

URBANIC Netherlands I C.V.

An Investment in the Dutch Market for Communal Housing

Information Memorandum

**Attention! This investment falls outside AFM supervision.
No license and no prospectus required for this activity.**



INFORMATION MEMORANDUM

URBANIC Netherlands I CV

(a limited partnership under Dutch Law with its statutory seat in Amsterdam)

URBANIC Netherlands I CV is an initiative of URBANIC BV. This Information Memorandum is published in connection with the offering of maximum 150 Participations in URBANIC Netherlands I CV, with a nominal value of € 100.000 each.

Investment in the Participations carries certain risks. In paragraph 7 these risks will be discussed.

URBANIC B.V. in its capacity of Fund Manager is not required to obtain a license from the Authority Financial Markets. URBANIC BV is registered with the Authority Financial Markets.

In connection with the offering of the Participations no prospectus will be prepared for approval by the Authority Financial Markets.

The date of this Information Memorandum is April 28, 2017

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IMPORTANT INFORMATION

Warning

Potential investors in the Fund are explicitly warned about the financial risks involved in investing in the Fund. They should take good notice of the full content of this Information Memorandum (including the annexes) and, if necessary, obtain independent advice in order to be able to make a good assessment of those risks. The value of an investment in the Fund may fluctuate. It is possible that an investor loses money invested in the Fund. Past performance offers no guarantee for future results.

Responsibility for the contents of this Information Memorandum

The Fund Manager accepts responsibility for the accuracy and completeness of the information contained in this Information Memorandum. This information is in accordance with the facts to the best knowledge and belief of the Fund Manager. No facts are omitted that would change the content of this Information Memorandum, had such information been included. The distribution and delivery of this Information Memorandum do not imply that all information contained herein is still correct at that time.

Information about the Fund provided by third parties

The Fund Manager is not responsible for the accuracy of any information concerning the Fund that is provided by third parties.

Selling restrictions regarding other countries

Law in certain jurisdictions may restrict the distribution of this Information Memorandum. The same applies to the subscription and redemption of Participations in the Fund. The Fund Manager requests persons who obtain this Information Memorandum to inform themselves about any such restrictions and to observe them. This Information Memorandum does not constitute an offer or a solicitation of an offer in any jurisdiction in which such offer or solicitation is against the law, or to any person to whom it is unlawful to make such an offer or invitation. The Fund Manager is not liable for any infringement of such restrictions by any person whatsoever, whether or not that person is a potential purchaser of Participations.

Applicable Law

This Information Memorandum is governed by Dutch Law. It will be published in the English language only. Translations of Dutch legal terms used in this Information Memorandum are for convenience only and shall not influence the interpretation thereof.

1. Summary

This summary should be read as an introduction to the Information Memorandum. Any investment decision should be based on reading the entire Information Memorandum.

1.1 The Opportunity

- Participate in the development of a portfolio of small-scale communal housing projects in the Netherlands, focused on students and young professionals, delivering strong return and considerable opportunity for Capital Gain, as house price trends in the Netherlands are positive and rented houses attract strong demand from (institutional) investors.
- Target of an average Net Initial Rental Yield of 5,75 – 6,00% on property level. Assuming leverage of 65% an Internal Rate of Return of 11,33% is forecasted (including an annual increase in value of the portfolio of 1,33%).
- Multiple exit scenarios: portfolio sale or sale of individual properties as apartments/ single-family residences. Capital Gains are expected, as long-term house price trends are positive.
- Low tax investment – individual investors are subject to annual Dutch income tax of 30% over fictitious return of approximately 4%, this is equal to approximately 1,2% of net investment whereby real

estate is valued at a percentage¹ of the value for municipal taxes (“WOZ value”)². For foreign investors this income may be tax exempt in their country of residence. As WOZ values are currently below market value, we expect the effective tax rate to be zero or close to zero for at least the first three years (see paragraph 5.1).

1.2 Risks

- Participating in the Fund contains certain risks that are outlined in this Information Memorandum. Before participating a Participant should first be aware of the size and relevance of the risks involved and whether an investment is suitable.
- There is a possibility that the investment increases in value. However it is also possible that the investment in the Fund will generate limited or no income and that the investment may lose its value partially or completely. The possible negative returns are the risk of the individual Participant in the Fund. Neither the Fund Manager, nor the Management Team nor the Supervisory Committee, nor the Custodian is liable for losses incurred by one or more Participants, unless in case of gross negligence by any of these parties.

