
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **January 31, 2018**

Industrial Property Trust Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

000-55376
(Commission
File Number)

61-1577639
(IRS Employer
Identification No.)

**518 Seventeenth Street, 17th Floor
Denver, CO 80202**
(Address of principal executive offices)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01 Entry Into a Material Definitive Agreement.

Build-To-Core Industrial Partnership II LP

On January 31, 2018, IPT BTC II LP LLC (the "IPT Limited Partner") sold and assigned a portion of the IPT Limited Partner's interest in the Build-To-Core Industrial Partnership II LP (the "BTC II Partnership") to bcIMC (College) US Realty Inc., bcIMC (Municipal) US Realty Inc., bcIMC (Public Service) US Realty Inc., bcIMC (Teachers) US Realty Inc., bcIMC (WCB) US Realty Inc., bcIMC (WCBAF) Realpool Global Investment Corporation, bcIMC (Hydro) US Realty Inc. and QuadReal US Holdings, Inc. (collectively, the "QuadReal Limited Partner") in an amount equal to a 5.0% interest in the BTC II Partnership for a purchase price equal to approximately \$4.2 million. Prior to the sale, the IPT Limited Partner owned a 12.9% interest in the BTC II Partnership and, after the sale, the IPT Limited Partner owns a 7.9% interest in the BTC II Partnership. The closing of the sale was subject to certain closing conditions, including the amendment of the Agreement of Limited Partnership of the BTC II Partnership by and among the IPT Limited Partner, IPT BTC II GP LLC (the "General Partner" and together with the IPT Limited Partner, the "IPT Partners"), Industrial Property Advisors Sub IV LLC (the "Special Limited Partner"), BCG BTC II Investors LLC (the "BCG Limited Partner") and the QuadReal Limited Partner (as amended, the "BTC II Partnership Agreement"). The BTC II Partnership Agreement was amended effective as of January 31, 2018, pursuant to the First Amendment to Agreement of Limited Partnership of Build-to-Core Industrial Partnership II LP (the "Amendment"), in order to, among other things, reflect changes to the percentage interests owned by the partners due to the sale described above, an increase in each of the partners' respective aggregate capital commitments, changes to the targeted investment markets and segments, changes to the special allocation priority granted to the BTC II Partnership with respect to certain investment opportunities, and changes related to certain valuation and reporting requirements.

The IPT Partners (together, with the Special Limited Partner, and collectively the BCG Limited Partner and the QuadReal Limited Partner, the "Partners") are both wholly-owned subsidiaries of Industrial Property Trust Inc. (the "Company"). The BTC II Partnership Agreement, as amended on January 31, 2018, includes the following key provisions:

- The IPT Partners own an 8.0% interest in the BTC II Partnership, the BCG Limited Partner owns a 2.0% interest and the QuadReal Limited Partner owns the remaining 90.0% interest. The BTC II Partnership has a term ending on May 19, 2027 (the "Term") and has an investment period (the "Investment Period") ending on the earliest to occur of: (i) May 19, 2022 and (ii) twelve months after the expiration of the four year period in which the General Partner is obligated to present investment opportunities to the BTC II Partnership (the "Identification Period"). The Identification Period may be shortened upon the rejection by the QuadReal Limited Partner's representative on the executive committee of the BTC II Partnership (the "QuadReal Representative") of a certain number of presented investment opportunities or, with respect to each Investment Segment (defined below), upon the date on which the targeted percentage of aggregate capital commitments have been invested in or reserved for investment in such Investment Segment.
- The BTC II Partnership intends to invest in a portfolio of industrial properties located in certain major United States distribution markets, and to be comprised of approximately (i) 70% development investments and (ii) 30% value-add and core investments (each, an "Investment Segment").
- Investments made by the BTC II Partnership will be held indirectly through wholly-owned subsidiaries of the BTC II Partnership (each, a "Partnership Subsidiary"). All investments will be held indirectly through a single Partnership Subsidiary that is expected to elect to be treated as a real estate investment trust for U.S. federal income tax purposes.
- The General Partner will manage the day-to-day operations of the BTC II Partnership, subject to the rights of the QuadReal Limited Partner to approve certain major decisions, including, but not limited to: the acquisition and sale of investments; the creation or assumption of debt financing; entering into or terminating certain material agreements; settling material litigation; materially changing the tax or legal structure of the BTC II Partnership; entering into certain affiliate transactions; waiver of certain material rights; winding up, dissolution or liquidation of the BTC II Partnership; and any merger or consolidation of the BTC II Partnership.
- The General Partner is required to have the properties in the BTC II Partnership portfolio appraised by an independent appraiser within the calendar year following acquisition with respect to core and value-add investments and within the calendar year following the date of completion with respect to development investments. Thereafter, the General Partner is required to have such investments appraised annually by an independent appraiser on a three-year rotation basis.

