrial REIT IV Inc., BCI IV Operating Partnership LP and BCI IV Advisors LLC. Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 15, 2018.
10.4	Amended and Restated Equity Incentive Plan of Black Creek Industrial REIT IV Inc. (formerly known as Industrial Logistics Realty Trust Inc.), effective July 1, 2016. Incorporated by reference to Exhibit 10.4 to Post-Effective Amendment No. 1.
10.5	Amended and Restated Escrow Agreement dated as of July 1, 2016, by and among Black Creek Capital Markets, LLC (formerly known as Dividend Capital Securities LLC), Black Creek Industrial REIT IV Inc. (formerly known as Industrial Logistics Realty Trust Inc.) and UMB Bank., N.A. Incorporated by reference to Exhibit 10.5 to Post-Effective Amendment No. 1.
10.6	Form of Indemnification Agreement entered into between Black Creek Industrial REIT IV Inc. (formerly known as Industrial Logistics Realty Trust Inc.) and each of Evan H. Zucker, Dwight L. Merriman III, Thomas G. McGonagle, Joshua J. Widoff, Marshall M. Burton, Charles B. Duke, Stanley A. Moore and John S. Hagestad as of February 9, 2016 and Rajat Dhanda as of May 17, 2017. Incorporated by reference to Exhibit 10.6 to Post-Effective Amendment No. 1.
10.7	Amended and Restated Expense Support Agreement, dated June 30, 2017, and effective as of July 1, 2017, by and among Black Creek Industrial REIT IV Inc., BCI IV Operating Partnership LP and BCI IV Advisors LLC. Incorporated by reference to Exhibit 10.7 to the Pre-Effective Amendment.

EXHIBIT NUMBER	DESCRIPTION
10.8	Credit Agreement, dated September 18, 2017, by and among BCI IV Operating Partnership LP, a Delaware limited partnership, as the Borrower; the lenders from time to time who are parties thereto; Wells Fargo Bank, National Association, as Administrative Agent; Bank of America, N.A., as Syndication Agent; U.S. Bank, N.A., as Documentation Agent; Wells Fargo Securities, LLC, as Joint Lead Arranger and Joint Bookrunner; Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Lead Arranger and Joint Bookrunner; and U.S. Bank, N.A., as Joint Lead Arranger. Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on September 21, 2017.
10.9	Selected Dealer Agreement, dated as of September 15, 2017, by and among Black Creek Industrial REIT IV Inc., BCI IV Advisors LLC, Black Creek Capital Markets, LLC, BCI IV Advisors Group LLC, and Ameriprise Financial Services, Inc. Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on September 21, 2017.
10.10	Cost Reimbursement Agreement, dated as of September 15, 2017, by and among Black Creek Industrial REIT IV Inc., BCI IV Advisors LLC, Black Creek Capital Markets, LLC, BIC IV Advisors Group LLC, and American Enterprise Investment Services Inc. Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on September 21, 2017.
10.11	Purchase and Sale Agreement, dated January 16, 2018, by and between SA Rhombus LLC and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.11 to Post-Effective Amendment No. 5 to the Registration Statement on Form S-11 (File No. 333-200594) filed with the SEC on April 18, 2018.
10.12	Agreement Regarding Assignment and Assumption of Purchase Agreement, dated February 23, 2018, by and between Lanic Engineering, Inc. and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.12 to Post-Effective Amendment No. 5 to the Registration Statement on Form S-11 (File No. 333-200594) filed with the SEC on April 18, 2018.
10.13	Purchase and Sale Agreement, dated March 7, 2018, by and between Arctic Partners, LTD and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.13 to Post-Effective Amendment No. 5 to the Registration Statement on Form S-11 (File No. 333-200594) filed with the SEC on April 18, 2018.
10.14	Purchase Agreement, dated May 1, 2018, by and between TLF (Inland Empire Distribution Center #3), LLC and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q filed with the SEC on August 13, 2018.
10.15	Purchase and Sale Agreement, dated May 16, 2018, by and between BPG OCOEE 1, LLC and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed with the SEC on August 13, 2018.
10.16	Purchase and Sale Agreement, dated June 4, 2018, by and between Pescadero Land Holdings, LLC and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.8 to the Quarterly Report on Form 10-Q filed with the SEC on August 13, 2018.
10.17	First Amendment to Credit Agreement, dated January 19, 2018, by and among BCI IV Operating Partnership LP, a Delaware limited partnership, as the Borrower; the lenders from time to time who are parties thereto; and Wells Fargo Bank, National Association, as Administrative Agent and as a lender. Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on July 3, 2018.
10.18	Second Amendment to Credit Agreement and Incremental Revolving Commitment Assumption Agreement, dated June 28, 2018, by and among BCI IV Operating Partnership LP, a Delaware limited partnership, as the Borrower; the lenders from time to time who are parties thereto; Wells Fargo Bank, National Association, as Administrative Agent and as a lender, Bank of America, N.A., as a lender, U.S. Bank National Association, as a lender, JPMorgan Chase Bank, N.A., as a lender, and Regions Bank, N.A., as a lender. Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on July 3, 2018.
10.19	Agreement for Purchase and Sale, dated September 21, 2018, by and among US Industrial Fund II Holding, LLC, South 15 PG, LLC and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on November 8, 2018.
10.20*	Form of Director Stock Grant Agreement for Amended and Restated Equity Incentive Plan of Black Creek Industrial REIT IV Inc.
10.21*	Form of Restricted Stock Agreement for Consultants for Amended and Restated Equity Incentive Plan of Black Creek Industrial REIT IV Inc.
10.22*	Private Placement Equity Incentive Plan of Black Creek Industrial REIT IV Inc., dated September 25, 2018.
10.23*	Form of Restricted Stock Agreement for Private Placement Equity Incentive Plan of Black Creek Industrial REIT IV Inc.

EXHIBIT NUMBER	DESCRIPTION
10.24	Purchase Agreement, dated October 17, 2018, by and between TI Investors of Elgin II LLC and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on November 8, 2018.
10.25	Real Estate Purchase and Sale Agreement, dated December 7, 2018, by and between Boyd Properties, Inc. and BCI IV Acquisitions LLC. Incorporated by reference to Exhibit 10.22 to the Registration Statement on Form S-11 filed with the SEC on January 4, 2019.
21.1*	List of Subsidiaries of Black Creek Industrial REIT IV Inc.
23.1*	Consent of KPMG LLP (Independent Registered Public Accounting Firm).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1*	Consent of Altus Group U.S., Inc.
99.2	Net Asset Value Calculation and Valuation Procedures. Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the SEC on Jun 15, 2018.
101	The following materials from Black Creek Industrial REIT IV Inc.'s Annual Report on Form 10-K for the year ended December 31, 2018, filed on March 6, 2019, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements.

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* Filed herewith.

** Furnished herewith.

BLACK CREEK INDUSTRIAL REIT IV INC.
SCHEDULE III—REAL ESTATE AND ACCUMULATED DEPRECIATION

			Initial Cost to Company				Gross Amount Carried as of December 31, 2018 (2)					
($ in thousands)	# of Buildings	Debt	Land	Buildings and Improvements (1)	Total Costs	Costs Capitalized or Adjustments Subsequent to Acquisition	Land	Buildings and Improvements (1)	Total Costs (3)	Accumulated Depreciation and Amortization (3)	Acquisition Date	Depreciable Life (Years)
Consolidated Industrial Properties:												
Ontario Industrial Center in Ontario, CA	1	$ —	$ 5,225	$ 5,370	$ 10,595	$ 35	$ 5,225	$ 5,405	$ 10,630	$ (449)	2/26/2018	1-20
Medley Industrial Center in Medley, FL	1	—	2,864	4,559	7,423	26	2,864	4,585	7,449	(171)	4/11/2018	1-30
Ontario Distribution Center in Ontario, CA	1	—	14,657	16,101	30,758	35	14,657	16,136	30,793	(738)	5/17/2018	1-20
Park 429 Logistics Center in Ocoee, FL	2	—	7,963	36,919	44,882	181	7,963	37,100	45,063	(694)	6/7/2018	1-40
Pescadero Distribution Center in Tracy, CA	1	—	5,602	40,021	45,623	59	5,602	40,080	45,682	(857)	6/20/2018	1-40
Gothard Industrial Center in Huntington Beach, CA	1	—	5,325	4,771	10,096	45	5,325	4,816	10,141	(164)	6/25/2018	1-20
Midway Industrial Center in Odenton, MD	1	—	4,579	3,548	8,127	39	4,579	3,587	8,166	(96)	10/22/2018	1-20
Executive Airport Distribution Center in Henderson, NV	1	—	10,360	40,710	51,070	190	10,360	40,900	51,260	(238)	11/20/2018	1-40
Iron Run Distribution Center in Allentown, PA	1	—	5,483	10,039	15,522	24	5,483	10,063	15,546	(28)	12/04/2018	1-20
Elgin Distribution Center in Elgin, IL	1	—	4,032	16,951	20,983	37	4,032	16,988	21,020	(16)	12/11/2018	1-40
Addison Distribution Center II in Addison, IL	1	—	4,439	8,009	12,448	7	4,439	8,016	12,455	(22)	12/21/2018	1-30
Fontana Distribution Center in Fontana, CA	1	—	20,558	21,943	42,501	7	20,558	21,950	42,508	(83)	12/28/2018	1-20
Total	13	$ —	$ 91,087	$ 208,941	$ 300,028	$ 685	$ 91,087	$ 209,626	$ 300,713	$ (3,556)		

(1) Includes gross intangible lease assets of $24.5 million and gross intangible lease liabilities of $4.0 million .
(2) As of December 31, 2018 , the aggregate cost for federal income tax purposes of investments in property was $191.0 million (unaudited).
(3) A summary of activity for investment in real estate properties is as follows:

(in thousands)	2018	2017
Investment in real estate properties:		
Balance at beginning of period	$ —	$ —
Acquisition of properties	300,028	—
Improvements	685	—
Balance at end of period	$ 300,713	$ —
Accumulated depreciation and amortization:		
Balance at beginning of period	$ —	$ —
Additions charged to costs and expenses	(3,556)	—
Balance at end of period	$ (3,556)	$ —

ITEM 16. SUMMARY OF FORM 10-K

See the “Table of Contents” for a summary of information included in this Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on March 6, 2019 .

BLACK CREEK INDUSTRIAL REIT IV INC.

By: /s/ DWIGHT L. MERRIMAN III

Dwight L. Merriman III
Managing Director, Chief Executive Officer
(Principal Executive Officer)

By: /s/ THOMAS G. MCGONAGLE

Thomas G. McGonagle
Managing Director, Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dwight L. Merriman, Thomas G. McGonagle and Joshua J. Widoff (with full power to act alone), as his true and lawful attorneys-in-fact and agents, with full powers of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
/ S / EVAN H. ZUCKER **Evan H. Zucker**	Chairman of the Board and Director	March 6, 2019
/ S / MARSHALL M. BURTON **Marshall M. Burton**	Director	March 6, 2019
/ S / CHARLES B. DUKE **Charles B. Duke**	Director	March 6, 2019
/ S / JOHN S. HAGESTAD **John S. Hagestad**	Director	March 6, 2019
/ S / STANLEY A. MOORE **Stanley A. Moore**	Director	March 6, 2019
/ S / DWIGHT L. MERRIMAN III **Dwight L. Merriman III**	Managing Director, Chief Executive Officer and Director *(Principal Executive Officer)*	March 6, 2019
/ S / THOMAS G. MCGONAGLE **Thomas G. McGonagle**	Managing Director, Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	March 6, 2019

Exhibit 10.20

BLACK CREEK INDUSTRIAL REIT IV INC.

STOCK GRANT AGREEMENT

FOR

[Insert name of Recipient]

1. ***Award of Stock* .** The Administrator hereby grants, as of __________ (the " **Date of Grant** "), to __________________ (the " **Participant** "), ________ Shares of the Common Stock of Black Creek Industrial REIT IV, Inc. (collectively the " **Stock** "). The Stock shall be subject to the terms, provisions and restrictions set forth in this Stock Grant Agreement (the " **Agreement** ") and the Company's Equity Incentive Plan, as it may be amended from time to time (the " **Plan** "), which is incorporated herein for all purposes. As a condition to entering into this Agreement, and as a condition to the issuance of any Shares (or any other securities of the Company), the Participant agrees to be bound by all of the terms and conditions herein and in the Plan. **You must immediately return an executed copy of this Agreement to the Company; if you fail to do so, the Stock grant award may be rendered null and void in the Company's discretion.** Unless otherwise provided herein, terms used herein that are defined in the Plan and not defined herein shall have the meanings attributable thereto in the Plan.

2. ***Vesting of Stock.***

The Shares of Stock shall be fully vested on the Date of Grant.

3. ***Delivery of Stock* .**

(a) ***Issuance of Stock Certificates.*** One or more stock certificates evidencing the Shares of Stock shall be issued in the name of the Participant, which shall be distributed by the records administrator of the Company as soon as administratively practicable after the Date of Grant.

(b) ***Issuance Without Certificates.*** If the Shares of Stock are issued without certificates, then the Company shall promptly take such action as shall be necessary or appropriate to reflect on the Company's books and records (and on the books and records of the transfer agent for the Company's Shares), the Participant's ownership of the Shares of Stock subject to the terms and conditions of this Agreement.

4. ***Forfeiture of Stock*** . Notwithstanding any other provision of this Agreement to the contrary, the Participant's Shares of Stock will be immediately forfeited under the following circumstances:

(a) ***Cause*** . All of Participant's Shares of Stock shall be forfeited immediately and without compensation if the Participant is removed as a director of the Company for Cause.

(b) ***Confidentiality*** . All of the Participant's Shares of Stock shall be forfeited immediately and without compensation if the Participant discloses any Confidential Information (as defined below) in violation of this subsection. Participant acknowledges that during Participant's service as a director of the Company, and as a result of the confidential relationship with the Company, Participant has access to and will receive Confidential Information, including but not limited to Trade Secrets (as defined below) and that the Confidential Information, including, but not limited to, Trade Secrets is a highly valuable asset of the Company and provides a competitive advantage. Accordingly, during Participant's service as a director of the Company and following the termination of such service regardless of the reason, Participant shall retain in strict confidence and shall not use or retain for the benefit of Participant or any third party or for any purpose whatsoever or divulge, disseminate or disclose to any third party (other than in the furtherance of the business purposes of the Company or any Plan Related Party) all Confidential Information, including Trade Secrets. As used herein, "Confidential Information" means:

(i) trade secrets, defined as including but not limited to information concerning the business and affairs of the Company or any Plan Related Party ("Trade Secrets"), including, without limitation, any of the information described below in subparagraphs (ii), (iii) and (iv) ;

(ii) confidential data, know-how, current and planned research and development, current and planned methods and processes, customer and key contact lists, investor lists, marketing strategies or studies, slide presentations, selling group lists, employee information, market studies, business plans, computer software and programs, systems, structures and architectures, and any other confidential information, however documented, belonging to Company or any Plan Related Party;

(iii) information that is not widely and publicly known concerning the business and affairs of the Company or any Plan Related Party (including, without limitation, historical financial statements, financial projections, budgets and plans, market studies, selling group lists, the names, contact information and backgrounds of personnel, and personnel training techniques and materials), however documented; and

(iv) notes, analyses, compilations, studies, summaries, computer files and disks, and other material containing or based, in whole or in part, on any information included in the foregoing.