¹ Approximately 85%

² For a Participation of € 200.000 the fictitious return will be 3,7% in 2017. For further details refer paragraph 5.

- Risks including the risk of higher than expected ongoing or maintenance costs, political changes and inflation can have a negative impact on the performance and ultimately the investment in the Fund. These effects might be increased due to a lack of diversification of the Fund.
- Chapter 7 of the Information Memorandum contains a more detailed overview of the risks related to participating in the Fund. Any investor must carefully read all outlined risks before making any investment decision.

1.3 Investment rationale

- The Dutch market for communal housing for students and young professionals in key cities such as Amsterdam and Rotterdam, is characterized by a fragmented supply and a significant shortage of accommodation. At the same time demand for safe quality accommodation continues to increase.
- Favorable outlook for communal student/young professional housing investments due to attractive risk adjusted returns, low bad debt and income resiliency for economic cycles.
- Student housing increasingly attractive and on top of the list of 'alternatives' investment opportunities, other sectors being hotels, storage, logistics, health care, data centers.

- Pro-active sourcing and in-depth knowledge of the local real estate market, project management and construction/ construction management through close relationship with C111 Vastgoed B.V., a real estate advisory firm.

1.4 Strategy

- Build a portfolio of approximately € 28.5 million³ of communal housing properties in sought-after locations in Central Rotterdam, Central Amsterdam and possibly other cities with high student and/or young professional populations.
- Acquire houses in price range of approximately EUR 250.000 – 2.500.000, reconfigure for communal living but anticipate potential alternative use, in order to limit downside risk.
- Sourcing, acquisition, design, renovation and project management outsourced to C111 Vastgoed B.V., a real estate advisory firm. C111 will charge a fee of 5,45% (including VAT) of the Acquisition Cost before C111 fee of each property acquired. The fee will be increased to 6% (including VAT) if the Net Initial Rental Yield of a property exceeds 6,25% and reduced to 4,85% (including VAT) if a Net Initial Rental Yield of 5,75% is not met before reducing the C111 fee. The increase and reduction of

³ The amount of € 28.5 million is based on € 10 million equity (approximately 35% equity and 65% debt). If actual equity is higher or lower, the total portfolio will also become proportionally higher or lower.

the C111 fee cannot reduce the Net Initial Rental Yield below 6,25% or increase the Net Initial Rental Yield above 4,85%.

- Rental contracts will include an annual rent adjustment clause allowing rent increases equal to inflation plus a mark up of at least 1%. Where pre let properties are acquired different rent increase clauses may apply.

2. Definitions

The words and terms used in this Information Memorandum and which are spelled with capital letters have the following meaning, unless it is apparent from the context that this is not the case. The definitions are equally applicable to the singular and plural use of the words and terms.

Acquisition Cost

The onetime cost made to purchase and prepare a property for rent: including real estate transfer tax, notarial and registration fees, construction cost and project management cost. These cost are discussed in greater detail in paragraph 4.1.1.

Authority Financial Markets (AFM)

The foundation Autoriteit Financiële Markten (Authority Financial Markets) of the Netherlands.

Average Net Rental Return (%)

The average of the annual Net Rental Returns over the Fund Life.

C111 Vastgoed B.V.

Real estate consultancy company, also referred to as “C111”.

Capital Gain

The result that will be realized through the sale of the portfolio of properties or individual properties, calculated as the sales price less Acquisition Cost and sales cost borne by the Fund.

Custodian

The stichting (foundation) Stichting Urbanic Netherlands I under Dutch law that functions as the custodian of the legal ownership of properties acquired and other assets of the Fund.

Direct Rental Costs

The direct rental costs are the costs directly attributed to the rental activity and include insurance costs, local taxes, maintenance costs, real estate management fees, CV overhead costs and an estimated vacancy opportunity cost of 2% of estimated revenues. This normally amounts to 15 - 20% of the gross rental revenues.

Final Closing

The final date on which an application to the Fund will be accepted, being September 30, 2017.

Fund

Urbanic Netherlands I C.V., a limited partnership under Dutch law.

Fund Formation Cost

The onetime cost made by and on behalf of the Fund at its creation. Refer paragraph 4.1.3 for further details.