- The BTC II Partnership Agreement contains procedures for making distributions to the parties, including incentive distributions to the General Partner and the Special Limited Partner, which are subject to certain return thresholds being achieved. The General Partner and the Special Limited Partner have agreed to share any incentive distributions by the BTC II Partnership such that the General Partner shall receive 26.4% of such incentive distributions and the Special Limited Partner shall receive 73.6% of such incentive distributions, which in aggregate represents 80.0% of the incentive distributions attributable to interests in the BTC II Partnership which are not owned by the IPT Partners.
- The Partners, other than the Special Limited Partner, will be obligated to make capital contributions in proportion to their respective BTC II Partnership interests with respect to each approved investment during the Investment Period subject to any aggregate limits that may be applicable to a Partner's obligation to contribute capital. In addition, both during and after the Investment Period, the General Partner is permitted to make additional capital calls with respect to certain preservation costs, certain limited operating and capital variances and other items. The Amendment increased the amount of the Partners' respective aggregate capital commitments.
- The failure of a Partner to make a required capital contribution will result in the non-defaulting Partners having the right, but not the obligation, to: (i) require the Partner who made the capital call to revoke or revise the capital call notice and return the capital contributed by the non-defaulting partner pursuant to such capital call; (ii) fund the shortfall which, if funded, will be treated as a preferred equity capital contribution to the BTC II Partnership which accrues a preferred return; or (iii) make a capital contribution to the BTC II Partnership equal to the shortfall which will result in the dilution of the defaulting Partner's interest in the BTC II Partnership. In addition, the defaulting Partner may forfeit certain rights under the BTC II Partnership Agreement, which rights will be reinstated if the funding of the shortfall is treated as a loan and the defaulting Partner repays the loan in full. If the defaulting Partner is an IPT Partner, then during the default period, it will be grounds to remove the General Partner for "cause," as described below. If one of the IPT Limited Partners or the BCG Limited Partner fails to make a required capital contribution, and the other funds the required capital contribution, the funding Partner may elect, but is not obligated, to fund the non-funding Partner's required capital contribution.
- Subject to certain exceptions, during the Identification Period, the General Partner is required to present: (i) all potential industrial property development investments until March 31, 2018, and thereafter one out of every three potential industrial property development investments; and (ii) value-add and core industrial property investment opportunities from time to time in accordance with the allocation policy employed by the Company's sponsor. If the BTC II Partnership declines to invest in any such opportunity due to the rejection by the QuadReal Representative of the potential investment, the Company or its affiliates will be permitted to pursue the opportunity. The General Partner's obligation to present investment opportunities as described herein will terminate under certain circumstances, including but not limited to the removal of the General Partner or the rejection by the QuadReal Representative of a certain number of presented opportunities, as described above.
- The General Partner may be removed for "cause" as defined in the BTC II Partnership Agreement, which includes, but is not limited to: (i) the commission by the General Partner of an uncured material breach, a willful bad act, or gross negligence which has a material adverse effect on the BTC II Partnership; (ii) an unpermitted change in control of the Company; or (iii) the bankruptcy of the General Partner. If the QuadReal Limited Partner requests the removal of the General Partner, the removal determination will be made by binding arbitration. If the arbitration results in a determination to remove the General Partner, then the QuadReal Limited Partner will appoint a replacement general partner from a previously approved list of third-party real estate and investment management companies.
- Each of the IPT Limited Partner, the BCG Limited Partner and the QuadReal Limited Partner will not be permitted to transfer (as defined in the BTC II Partnership Agreement) their respective interests in the BTC II Partnership to a third party until the first date on which (x) 75% of the rentable space of the BTC II Partnership's last acquired development investment has been leased to tenants under leases for which the lease commencement date has occurred and such tenants have taken occupancy of their premises and have commenced base rent payments, and (y) the weighted average lease term of the leases with respect to such development investment is greater than two years (assuming, in the determination of the weighted average lease term, that any existing tenant termination right is exercised as of the first date such termination would be effective, and no existing tenant option to extend its lease is exercised) (the "Trigger Date"), at which time each of the IPT Limited Partner, the BCG Limited Partner and the QuadReal Limited Partner will be permitted to transfer all (but not less than all) of their respective interests, subject to certain limitations and requirements (including, with respect to a transfer of the IPT Limited Partner's interest in the BTC II Partnership to a transferee, the requirement that there be a concurrent transfer by the General Partner of its interest in the BTC II Partnership to such transferee, which transfer shall be subject to the limitations set forth in the