Participant acknowledges that the unauthorized use and disclosure of such Confidential Information could have an adverse effect on the Company and the Plan Related Parties and their respective businesses; and the provisions of this Section 4(b) on confidentiality are reasonable and necessary to prevent such use or disclosure of Confidential Information. Participant's obligations of confidentiality hereunder do not apply to any Confidential Information which: (A) Participant can demonstrate has become widely and publicly known through no fault of Participant or of anyone known by Participant to be in breach of a confidentiality obligation to the Company or a Plan Related Party, or (B) is required to be disclosed by law (provided that Participant gives Company advance notice of such prospective disclosure and the opportunity to seek a protective order or similar relief).

Upon the termination of Participant's service as a director of the Company, or upon Company's reasonable request, Participant shall immediately deliver to Company or its designee (and shall not keep in Participant's possession or deliver to any other person or entity) all Confidential Information and all other Company or Plan Related Party property in Participant's possession or control. Participant understands and agrees that compliance with this Section 4(b) may require that data be deleted from Participant's personal computer equipment, and accordingly, upon Company request, Participant will delete such Confidential Information from Participant's personal computer following such termination and certify in writing to Company that such Confidential Information has been deleted from his or her personal computer (and any other electronic location) and cannot be recovered.

Nothing in this section shall preclude the reporting of any alleged misconduct or the giving of truthful testimony under oath or the making of truthful statements to government agency or self-regulatory body. Further, nothing in this section requires the prior authorization of the Company to make any such statements, reports or disclosures or requires any notification to the Company that any such statements, reports or disclosures have been made.

(c) ***Forfeiture of Shares of Stock That Have Been Sold.*** If the Participant forfeits any Shares of Stock that the Participant has previously sold, assigned, exchanged, pledged, or otherwise transferred so as to be unable to comply with the Company's written demand to forfeit such Shares of Stock, the Company, in its sole and absolute discretion, may require that Participant pay to the Company, within 30 days of the Company's written notice demanding such payment, an amount equal to the aggregate Fair Market Value, determined on the Date of Grant, of any Shares of Stock that the Participant is unable to deliver to the Company.

(d) ***Compliance with Law.*** If necessary to satisfy any law, regulation, rule or administrative decision with respect to the Company's or any Plan Related Party's ongoing operations, including any ongoing offering of Common Stock, the Company shall have authority to cause the forfeiture of any Shares of Stock and replace any such forfeited Shares of Stock with a form of compensation that is, as close as reasonably practicable as determined in the Administrator's discretion, economically equivalent as of the date of such replacement or modification. This subsection 4(d) shall not apply with respect to any Shares of Stock that the Participant has previously sold, assigned, exchanged, pledged, or otherwise transferred in compliance with this Agreement, so as to be unable to comply with the Company's written demand to forfeit such Shares of Stock.

5. ***Enforcement*** .

(a) The Participant acknowledges and agrees that his or her obligations of confidentiality set forth in Section 4(b) are independent covenants and agreements and can be enforced by the Company or any Plan Related Party separate and apart from this Agreement, and are a condition precedent to this Agreement. Therefore, in addition to any other provision or remedy set forth in this Agreement, the Company or any Plan Related Party shall be entitled to all remedies at law and equity resulting from breach of the obligations of confidentiality set forth in Section 4(b) and such remedies shall be cumulative with all provisions of this Agreement.

(b) The Participant acknowledges and agrees that the injury that would be suffered by the Company or Affiliates as a result of disclosure in violation of Section 4(b) would be irreparable and that an award of monetary damages to the Company or its Affiliates for such a breach would be an inadequate remedy. Consequently, the forfeiture of Shares of Stock is fair and reasonable under the circumstances.

(c) If any provision of Section 4 is held to be unreasonable, arbitrary, or against public policy, such covenant and corresponding forfeiture will be considered to be divisible, including with respect to scope, time, geographic area and number of Shares of Stock to be forfeited, and such lesser scope, time, geographic area or number of Shares of Stock, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Participant to the maximum extent permitted by applicable law.

6. ***Rights with Respect to Stock.***

(a) ***General.*** Except as otherwise provided in this Agreement, the Participant shall have, with respect to all of the Shares of Stock, all of the rights of a holder of Shares of Common Stock of the Company, including without limitation (i) the right to vote such Shares of Stock, (ii) the right to receive dividends, if any, as may be declared on the Shares of Stock from time to time, and (iii) the rights available to all holders of Shares upon any merger, consolidation, reorganization, liquidation or dissolution, stock split-up, stock dividend or recapitalization undertaken by the Company; provided, however, that all of such rights shall be subject to the terms, provisions, conditions and restrictions set forth in this Agreement (including without limitation conditions under which all such rights shall be forfeited). Any cash dividends (or dividends paid in the form of property other than Shares) paid with respect to any Shares of Stock shall be paid at the same time as those dividends are paid by the Company to other holders of Shares (reduced by any applicable federal, state, local or foreign withholding taxes thereon). Any Shares issued to the Participant as a dividend with respect to Shares of Stock shall have the same status as the Shares of Stock. The Shares of Stock awarded pursuant to this Agreement shall not be eligible for redemption under the Company's Share Redemption Program, effective as of November 1, 2017, and as may be further amended.

(b) ***Adjustments to Shares.*** If at any time while this Agreement is in effect there shall be any increase or decrease in the number of issued and outstanding Shares of the Company through the declaration of a stock dividend or through any recapitalization resulting in a stock split-up, combination or exchange of such Shares, then and in that event, the Board or the Administrator shall make any adjustments it deems fair and appropriate, in view of such change, in the number of Shares of Stock then subject to this Agreement. If any such adjustment shall result in a fractional Share, such fraction shall be disregarded.

(c) ***No Restrictions on Certain Transactions.*** Notwithstanding any term or provision of this Agreement to the contrary, the existence of this Agreement, or of any outstanding Shares of Stock awarded hereunder, shall not affect in any manner the right, power or authority of the Company to make, authorize or consummate: (i) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger, consolidation or similar transaction by or of the Company; (iii) any offer, issue or sale by the Company of any capital stock of the Company, including any equity or debt securities, or preferred or preference stock that would rank prior to or on parity with the Shares of Stock and/or that would include, have or possess other rights, benefits and/or preferences superior to those that the Shares of Stock includes, has or possesses, or any warrants, options or rights with respect to any of the foregoing; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the stock, assets or business of the Company; (vi) any dividend or other distribution of cash, Shares or other property by the Company; or (vii) any other corporate transaction, act or proceeding (whether of a similar character or otherwise).

7. ***Transferability*** **.** The Shares of Stock are transferable. The terms of this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant. For purposes of this Agreement, "Transfer" shall mean any sale, transfer, encumbrance, gift, donation, assignment, pledge, hypothecation, or other disposition, whether similar or dissimilar to those previously enumerated, whether voluntary or involuntary, and including, but not limited to, any disposition by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment.

8. ***Tax Matters*** . The tax consequences to the Participant (including without limitation federal, state, local and foreign income tax consequences) with respect to the Shares of Stock (including without limitation the grant and/or forfeiture thereof) are the sole responsibility of the Participant. The Participant shall consult with his or her own personal accountant(s) and/or tax advisor(s) regarding these matters, and the Participant's filing and payment (or tax liability) obligations.

9. ***Amendment, Modification & Assignment; Non-Transferability*** **.**

(a) The Plan may be wholly or partially amended or otherwise modified, suspended, or terminated in accordance with its terms.

(b) This Agreement may only be modified or amended in a writing signed by the parties hereto. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by either party which are not set forth expressly in this Agreement. Unless otherwise consented to in writing by the Company, in its sole discretion, this Agreement (and Participant's rights hereunder) may not be assigned, and the obligations of Participant hereunder may not be delegated, in whole or in part. The rights and obligations created hereunder shall be binding on the Participant and his heirs and legal representatives and on the successors and assigns of the Company.

10. ***Complete Agreement*** **.** This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or

representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

11. ***Miscellaneous.***

(a) ***No Right to (Continued) Service as a Director .*** This Agreement and the grant of Shares of Stock hereunder shall not shall confer, or be construed to confer, upon the Participant any right to service as a director, or continued service as a director, of the Company.

(b) ***No Limit on Other Compensation Arrangements .*** Nothing contained in this Agreement shall preclude the Company from adopting or continuing in effect other or additional compensation plans, agreements or arrangements, and any such plans, agreements and arrangements may be either generally applicable or applicable only in specific cases or to specific persons.

(c) ***Severability .*** If any term or provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or under any applicable law, rule or regulation, then such provision shall be construed or deemed amended to conform to applicable law (or if such provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and the grant of Shares of Stock hereunder, such provision shall be stricken as to such jurisdiction and the remainder of this Agreement and the award hereunder shall remain in full force and effect).

(d) ***No Trust or Fund Created .*** Neither this Agreement nor the grant of Shares of Stock hereunder shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and the Participant or any other person. To the extent that the Participant or any other person acquires a right to receive payments from the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company.

(e) ***Law Governing .*** This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Maryland (without reference to the conflict of laws rules or principles thereof).

(f) ***Interpretation .*** The Participant accepts the Shares of Stock subject to all of the terms, provisions and restrictions of this Agreement and the Plan. The undersigned Participant hereby accepts as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Agreement or the Plan.

(g) ***Headings .*** Section, paragraph and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof.

(h) ***Notices .*** Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company’s Chief

Financial Officer at 518 17 th Street, 17 th Floor, Denver, CO 80202, or if the Company should move its principal office, to such principal office, and, in the case of the Participant, to the Participant's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

(i) ***Section 409A.***

(a) It is intended that the Stock awarded pursuant to this Agreement be exempt from Section 409A of the Code ("Section 409A") because it is believed that the Agreement does not provide for a deferral of compensation and accordingly that the Agreement does not constitute a nonqualified deferred compensation plan within the meaning of Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with that intention.

(b) Notwithstanding the foregoing, the Company does not make any representation to the Participant or any beneficiary of the Participant that the Shares of Stock awarded pursuant to this Agreement are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any beneficiary of the Participant for any tax, additional tax, interest or penalties that the Participant or any beneficiary of the Participant may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto is deemed to violate any of the requirements of Section 409A.

(j) ***Non-Waiver of Breach* .** The waiver by any party hereto of the other party's prompt and complete performance, or breach or violation, of any term or provision of this Agreement shall be effected solely in a writing signed by such party, and shall not operate nor be construed as a waiver of any subsequent breach or violation, and the waiver by any party hereto to exercise any right or remedy which he or it may possess shall not operate nor be construed as the waiver of such right or remedy by such party, or as a bar to the exercise of such right or remedy by such party, upon the occurrence of any subsequent breach or violation.

(k) ***Counterparts* .** This Agreement may be executed in two or more separate counterparts, each of which shall be an original, and all of which together shall constitute one and the same agreement.

(l) ***Arbitration.*** To the extent that a dispute arises between the parties under this Agreement, the parties agree to attempt to settle such dispute through non-binding mediation to be held for a maximum of one day administered by the Judicial Arbiter Group ("JAG"), before a mutually-agreed representative of JAG, in accordance with its commercial mediation rules then in effect. If such dispute cannot be resolved through mediation, it shall be resolved by binding arbitration before a panel of three arbitrators of JAG (selected by the JAG mediator) under the commercial arbitration rules then in effect. Each party shall bear its own legal, accounting and other similar fees incurred in connection with such arbitration; provided that (a) the losing party shall bear the costs of such arbitration and (b) the arbitrators shall award legal fees to the prevailing party in such dispute. Such arbitration and determination shall be final and binding on the parties and judgment may be entered upon such determination in any court having jurisdiction thereof (and such judgment enforced, if necessary, through judicial proceedings). It is understood and agreed that the arbitrators shall be specifically empowered to designate and award any remedy available at law or in equity, including specific performance. The parties agree that any such mediation or arbitration shall be conducted in Denver, Colorado. This arbitration provision is in no way intended to reduce or modify the sole and absolute discretion afforded to the Administrator under the Plan.

IN WITNESS WHEREOF , the parties hereto, intending to be legally bound, have executed this Agreement as of the date first written above.

BLACK CREEK INDUSTRIAL REIT IV INC.

By: ______________________________________

Name: Thomas G. McGonagle

Title: Managing Director, Chief Financial Officer

Agreed and Accepted:

PARTICIPANT:

By: ___________________________________

[Insert name of Participant]

BLACK CREEK INDUSTRIAL REIT IV INC.

RESTRICTED STOCK AGREEMENT

FOR

[INSERT NAME OF RECIPIENT]

1. ***Award of Restricted Stock*** **.** The Administrator hereby grants, as of _______, _____ , or the closest Business Day thereafter (the “ **Date of Grant** ”), to _____________ (the “ **Participant** ”), ___________ restricted Shares of the Common Stock of Black Creek Industrial REIT IV, Inc. (collectively the “ **Restricted Stock** ”). The Restricted Stock shall be subject to the terms, provisions and restrictions set forth in this Restricted Stock Agreement (the “ **Agreement** ”) and the Company’s Equity Incentive Plan, as it may be amended from time to time (the “ **Plan** ”), which is incorporated herein for all purposes. As a condition to entering into this Agreement, and as a condition to the issuance of any Shares (or any other securities of the Company), the Participant agrees to be bound by all of the terms and conditions herein and in the Plan. **You must return an executed copy of this Agreement to the Company prior to the first Vesting Date (defined below); if you fail to do so, the Restricted Stock award may be rendered null and void in the Company’s discretion.** Unless otherwise provided herein, terms used herein that are defined in the Plan and not defined herein shall have the meanings attributable thereto in the Plan.

2. ***Vesting of Restricted Stock.***

(a) ***General Vesting.*** The Shares of Restricted Stock shall become vested in the following amounts, at the following times and upon the following conditions, provided that the Termination of Service of the Participant does not occur before the applicable date on which the Shares of Restricted Stock become vested (the “ **Vesting Date** ”), or the closest Business Day thereafter:

Number of Shares of Restricted Stock	Vesting Date
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

Except as otherwise provided in Sections 2(b) and 4 hereof, there shall be no proportionate or partial vesting of Shares of Restricted Stock in or during the months, days or periods prior to each Vesting Date, and all vesting of Shares of Restricted Stock shall occur only on the applicable Vesting Date, or the closest Business Day thereafter.

(b) ***Acceleration of Vesting at Company Discretion.*** Notwithstanding any other term or provision of this Agreement, the Board or the Administrator shall be authorized, in its sole discretion, based upon its review and evaluation of the performance of the Participant, the Company

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and the Employer of the Participant, or any corporate transaction relating to the Company, to accelerate the vesting of any Shares of Restricted Stock under this Agreement, at such times and upon such terms and conditions as the Board or the Administrator shall deem advisable.

(c) ***Definitions.*** For purposes of this Agreement, the following terms shall have the meanings indicated:

(i) " ***Non-Vested Shares*** " means any portion of the Shares of Restricted Stock subject to this Agreement that has not become vested pursuant to this Section 2.

(ii) " ***Vested Shares*** " means any portion of the Shares of Restricted Stock subject to this Agreement that is and has become vested pursuant to this Section 2.