Fund Life

The period starting on the day of the Fund formation and ending on the day that the Fund is wound up.

Fund Manager

URBANIC B.V.

Initial Closing

The final date on which the first round of applications will be accepted, being May 31, 2017.

Initial Portfolio

A portfolio of properties that the Fund will acquire from Arco Bakker and Gijs Ekker, two individuals involved in this initiative.

Information Memorandum

This information memorandum dated April 28, 2017, possibly subject to change.

Internal Rate of Return (%)

The internal annual rate of return as calculated by the cash flows of the Participants.

Investment Period

The period from the date of the formation of the Fund until the moment that it is fully invested.

Managing Partner

The Managing Partner of the Fund being Urbanic Netherlands I B.V. is a private company with limited liability under Dutch law, formally resident and with its office at Batjanstraat 13, Amsterdam. The Managing Partner was formed on April 24, 2017 and is registered in the Trade Register under number 68617399.

Management Team

Means the director of Urbanic B.V., in its capacity of Fund Manager.

Minimum Net Initial Rental Yield (%)

The Minimum Net Initial Rental Yield of 5,50% at a property level.

Net Initial Rental Yield (%)

The net initial rental return, expressed as a percentage, calculated at the time of renting a property as the initial rent revenues net of Direct Rental Costs/Acquisition Cost.

Net Rental Return (%)

The rental revenues net of Direct Rental Costs, interest cost on debt and portfolio management fees/Total Equity.

Participation

A unit representing the contractual interest of a Participant in the Fund.

Participant

Each holder of one or more Participations, also referred to as limited partner in the Limited Partnership Agreement.

Payment Request

A request made by the Fund Manager to one or more Participants to pay part or the entire outstanding subscription amount.

Performance Fee

The fee that the Fund Manager is entitled to at the end of the Fund Life equal to 20% of the Total Return in excess of an Internal Rate of Return of 5% without catch-up.

Portfolio Management Fee

The fee that the Fund Manager will receive from the Fund. Reference is made to paragraph 4.1.4.

Real Estate Management Fees

The fee that C111 Vastgoed B.V. will receive from the Fund for the tenant, commercial and technical management of the Fund's properties.

Supervisory Committee

An internal Supervisory Committee of the Fund composed of three members.

Total Equity

The total amount subscribed and paid by the limited partners of the Fund.

Total Return

The total return, net of all fees and cost, for the limited partners calculated as the total distributions to the limited partners in excess of the equity provided.

3. Real Estate Investments

The Fund will acquire houses and apartments in central and up-and-coming parts of Amsterdam and Rotterdam. To the extent necessary the houses and apartments will be renovated and configured for communal living by students and young professionals.

Depending on market conditions the Fund may incidentally acquire similar properties in other cities with large populations of students and/or young professionals and a tight housing market. However, the Total Acquisition Cost of such properties will not exceed 10% of the total Acquisition Cost when the Fund is fully invested.

If the Fund considers taking a more structured approach to locations other than Amsterdam or Rotterdam it will seek approval from the Fund's Supervisory Committee (see paragraph 6.5). Although no research has been undertaken at this point in time, cities like The Hague and Utrecht could be obvious targets.

3.1 Target occupants

3.1.1 Students

The number of registered students (Universities and Universities for Applied Sciences) in Amsterdam and Rotterdam are around 100.000 and 60.000 respectively. It is expected that the number of students will continue to increase by 5% in Rotterdam and 10% in Amsterdam over the next 8 years⁴.

⁴ National Monitor Student housing 2016, Kences/Ministry of Internal Affairs

The number of foreign students in both cities today is approximately 10% of the total and expected to grow by 35% over the next 8 years⁵. This is an important factor as every foreign student will need housing, while approximately 50% of Dutch students continue to live with their parents at least part of their study period.

With an expected net increase of 10.000 students in Amsterdam and 3.500 in Rotterdam over the next eight years, continued market pressure is expected for the foreseeable future.

3.1.2 Young professionals

Little research is available on the number of young professionals and the availability of appropriate housing. One of the obvious reasons for this lack of data is that this group is very diffuse and hard to track and label.

Based on its experience with its first fund, Urbanic Amsterdam I CV, Urbanic expects that most young professional tenants will be former students at universities and universities of applied sciences. This group is used to communal living and often considers it attractive.