immediately succeeding sentence). Following the Trigger Date, the General Partner also will be permitted to transfer its interest in the BTC II Partnership to a third-party institutional transferee meeting certain conditions set forth in the BTC II Partnership Agreement, subject to the approval of the QuadReal Limited Partner. Each Partner may transfer its respective interest to an affiliate of such Partner at any time, subject to certain limitations. With respect to a transfer to a third party, any non-transferring Partner will have a right of first offer with respect to the transferring Partner's interest, as well as customary tag-along rights. If an IPT Partner rejects an offer pursuant to its right of first offer, the BCG Limited Partner may elect to accept such offer in lieu of the IPT Partner.

- At any time after the Trigger Date, the IPT Limited Partner or the QuadReal Limited Partner will have the right to trigger a buy-sell mechanism. For purposes of the buy-sell mechanism, the IPT Partners will be deemed a single partner. Upon delivery of a buy-sell notice, the buy-sell mechanism shall commence by any partner offering to purchase the entire interest of the other partners and the offeree must either sell its interest at the offered price or elect to buy the interest of the offering partner at the offered price. The IPT Partners will have a one-time right to delay any liquidation of the BTC II Partnership and the buy-sell process for up to 90 days (which in certain events may be extended to not more than six months in aggregate) if the Company is pursuing a transaction by which its common shares would become listed on a national securities exchange.
- At any time, the IPT Partners may transfer all or any portion of their respective interest in the BTC II Partnership to one or more affiliates of Black Creek Group LLC ("BCG"); provided that (i) if the General Partner transfers all but not less than all of its interest in the BTC II Partnership to one or more affiliates of BCG, such transferee shall become a substitute General Partner and assume all of the rights and obligations of the General Partner, and (ii) if the IPT Limited Partner transfers all but not less than all of its interest in the BTC II Partnership to one or more affiliates of BCG, such transferee shall assume the rights and obligations of the IPT Limited Partner.
- Not more than 12 months prior to the expiration of the Term, each of the IPT Limited Partner and the QuadReal Limited Partner will have the right to cause a forced sale of the investment portfolio and other assets of the BTC II Partnership for a proposed price, subject to a right of first offer in favor of the non-initiating Partners to acquire the entire interest of the initiating Partner for a price determined in accordance with the terms of the BTC II Partnership Agreement (the "ROFO Price"). In the event the non-initiating Partners decline to purchase the interest of the initiating Partner for the ROFO Price, the initiating Partner will have the right to market the portfolio to a third party at a price not less than 98% of the initiating Partner's original proposed price. The initiating Partner may thereafter elect to present a forced sale of the portfolio for a price less than 98% of the initiating Partner's original proposed price, subject to a right of first refusal in favor of the non-initiating Partners.
- In the event of (i) a dispute as to "cause" (as described above) or (ii) a deadlock event prior to the Trigger Date, any Limited Partner may deliver a written arbitration notice to the other Partners and initiate a final and binding arbitration procedure as described in the BTC II Partnership Agreement.
- As compensation for the General Partner providing acquisition and asset management services and, to the extent applicable, development management and development oversight services, the BTC II Partnership will pay the General Partner, or its designee, certain fees in accordance with the terms of the BTC II Partnership Agreement.