3. ***Delivery of Restricted Stock .***

(a) ***Issuance of Stock Certificates and Legends.*** One or more stock certificates evidencing the Shares of Restricted Stock shall be issued in the name of the Participant but shall be held and retained by the records administrator of the Company until the date (the " **Applicable Date** ") on which the Shares (or a portion thereof) of Restricted Stock become Vested Shares. All such stock certificates shall bear the following legend, along with such other legends that the Administrator shall deem necessary or appropriate:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO SUBSTANTIAL VESTING, TRANSFER AND OTHER RESTRICTIONS AS SET FORTH IN THE RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES, AND INCLUDE VESTING CONDITIONS WHICH MAY RESULT IN THE COMPLETE FORFEITURE OF THE SHARES.

(b) ***Stock Powers.*** The Participant shall deposit with the Company stock powers or other instruments of transfer or assignment, duly endorsed in blank with signature(s) guaranteed, corresponding to each certificate representing Shares of Restricted Stock (or if Shares are issued without certificates, corresponding to all of the Shares of Restricted Stock registered in the name of the Participant) until such Shares become Vested Shares. If the Participant shall fail to provide the Company with any such stock power or other instrument of transfer or assignment, the Participant hereby irrevocably appoints the Secretary of the Company as his attorney-in-fact, with full power of appointment and substitution, to execute and deliver any such power or other instrument which may be necessary to effectuate the transfer of the Shares of Restricted Stock (or assignment of distributions thereon) on the books and records of the Company.

(c) ***Delivery of Stock Certificates.*** On or after each Applicable Date, upon written request to the Company by the Participant, the Company shall promptly cause a new certificate or certificates to be issued for and with respect to all Shares that become Vested Shares on that

Applicable Date, which certificate(s) shall be delivered to the Participant as soon as administratively practicable after the date of receipt by the Company of the Participant's written request. The new certificate or certificates shall continue to bear those legends and endorsements that the Company shall deem necessary or appropriate (including those relating to restrictions on transferability and/or obligations and restrictions under any applicable securities laws). If the Shares are issued without certificates, then on or after each Applicable Date, upon written request to the Company by the Participant, the Company shall promptly take such action as shall be necessary or appropriate to reflect on the Company's books and records (and on the books and records of the transfer agent for the Company's Shares), that those Shares that vest on that Applicable Date are Vested Shares.

(d) ***Issuance Without Certificates.*** If the Company is authorized to issue Shares without certificates, then the Company may, in the discretion of the Administrator, issue Shares pursuant to this Agreement without certificates.

4. ***Forfeiture of Shares*** . Notwithstanding any other provision of this Agreement to the contrary, the Participant's Vested Shares and Non-Vested Shares will be immediately forfeited under the following circumstances:

(a) ***Cause*** . All of Participant's Vested Shares and Non-Vested Shares shall be forfeited immediately and without compensation if the Participant's Termination of Service from the Company, the Advisor or the Manager is for Cause.

(b) ***Confidentiality*** . All of the Participant's Vested Shares and Non-Vested Shares shall be forfeited immediately and without compensation if the Participant discloses any Confidential Information (as defined below) in violation of this subsection. Participant acknowledges that during Participant's employment by the Company, the Advisor or the Manager, and as a result of the confidential relationship with the Company, the Advisor or the Manager, Participant has access to and will receive Confidential Information, including but not limited to Trade Secrets (as defined below) and that the Confidential Information, including, but not limited to, Trade Secrets is a highly valuable asset of the Company or any Plan Related Party and provides a competitive advantage. Accordingly, during Participant's employment with the Company, the Advisor or the Manager and following the termination of such employment regardless of the reason, Participant shall retain in strict confidence and shall not use or retain for the benefit of Participant or any third party or for any purpose whatsoever or divulge, disseminate or disclose to any third party (other than in the furtherance of the business purposes of the Company or any Plan Related Party) all Confidential Information, including Trade Secrets. As used herein, "Confidential Information" means:

(i) trade secrets, defined as including but not limited to information concerning the business and affairs of the Company or any Plan Related Party ("Trade Secrets"), including, without limitation, any of the information described below in subparagraphs (ii), (iii) and (iv) ;

(ii) confidential data, know-how, current and planned research and development, current and planned methods and processes, customer and key contact lists, investor lists, marketing strategies or studies, slide presentations, selling group lists, employee information, market studies, business plans, computer software and programs, systems, structures and architectures, and any other confidential information, however documented, belonging to Company or any Plan Related Party;

(iii) information that is not widely and publicly known concerning the business and affairs of the Company or any Plan Related Party (including, without limitation, historical financial statements, financial projections, budgets and plans, market studies, selling group lists, the names, contact information and backgrounds of personnel, and personnel training techniques and materials), however documented; and

(iv) notes, analyses, compilations, studies, summaries, computer files and disks, and other material containing or based, in whole or in part, on any information included in the foregoing.

Participant acknowledges that the unauthorized use and disclosure of such Confidential Information could have an adverse effect on the Company and the Plan Related Parties and their respective businesses; and the provisions of this Section 4(b) on confidentiality are reasonable and necessary to prevent such use or disclosure of Confidential Information. Participant's obligations of confidentiality hereunder do not apply to any Confidential Information which: (A) Participant can demonstrate has become widely and publicly known through no fault of Participant or of anyone known by Participant to be in breach of a confidentiality obligation to the Company or a Plan Related Party, or (B) is required to be disclosed by law (provided that Participant gives Company advance notice of such prospective disclosure and the opportunity to seek a protective order or similar relief).

Upon the termination of Participant's employment with the Company, the Advisor or the Manager, or upon the Company's reasonable request, Participant shall immediately deliver to Company or its designee (and shall not keep in Participant's possession or deliver to any other person or entity) all Confidential Information and all other Company, Advisor, Manager or Plan Related Party property in Participant's possession or control. Participant understands and agrees that compliance with this Section 4(b) may require that data be deleted from Participant's personal computer equipment, and accordingly, upon Company request, Participant will delete such Confidential Information from Participant's personal computer following such termination and certify in writing to Company that such Confidential Information has been deleted from his or her personal computer (and any other electronic location) and cannot be recovered.

Nothing in this section shall preclude the reporting of any alleged misconduct or the giving of truthful testimony under oath or the making of truthful statements to any government agency or self-regulatory body. Further, nothing in this section requires the prior authorization of the Company to make any such statements, reports or disclosures or requires any notification to the Company that any such statements, reports or disclosures have been made.

(c) ***Completion of Annual Certification and Exit Survey*** . All of the Participant's Vested Shares and Non-Vested Shares shall be forfeited immediately and without compensation if the Participant refuses to complete an Annual Certification (as defined below) or Exit Survey (as defined below).

(i) Participant agrees that, as a condition precedent to the grant provided by this Agreement and any benefits hereunder (and as a material inducement for the Company to provide such grant and each such benefit), to complete promptly an Annual Certification if requested to do so at any time and from time to time. As used herein, “Annual Certification” means, without limitation, any certification, statement or similar document presented by the Company in which the Participant is asked to identify with specificity, among other things, any violations of laws, ethics or policies of the Company, the Advisor, the Manager or any Plan Related Party of which Participant is aware, and any grievances, concerns or complaints that the Participant may have or about which the Participant may be aware involving the Company, the Advisor, the Manager or any Plan Related Party. Participant shall be required to promptly, timely, truthfully and fully complete such Annual Certification and to certify that such answers are true and correct to Participant’s knowledge; and the Company, the Advisor, the Manager and the applicable Plan Related Party shall treat information provided by the Participant pursuant to the Company’s whistleblower policies.

(ii) Participant agrees to complete an Exit Survey if requested to do so at the time Participant’s employment with the Company, the Advisor or the Manager is terminated for any reason. As used herein, “Exit Survey” means, without limitation, any survey, questionnaire, or other similar document intended to solicit information from Participant regarding the Company, the Advisor, the Manager or any Plan Related Party and the Participant’s employment with the Company, the Advisor or the Manager, including, among other things any violations of laws, ethics or policies of the Company, the Advisor, the Manager or any Plan Related Party of which Participant is aware, and any grievances, concerns or complaints that the Participant may have or about which the Participant may be aware involving the Company, the Advisor, the Manager or any Plan Related Party. Participant shall be required to promptly, timely, truthfully and fully complete such Exit Survey and to certify that such answers are true and correct to Participant’s knowledge; and the Company, the Advisor, the Manager and the applicable Plan Related Party shall treat information provided by the Participant pursuant to the Company’s whistleblower policies.

(d) ***Forfeiture of Shares That Have Been Sold.*** If the Participant forfeits any Vested Shares that the Participant has previously sold, assigned, exchanged, pledged, or otherwise transferred so as to be unable to comply with the Company’s written demand to forfeit such Vested Shares, the Company, in its sole and absolute discretion, may require that Participant pay to the Company, within 30 days of the Company’s written notice demanding such payment, an amount equal to the aggregate Fair Market Value, determined on the applicable Vesting Date(s), of any Vested Shares that the Participant is unable to deliver to the Company.

(e) ***Compliance with Law.*** If necessary to satisfy any law, regulation, rule or administrative decision with respect to the Company’s, the Advisor’s, the Manager’s or any Plan Related Party’s ongoing operations, including any ongoing offering of Common Stock, the Company shall have authority to cause the forfeiture of any Vested Shares or Non-Vested Shares and replace any such forfeited Vested Shares or Non-Vested Shares with a form of compensation that is, as close as reasonably practicable as determined in the Administrator’s discretion, economically equivalent as of the date of such replacement or modification. This subsection 4(e) shall not apply with respect to any Vested Shares that the Participant has previously sold, assigned, exchanged, pledged, or otherwise transferred in compliance with this Agreement, so as to be unable to comply with the Company's written demand to forfeit such Vested Shares.

5. ***Enforcement*** .

(a) The Participant acknowledges and agrees that his or her obligations of confidentiality set forth in Section 4(b) are independent covenants and agreements and can be enforced by the Company **,** the Advisor, the Manager or any Plan Related Party separate and apart from this Agreement, and are a condition precedent to this Agreement. Therefore, in addition to any other provision or remedy set forth in this Agreement, the Company **,** the Advisor, the Manager or any Plan Related Party shall be entitled to all remedies at law and equity resulting from breach of the obligations of confidentiality set forth in Section 4(b) and such remedies shall be cumulative with all provisions of this Agreement.

(b) The Participant acknowledges and agrees that the injury that would be suffered by the Company or its Affiliates as a result of disclosure in violation of Section 4(b) would be irreparable and that an award of monetary damages to the Company or its Affiliates for such a breach would be an inadequate remedy. Consequently, the forfeiture of both Vested Shares and Non-Vested Shares is fair and reasonable under the circumstances.

(c) If any provision of Section 4 is held to be unreasonable, arbitrary, or against public policy, such covenant and corresponding forfeiture will be considered to be divisible, including with respect to scope, time, geographic area and number of Vested Shares and Non-Vested Shares to be forfeited, and such lesser scope, time, geographic area or number of Vested Shares and Non-Vested Shares, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Participant to the maximum extent permitted by applicable law.

6. ***Rights with Respect to Restricted Stock.***

(a) ***General.*** Except as otherwise provided in this Agreement, the Participant shall have, with respect to all of the Shares of Restricted Stock, whether Vested Shares or Non-Vested Shares, all of the rights of a holder of Shares of common stock of the Company, including without limitation (i) the right to vote such Shares of Restricted Stock, (ii) the right to receive dividends, if any, as may be declared on the Shares of Restricted Stock from time to time, and (iii) the rights available to all holders of Shares upon any merger, consolidation, reorganization, liquidation or dissolution, stock split-up, stock dividend or recapitalization undertaken by the Company; provided, however, that all of such rights shall be subject to the terms, provisions, conditions and restrictions set forth in this Agreement (including without limitation conditions under which all such rights shall be forfeited). Any cash dividends (or dividends paid in the form of property other than Shares) paid with respect to any Shares of Restricted Stock shall be paid at the same time as those dividends are paid by the Company to other holders of Shares (reduced by any applicable federal, state, local or foreign withholding taxes thereon). Any Shares issued to the Participant as a dividend with respect to Shares of Restricted Stock shall have the same status and transfer restrictions and bear the same legend as the Shares of Restricted Stock and shall be held by the Company, if the Shares of Restricted

Stock that such dividend is attributed to are being so held, unless otherwise determined by the Administrator. The Shares awarded pursuant to this Agreement shall not be eligible for redemption under the Company's Share Redemption Program, effective as of November 1, 2017, and as may be further amended.

(b) ***Adjustments to Shares.*** If at any time while this Agreement is in effect (or Shares granted hereunder shall be or remain Non-Vested Shares prior to the Termination of Service of the Participant for any reason), there shall be any increase or decrease in the number of issued and outstanding Shares of the Company through the declaration of a stock dividend or through any recapitalization resulting in a stock split-up, combination or exchange of such Shares, then and in that event, the Board or the Administrator shall make any adjustments it deems fair and appropriate, in view of such change, in the number of Shares of Restricted Stock then subject to this Agreement. If any such adjustment shall result in a fractional Share, such fraction shall be disregarded.

(c) ***No Restrictions on Certain Transactions.*** Notwithstanding any term or provision of this Agreement to the contrary, the existence of this Agreement, or of any outstanding Shares of Restricted Stock awarded hereunder, shall not affect in any manner the right, power or authority of the Company to make, authorize or consummate: (i) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger, consolidation or similar transaction by or of the Company; (iii) any offer, issue or sale by the Company of any capital stock of the Company, including any equity or debt securities, or preferred or preference stock that would rank prior to or on parity with the Shares of Restricted Stock and/or that would include, have or possess other rights, benefits and/or preferences superior to those that the Shares of Restricted Stock includes, has or possesses, or any warrants, options or rights with respect to any of the foregoing; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the stock, assets or business of the Company; (vi) any dividend or other distribution of cash, Shares or other property by the Company; or (vii) any other corporate transaction, act or proceeding (whether of a similar character or otherwise).

7. ***Transferability .*** Unless otherwise determined by the Administrator, the Shares of Restricted Stock are not transferable unless and until they become Vested Shares in accordance with this Agreement, otherwise than by will or under the applicable laws of descent and distribution. The terms of this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant. Except as otherwise permitted pursuant to the first sentence of this Section, any attempt to effect a Transfer (as defined below) of any Shares of Restricted Stock prior to the date on which the Shares become Vested Shares shall be void *ab initio* . For purposes of this Agreement, "Transfer" shall mean any sale, transfer, encumbrance, gift, donation, assignment, pledge, hypothecation, or other disposition, whether similar or dissimilar to those previously enumerated, whether voluntary or involuntary, and including, but not limited to, any disposition by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment.

8. ***Tax Matters; Section 83(b) Election.***

(a) ***Section 83(b) Election.*** If the Participant properly elects, within thirty (30) days of the Date of Grant, to include in gross income for federal income tax purposes an amount equal to the fair market value (as of the Date of Grant) of the Shares of Restricted Stock pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the " **Code** "), the Participant shall make arrangements satisfactory to the Employer of the Participant to pay to the Employer of the Participant any federal, state, local or foreign income taxes required to be withheld with respect to the Restricted Stock. If the Participant shall fail to make such tax payments as are required, the Employer of the Participant shall, to the extent permitted by law, have the right to deduct from any payment of any kind (including without limitation, the withholding of any Shares that otherwise would be issued to the Participant under this Agreement) otherwise due to the Participant any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to the Restricted Stock.