The numbers of young professionals in cities like Amsterdam and Rotterdam continuous to grow. This trend is driven by urbanization and further centralization of economic activity in big cities, and is comparable to what is happening in other European cities.

There is a significant shortage of housing options for this group.

⁵ National Monitor Student housing 2016, Kences/Ministry of Internal Affairs

They can generally not afford to buy an apartment at a desired central city location, as prices are too high in relation to their income. At the same time mortgage financing is increasingly hard to get for this group as young professionals often work on temporary contracts.

This is part of other more fundamental long-term developments in the Netherlands. The labor market gets more flexible and the number of independent contractors, temporary migrant workers and other flexible working arrangements is growing rapidly. As this leads to greater income uncertainty than more traditional work arrangements these younger people tend to prefer renting to buying to maintain flexibility.

The housing markets in the cities like Amsterdam and Rotterdam are also characterized by a dramatic shortage of rental properties both in regulated and unregulated sectors. In the regulated sector this leads to waiting lists of up to 15 years; in the unregulated sector this leads to rapid rent increases.

The combination of the above factors has led to a strong interest in communal living with young professionals in Amsterdam and Rotterdam: it allows them to live in a central location at a shared rent they can afford.

3.2 Target Properties

The Fund will acquire houses and apartments in central and up-and-coming parts of Amsterdam and Rotterdam.

The properties acquired will, to the extent necessary, be renovated and reconfigured for communal living by young professionals and students.

The design of the communal living units will be characterized by spaciousness (generally at least 15-20 m² per occupant), modern kitchens and bathrooms, and high quality finishing.

When considering acquiring a property an analysis will be made of the expected Net Initial Rental Yield. This is defined as the Net Initial Rental Yield on the total investment in the property, net of costs and before leverage. The Fund will normally only acquire a property if the expected Net Initial Rental Yield is equal to or exceeds 5,50% (Minimum Net Initial Rental Yield).

There may be instances where Fund management believes that a strong business case exists to acquire a property even though the 5,50% Minimum Net Initial Rental Yield cannot immediately be met. In that case the property can only be acquired after obtaining approval from the Fund's Supervisory Committee (see paragraph 6.7).

In designing the communal living units the ease with which units can be converted back into apartments or single-family houses is considered to ensure that all potential exit scenarios can be easily executed.

The Fund expects to acquire target properties one by one. As a result it is expected that it will take the Fund 2 years to fully invest.

3.3 Real Estate Markets

3.3.1 Dutch House Prices

In 2016 the Dutch economy grew by 2,1%; the expectation is that growth in 2017 will be around 1,8%⁶. At the same time mortgage interest rates remain low. As a result average house prices increased by approximately 5% in 2016 and are expected to increase with a similar percentage in 2017. The number of transactions grew by around 20% in 2016 and was at a record high level.

In Amsterdam the average house price increased by 17% in 2016, with apartment prices increasing above average. The number of transactions in Amsterdam was flat in 2016 and is expected to shrink in 2017 as fewer properties come on the market.

In Rotterdam the average house price increased by 6% in 2016, while apartment prices increased by around 10%. The number of transactions in Rotterdam increased by 26% in 2016 and the market is expected to keep its momentum in 2017.

Although house prices are high (especially in Amsterdam) and are expected to keep rising, especially in the big cities, we believe that there is firm fundamental support for current price levels through economic growth, low interest rates, fundamental urbanization trends and the lack of properties available on the rental markets.

3.3.2 The Dutch Rental Markets

⁶ Quarterly update real estate market, Rabobank Februari 17, 2017

The housing market in the Amsterdam and Rotterdam can roughly be split as follows: owner-occupied housing 30-35%, social (regulated) housing 50-55%, unregulated rental market 10-20%.

People with an annual income in excess of € 35.000 have no access to social housing and therefore depend on the unregulated rental market which is very small and therefore expensive.

Students and young professionals would on the basis of their income often qualify for social housing, but face waiting lists of up to 15 years and therefore in practice also have to rely on the unregulated rental market.

At the same time a significant share of students and young professionals have a strong desire to live in central city locations close to the universities, theaters, restaurants, night life, etc. As discussed in paragraph 3.1 the problem they have is that they cannot afford to buy or rent independent housing in the city location where they like to live.