In connection with the sale of a portion of the IPT Limited Partner's interest in the BTC II Partnership, the Company will pay Industrial Property Advisors LLC, its external advisor (the "Advisor"), a disposition fee equal to \$105,875.

Item 8.01 Other Events

Risk Factors

As noted, on January 31, 2018, the BTC II Partnership Agreement was amended. As amended, the BTC II Partnership Agreement updated the terms of the special priority granted to the BTC II Partnership under the allocation policy followed by Industrial Advisors Group LLC (the "Sponsor"), the Company's sponsor, with respect to development investments and eliminated the special priority that previously has been granted to the BTC II Partnership with respect to value-add and core investments. To reflect this change, the Company has updated the following risk factor which appeared in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.

We will 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 will compete with entities sponsored or advised by affiliates of the Sponsor, whether existing or 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 allocated 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”), (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 at a time 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. The only currently existing Special Priority has been granted to our second build-to-core fund (“BTC II”), pursuant to which BTC II will be presented with the following Industrial Investments (subject to the terms and conditions of the BTC II partnership agreement):

- BTC II will have the first option to pursue all potential development investments prior to March 31, 2018, and thereafter one out of every three potential development investments.

The Special Priority granted to BTC II will terminate on the earlier to occur of certain events described in the BTC II partnership agreement, such that it will terminate by or before May 2021. The Sponsor or its affiliates may grant additional Special Priorities in the future and from time to time.

“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 Industrial Investment 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 Industrial Investment;
- Availability of financing;
- Cost of capital;
- Ability to service any debt associated with the Industrial Investment;
- Risk return profiles;
- Targeted distribution rates;
- Anticipated future pipeline of suitable investments;
- Expected holding period of the Industrial Investment 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 Industrial Investment; 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.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements (such as those concerning the future activities of the BTC II Partnership) that are based on the Company's current expectations, plans, estimates, assumptions, and beliefs that involve numerous risks and uncertainties, including, without limitation, risks associated with the quantity and quality of investment opportunities available to the BTC II Partnership and those risks set forth in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as amended or supplemented by the Company's other filings with the Securities and Exchange Commission. Although these forward looking statements reflect management's belief as to future events, actual events or the Company's investments and actual results of operations could differ materially from those expressed or implied in these forward looking statements. To the extent that the Company's assumptions differ from actual results, the Company's ability to meet such forward-looking statements may be significantly

hindered. You are cautioned not to place undue reliance on any forward-looking statements. The Company cannot assure you that it will attain its investment objectives.

Item 9.01. Financial Statement and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>First Amendment to Agreement of Limited Partnership of Build-To-Core Industrial Partnership II LP, dated January 31, 2018, by and among IPT BTC II GP LLC, IPT BTC II LP LLC, Industrial Property Advisors Sub IV LLC, BCG BTC II Investors LLC, bcIMC (WCBAF) Realpool Global Investment Corporation, bcIMC (College) US Realty Inc., bcIMC (Municipal) US Realty Inc., bcIMC (Public Service) US Realty Inc., bcIMC (Teachers) US Realty Inc., bcIMC (WCB) US Realty Inc., bcIMC (Hydro) US Realty Inc., and QuadReal US Holdings Inc.</u>

SIGNATURES

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

INDUSTRIAL PROPERTY TRUST INC.