(b) ***No Section 83(b) Election.*** If the Participant does not properly make the election described in Section 8(a) above, the Participant shall, no later than the date or dates as of which the restrictions referred to in this Agreement hereof shall lapse, pay to the Employer of the Participant, or make arrangements satisfactory to the Employer of the Participant for payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to the Shares of Restricted Stock (including without limitation the vesting thereof), and the Employer of the Participant shall, to the extent permitted by law, have the right to deduct from any payment of any kind (including without limitation, the withholding of any Shares that otherwise would be distributed to the Participant under this Agreement) otherwise due to Participant any federal, state, local, or foreign taxes of any kind required by law to be withheld with respect to the Shares of Restricted Stock.

(c) ***Satisfaction of Withholding Requirements.*** The Participant may satisfy the withholding requirements with respect to the Shares of Restricted Stock pursuant to any one or combination of the following methods:

(i) payment in cash; or

(ii) if and to the extent permitted by the Administrator, payment by surrendering all or any portion of any unrestricted previously held Shares or by having the Company withhold all or any portion of any Vested Shares that otherwise would be deliverable to the Participant pursuant to this Award; provided, however, that in no event may the Participant surrender Shares in excess of the maximum statutory tax rates in the Participant's applicable jurisdictions with respect to this Award. For this purpose, the maximum statutory tax rates are based on the applicable rates of the relevant tax authorities (for example, federal, state, and local), including the Participant's share of payroll or similar taxes, as provided in tax law, regulations, or the authority's administrative practices, not to exceed the highest statutory rate in the applicable jurisdiction, even if that rate exceeds the highest rate that may be applicable to the Participant. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. Any payment of taxes by assigning Shares to the Company may be subject to restrictions, including any restrictions required by rules of any federal or state regulatory body or other authority. The Participant may surrender Shares either by attestation or by delivery of a certificate or certificates for Shares duly endorsed for transfer to the Company, and, if required, with medallion level signature guarantee by a member firm of a national stock exchange, by a national or state bank (or guaranteed or notarized in such other manner as the Administrator may require).

(d) ***Participant's Responsibilities for Tax Consequences .*** The tax consequences to the Participant (including without limitation federal, state, local and foreign income tax consequences) with respect to the Shares of Restricted Stock (including without limitation the grant, vesting and/or forfeiture thereof) are the sole responsibility of the Participant. The Participant shall consult with his or her own personal accountant(s) and/or tax advisor(s) regarding these matters, the making of a Section 83(b) election, and the Participant's filing, withholding and payment (or tax liability) obligations.

9. ***Amendment, Modification & Assignment; Non-Transferability .***

(a) The Plan may be wholly or partially amended or otherwise modified, suspended, or terminated in accordance with its terms.

(b) This Agreement may only be modified or amended in a writing signed by the parties hereto. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by either party which are not set forth expressly in this Agreement. Unless otherwise consented to in writing by the Company, in its sole discretion, this Agreement (and Participant's rights hereunder) may not be assigned, and the obligations of Participant hereunder may not be delegated, in whole or in part. The rights and obligations created hereunder shall be binding on the Participant and his heirs and legal representatives and on the successors and assigns of the Company.

10. ***Complete Agreement .*** This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

11. ***Miscellaneous.***

(a) ***No Right to (Continued) Employment or Service .*** This Agreement and the grant of Shares of Restricted Stock hereunder shall not shall confer, or be construed to confer, upon the Participant any right to employment or service, or continued employment or service, with any Employer.

(b) ***No Limit on Other Compensation Arrangements .*** Nothing contained in this Agreement shall preclude the Company or any Employer from adopting or continuing in effect other or additional compensation plans, agreements or arrangements, and any such plans, agreements and arrangements may be either generally applicable or applicable only in specific cases or to specific persons.

(c) ***Severability*** **.** If any term or provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or under any applicable law, rule or regulation, then such provision shall be construed or deemed amended to conform to applicable law (or if such provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and the grant of Shares of Restricted Stock hereunder, such provision shall be stricken as to such jurisdiction and the remainder of this Agreement and the award hereunder shall remain in full force and effect).

(d) ***No Trust or Fund Created*** **.** Neither this Agreement nor the grant of Shares of Restricted Stock hereunder shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and the Participant or any other person. To the extent that the Participant or any other person acquires a right to receive payments from the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company.

(e) ***Law Governing*** **.** This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Maryland (without reference to the conflict of laws rules or principles thereof).

(f) ***Interpretation*** **.** The Participant accepts the Shares of Restricted Stock subject to all of the terms, provisions and restrictions of this Agreement and the Plan. The undersigned Participant hereby accepts as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Agreement or the Plan.

(g) ***Headings*** **.** Section, paragraph and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof.

(h) ***Notices*** **.** Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's Chief Financial Officer at 518 17 th Street, 17 th Floor, Denver, CO 80202, or if the Company should move its principal office, to such principal office, and, in the case of the Participant, to the Participant's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

(i) ***Section 409A.***

(a) It is intended that the Restricted Stock awarded pursuant to this Agreement be exempt from Section 409A of the Code ("Section 409A") because it is believed that the Agreement does not provide for a deferral of compensation and accordingly that the Agreement does not constitute a nonqualified deferred compensation plan within the meaning of Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with that intention.

(b) Notwithstanding the foregoing, the Company does not make any representation to the Participant or any beneficiary of the Participant that the Shares of Restricted Stock awarded pursuant to this Agreement are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any beneficiary of the Participant for any tax, additional tax, interest or penalties that the Participant or any beneficiary of the Participant may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto is deemed to violate any of the requirements of Section 409A.

(j) ***Non-Waiver of Breach*** **.** The waiver by any party hereto of the other party's prompt and complete performance, or breach or violation, of any term or provision of this Agreement shall be effected solely in a writing signed by such party, and shall not operate nor be construed as a waiver of any subsequent breach or violation, and the waiver by any party hereto to exercise any right or remedy which he or it may possess shall not operate nor be construed as the waiver of such right or remedy by such party, or as a bar to the exercise of such right or remedy by such party, upon the occurrence of any subsequent breach or violation.

(k) ***Counterparts*** **.** This Agreement may be executed in two or more separate counterparts, each of which shall be an original, and all of which together shall constitute one and the same agreement.

(l) ***Arbitration.*** To the extent that a dispute arises between the parties under this Agreement, the parties agree to attempt to settle such dispute through non-binding mediation to be held for a maximum of one day administered by the Judicial Arbiter Group ("JAG"), before a mutually-agreed representative of JAG, in accordance with its commercial mediation rules then in effect. If such dispute cannot be resolved through mediation, it shall be resolved by binding arbitration before a panel of three arbitrators of JAG (selected by the JAG mediator) under the commercial arbitration rules then in effect. Each party shall bear its own legal, accounting and other similar fees incurred in connection with such arbitration; provided that (a) the losing party shall bear the costs of such arbitration and (b) the arbitrators shall award legal fees to the prevailing party in such dispute. Such arbitration and determination shall be final and binding on the parties and judgment may be entered upon such determination in any court having jurisdiction thereof (and such judgment enforced, if necessary, through judicial proceedings). It is understood and agreed that the arbitrators shall be specifically empowered to designate and award any remedy available at law or in equity, including specific performance. The parties agree that any such mediation or arbitration shall be conducted in Denver, Colorado. This arbitration provision is in no way intended to reduce or modify the sole and absolute discretion afforded to the Administrator under the Plan.

IN WITNESS WHEREOF , the parties hereto, intending to be legally bound, have executed this Agreement as of the date first written above.

BLACK CREEK INDUSTRIAL REIT IV INC.

By: ______________________________________
Name: Thomas G. McGonagle
Title: Managing Director, Chief Financial Officer

Agreed and Accepted:

PARTICIPANT:

By:____________________________________
[Insert Name of Recipient]

BLACK CREEK INDUSTRIAL REIT IV INC.
PRIVATE PLACEMENT EQUITY INCENTIVE PLAN

BLACK CREEK INDUSTRIAL REIT IV INC., a Maryland corporation (the "Company"), adopted this Private Placement Equity Incentive Plan (the "Plan") effective September 25, 2018 for the benefit of the eligible officers, other employees, advisors and consultants providing services to the Company.

The purpose of the Plan is to enable the Company and the Advisor, Manager and other Plan Related Parties to obtain and retain the services of eligible individuals who are important to the long range success of the Company, by offering such individuals an opportunity to participate in the Company's growth through the ownership of stock in the Company.

ARTICLE I
DEFINITIONS

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise.

"Administrator" shall mean the Board or, if the Board so delegates its authority, the Compensation Committee.

"Advisor" shall mean BCI IV Advisors LLC, a Delaware limited liability company.

"Affiliate" or "Affiliated" means, as to any individual, corporation, partnership, trust, limited liability company or other legal entity (i) any person or entity directly or indirectly through one or more intermediaries controlling, controlled by or under common control with another person or entity; (ii) any person or entity directly or indirectly owning, controlling, or holding with power to vote ten percent (10%) or more of the outstanding voting securities of another person or entity; (iii) any officer, director, general partner or trustee of such person or entity; (iv) any person ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held, with power to vote, by such other person; and (v) if such other person or entity is an officer, director, general partner or trustee of a person or entity, the person or entity for which such person or entity acts in any such capacity.

"Award" shall mean any grant of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Dividend Equivalents, or Other Share-Based Awards under the Plan.

"Award Agreement" shall mean the written document(s), including an electronic writing acceptable to the Administrator, and any notice, addendum, amendment or supplement thereto, memorializing the terms and conditions of an Award granted pursuant to the Plan and which shall incorporate the terms of the Plan.

"Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

"Board" shall mean the Board of Directors of the Company.

“Cause” shall mean:

(a) Participant’s breach of any provision of this Plan or Participant’s material breach of any other written agreement between Participant and the Company or any Plan Related Party which results in termination of such Participant’s employment with the Company or any Plan Related Party, including, without limitation, the confidentiality, non-solicitation, certification requirements, clawback and non-compete (if applicable) provisions thereof;

(b) Participant’s failure to adhere to any written policy of the Company or any Plan Related Party if Participant has been given a reasonable opportunity to comply with such policy or cure his or her failure to comply;

(c) the appropriation (or attempted appropriation) of a material business opportunity of the Company or any Plan Related Party, including attempting to secure or securing any personal profit or benefit in connection with any transaction entered into on behalf of the Company or any Plan Related Party;

(d) the misappropriation (or attempted misappropriation) of any of funds or property of the Company or any Plan Related Party;

(e) the conviction of, the indictment for (or its procedural equivalent), or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is a possible punishment; or

(f) The involuntary revocation of a license necessary for the job which Participant is performing for the Company or a Plan Related Party at the time of revocation.

“Change in Control” shall mean any of the following transactions:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 50% or more of the combined voting power of the Company’s then outstanding securities (a “Controlling Interest”), excluding (i) any acquisition by any Person that on the Effective Date is the Beneficial Owner of a Controlling Interest; (ii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company; or (iii) any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or

(b) a change in the composition of the Board over a period of 36 consecutive months (or less) such that a majority of the Board members (rounded up to the nearest whole number) ceases, by reason of one or more proxy contests for the election of Board members, to be comprised of individuals who either (i) have been Board members continuously since the beginning of such period or (ii) have been elected or nominated for election as Board members during such period by at least two-thirds (2/3) of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board; or

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other entity, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred (i) solely as the result of a public offering or (ii) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Stock" shall mean the common stock of the Company, par value $0.01 per share, issued or authorized to be issued in the future, but excluding any preferred stock and any warrants, options or other rights to purchase Common Stock.

"Company" shall mean Black Creek Industrial REIT IV Inc., a Maryland corporation.

"Compensation Committee" shall mean the compensation committee of the Board, which shall at all times consist of two or more persons who are (i) "non-employee directors" within the meaning of Rule 16b-3 and (ii) Independent Directors.

"Dividend Equivalent" shall mean a right to receive cash, Shares, other Awards or other property equal in value to dividends paid with respect to a specified number of Shares.

"Eligible Individual" shall mean any person, trust, association or entity to which the Administrator desires to grant an award.

“Employer” shall mean either the Company or a Related Corporation, or any Plan Related Party, as the context may require.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Fair Market Value” on any date shall mean the Closing Price (as defined below) per Share on such date if such date is a Trading Day or, if such date is not a Trading Day, the Trading Day immediately prior to such date. The “Closing Price” on any date shall mean the last sale price, regular way (as defined below), or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal national securities exchange on which the Shares are listed or admitted to trading or, if the Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by The NASDAQ Stock Market, Inc. (“NASDAQ”) or, if NASDAQ is no longer in use, the principal automated quotation system that may then be in use or, if the Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market-maker authorized to make a market in the Shares selected by the Board or, if there is no professional market maker making a market in the Shares, the price at which the Company is then offering shares to the public if the Company is then engaged in a public offering of Shares, or if the Company is not then offering shares to the public, the fair market value of a Share as determined by the Board, in its absolute discretion.

“Independent Director” shall mean a member of the Board who is not, and within the last two years has not been, directly or indirectly, associated with the Advisor or the Manager or any of their Affiliates by virtue of (i) ownership of an interest in the Advisor or the Manager or any of their Affiliates, (ii) employment by the Advisor or the Manager or any of their Affiliates, (iii) service as an officer or director of the Advisor or the Manager or any of their Affiliates, (iv) performance of services, other than as a director, for the Company, (v) service as a director or trustee of more than three real estate investment trusts advised by the Advisor or its Affiliates, or (vi) maintenance of a material business or professional relationship with the Advisor or the Manager or any of their Affiliates. An indirect relationship shall include circumstances in which a director’s spouse, parents, children, siblings, mother- or father-in-law, sons- or daughters-in-law or brothers- or sisters-in-law is or has been associated with the Advisors or the Manager or any of their Affiliates. A business or a professional relationship is considered material if gross income derived by the director from the Advisor or the Manager or Affiliates thereof exceeds five percent (5%) of either the director’s annual gross income during either of the last two years or the director’s net worth determined on a fair market value basis.

“Liquidity Event” shall have the meaning ascribed to such term in the Company’s prospectus contained in the Form S-11 Registration Statement (file no. 333-200594), as declared effective on February 18, 2016.

“Manager” shall mean Black Creek Property Management LLC, a Colorado limited liability company.

“Non-Qualified Stock Option” shall mean an Option which is not intended to be an “incentive stock option” within the meaning of Section 422 of the Code.

“Option” shall mean a stock option granted under Article IV.

“Other Share-Based Award” shall mean an Award granted under Article IX.

“Participant” shall mean an Eligible Individual who is granted an Award.

“Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Affiliates, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

“Plan” shall mean this Private Placement Equity Incentive Plan of Black Creek Industrial REIT IV Inc., as it may be amended from time to time.

“Plan Related Party” shall mean any entity or entities which are controlled by or majority-owned by, directly or indirectly, any of John A. Blumberg, James R. Mulvihill, and/or Evan H. Zucker (individually, a “Founder”, and, collectively, the “Founders”), or by any partnership, trust or other entity which a Founder controls or majority owns, and specifically shall include (whether within the foregoing definition or not), without limitation, the Company, the Advisor, the Manager, BCI IV Advisors Group LLC (“BCIV AG”), Dividend Capital Securities Group LLLP (“DCSG”), BCC-BD Expense Company LLC (“BCC”) and any entity or entities presently in existence or to be formed in the future which are controlled by, under common control with, or controlling BCI IV AG, DCSG, BCC, the Advisor, the Manager or the Company. BCC and DCSG and their subsidiaries shall be deemed a “Plan Related Party” though not controlled by the Founders. Notwithstanding the foregoing, entities owned or controlled by a single Founder for purposes of estate or family planning, or unrelated to the platforms commonly known as Dividend Capital Group or Black Creek Group, shall not be “Plan Related Parties” for purposes of this Plan.