An increasing number of students, and especially young professionals, are therefore choosing communal living and it is our expectation that demand will continue to grow.

3.3.3 Amsterdam Housing Market

3.3.3.1 Owner-occupied housing

The real estate market in the Amsterdam has proven very resilient and has seen rapid price increases over the past years. Over the last 2 years the average asking price per m2 increased by around 30% with the prices of

apartments in desired city locations moving up more rapidly.

The price increases were initially strongest in the most central areas (the Center, South) and then moved to secondary areas within the Amsterdam Ring in Amsterdam West and East. The momentum in the market currently continues to move to Amsterdam North within the Central Ring road and areas outside the Ring.

The momentum in the market is driven by a number of key factors.

- the number of owner-occupied houses in Amsterdam is approximately 30% of the total house stock, which is very low compared to the overall situation in the Netherlands where more than 50% of houses are owner-occupied. This indicates that there is a general shortage of houses available for owner-occupants in Amsterdam with a very tight market in popular Amsterdam locations. Over the coming years building activity will be intense to increase the number of houses for sale, but capacity will remain very scarce. This is on the one hand due to a lack of space and extensive zoning restriction in the older and most central and popular parts of the city. On the other hand, although a large number of new building projects have been announced, building activities are expected to lag the need for new houses considerably for the foreseeable future.
- urbanization trends around the world are also obviously present in the Amsterdam. Business and cultural life is getting more centralized in the big cities and especially in Amsterdam. And this is not a pure domestic trend. An interesting example was recently discussed in the Financial Times, where Amsterdam rated very high as a place to work and live and was elected by workers in the technology sector as the 4th city worldwide for Wellness (healthcare, pollution, commuting times, Crime levels) and the 6th city worldwide for City Buzz (night life, cultural amenities). And not only students and young professionals, but also middle-income families and retiring baby-boomers are keen to live in the city. As a consequence we expect that demand will continue to be very strong.
- As mortgage interest rates are very low, buyers that can get a mortgage can afford to pay higher prices.
- As a result of low returns on other classes of investments many private investors are competing with potential owner-occupants to purchase houses and apartments in Amsterdam as an investment.

With supply being limited and demand continuing to increase we believe that long-term trends are positive and prices will continue to increase.

3.3.3.2 Amsterdam Rental Market

There is a strong demand for rental properties in the unregulated mid-market. This segment is generally defined as houses with rents in the € 680 – € 1.500 range.

This strong demand is driven by the fact that both mortgages and access to social housing are subject to strict conditions that many potential tenants cannot meet. For some other fundamental factors please refer to paragraph 3.1.

It is not possible to find data on how rents moved in our niche market of communal living units. However, based on our own experience we believe that communal living rents have moved up by close to 10% over the last 12 months.

3.3.4 Rotterdam housing market

3.3.4.1 Owner-occupied housing

Over the last two years average asking prices per m² in the Rotterdam market increased by 8% with most of the increase happening over the last 12 months. Even though this is an average, and therefore not directly applicable to those parts of the city we focus on it is clear that the Rotterdam prices increased less than Amsterdam prices.

Nonetheless, the factors that support the rapid price increases in the housing market in Amsterdam – the low number of owner-occupied housing options, urbanization, low mortgage interest rates and competition by investors – are becoming rapidly stronger in Rotterdam, in particular in

the more desirable parts of the city where our target tenants would like to live.

We believe that these factors will continue to support prices in the Rotterdam housing market as Rotterdam becomes a more and more attractive and international oriented city. Further important support is given by the city of Rotterdam with its policies focusing on the attraction and retention of higher educated residents.

3.3.4.2 Rotterdam Rental Market

In many ways the Rotterdam rental market is similar to the Amsterdam market, with a significant shortage of options for tenants dependent on the unregulated mid-market.

It is not possible to find data on how rents moved in our niche market of communal living units. But different from Amsterdam, the availability of such units is very scarce and it is our impression that rents are moving up.

3.4 Our experience

Over the past 12 months Urbanic, through its first fund Urbanic Amsterdam I CV, acquired, renovated and rented out approximately 25 units for communal living in Amsterdam.

All properties were rented shortly after the renovation was completed. Even though purchase prices continued to move up, rental price increases significantly as well, proving the strength of the Urbanic model.