February 6, 2018

By: /s/ THOMAS G. MCGONAGLE
Name: Thomas G. McGonagle
Title: Managing Director, Chief Financial Officer

**FIRST AMENDMENT TO
AGREEMENT OF LIMITED PARTNERSHIP
OF BUILD-TO-CORE INDUSTRIAL PARTNERSHIP II LP**

THIS FIRST AMENDMENT (this “**Amendment**”) to the Agreement of Limited Partnership of Build-To-Core Industrial Partnership II LP, a Delaware limited partnership (the “**Partnership**”), is entered into and shall be effective as of January 31, 2018 (the “**Effective Date**”), by and among (a) IPT BTC II GP LLC, a Delaware limited liability company, as general partner (the “**General Partner**”); (b) IPT BTC II LP LLC, a Delaware limited liability company, as a limited partner (the “**IPT Limited Partner**”) and, together with the General Partner, collectively, the “**IPT Partners**”); (c) Industrial Property Advisors Sub IV LLC, a Delaware limited liability company (the “**Special Limited Partner**”), as a limited partner; (d) BCG BTC II Investors LLC, a Delaware limited liability company (the “**BCIG Limited Partner**”), as a limited partner; (e) bcIMC (WCBAF) Realpool Global Investment Corporation, a Canadian corporation, as a limited partner (“**QuadReal WCBAF**”); (f) bcIMC (College) US Realty Inc., a Canadian corporation, as a limited partner (“**QuadReal College**”); (g) bcIMC (Municipal) US Realty Inc., a Canadian corporation, as a limited partner (“**QuadReal Municipal**”); (h) bcIMC (Public Service) US Realty Inc., a Canadian corporation, as a limited partner (“**QuadReal Public Service**”); (i) bcIMC (Teachers) US Realty Inc., a Canadian corporation, as a limited partner (“**QuadReal Teachers**”); (j) bcIMC (WCB) US Realty Inc., a Canadian corporation, as a limited partner (“**QuadReal WCB**”); (k) bcIMC (Hydro) US Realty Inc., a Canadian corporation, as a limited partner (“**QuadReal Hydro**”); and (l) QuadReal US Holdings Inc., a Canadian corporation, as a limited partner (“**QuadReal US**” and, together with QuadReal WCBAF, QuadReal College, QuadReal Municipal, QuadReal Public Service, QuadReal Teachers, QuadReal WCB and QuadReal Hydro, collectively, the “**QuadReal Limited Partner**”). QuadReal WCBAF, QuadReal College, QuadReal Municipal, QuadReal Public Service, QuadReal Teachers, QuadReal WCB, QuadReal Hydro, QuadReal US, the IPT Limited Partner and the BCIG Limited Partner shall each be referred to herein individually as a “**Limited Partner**” and collectively as the “**Limited Partners**” and the Limited Partners, the Special Limited Partner and the General Partner, each shall be referred to herein individually as a “**Partner**” and collectively as the “**Partners.**”

W I T N E S S E T H

WHEREAS, the General Partner executed the Certificate of Limited Partnership on May 18, 2017, and the Partners executed and agreed to the terms set forth in that certain Agreement of Limited Partnership of the Partnership dated as of May 19, 2017 (the “**Partnership Agreement**”); and