“Related Corporation” shall mean a parent or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f) of the Code.

“Restricted Stock” shall mean an Award of Shares granted under Article VI.

“Restricted Stock Unit” shall mean an Award of a Unit granted under Article VIII.

“Rule 16b-3” shall mean that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Shares” shall mean shares of Common Stock issuable upon the grant, vesting, and/or exercise and/or settlement of Awards under the Plan.

“Stock Appreciation Right” or “SAR” shall mean an Award granted under Article V.

“Termination of Service” shall mean the time when the service provider/service recipient relationship between a Participant and the Employer is terminated for any reason, with or without Cause, including, but not by way of limitation, a termination by resignation, discharge, death, disability or retirement; but, provided it does not conflict with any terms in an Award Agreement, excluding (i) at the absolute discretion of the Administrator, termination where there is a simultaneous reemployment or continuing employment of a Participant by another Employer or, in the absolute discretion of the Administrator, an Affiliate of another Employer, (ii) at the absolute discretion of the Administrator, terminations which result in a temporary severance of the service provider/service recipient relationship, and (iii) at the absolute discretion of the Administrator, terminations which are followed by the simultaneous establishment of a consulting relationship with the Participant by an Employer. Provided it does not conflict with any terms in an Award Agreement, the Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Service, including, but not by way of limitation, the question of whether a Termination of Service resulted from a discharge for “Cause,” and all questions or whether a particular leave of absence constitutes a Termination of Service. Notwithstanding the foregoing, with respect to any Award that constitutes a “nonqualified deferred compensation plan” within the meaning of Section 409A of the Code, “Termination of Service” shall mean a “separation from service” as defined under Section 409A of the Code to the extent required by Section 409A of the Code to avoid the imposition of any tax or interest or the inclusion of any amount in income pursuant to Section 409A of the Code.

“Trading Day” shall mean a day on which the principal national securities exchange or national automated quotation system on which the Shares are listed or admitted to trading is open for the transaction of business or, if the Shares are not listed or admitted to trading on any national securities exchange or national automated quotation system, shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Colorado are authorized or obligated by law or executive order to close. The term “regular way” means a trade that is effected in a recognized securities market for clearance and settlement pursuant to the rules and procedures of the National Securities Clearing Corporation, as opposed to a trade effected “ex-clearing” for same day or next day settlement.

“Unit” shall mean a unit, the value of which shall always be equal to the value of one Share.

ARTICLE II
SHARES SUBJECT TO PLAN

2.1 Shares Subject to Plan. The aggregate number of Shares which may be issued upon grant, vesting, exercise or settlement of Awards under the Plan shall not exceed two million (2,000,000), subject to adjustment as provided herein; *provided* , *however* , that in no event may the aggregate number of Shares which may be issued upon grant, vesting or exercise of Awards under the plan exceed ten percent (10%) of the Company’s outstanding Shares on a fully diluted basis.

The Shares issuable under the Plan may be either previously authorized but unissued shares or treasury shares.

2.2 [Intentionally Omitted]

2.3 Expired Awards and Other Rights. If any shares subject to an Award are forfeited, cancelled, exchanged or surrendered or if an Award terminates or expires without a distribution of shares to the Participant, or if Shares are surrendered or withheld as payment of either the exercise price of an Award and/or withholding taxes in respect of an Award, the Shares with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, withholding, termination or expiration, again be available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Award, such related Award shall be cancelled to the extent of the number of Shares as to which the Award is exercised and, notwithstanding the foregoing, such number of Shares shall no longer be available for Awards under the Plan.

2.4 Adjustments to Shares, Awards. In the event that the Administrator shall determine that any dividend or other distribution (whether in the form of cash, Shares, or other property), recapitalization, stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Administrator shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of Shares or other property (including cash) that may thereafter be issued in connection with Awards, (ii) the number and kind of Shares or other property (including cash) issued or issuable in respect of outstanding Awards, (iii) the exercise price, grant price, or purchase price relating to any Award; and (iv) the performance goals applicable to outstanding Awards.

ARTICLE III
GRANTING OF AWARDS

3.1 Eligibility. Any Eligible Individual selected by the Administrator pursuant to Section 3.2(a)(i) shall be eligible to receive an Award.

3.2 Granting of Awards.

(a) The Administrator shall from time to time, in its absolute discretion, and subject to applicable limitations of the Plan:

(i) determine which Eligible Individuals should be granted Awards;

(ii) determine the number of Shares to be subject to such Awards; and

(iii) determine the terms and conditions of such Awards, consistent with the Plan.

(b) Upon the selection of a Participant to be granted an Award, the Administrator shall instruct the Secretary of the Company to issue the Award and may impose such conditions on the grant of the Award as it deems appropriate.

(c) Notwithstanding Section 3.2(a) and (b), no Award shall be granted to any Participant to the extent that the grant of such Award could, at the time of grant or afterwards, impair the Company's status as a real estate investment trust within the meaning of the Code or result in a violation of any of the stock ownership and transfer restrictions imposed under the Company's Articles of Incorporation, as amended.

(d) Notwithstanding Section 3.2(a) and (b), no Dividend Equivalents and no SARs are permitted to be granted to any Participant unless and until the Common Stock is listed on a national securities exchange.

ARTICLE IV
STOCK OPTIONS

4.1 Option Agreement. The Administrator may from time to time grant to Eligible Individuals Awards of Non-qualified Stock Options. Each Option shall be evidenced by a written Award Agreement, which shall be executed by the Participant and an authorized officer of the Company and which shall contain such terms and conditions as the Administrator shall determine consistent with the Plan.

4.2 Exercise Price. The exercise price per Share of the Shares subject to each Option shall be set by the Administrator; *provided* , *however* , that such exercise price shall not be less than the Fair Market Value of a Share on the date the Option is granted.

4.3 Option Term. The term of an Option shall be set by the Administrator in its absolute discretion; *provided* , *however* , that no Option shall be granted with a term greater than the later of (i) five years from the date of a Liquidity Event or (ii) ten years from the date the Option is granted; *provided* , *further* , that no Option shall have a term of more than ten years from the date the Option is granted. The Administrator may extend the term of any outstanding Option in connection with any Termination of Service of the Participant, or amend any other term or condition of such Option relating to such a termination.

4.4 Option Vesting.

(a) The period during which the right to exercise an Option in whole or in part vests in the Participant shall be set by the Administrator and the Administrator may determine that an Option may not be exercised in whole or in part for a specified period after it is granted; *provided* , *however* , that, unless the Administrator otherwise provides in the terms of the Award Agreement or otherwise, no Option shall be exercisable by any Participant who is then subject to Section 16 of the Exchange Act within the period ending six months and one day after the date the Option is granted. The vesting of an Option may be made subject to the attainment of one or more performance goals.

(b) No portion of an Option which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator in any Award Agreement or by action of the Administrator following the grant of the Option.

4.5 Partial Exercise. An Option may be exercised in whole or in part; however, an Option shall not be exercisable with respect to fractional Shares and the Administrator may require that, by the terms of the Award Agreement, a partial exercise be allowed only with respect to a minimum number of Shares.

4.6 Manner of Exercise. All or a portion of an Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company (or such other officer as identified in the applicable Award Agreement) with a copy of such documents delivered concurrently to the Secretary of the Participant's Employer:

(a) a written notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is exercised, and such notice shall be signed by the Participant or other person then entitled to exercise the Option or such portion of the Option;

(b) such representations and documents as the Administrator, in its absolute discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal or state securities laws or regulations; provided, the Administrator may, in its absolute discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars;

(c) in the event that the Option shall be exercised by any person or persons other than the Participant, as determined pursuant to Section 12.2, appropriate proof of the right of such person or persons to exercise the Option; and

(d) full satisfaction of the exercise price for the Shares with respect to which the Option, or portion thereof, is exercised; provided, that in the discretion of the Administrator and subject to the terms set forth in the applicable Award Agreement, the exercise price for Shares subject to an Option may be paid (i) in cash or cash equivalents, (ii) by an exchange of Shares previously owned by the Participant, (iii) through a "broker cashless exercise" procedure approved by the Administrator (to the extent permitted by law), (iv) by having Shares with an aggregate Fair Market Value on the date of exercise equal to the aggregate exercise price withheld by the Company or (v) a combination of the above, in any case in an amount having a combined value equal to such exercise price.

ARTICLE V
STOCK APPRECIATION RIGHTS

5.1 In General. An SAR may be granted as a stand-alone Award or in tandem with an Option; provided, that, an SAR shall not be granted unless and until the Common Stock is listed on a national securities exchange. An SAR granted in tandem with an Option may be granted at the time of grant of the related Option or at any time thereafter. An SAR granted in tandem with an Option shall be exercisable only to the extent the underlying Option is exercisable. Payment of a SAR may be made in cash, Shares, or other property as specified in the Award Agreement or determined by the Administrator.

5.2 SAR Agreement. Each SAR shall be evidenced by a written Award Agreement, which shall be executed by the Participant and an authorized officer of the Company and which shall contain such terms and conditions as the Administrator shall determine consistent with the Plan.

5.3 Right Conferred. An SAR shall confer on the Participant a right to receive an amount with respect to each Share subject thereto, upon exercise thereof, equal to the excess of (i) the Fair Market Value of one Share on the date of exercise over (ii) the grant price of the SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the exercise price of the underlying Option).

5.4 Grant Price. The grant price per share of the Shares subject to each SAR shall be set by the Administrator; *provided* , *however* , that such grant price shall not be less than the Fair Market Value of a Share on the date the SAR is granted.

5.5 SAR Term. The term of an SAR shall be set by the Administrator in its absolute discretion; *provided* , *however* , that no SAR shall be granted with a term of more than the later of (i) five years from the date of a Liquidity Event, or (ii) ten years from the date the SAR is granted; *provided* , *further* , that no SAR shall have a term of more than ten years from the date the SAR is granted. The Administrator may extend the term of any outstanding SAR in connection with any Termination of Service of the Participant, or amend any other term or condition of such SAR relating to such a termination.

5.6 SAR Vesting.

(a) The period during which the right to exercise an SAR in whole or in part vests in the Participant shall be set by the Administrator and the Administrator may determine that an SAR may not be exercised in whole or in part for a specified period after it is granted; *provided* , *however* , that, unless the Administrator otherwise provides in the terms of the Award Agreement or otherwise, no SAR shall be exercisable by any Participant who is then subject to Section 16 of the Exchange Act within the period ending six months and one day after the date the SAR is granted. The vesting of an SAR may be made subject to the attainment of one or more performance goals.

(b) No portion of an SAR which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator in any Award Agreement or by action of the Administrator following the grant of the SAR.

5.7 Partial Exercise. An SAR may be exercised in whole or in part; however, an SAR shall not be exercisable with respect to fractional Shares and the Administrator may require that, by the terms of the Award Agreement, a partial exercise be allowed only with respect to a minimum number of Shares.

5.8 Manner of Exercise. All or a portion of an SAR shall be deemed exercised upon delivery of all of the following to the Secretary of the Company (or such other officer as identified in the applicable Award Agreement) with a copy of such documents delivered concurrently to the Secretary of the Participant's Employer:

(a) a written notice complying with the applicable rules established by the Administrator stating that the SAR, or a portion thereof, is exercised, and such notice shall be signed by the Participant or other person then entitled to exercise the SAR or such portion of the SAR;

(b) such representations and documents as the Administrator, in its absolute discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal or state securities laws or regulations; provided, the Administrator may, in its absolute discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars; and

(c) in the event that the SAR shall be exercised by any person or persons other than the Participant, as determined pursuant to Section 12.2, appropriate proof of the right of such person or persons to exercise the SAR.

ARTICLE VI
RESTRICTED STOCK

6.1 Restricted Stock. The Administrator is authorized to grant Restricted Stock to Eligible Individuals on the following terms and conditions:

6.2 Restricted Stock Agreement. Each Restricted Stock Award shall be evidenced by a written Award Agreement, which shall be executed by the Participant and an authorized officer of the Company and which shall contain such terms and conditions as the Administrator shall determine consistent with the Plan.

6.3 Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Administrator may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Administrator may determine. The Administrator may place restrictions on Restricted Stock that shall lapse, in whole or in part, only upon the attainment of performance goals. Except to the extent restricted under the Award Agreement relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a stockholder including, without limitation, the right to vote Restricted Stock and the right to receive dividends thereon.

6.4 Forfeiture. Upon Termination of Service during the applicable restriction period, Restricted Stock and any accrued but unpaid dividends that are then subject to restrictions shall be forfeited; provided, that the Administrator may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Administrator may in other cases waive in whole or in part the forfeiture of Restricted Stock.

6.5 Certificates for Stock. Certificates representing Restricted Stock granted under the Plan may be evidenced in such manner as the Administrator shall determine or the Administrator, in its discretion, may register such Shares in book-entry form. If certificates representing Restricted Stock are registered in the name of the Participant, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company shall retain physical possession of the certificate.

6.6 Dividends. Dividends paid on Restricted Stock shall be either paid at the dividend payment date, or deferred for payment to such date as determined by the Administrator, in cash or in unrestricted Shares having a Fair Market Value equal to the amount of such dividends. Shares distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Shares or other property has been distributed.

ARTICLE VII
[INTENTIONALLY OMITTED]

ARTICLE VIII
RESTRICTED STOCK UNITS

8.1 Restricted Stock Units. The Administrator is authorized to grant Restricted Stock Units to Eligible Individuals, subject to the terms and conditions contained in the Plan and the applicable Award Agreement.

8.2 Restricted Stock Units Agreement. Each Restricted Stock Unit Award shall be evidenced by a written Award Agreement, which shall be executed by the Participant and an authorized officer of the Company and which shall contain such terms and conditions as the Administrator shall determine consistent with the Plan.

8.3 Award and Restrictions. Delivery of Shares or cash, as determined by the Administrator, will occur upon expiration of the deferral period specified for Restricted Stock Units by the Administrator or at such later time as specified in the applicable Award Agreement. The Administrator may place restrictions on Restricted Stock Units that shall lapse, in whole or in part, upon the attainment of performance goals.

8.4 Forfeiture. Upon Termination of Service during the applicable deferral period or portion thereof to which forfeiture conditions apply, or upon failure to satisfy any other conditions precedent to the delivery of Shares or cash to which such Restricted Stock Units relate, all Restricted Stock Units shall be forfeited; provided, that the Administrator may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock Units will be waived in whole or in part in the event of termination resulting from specified causes, and the Administrator may in other cases waive in whole or in part the forfeiture of Restricted Stock Units.

8.5 Dividend Equivalents. Dividend Equivalents shall not be granted unless and until the Common Stock is listed on a national securities exchange. Unless otherwise determined by the Administrator at the date of grant, any Dividend Equivalents that are granted with respect to any Restricted Stock Unit shall be either (A) paid with respect to such Restricted Stock Unit at the dividend payment date in cash or in Shares of unrestricted Common Stock having a Fair Market Value equal to the amount of such dividends, or (B) deferred with respect to such Restricted Stock Unit and the amount or value thereof automatically deemed reinvested in additional Restricted Stock Units, other Awards or other investment vehicles, as the Administrator shall determine or permit the Participant to elect. The applicable Award Agreement shall specify whether any Dividend Equivalents shall be paid at the dividend payment date, deferred or deferred at the election of the Participant (subject to the requirements of Section 409A of the Code).