In Rotterdam the initiators purchased a small number of properties to test the market. We have found that demand

for communal living is strong. With both purchase and rental prices significantly lower than in Amsterdam, Rotterdam units are more affordable, and may potentially generate greater capital gains at exit.

4. Financial Aspects and Forecasted Return

The Fund has not been established yet and has therefore no past or current activities and no historical financial information.

All amounts below are including value added tax where applicable.

The expected return analysis is prepared on the basis of the assumptions as discussed in this Information Memorandum.

The investment period of the Fund has been set at a maximum of 3 years. It is expected that from the formation of the Fund it will take up to 24 months to fully invest the Fund's capital. This 24 months investment period has been taken into account in the expected return analysis, any further delay has not.

4.1 Investments and Fund Formation Costs

The anticipated Fund Life is expected to be between 5 and 8 years, depending on market conditions deciding the optimal moment to sell the real estate portfolio. For the expected return analysis it has been assumed that the Fund Life is equal to 8 years from the day of formation.

4.1.1 Acquisition Costs

The Fund will acquire houses and apartments in Amsterdam and Rotterdam at market prices from third parties.⁷ Once a price has been agreed, the following costs will be added to the investment if and to the extent incurred:

- Real estate transfer tax of (generally) 2% of the purchase price of houses and apartments is due at the moment of purchase.
- Notarial cost which are subject to negotiation and estimated at 0,4% of the acquisition price.
- Registration cost of approximately € 500.
- Construction cost, included unprovided. This amount cannot be specified, as it is property specific.
- C111 project cost of normally 5,45% including VAT (refer paragraph 4.1.4).

The total Acquisition Cost of a property will be capitalized and not depreciated over the Life of the Fund as long as the expected sales price of the properties is equal to or exceeds the total Acquisition Cost.

⁷ The acquisition of the Initial Portfolio is an exception, see paragraph 4.1.2. Other exceptions can only take place with the approval of the Supervisory Committee.

Table 1 Example of Capitalized Acquisition Cost

Purchase price	100
Notary / legal cost	0,4
Tax	2
Construction cost (say 10)	10
Total cost before C111 fee	112,4
C111 fee 5,45% of 112,4	6,13
Total capitalized cost	118,53

4.1.2 Initial Portfolio

The Fund has agreed to acquire a four Rotterdam properties from a general partnership created by Arco Bakker and Gys Ekker: van de Meydestraat 50a II, Beukelsdijk 15B-3, Bentincklaan 39C and Tidemanstraat 35a.

These properties will be transferred when completely renovated and let to students and young professionals.

The Fund has agreed to acquire these properties at a price allowing a Net Initial Rental Yield of 5,75% at property level.

Before acquiring these properties the Fund will seek approval from its Supervisory Committee.

4.1.3 Fund formation cost

The cost to establish the Fund include the cost for the creation of the Limited Partnership, Stichting Urbanic Netherlands I as Custodian and URBANIC Netherlands I B.V. as Managing Partner, the drafting of the agreements between the Fund and C111 Vastgoed B.V., the Fund and the

Custodian and advice regarding the legal and tax positions of the Participants and management.

EY advises on tax matters. The law firm of Holland van Gijzen advises on legal issues.

The Fund formation costs are estimated to be in the range of € 50.000 – € 75.000 and will be charged to the Fund and amortized over 5 years.

4.1.4 Fees and Expenses

Portfolio Management Fees

The Fund Manager will receive from the Fund a Portfolio Management Fee of 0.6% per year of the Acquisition Cost of real estate under management from the moment the property is acquired.

The Fund Manager will receive from the Fund a Portfolio Management Fee of 0.3% per year on equity committed but not called over the first 24 months of the Fund's existence.

If investments are made in the course of the year Portfolio Management Fees will be pro-rated.

Performance Fee

The fee that the Fund Manager is entitled to at the end of the Fund Life equal to 20% of the Total Return in excess of an Internal Rate of Return of 5% without catch-up. The Fund Manager will share this Performance Fee with C111 Vastgoed B.V. a company owned by Raymond Varossieau and Wytze Lucas.

Real Estate Management Fees

C111 Vastgoed B.V. will be engaged for tenant, commercial and technical management of the Fund's properties. C111 will charge a fee of 5,00% (including VAT) of rents received.