WHEREAS, the Partners desire to amend the Partnership Agreement to reflect additional Capital Commitments by the QuadReal Limited Partner, the IPT Limited Partner and the BCIG Limited Partner, to adjust the Percentage Interests of the Partners and to reflect certain other changes set forth herein.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms. The capitalized terms used in this Amendment and not defined herein shall have the meanings ascribed to them in the Partnership Agreement.
 2. Rejection of Proposed Investments. Notwithstanding any rejection by the QuadReal Limited Partner of any Proposed Investment prior to the date hereof, as of the Effective Date, the QuadReal Limited Partner shall be deemed not to have rejected any Proposed Investments for the purposes of determining whether the Identification Period has expired pursuant to Sections 4.1(a) and 6.6(c).
 3. Increased Capital Commitments and Adjusted Percentage Interests. Schedule 1. Schedule 1 to the Partnership Agreement is hereby deleted in its entirety and replaced with Schedule 1 attached hereto. The increased Capital Commitments and adjusted Percentage Interests set forth on Schedule 1 shall apply for all purposes under the Partnership Agreement from and after the Effective Date.
 4. Deletion of IPT Sell-Down.
 - a. The defined term “**IPT Sell-Down**” is hereby deleted from the Definitions.
 - b. The following proviso in the second sentence of Section 3.1 is hereby deleted in its entirety: “; provided that, following an IPT Sell-Down, the Executive Committee shall be comprised of three (3) members consisting of: (a) the IPT Representative; (b) the QuadReal Representative; and (c) one (1) Representative appointed by the Sell-Down Transferee.”
 - c. Section 4.4(d)(ii) is hereby deleted in its entirety and replaced with the following text: “If any QuadReal Limited Partner is a Defaulting Partner, the General Partner shall have no further obligation to present to the Partnership potential investments pursuant to Section 6.6.”
 - d. Sections 5.3(a)(i) and 5.3(b)(iii) in Exhibit J are hereby amended to delete the following text: “(and the Sell-Down Transferee, if applicable)”.
 - e. The first sentence of Section 6.3(e)(v) is hereby deleted in its entirety and replaced with the following text: “If the GP Appraiser, the LP Appraiser and the Independent Appraiser are appointed, the General Partner shall pay for the services of the GP Appraiser and the QuadReal Limited Partner shall pay for the services of the LP Appraiser and the cost of the services of the Independent Appraiser shall be paid by the Partners *pro rata* in accordance with their Percentage Interests.”
 - f. The last sentence of Section 6.4(c) is hereby deleted in its entirety and replaced with the following text: “Notwithstanding the foregoing, any costs or expenses incurred by the Partnership or a Subsidiary REIT in connection with establishing and maintaining the REIT status of such entity shall be borne entirely by the QuadReal Limited Partner.”
 - g. The second sentence of Section 6.4(d) is hereby amended to delete the words “or the Sell-Down Transferee”.
-

- h. Section 8.1(e) is hereby deleted in its entirety from the Partnership Agreement and replaced with the following: “Intentionally omitted.”
 - i. Clause (iii) of Section 12.4(b) is hereby deleted in its entirety and replaced with the following: “intentionally omitted.”
 - j. Clause (i) of Section 12.11(a) is hereby amended to delete the following text: “(including in connection with the IPT Limited Partner’s right to exercise the IPT Sell-Down pursuant to Section 8.1(e)”.
 - k. Clauses (x) and (y) in the first sentence of the second paragraph of Section 7.4(b) in Exhibit M are hereby deleted in their entirety and replaced with the following text: “from the Substitute General Partner List”.
 - l. The following proviso in the second sentence of the second paragraph of Section 7.4(b) in Exhibit M is hereby deleted in its entirety: “; provided, that from and after the IPT Sell-Down and in the event the Oversight Party does not respond to a request for consent within ten (10) days of receipt, such request shall be deemed approved”.
5. Investment Markets. Exhibit B to the Partnership Agreement is hereby deleted in its entirety and replaced with Exhibit B attached hereto. The changes to Exhibit B are included in blackline format. Notwithstanding the changes to the Exhibit B set forth in this Amendment, the Partners hereby acknowledge that the San Antonio Logistics Investment located in San Antonio, Texas was made in compliance with the Partnership Agreement.
6. Development Management Fee. The Development Management Fee set forth on Exhibit D is hereby reduced to 4.0% of Total Managed Costs, but only with respect to each Approved Investment that is approved by the Executive Committee after the Effective Date. For the avoidance of doubt, the Development Management Fee for each Approved Investment that was approved by the Executive Committee prior to the Effective Date shall continue to equal 4.5% of Total Managed Costs.
7. Investment Silos. Section 2.2(a)(i)(C) is hereby deleted in its entirety and replaced with the following text: “comprised of approximately (I) seventy percent (70%) Development Investments, and (II) thirty percent (30%) Value-Add Investments and Core Investments in the aggregate (the foregoing clauses (I) and (II), each, an “**Investment Silo**”); provided, however, any Approved Investment that would exceed the foregoing allocation for either Investment Silo shall reduce the allocation for the other Investment Silo;”
8. General Partner Reporting and Valuation.
- a. Exhibit H to the Partnership Agreement is hereby deleted in its entirety and replaced by Exhibit H attached hereto.
 - b. In addition to the reports set forth on Exhibit H to the Partnership Agreement, the General Partner will use commercially reasonable efforts to provide the QuadReal
-

Limited Partner with additional reporting as may be reasonably requested of the General Partner from time to time.