ARTICLE IX
OTHER AWARDS

9.1 Other Share-Based Awards. The Administrator shall have the authority to grant Awards to Eligible Individuals in the form of Other Share-Based Awards, as deemed by the Administrator to be consistent with the purposes of the Plan. Each Other Share-Based Award shall be evidenced by a written Award Agreement, which shall be executed by the Participant and an authorized officer of the Company and which shall contain such terms and conditions as the Administrator shall determine. Awards granted pursuant to this Article IX may be granted with value and payment contingent upon the attainment of one or more performance goals. The Administrator shall determine the terms and conditions of such Awards at the date of grant or thereafter.

ARTICLE X
CONDITIONS TO ISSUANCE OF SHARES

10.1 Issuance. The Company shall not be required to issue or deliver any Shares purchased upon the grant, vesting and/or exercise of any Award, or portion thereof, prior to fulfillment of all of the following conditions:

(a) the registration of such Shares for listing on all stock exchanges on which the Shares are then listed;

(b) the completion of any registration or other qualification of such Shares under any state or federal law, or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) the obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(d) the lapse of such reasonable period of time following the grant, vesting and/or exercise of the Award as the Administrator may establish from time to time for reasons of administrative convenience; and

(e) full satisfaction of the exercise or purchase price for such Shares, plus satisfaction of any Employer applicable withholding tax obligations, in either case, in accordance with the terms of the Plan and the applicable Award Agreement.

ARTICLE XI
ADMINISTRATION

11.1 Administration. The Plan shall be administered by the Board or, if the Board so delegates its authority, by the Compensation Committee. If the Board administers the Plan, all references herein to the "Administrator" shall be references to the Board. If the Compensation Committee is appointed to administer the Plan, all references herein to the "Administrator" shall be references to the Compensation Committee. The Administrator shall have the authority in its absolute discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the Eligible Individuals to whom and the time or times at which Awards shall be granted; to determine the type and number of Awards to be granted, the number of Shares to which an Award may relate and the terms, conditions, restrictions and performance criteria relating to any Award; to accelerate the vesting of any Award at any time; and to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered; to make adjustments in the terms and conditions of, and the performance goals (if any) included in, Awards; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the Award Agreements (which need not be identical for each Participant); and to make all other determinations deemed necessary or advisable for the administration of the Plan. Notwithstanding the foregoing, neither the Board, the Compensation Committee nor their respective delegates shall have the authority to reprice (or cancel and regrant) any Option or, if applicable, other Award at a lower exercise, grant or purchase price without first obtaining the approval of the Company's stockholders.

In addition, an Award shall not be granted, become vested, be exercised or paid if, in the sole and absolute discretion of the Administrator, the grant, vesting, exercise or payment of such Award could result in any of the following:

(a) the Participant's or any other person's ownership of Shares being in violation of any of the stock ownership and transfer restrictions imposed under the Company's Articles of Incorporation as amended;

(b) the Shares being deemed to not be transferable within the meaning of Section 856 of the Code;

(c) income to the Company or any other result that could impair the Company's status as a real estate investment trust within the meaning of the Code.

11.2 Duties and Powers of Administrator. The Administrator may appoint a chairperson and a secretary and may make such rules and regulations for the conduct of its business as it shall deem advisable, and shall keep minutes of its meetings. All determinations of the Administrator shall be made by a majority of its members either present in person or participating by conference telephone at a meeting or by written consent. The Administrator may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Administrator or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Administrator or such person may have under the Plan. All decisions, determinations and interpretations of the Administrator shall be final and binding on all persons, including but not limited to the Company, any parent or subsidiary of the Company or any Participant (or any person claiming any rights under the Plan from or through any Participant) and any stockholder.

11.3 Professional Assistance; Good Faith Actions. The Administrator may employ attorneys, consultants, accountants, appraisers, brokers, or other persons. The Administrator, the Company and the Company's officers shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon all Participants, the Company, stockholders and all other interested persons. No members of the Administrator shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan and all members of the Administrator and shall be fully protected by the Company in respect of any such action, determination or interpretation.

11.4 Delegation of Authority to Grant Awards. The Administrator may, but need not, delegate from time to time to a committee consisting of one or more of the Company's officers authority to grant Awards under the Plan to Eligible Individuals; *provided* , *however* , that each such Eligible Individual must be an individual other than an "officer," "director" or "beneficial owner of more than ten per cent of any class of any equity security" of the Company within the meaning of each such term as it is used under Section 16(b) of the Exchange Act. Any delegation hereunder shall be subject to the restrictions and limits that the Administrator specifies at the time of such delegation of authority and may be rescinded at any time by the Administrator. At all times, any subcommittee appointed under this Section 11.4 shall serve in such capacity at the pleasure of the Administrator.

ARTICLE XII
MISCELLANEOUS PROVISIONS

12.1 Rights as Stockholders. Except as determined by the Administrator and set forth in an Award Agreement, the holders of Awards shall not be, nor have any of the rights or privileges of, stockholders of the Company in respect of any Shares subject to an Award unless and until such Shares have been issued by the Company to such holders.

12.2 Not Transferable. Awards granted under the Plan may not be sold, pledged, assigned, or transferred in any manner other than by will or applicable laws of descent and distribution. No Award holder shall be liable for the debts, contracts or engagements of the Participant or his or her successors-in-interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence. During the lifetime of the Participant, only he or she may exercise an Option or SAR (or any portion thereof) granted to him or her under the Plan. After the death of the Participant, any exercisable portion of the Option or SAR may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Award Agreement, be exercised by his or her personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

12.3 No Right to Employment or Other Service Relationship. Nothing in the Plan or in any Award Agreement hereunder shall (i) confer upon any Participant any right to (a) continue in the employ of his or her Employer or to provide services to the Company, or (b) receive any severance pay from the Company or his or her Employer, or (ii) interfere with or restrict in any way the rights of the Company or his or her Employer, which are hereby expressly reserved, to terminate the services of any Participant at any time for any reason whatsoever, with or without Cause.

12.4 Term of Plan. Unless earlier terminated by the Board, the Plan shall automatically expire and terminate on the tenth anniversary of the date on which it was adopted by the Company. The expiration or other termination of the Plan shall have no adverse effect on any Awards that are outstanding on the date of such expiration or other termination.

12.5 Amendment, Suspension or Termination of the Plan. The Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board; *provided* , *however* , that unless otherwise determined by the Board, an amendment that requires stockholder approval in order for the Plan to continue to comply with applicable law, regulation or stock exchange requirement shall not be effective unless approved by the requisite vote of stockholders. Notwithstanding the foregoing, no amendment, suspension or termination of the Plan shall, without the consent of the holder of an Award, alter or impair any rights or obligations under such Award theretofore granted or awarded unless the Award Agreement itself otherwise expressly so provides, and no amendment shall be made that could jeopardize the status of the Company as a real estate investment trust under the Code. No Awards may be granted or awarded during any period of suspension or after termination of the Plan.

12.6 Change in Control and Other Corporate Events.

(a) Subject to Section 12.6(b), in the event of any Change in Control or other transaction or event described in Section 2.4 or any unusual or nonrecurring transactions or events affecting the Company, any Affiliate of the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, the Administrator is hereby authorized to take any action with respect to Awards without the consent of the holders of the Awards at such time and on such terms and conditions as the Administrator determines in its absolute direction to be desirable, which action(s) may include, without limitation:

(i) a determination that the Company shall pay to the holder of any Award, in consideration for the cancellation of such Award, an amount of cash equal to the amount that could have been attained upon the vesting or exercise of such Award had such Award been currently exercisable or payable or fully vested, as applicable, or the replacement of such Award with other rights or property selected by the Administrator;

(ii) a determination that Awards cannot vest, be exercised or become payable after such event, provided that such determination may not conflict with anything to the contrary in an Award Agreement;

(iii) a determination that all or some Awards shall become immediately vested and/or exercisable either prior to or as of such event, or that for a specified period of time prior to a transaction or event, an Option or SAR shall be exercisable as to all Shares covered thereby;

(iv) a determination that upon such event, such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of Shares or other property and prices which are the subject of such Award; or

(v) a determination to make adjustments to Awards consistent with Section 2.4.

(b) With respect to Awards, no adjustment or action described in this Section 12.6 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 unless the Administrator determines that the Award is not to comply with such exemptive conditions. The number of Shares subject to any Option shall always be rounded to the next whole number.

12.7 [Intentionally Omitted]

12.8 Tax Withholding. The Company shall be entitled to require of each Participant satisfaction of the Employer's withholding obligations under federal, state or local tax law with respect to the issuance, vesting, exercise or payment of any Award, and the Company may defer such issuance, vesting, exercise or payment unless indemnified to its satisfaction. The Administrator shall provide in the applicable Award Agreement the acceptable methods of satisfying such withholding obligations, which may include: (i) deducting such amounts from other compensation otherwise payable to the Participant; (ii) having Shares otherwise issuable hereunder withheld, the Fair Market Value of which is sufficient to satisfy the Participant's minimum estimated tax obligations associated with the transaction; (iii) tendering back to the Company previously acquired Shares or (iv) a combination of the foregoing.

12.9 Forfeiture Provisions. Pursuant to its general authority to determine the terms and conditions applicable to Awards granted under the Plan, the Administrator shall have the right to provide, in the terms of an Award Agreement, or by separate written instrument, that (i) any proceeds, gains or other economic benefit actually or constructively received by a Participant upon the receipt or exercise of the Award, or upon the receipt or resale of any Shares underlying such Award, must be paid to the Company, and (ii) the Award shall terminate and any outstanding portion of such Award (whether or not vested) shall be forfeited, if (a) a Termination of Service occurs prior to a specified date, or within a specified time period following receipt or exercise of the Award, or (b) the Participant, at any time, or during a specified time period, engages in any activity in competition with his or her Employer or the Company, or which is inimical, contrary or harmful to the interests of his or her Employer or the Company, as may be further defined from time to time by the Administrator.

12.10 Limitations Applicable to Section 16. Notwithstanding any other provision of the Plan, the Plan, and any Award granted to any individual who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

12.11 Effect of Plan Upon Other Equity and Compensation Plans. The adoption of the Plan shall not affect any other equity- or cash-based compensation or incentive plans in effect for the Company from time to time. Nothing in the Plan shall be construed to limit the right of the Company (i) to establish any other forms of incentives or compensation for employees of the Company, the Manager, the Advisor or other Plan Related Parties, or (ii) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including, but not by way of limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

12.12 Section 83(b) Election Prohibited. No Participant may make an election under Section 83(b) of the Code with respect to any Award granted under the Plan without the Company’s consent, which consent may be granted in the terms of an Award Agreement or in any other written instrument. At the sole and absolute discretion of the Administrator, an Award shall be void and forfeited if a Participant makes an election under Section 83(b) of the Code with respect to any Award granted under the Plan in violation of this Section 12.12.

12.13 Compliance with Laws. This Plan, the granting and vesting of Awards under the Plan, the issuance and delivery of Shares, and the payment of money or other consideration allowable under the Plan or under Awards granted hereunder are subject to compliance with all applicable federal and state laws, rules and regulations (including, but not limited to, state and federal securities laws and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Board, the Compensation Committee or the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Board, the Compensation Committee or the Company may deem necessary or desirable to assure compliance with all applicable legal requirements. To the extent permitted by applicable law, the Plan shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

12.14 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

12.15 Governing Law. This Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Colorado without regard to conflicts of laws provisions thereof.

12.16 Code Section 409A.

(a) The Award Agreement for any Award that the Administrator reasonably determines to constitute a “nonqualified deferred compensation plan” under Section 409A of the Code (a “Section 409A Plan”), and the provisions of the Plan applicable to that Award, shall be construed in a manner consistent with the applicable requirements of Section 409A of the Code, and the Administrator, in its sole discretion and without the consent of any Participant, may amend any Award Agreement (and the provisions of the Plan applicable thereto) if and to the extent that the Administrator determines that such amendment is necessary or appropriate to comply with the requirements of Section 409A of the Code. Any payments described in an Award Agreement that are due within the “short term deferral period” as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise.

(b) If any Award constitutes a Section 409A Plan, then the Award shall be subject to the following additional requirements, if and to the extent required to comply with Section 409A of the Code:

(i) Payments under the Section 409A Plan may only be made upon (u) the Participant’s “separation from service”, (v) the date the Participant becomes “disabled”, (w) the Participant’s death, (x) a “specified time (or pursuant to a fixed schedule)” specified in the Award Agreement at the date of the deferral of such compensation, (y) a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets” of the Company, or (z) the occurrence of an “unforeseeable emergency”; *provided* , *however* , that the Administrator, in its discretion and without the Participant’s consent may exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement constitutes deferred compensation within the meaning of Code section 409A if and solely to the extent that such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor thereto;

(ii) The time or schedule for any payment of the deferred compensation may not be accelerated, except to the extent provided in applicable Treasury Regulations or other applicable guidance issued by the Internal Revenue Service;

(iii) Any elections with respect to the deferral of such compensation or the time and form of distribution of such deferred compensation shall comply with the requirements of Section 409A(a)(4) of the Code; and

(iv) In the case of any Participant who is a “specified employee”, a distribution on account of a “separation from service” may not be made before the date which is six months after the date of the Participant's "separation from service" (or, if earlier, the date of the Participant's death).

For purposes of this Section 12.16(b), the terms in quotations shall have the same meanings as those terms have for purposes of Section 409A of the Code, and the limitations set forth herein shall be applied in such manner (and only to the extent) as shall be necessary to comply with any requirements of Section 409A of the Code that are applicable to the Award.

(c) For purposes of any Award that constitutes a Section 409A Plan, each amount to be paid or benefit to be provided to a Participant that constitutes deferred compensation subject to Section 409A of the Code shall be construed as a separate identified payment for purposes of Section 409A of the Code.

(d) For purposes of Section 409A of the Code, the payment of Dividend Equivalents under any Award shall be construed as earnings and the time and form of payment of such Dividend Equivalents shall be treated separately from the time and form of payment of the underlying Award.

Notwithstanding the foregoing, none of the Company or its Affiliates, or the Plan Related Parties or any of their Affiliates, make any representation to any Participant or Beneficiary that any Awards made pursuant to this Plan are exempt from, or satisfy, the requirements of Section 409A of the Code, and none of the Company or its Affiliates, or the Plan Related Parties or any of their Affiliates, shall have any liability or other obligation to indemnify or hold harmless the Participant or any Beneficiary for any tax, additional tax, interest or penalties that the Participant or any Beneficiary may incur in the event that any provision of this Plan, or any Award Agreement, or any amendment or modification thereof, or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A.

BLACK CREEK INDUSTRIAL REIT IV INC.

RESTRICTED STOCK AGREEMENT

FOR

[INSERT NAME OF RECIPIENT]

1. ***Award of Restricted Stock .*** The Administrator hereby grants, as of ____________, ______ or the closest Business Day thereafter, (the " **Date of Grant** "), to _________ (the " **Participant** "), ________ restricted Shares of the Common Stock of Black Creek Industrial REIT IV Inc. (collectively the " **Restricted Stock** "). The Restricted Stock shall be subject to the terms, provisions and restrictions set forth in this Restricted Stock Agreement (the " **Agreement** ") and the Company's Private Placement Equity Incentive Plan , as it may be amended from time to time (the " **Plan** "), which is incorporated herein for all purposes. As a condition to entering into this Agreement, and as a condition to the issuance of any Shares (or any other securities of the Company), the Participant agrees to be bound by all of the terms and conditions herein and in the Plan. **You must return an executed copy of this Agreement to the Company prior to the first Vesting Date (defined below); if you fail to do so, the Restricted Stock award may be rendered null and void in the Company's discretion.** Unless otherwise provided herein, terms used herein that are defined in the Plan and not defined herein shall have the meanings attributable thereto in the Plan.