- c. The following is hereby inserted at the end of Section 5.2 in Exhibit J to the Partnership Agreement, as Section 5.2(d):

“(d) Notice of Distributions. Each distribution made pursuant to this Section 5.2 shall be accompanied by a notice from the General Partner to the Limited Partners setting forth (i) the date such distribution is made, (ii) the amounts of such distribution attributable to operations and to sales, financings or other capital transactions, and (iii) the amounts of such distribution being made to each of the Partners.”

- d. Section 6.3(e)(i) is hereby deleted in its entirety and replaced with the following:

“(i) The General Partner shall cause the Investments to be valued and appraised as set for on Exhibit H attached hereto. As used in this Agreement, “**Qualified Appraiser**” shall mean an appraiser meeting all the following criteria: (A) is a reputable and independent appraiser in QuadReal Limited Partner’s reasonable discretion; (B) is certified as an MAI and/or RICS appraiser; (C) is authorized to practice as an appraiser under the law of the State or Territory where the valuation takes place; (D) has at least five (5) years of continuous experience in valuation of the type of property to be valued; (E) is not an Affiliate of any Partner and is not in any kind of (perceived or real) conflict of interest; and (F) does not have a pecuniary interest that could conflict with the proper valuation of the property; provided, however, for the avoidance of doubt, with respect to the foregoing clauses (E) and (F), no conflict shall be presumed to exist solely because an appraiser has been retained for other work by an Affiliate of IPT, an Affiliate of BCG or an entity sponsored or advised by an Affiliate of BCG.

9. Allocation Policy.

- a. Exhibit O to the Partnership Agreement is hereby deleted in its entirety and replaced with Exhibit O attached hereto. The changes to Exhibit O are included in blackline format.
- b. Section 6.6(b)(i) is hereby deleted in its entirety and replaced with the following text: “The Partnership will have the first option to pursue all potential investments that qualify as Development Investments identified by BCIG Affiliates through March 31, 2018, and thereafter one out of every three potential Development Investments shall be allocated to the Partnership.”
- c. Section 6.6(b)(ii) is hereby deleted in its entirety and replaced with the following text: “Potential investments identified by BCIG Affiliates that qualify as Value-Add Investments shall be allocated among the Applicable Vehicles pursuant to the Allocation Policy.”
-

- d. Section 6.6(b)(iii) is hereby deleted in its entirety and replaced with the following text: “Potential investments identified by BCIG Affiliates that qualify as Core Investments shall be allocated among the Applicable Vehicles pursuant to the Allocation Policy.”
10. Responsible Investment Policy.
- a. The following is hereby inserted at the end of Exhibit L to the Partnership Agreement as Section 6.6(d):
- “(d) Responsible Investment Policy. The IPT Partners acknowledge that the QuadReal Limited Partner has informed the IPT Partners that it is bound by a responsible investment policy as set forth on Exhibit P attached hereto (the “**Responsible Investment Policy**”). The QuadReal Limited Partner may, from time to time, update the Responsible Investment Policy, a copy of which will be provided to the IPT Partners. Except as otherwise approved by the Executive Committee, to the extent practicable, reasonable and applicable, the General Partner will in good faith take into account the Responsible Investment Policy when acquiring an Investment. The General Partner agrees to send to the QuadReal Limited Partner an annual report certifying that the General Partner has complied with the provisions of the preceding sentence in connection with the General Partner’s actions related to the Partnership during the period since the last such report.”
- b. Exhibit P attached hereto is hereby inserted in the Partnership Agreement as Exhibit P to the Partnership Agreement.
11. Anti-Terrorism, Money Laundering and Anti-Corruption Provisions. Section 12.8(l) of the Partnership Agreement is hereby amended to provide that, in addition to the statutes referenced therein, the Partners shall also comply with the following statutes: the Corruption of Foreign Public Officials Act (Canada); the Foreign Corrupt Practices Act of 1977 (United States); the Bribery Act (UK) or other similar laws of other jurisdictions; the Special Economic Measures Act (Canada) or other similar laws of other jurisdictions; and the Freezing Assets of Corrupt Foreign Public Officials Act (Canada).
12. Entire Agreement. The Partnership Agreement, as amended by this Amendment, constitutes the entire agreement between the Partners and supersedes any prior agreements or understandings between them with respect to the subject matter thereof.
13. Full Force and Effect. Except as expressly amended hereby, the Partnership Agreement shall remain in full force and effect.
14. Binding Effect. Except as otherwise provided in this Amendment, every covenant, term and provision of the Partnership Agreement, as amended by this Amendment, shall be binding upon and inure to the benefit of the Partners and their respective successors, transferees and assigns.
-