2. ***Vesting of Restricted Stock.***

(a) ***General Vesting.*** The Shares of Restricted Stock shall become vested in the following amounts, at the following times and upon the following conditions, provided that the Termination of Service of the Participant does not occur before the applicable date on which the Shares of Restricted Stock become vested (the " **Vesting Date** "), or the closest Business Day thereafter:

Number of Shares of Restricted Stock	Vesting Date
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

Except as otherwise provided in Sections 2(b) and 4 hereof, there shall be no proportionate or partial vesting of Shares of Restricted Stock in or during the months, days or periods prior to each Vesting Date, and all vesting of Shares of Restricted Stock shall occur only on the applicable Vesting Date, or the closest Business Day thereafter.

(b) ***Acceleration of Vesting at Company Discretion.*** Notwithstanding any other term or provision of this Agreement, the Board or the Administrator shall be authorized, in its sole discretion, based upon its review and evaluation of the performance of the Participant, the Company and the Employer of the Participant, or any corporate transaction relating to the Company, to accelerate the vesting of any Shares of Restricted Stock under this Agreement, at such times and upon such terms and conditions as the Board or the Administrator shall deem advisable.

(c) ***Definitions.*** For purposes of this Agreement, the following terms shall have the meanings indicated:

(i) " ***Non-Vested Shares*** " means any portion of the Shares of Restricted Stock subject to this Agreement that has not become vested pursuant to this Section 2.

(ii) " ***Vested Shares*** " means any portion of the Shares of Restricted Stock subject to this Agreement that is and has become vested pursuant to this Section 2.

3. ***Delivery of Restricted Stock .***

(a) ***Issuance of Stock Certificates and Legends.*** One or more stock certificates evidencing the Shares of Restricted Stock shall be issued in the name of the Participant but shall be held and retained by the records administrator of the Company until the date (the " **Applicable Date** ") on which the Shares (or a portion thereof) of Restricted Stock become Vested Shares. All such stock certificates shall bear the following legend, along with such other legends that the Administrator shall deem necessary or appropriate:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO SUBSTANTIAL VESTING, TRANSFER AND OTHER RESTRICTIONS AS SET FORTH IN THE RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES, AND INCLUDE VESTING CONDITIONS WHICH MAY RESULT IN THE COMPLETE FORFEITURE OF THE SHARES.

(b) ***Stock Powers.*** The Participant shall deposit with the Company stock powers or other instruments of transfer or assignment, duly endorsed in blank with signature(s) guaranteed, corresponding to each certificate representing Shares of Restricted Stock (or if Shares are issued without certificates, corresponding to all of the Shares of Restricted Stock registered in the name of the Participant) until such Shares become Vested Shares. If the Participant shall fail to provide the Company with any such stock power or other instrument of transfer or assignment, the Participant hereby irrevocably appoints the Secretary of the Company as his attorney-in-fact, with full power of appointment and substitution, to execute and deliver any such power or other instrument which may be necessary to effectuate the transfer of the Shares of Restricted Stock (or assignment of distributions thereon) on the books and records of the Company.

(c) ***Delivery of Stock Certificates.*** On or after each Applicable Date, upon written request to the Company by the Participant, the Company shall promptly cause a new certificate or certificates to be issued for and with respect to all Shares that become Vested Shares on that

Applicable Date, which certificate(s) shall be delivered to the Participant as soon as administratively practicable after the date of receipt by the Company of the Participant's written request. The new certificate or certificates shall continue to bear those legends and endorsements that the Company shall deem necessary or appropriate (including those relating to restrictions on transferability and/or obligations and restrictions under any applicable securities laws). If the Shares are issued without certificates, then on or after each Applicable Date, upon written request to the Company by the Participant, the Company shall promptly take such action as shall be necessary or appropriate to reflect on the Company's books and records (and on the books and records of the transfer agent for the Company's Shares), that those Shares that vest on that Applicable Date are Vested Shares.

(d) ***Issuance Without Certificates.*** If the Company is authorized to issue Shares without certificates, then the Company may, in the discretion of the Administrator, issue Shares pursuant to this Agreement without certificates.

4. ***Forfeiture of Shares*** . Notwithstanding any other provision of this Agreement to the contrary, the Participant's Vested Shares and Non-Vested Shares will be immediately forfeited under the following circumstances:

(a) ***Cause*** . All of Participant's Vested Shares and Non-Vested Shares shall be forfeited immediately and without compensation if the Participant's Termination of Service from the Company, the Advisor or the Manager is for Cause.

(b) ***Confidentiality*** . All of the Participant's Vested Shares and Non-Vested Shares shall be forfeited immediately and without compensation if the Participant discloses any Confidential Information (as defined below) in violation of this subsection. Participant acknowledges that during Participant's employment by the Company, the Advisor or the Manager, and as a result of the confidential relationship with the Company, the Advisor or the Manager, Participant has access to and will receive Confidential Information, including but not limited to Trade Secrets (as defined below) and that the Confidential Information, including, but not limited to, Trade Secrets is a highly valuable asset of the Company or any Plan Related Party and provides a competitive advantage. Accordingly, during Participant's employment with the Company, the Advisor or the Manager and following the termination of such employment regardless of the reason, Participant shall retain in strict confidence and shall not use or retain for the benefit of Participant or any third party or for any purpose whatsoever or divulge, disseminate or disclose to any third party (other than in the furtherance of the business purposes of the Company or any Plan Related Party) all Confidential Information, including Trade Secrets. As used herein, "Confidential Information" means:

(i) trade secrets, defined as including but not limited to information concerning the business and affairs of the Company or any Plan Related Party ("Trade Secrets"), including, without limitation, any of the information described below in subparagraphs (ii), (iii) and (iv) ;

(ii) confidential data, know-how, current and planned research and development, current and planned methods and processes, customer and key contact lists, investor lists, marketing strategies or studies, slide presentations, selling group lists, employee information, market studies, business plans, computer software and programs, systems, structures and architectures, and any other confidential information, however documented, belonging to Company or any Plan Related Party;

(iii) information that is not widely and publicly known concerning the business and affairs of the Company or any Plan Related Party (including, without limitation, historical financial statements, financial projections, budgets and plans, market studies, selling group lists, the names, contact information and backgrounds of personnel, and personnel training techniques and materials), however documented; and

(iv) notes, analyses, compilations, studies, summaries, computer files and disks, and other material containing or based, in whole or in part, on any information included in the foregoing.

Participant acknowledges that the unauthorized use and disclosure of such Confidential Information could have an adverse effect on the Company and the Plan Related Parties and their respective businesses; and the provisions of this Section 4(b) on confidentiality are reasonable and necessary to prevent such use or disclosure of Confidential Information. Participant’s obligations of confidentiality hereunder do not apply to any Confidential Information which: (A) Participant can demonstrate has become widely and publicly known through no fault of Participant or of anyone known by Participant to be in breach of a confidentiality obligation to the Company or a Plan Related Party, or (B) is required to be disclosed by law (provided that Participant gives Company advance notice of such prospective disclosure and the opportunity to seek a protective order or similar relief).

Upon the termination of Participant’s employment with the Company, the Advisor or the Manager, or upon the Company’s reasonable request, Participant shall immediately deliver to Company or its designee (and shall not keep in Participant’s possession or deliver to any other person or entity) all Confidential Information and all other Company, Advisor, Manager or Plan Related Party property in Participant’s possession or control. Participant understands and agrees that compliance with this Section 4(b) may require that data be deleted from Participant’s personal computer equipment, and accordingly, upon Company request, Participant will delete such Confidential Information from Participant’s personal computer following such termination and certify in writing to Company that such Confidential Information has been deleted from his or her personal computer (and any other electronic location) and cannot be recovered.

Nothing in this section shall preclude the reporting of any alleged misconduct or the giving of truthful testimony under oath or the making of truthful statements to any government agency or self-regulatory body. Further, nothing in this section requires the prior authorization of the Company to make any such statements, reports or disclosures or requires any notification to the Company that any such statements, reports or disclosures have been made.

(c) ***Completion of Annual Certification and Exit Survey*** . All of the Participant’s Vested Shares and Non-Vested Shares shall be forfeited immediately and without compensation if the Participant refuses to complete an Annual Certification (as defined below) or Exit Survey (as defined below).

(i) Participant agrees that, as a condition precedent to the grant provided by this Agreement and any benefits hereunder (and as a material inducement for the Company to provide such grant and each such benefit), to complete promptly an Annual Certification if requested to do so at any time and from time to time. As used herein, “Annual Certification” means, without limitation, any certification, statement or similar document presented by the Company in which the Participant is asked to identify with specificity, among other things, any violations of laws, ethics or policies of the Company, the Advisor, the Manager or any Plan Related Party of which Participant is aware, and any grievances, concerns or complaints that the Participant may have or about which the Participant may be aware involving the Company, the Advisor, the Manager or any Plan Related Party. Participant shall be required to promptly, timely, truthfully and fully complete such Annual Certification and to certify that such answers are true and correct to Participant’s knowledge; and the Company, the Advisor, the Manager and the applicable Plan Related Party shall treat information provided by the Participant pursuant to the Company’s whistleblower policies.

(ii) Participant agrees to complete an Exit Survey if requested to do so at the time Participant’s employment with the Company, the Advisor or the Manager is terminated for any reason. As used herein, “Exit Survey” means, without limitation, any survey, questionnaire, or other similar document intended to solicit information from Participant regarding the Company, the Advisor, the Manager or any Plan Related Party and the Participant’s employment with te Company, the Advisor or the Manager, including, among other things any violations of laws, ethics or policies of the Company, the Advisor, the Manager or any Plan Related Party of which Participant is aware, and any grievances, concerns or complaints that the Participant may have or about which the Participant may be aware involving the Company, the Advisor, the Manager or any Plan Related Party. Participant shall be required to promptly, timely, truthfully and fully complete such Exit Survey and to certify that such answers are true and correct to Participant’s knowledge; and the Company, the Advisor, the Manager and the applicable Plan Related Party shall treat information provided by the Participant pursuant to the Company’s whistleblower policies.

(d) ***Forfeiture of Shares That Have Been Sold.*** If the Participant forfeits any Vested Shares that the Participant has previously sold, assigned, exchanged, pledged, or otherwise transferred so as to be unable to comply with the Company’s written demand to forfeit such Vested Shares, the Company, in its sole and absolute discretion, may require that Participant pay to the Company, within 30 days of the Company’s written notice demanding such payment, an amount equal to the aggregate Fair Market Value, determined on the applicable Vesting Date(s), of any Vested Shares that the Participant is unable to deliver to the Company.

(e) ***Compliance with Law*** . If necessary to satisfy any law, regulation, rule or administrative decision with respect to the Company’s, the Advisor’s, the Manager’s or any Plan Related Party’s ongoing operations, including any ongoing offering of Common Stock, the Company shall have authority to cause the forfeiture of any Vested Shares or Non-Vested Shares and replace any such forfeited Vested Shares or Non-Vested Shares with a form of compensation that is, as close as reasonably practicable as determined in the Administrator’s discretion, economically equivalent as of the date of such replacement or modification. This subsection 4(e) shall not apply with respect to any Vested Shares that the Participant has previously sold, assigned, exchanged, pledged, or otherwise transferred in compliance with this Agreement, so as to be unable to comply with the Company's written demand to forfeit such Vested Shares.

5. ***Enforcement*** .

(a) The Participant acknowledges and agrees that his or her obligations of confidentiality set forth in Section 4(b) are independent covenants and agreements and can be enforced by the Company, the Advisor, the Manager or any Plan Related Party separate and apart from this Agreement, and are a condition precedent to this Agreement. Therefore, in addition to any other provision or remedy set forth in this Agreement, the Company, the Advisor, the Manager or any Plan Related Party shall be entitled to all remedies at law and equity resulting from breach of the obligations of confidentiality set forth in Section 4(b) and such remedies shall be cumulative with all provisions of this Agreement.

(b) The Participant acknowledges and agrees that the injury that would be suffered by the Company or its Affiliates as a result of disclosure in violation of Section 4(b) would be irreparable and that an award of monetary damages to the Company or its Affiliates for such a breach would be an inadequate remedy. Consequently, the forfeiture of both Vested Shares and Non-Vested Shares is fair and reasonable under the circumstances.

(c) If any provision of Section 4 is held to be unreasonable, arbitrary, or against public policy, such covenant and corresponding forfeiture will be considered to be divisible, including with respect to scope, time, geographic area and number of Vested Shares and Non-Vested Shares to be forfeited, and such lesser scope, time, geographic area or number of Vested Shares and Non-Vested Shares, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Participant to the maximum extent permitted by applicable law.

6. ***Rights with Respect to Restricted Stock.***

(a) ***General.*** Except as otherwise provided in this Agreement, the Participant shall have, with respect to all of the Shares of Restricted Stock, whether Vested Shares or Non-Vested Shares, all of the rights of a holder of Shares of common stock of the Company, including without limitation (i) the right to vote such Shares of Restricted Stock, (ii) the right to receive dividends, if any, as may be declared on the Shares of Restricted Stock from time to time, and (iii) the rights available to all holders of Shares upon any merger, consolidation, reorganization, liquidation or dissolution, stock split-up, stock dividend or recapitalization undertaken by the Company; provided, however, that all of such rights shall be subject to the terms, provisions, conditions and restrictions set forth in this Agreement (including without limitation conditions under which all such rights shall be forfeited). Any cash dividends (or dividends paid in the form of property other than Shares) paid with respect to any Shares of Restricted Stock shall be paid at the same time as those dividends are paid by the Company to other holders of Shares (reduced by any applicable federal, state, local or foreign withholding taxes thereon). Any Shares issued to the Participant as a dividend with respect to Shares of Restricted Stock shall have the same status and transfer restrictions and bear the same legend as the Shares of Restricted Stock and shall be held by the Company, if the Shares of Restricted

Stock that such dividend is attributed to are being so held, unless otherwise determined by the Administrator. The Shares awarded pursuant to this Agreement shall not be eligible for redemption under the Company's Share Redemption Program, effective as of August 8, 2013, and as may be further amended.

(b) ***Adjustments to Shares.*** If at any time while this Agreement is in effect (or Shares granted hereunder shall be or remain Non-Vested Shares prior to the Termination of Service of the Participant for any reason), there shall be any increase or decrease in the number of issued and outstanding Shares of the Company through the declaration of a stock dividend or through any recapitalization resulting in a stock split-up, combination or exchange of such Shares, then and in that event, the Board or the Administrator shall make any adjustments it deems fair and appropriate, in view of such change, in the number of Shares of Restricted Stock then subject to this Agreement. If any such adjustment shall result in a fractional Share, such fraction shall be disregarded.