15. Headings. Section and other headings contained in this Amendment are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Amendment or any provision hereof.
16. Severability. Every provision of this Amendment is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Amendment.
17. Construction. Every covenant, term and provision of this Amendment shall be construed simply according to its fair meaning and not strictly for or against any Partner.
18. Further Action. Each Partner, upon the request of the General Partner, agrees to perform all further acts and execute, acknowledge and deliver any documents which may be reasonably necessary, appropriate or desirable to carry out the provisions of this Amendment.
19. Incorporation by Reference. Every exhibit referred to herein is hereby incorporated in this Amendment by reference.
20. Applicable Law. Notwithstanding the place where this Amendment may be executed by any of the parties hereto, this Amendment, the rights and obligations of the parties hereto, and any claims and disputes relating thereto shall be subjected to and governed by the Act and the other laws of the State of Delaware as applied to agreements among Delaware residents to be entered into and performed entirely within the State of Delaware, and such laws shall govern all aspects of this Amendment, including, without limitation, the limited partnership aspects of this Amendment.
21. Counterpart Execution. This Amendment may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. This Amendment may be delivered by one or more parties by facsimile or similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

GENERAL PARTNER

IPT BTC II GP LLC, a Delaware limited liability company

By: IPT Real Estate Holdco LLC, a Delaware limited liability company, its sole member

By: Industrial Property Operating Partnership LP, a Delaware limited partnership, its sole member

By: Industrial Property Trust Inc., a Maryland Corporation, its general partner

By: /s/ THOMAS G. MCGONAGLE

Name: Thomas G. McGonagle

Title: Chief Financial Officer

IPT LIMITED PARTNER

IPT BTC II LP LLC, a Delaware limited liability company

By: IPT Real Estate Holdco LLC, a Delaware limited liability company, its sole member

By: Industrial Property Operating Partnership LP, a Delaware limited partnership, its sole member

By: Industrial Property Trust Inc., a Maryland Corporation, its general partner

By: /s/ THOMAS G. MCGONAGLE

Name: Thomas G. McGonagle

Title: Chief Financial Officer

SPECIAL LIMITED PARTNER

Industrial Property Advisors Sub IV LLC, a Delaware limited liability company

By: Industrial Property Advisors LLC, a Delaware limited liability company, its sole member

By: Industrial Property Advisors Group LLC, a Delaware limited liability company, its sole member

By: /s/ EVAN H. ZUCKER

Name: Evan H. Zucker

Title: Manager

BCIG LIMITED PARTNER

BCG BTC II Investors LLC, a Delaware limited liability company

By: /s/ EVAN H. ZUCKER

Name: Evan H. Zucker

Title: Manager

QUADREAL WCBAF

bcIMC (WCBAF) Realpool Global Investment Corporation, a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board

QUADREAL COLLEGE

bcIMC (College) US Realty Inc., a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board

QUADREAL MUNICIPAL

bcIMC (Municipal) US Realty Inc., a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board

QUADREAL PUBLIC SERVICE

bcIMC (Public Service) US Realty Inc., a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board

QUADREAL TEACHERS

bcIMC (Teachers) US Realty Inc., a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board

QUADREAL WCB

bCIMC (WCB) US Realty Inc., a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board

QUADREAL HYDRO

bcIMC (Hydro) US-Realty Inc., a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board

QUADREAL US

QuadReal US Holdings Inc., a Canadian corporation

By: /s/ JONATHAN DUBOIS-PHILLIPS

Name: Jonathan Dubois-Phillips

Title: Chair of the Board