(c) ***No Restrictions on Certain Transactions.*** Notwithstanding any term or provision of this Agreement to the contrary, the existence of this Agreement, or of any outstanding Shares of Restricted Stock awarded hereunder, shall not affect in any manner the right, power or authority of the Company to make, authorize or consummate: (i) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger, consolidation or similar transaction by or of the Company; (iii) any offer, issue or sale by the Company of any capital stock of the Company, including any equity or debt securities, or preferred or preference stock that would rank prior to or on parity with the Shares of Restricted Stock and/or that would include, have or possess other rights, benefits and/or preferences superior to those that the Shares of Restricted Stock includes, has or possesses, or any warrants, options or rights with respect to any of the foregoing; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the stock, assets or business of the Company; (vi) any dividend or other distribution of cash, Shares or other property by the Company; or (vii) any other corporate transaction, act or proceeding (whether of a similar character or otherwise).

7. ***Transferability .*** (a) Unless otherwise determined by the Administrator, the Shares of Restricted Stock are not transferable unless and until they become Vested Shares in accordance with this Agreement, otherwise than by will or under the applicable laws of descent and distribution. The terms of this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant. Except as otherwise permitted pursuant to the first sentence of this Section 7(a), any attempt to effect a Transfer (as defined below) of any Shares of Restricted Stock prior to the date on which the Shares become Vested Shares shall be void *ab initio* . For purposes of this Agreement, "Transfer" shall mean any sale, transfer, encumbrance, gift, donation, assignment, pledge, hypothecation, or other disposition, whether similar or dissimilar to those previously enumerated, whether voluntary or involuntary, and including, but not limited to, any disposition by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment.

(b) Transfers of Vested Shares other than upon the Participant's death will be permitted on a case-by-case basis if approved by the Administrator. Such transfers must comply with applicable securities laws; the Restricted Stock has not been registered under the Securities Act, or the securities laws of any other jurisdiction and may not be offered, sold, transferred or delivered, directly or indirectly, nor will any assignee or endorsee hereof be recognized as an owner hereof by the Company for any purpose, unless (i) such Restricted Stock is registered under the Securities Act and any other applicable state securities laws, or (ii) an exemption from registration under the Securities Act and any other applicable state securities laws is available and established to the satisfaction of counsel for the Company. Any attempt to Transfer Vested Shares without compliance with this Section 7(b) shall be voidable at the option of the Company. The Transfer restrictions in this paragraph will be lifted upon termination of the Participant's Termination of Service for any reason, except that, other than with respect to Transfers upon a Participant's death, the Company shall continue to have the right to confirm to its reasonable satisfaction prior to any Transfer that such Transfer complies with applicable securities laws.

8. ***Tax Matters; Section 83(b) Election.***

(a) ***Section 83(b) Election.*** If the Participant properly elects, within thirty (30) days of the Date of Grant, to include in gross income for federal income tax purposes an amount equal to the fair market value (as of the Date of Grant) of the Shares of Restricted Stock pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the " **Code** "), the Participant shall make arrangements satisfactory to the Employer of the Participant to pay to the Employer of the Participant any federal, state, local or foreign income taxes required to be withheld with respect to the Restricted Stock. If the Participant shall fail to make such tax payments as are required, the Employer of the Participant shall, to the extent permitted by law, have the right to deduct from any payment of any kind (including without limitation, the withholding of any Shares that otherwise would be issued to the Participant under this Agreement) otherwise due to the Participant any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to the Restricted Stock.

(b) ***No Section 83(b) Election.*** If the Participant does not properly make the election described in Section 8(a) above, the Participant shall, no later than the date or dates as of which the restrictions referred to in this Agreement hereof shall lapse, pay to the Employer of the Participant, or make arrangements satisfactory to the Employer of the Participant for payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to the Shares of Restricted Stock (including without limitation the vesting thereof), and the Employer of the Participant shall, to the extent permitted by law, have the right to deduct from any payment of any kind (including without limitation, the withholding of any Shares that otherwise would be distributed to the Participant under this Agreement) otherwise due to Participant any federal, state, local, or foreign taxes of any kind required by law to be withheld with respect to the Shares of Restricted Stock.

(c) ***Satisfaction of Withholding Requirements.*** The Participant may satisfy the withholding requirements with respect to the Shares of Restricted Stock pursuant to any one or combination of the following methods:

(i) payment in cash; or

(ii) if and to the extent permitted by the Administrator, payment by surrendering all or any portion of any unrestricted previously held Shares or by having the Company withhold all or any portion of any Vested Shares that otherwise would be deliverable to the Participant pursuant to this Award; provided, however, that in no event may the Participant surrender Shares in excess of the maximum statutory tax rates in the Participant's applicable jurisdictions with respect to this Award. For this purpose, the maximum statutory tax rates are based on the applicable rates of the relevant tax authorities (for example, federal, state, and local), including the Participant's share of payroll or similar taxes, as provided in tax law, regulations, or the authority's administrative practices, not to exceed the highest statutory rate in the applicable jurisdiction, even if that rate exceeds the highest rate that may be applicable to the Participant. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. Any payment of taxes by assigning Shares to the Company may be subject to restrictions, including any restrictions required by rules of any federal or state regulatory body or other authority. The Participant may surrender Shares either by attestation or by delivery of a certificate or certificates for Shares duly endorsed for transfer to the Company, and, if required, with medallion level signature guarantee by a member firm of a national stock exchange, by a national or state bank (or guaranteed or notarized in such other manner as the Administrator may require).

(d) ***Participant's Responsibilities for Tax Consequences .*** The tax consequences to the Participant (including without limitation federal, state, local and foreign income tax consequences) with respect to the Shares of Restricted Stock (including without limitation the grant, vesting and/or forfeiture thereof) are the sole responsibility of the Participant. The Participant shall consult with his or her own personal accountant(s) and/or tax advisor(s) regarding these matters, the making of a Section 83(b) election, and the Participant's filing, withholding and payment (or tax liability) obligations.

9. ***Amendment, Modification & Assignment; Non-Transferability .***

(a) The Plan may be wholly or partially amended or otherwise modified, suspended, or terminated in accordance with its terms.

(b) This Agreement may only be modified or amended in a writing signed by the parties hereto. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by either party which are not set forth expressly in this Agreement. Unless otherwise consented to in writing by the Company, in its sole discretion, this Agreement (and Participant's rights hereunder) may not be assigned, and the obligations of Participant hereunder may not be delegated, in whole or in part. The rights and obligations created hereunder shall be binding on the Participant and his heirs and legal representatives and on the successors and assigns of the Company.

10. ***Complete Agreement .*** This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

11. ***Miscellaneous.***

(a) ***No Right to (Continued) Employment or Service .*** This Agreement and the grant of Shares of Restricted Stock hereunder shall not shall confer, or be construed to confer, upon the Participant any right to employment or service, or continued employment or service, with any Employer.

(b) ***No Limit on Other Compensation Arrangements .*** Nothing contained in this Agreement shall preclude the Company or any Employer from adopting or continuing in effect other or additional compensation plans, agreements or arrangements, and any such plans, agreements and arrangements may be either generally applicable or applicable only in specific cases or to specific persons.

(c) ***Severability .*** If any term or provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or under any applicable law, rule or regulation, then such provision shall be construed or deemed amended to conform to applicable law (or if such provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and the grant of Shares of Restricted Stock hereunder, such provision shall be stricken as to such jurisdiction and the remainder of this Agreement and the award hereunder shall remain in full force and effect).

(d) ***No Trust or Fund Created .*** Neither this Agreement nor the grant of Shares of Restricted Stock hereunder shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and the Participant or any other person. To the extent that the Participant or any other person acquires a right to receive payments from the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company.

(e) ***Law Governing .*** This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Maryland (without reference to the conflict of laws rules or principles thereof).

(f) ***Interpretation .*** The Participant accepts the Shares of Restricted Stock subject to all of the terms, provisions and restrictions of this Agreement and the Plan. The undersigned Participant hereby accepts as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Agreement or the Plan.

(g) ***Headings .*** Section, paragraph and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof.

(h) ***Notices .*** Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's Chief Financial Officer at 518 17 th Street, 17 th Floor, Denver, CO 80202, or if the Company should move its principal office, to such principal office, and, in the case of the Participant, to the Participant's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

(i) ***Section 409A.***

(a) It is intended that the Restricted Stock awarded pursuant to this Agreement be exempt from Section 409A of the Code ("Section 409A") because it is believed that the Agreement does not provide for a deferral of compensation and accordingly that the Agreement does not constitute a nonqualified deferred compensation plan within the meaning of Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with that intention.

(b) Notwithstanding the foregoing, the Company does not make any representation to the Participant or any beneficiary of the Participant that the Shares of Restricted Stock awarded pursuant to this Agreement are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any beneficiary of the Participant for any tax, additional tax, interest or penalties that the Participant or any beneficiary of the Participant may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto is deemed to violate any of the requirements of Section 409A.

(j) ***Non-Waiver of Breach .*** The waiver by any party hereto of the other party's prompt and complete performance, or breach or violation, of any term or provision of this Agreement shall be effected solely in a writing signed by such party, and shall not operate nor be construed as a waiver of any subsequent breach or violation, and the waiver by any party hereto to exercise any right or remedy which he or it may possess shall not operate nor be construed as the waiver of such right or remedy by such party, or as a bar to the exercise of such right or remedy by such party, upon the occurrence of any subsequent breach or violation.

(k) ***Counterparts .*** This Agreement may be executed in two or more separate counterparts, each of which shall be an original, and all of which together shall constitute one and the same agreement.

(l) ***Arbitration.*** To the extent that a dispute arises between the parties under this Agreement, the parties agree to attempt to settle such dispute through non-binding mediation to be held for a maximum of one day administered by the Judicial Arbiter Group ("JAG"), before a mutually-agreed representative of JAG, in accordance with its commercial mediation rules then in effect. If such dispute cannot be resolved through mediation, it shall be resolved by binding arbitration before a panel of three arbitrators of JAG (selected by the JAG mediator) under the commercial arbitration rules then in effect. Each party shall bear its own legal, accounting and other similar fees incurred in connection with such arbitration; provided that (a) the losing party shall bear the costs of such arbitration and (b) the arbitrators shall award legal fees to the prevailing party in such dispute. Such arbitration and determination shall be final and binding on the parties and judgment may be entered upon such determination in any court having jurisdiction thereof (and such judgment enforced, if necessary, through judicial proceedings). It is understood and agreed that the arbitrators shall be specifically empowered to designate and award any remedy available at law or in equity, including specific performance. The parties agree that any such mediation or arbitration shall be conducted in Denver, Colorado. This arbitration provision is in no way intended to reduce or modify the sole and absolute discretion afforded to the Administrator under the Plan.

IN WITNESS WHEREOF , the parties hereto, intending to be legally bound, have executed this Agreement as of the date first written above.

BLACK CREEK INDUSTRIAL REIT IV INC.

By: ______________________________________

Name: Thomas G. McGonagle

Title: Managing Director, Chief Financial Officer

Agreed and Accepted:

PARTICIPANT:

By: ___________________________________

[INSERT NAME OF PARTICIPANT]

Exhibit 21.1

Black Creek Industrial REIT IV Inc. Entities
(as of December 31, 2018)

ENTITY NAME	DOMESTIC JURISDICTION	FOREIGN QUALIFICATION
BCI IV Acquisitions LLC	Delaware	n/a
BCI IV Addison DC II LLC	Delaware	Illinois
BCI IV Advisors LLC	Delaware	Colorado
BCI IV Advisors Group LLC	Delaware	Colorado
BCI IV Airport IC GP LLC	Delaware	n/a
BCI IV Airport IC LP	Delaware	California
BCI IV Elgin DC LLC	Delaware	Illinois
BCI IV Executive Airport DC Holdco LLC	Delaware	n/a
BCI IV Executive Airport DC LLC	Delaware	Nevada
BCI IV Fontana DC GP LLC	Delaware	n/a
BCI IV Fontana DC LP	Delaware	California
BCI IV Gothard IC GP LLC	Delaware	n/a
BCI IV Gothard IC LP	Delaware	California
BCI IV Iron Run DC LLC	Delaware	Pennsylvania
BCI IV LOC Lender LLC	Delaware	n/a
BCI IV Medley IC LLC	Delaware	Florida
BCI IV Midway IC LLC	Delaware	Maryland
BCI IV Ontario DC GP LLC	Delaware	n/a
BCI IV Ontario DC LP	Delaware	California
BCI IV Ontario IC GP LLC	Delaware	n/a
BCI IV Ontario IC LP	Delaware	California
BCI IV Operating Partnership LP	Delaware	Colorado
BCI IV Park 429 Logistics Center LLC	Delaware	Florida
BCI IV Pescadero DC GP LLC	Delaware	n/a
BCI IV Pescadero DC LP	Delaware	California
BCI IV Property Management LLC	Delaware	n/a
BCI IV Services LLC	Delaware	n/a
Black Creek Industrial REIT IV Inc.	Maryland	Colorado

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Black Creek Industrial REIT IV Inc.:

We consent to the incorporation by reference in the registration statement No. 333-228818 on Form S-8 of Black Creek Industrial REIT IV Inc. and subsidiaries of our report dated March 6, 2019 , with respect to the consolidated balance sheets of Black Creek Industrial REIT IV Inc. as of December 31, 2018 and 2017 , the related consolidated statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 2018 , and the related notes and financial statement schedule III (collectively, the “consolidated financial statements”), which report appears in the December 31, 2018 annual report on Form 10-K of Black Creek Industrial REIT IV Inc.

/s/KPMG LLP

Denver, Colorado
March 6, 2019

Exhibit 31.1

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

I, Dwight L. Merriman III, certify that:

1. I have reviewed this Annual Report on Form 10-K of Black Creek Industrial REIT IV Inc. (the "registrant");

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.

March 6, 2019

/s/ DWIGHT L. MERRIMAN III

Dwight L. Merriman III
Managing Director, Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Thomas G. McGonagle, certify that:

1. I have reviewed this Annual Report on Form 10-K of Black Creek Industrial REIT Inc. (the "registrant");

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.

March 6, 2019

/s/ THOMAS G. MCGONAGLE

Thomas G. McGonagle
Managing Director, Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

**CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Certification of Principal Executive Officer

In connection with the Annual Report on Form 10-K of Black Creek Industrial REIT IV Inc. (the "Company") for the period ended December 31, 2018 , as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dwight L. Merriman III, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(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.

March 6, 2019

/s/ DWIGHT L. MERRIMAN III

Dwight L. Merriman III
Managing Director, Chief Executive Officer
(Principal Executive Officer)

Certification of Principal Financial Officer

In connection with the Annual Report on Form 10-K of Black Creek Industrial REIT IV Inc. (the "Company") for the period ended December 31, 2018 , as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas G. McGonagle, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(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.

March 6, 2019

/s/ THOMAS G. MCGONAGLE

Thomas G. McGonagle
Managing Director, Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 99.1

CONSENT OF INDEPENDENT VALUATION FIRM

We hereby consent to the reference to our name, the description of our role and the valuation of the real properties and related assumptions provided under the heading "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities-Net Asset Value Calculation" in Part II, Item 5 of the Annual Report on Form 10-K for the period ended December 31, 2018 of Black Creek Industrial REIT IV Inc. (the "Company"), filed by the Company with the Securities and Exchange Commission on the date hereof, being included or incorporated by reference in the Company's Registration Statement on Form S-8 (File No. 333-228818). We also hereby consent to the same information and the reference to our name under the caption "Experts" being included or incorporated by reference in the Company's Registration Statement on Form S-11 (File No. 333-200594) and the related prospectus and prospectus supplements that are a part thereof. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

/s/ Altus Group U.S., Inc.

March 6, 2019

Altus Group U.S., Inc.