Cost of Real Estate Ownership

This includes a variety of cost categories such as real estate taxes, contributions to Owners Communities, contributions to Water Management Companies, Sewer Rights and insurance premiums.

Maintenance

This is the estimated maintenance cost of the properties owned by the Fund. This amount is relatively low as all properties acquired by the Fund will be in excellent maintenance conditions after acquisition and subsequent renovation.

Advisors

Advisors fees are fees in relation to letting of properties, auditing of the annual accounts and other financial, legal or tax advice.

Interest

The forecast includes financing cost of 3,00% that combines mortgage interest and bank fees amortized over the term of the loan.

Normally we expect the loans to have a 2 to 5 year fixed interest rate term.

Depreciation of Property

The total Acquisition Cost of a property will be capitalized and not depreciated over the life of the Fund as long as the expected sales price of the properties at the end of the life of the Fund is equal to or exceeds the total Acquisition Cost.

Fund Formation Cost

Fund formation cost will be amortized over 5 years.

4.3 Fund Financing

4.3.1 Fund Capitalization

The Fund will be financed with a maximum amount of € 15 million in equity. This is the Participation of the limited partners. The minimum Participation by a limited partner is € 200.000. The equity will be approximately 35% of the Fund financing.

4.3.2 Payment Request

The Fund Manager may partially or fully call the outstanding Subscription Amount of a Participant by means of a Payment Request:

- To enable the Fund to comply with funding requests; and
- For payment of expenses of the Fund or reservation for expenses that the Fund or Fund Manager will incur within the next three months.

A Participant that receives a Payment Request is obliged to pay the

corresponding amount within the payment term as specified in the Payment Request, which term shall be a minimum of ten Business Days from the date of receipt by a Participant.

A Participant is in default if such Participant does not, not timely or not fully comply with a Payment Request. The payment term specified in the Payment Request constitutes a final term. If the requested payment is not received on the date specified in the Payment Request the Participant must compensate any damages that the Fund suffers as a consequence of the late payment by the Participant, excluding consequential damages as a result thereof.

The Fund Manager is entitled to charge a penalty interest of EURIBOR +10% over the amount of the capital called to the Participant that is in default 10 days after the payment date of a Payment Request.

The Fund Manager is entitled to redeem the Participations of the Participant as soon as the Participant is in default 45 days after the payment date of a Payment Request for the benefit of the Fund for the amount of nil, provided the Participant has been informed at least 10 working days before by the Fund Manager's intention to redeem the Participation by registered mail. In that case the Participant will not be entitled to any distribution from the Fund and will no longer have any voting right. In addition, the Fund Manager is entitled to exclude the Participant from any future Payment Request. The Participant therefore will lose its right to participate in future investments.

4.3.3 Fund Debt

Debt will approximately be 65% of the Fund Financing. If the amount of equity will be € 10 million, debt will be around € 18.570.000.

Table 3: Fund capitalization (on the basis of a capital investment of Participants of € 10 million)

Equity	€ 10.000.000	35%
Debt	€ 18.571.000	65%
Total assets	€ 28.571.000	

Debt financing will be obtained from one or more banks or other financial institutions. Normally the Fund would opt for 2 - 5 years fixed interest rate loans, which are currently being offered at an interest rate of 2,45% and need to repay at 2% per annum. As stated before, in the forecasted return analysis an interest rate of 3,00% has been taken into account. The financing conditions and the choices made by the Fund may change over time.

Related bank fees are subject to negotiation but would expected to be equal to approximately 0.5% of the loan amount. These fees will be amortized over the term of the loan.

4.3.4 Liquidity Reserve and Management

It is expected that at the formation of the Fund a liquidity reserve of approximately € 50.000 will be formed to cover unexpected operational costs.

4.4 Bridge Financing

From time-to-time the Fund may require short time bridge financing between the time of the acquisition of a property and the moment that bank financing is in place.

If the need for short term bridge financing arises, the Fund will offer all its limited partners the opportunity to provide bridge financing in relation to a specific asset purchase at the following terms.

- subscription to bridge loan opened when Fund management identifies need
- subscription at least € 100.000 per participating limited partner
- if subscription amount exceeds required amount allocation in tranches of € 100.000 in order of receipt. If Fund management members subscribe, their subscription will be deemed to be received last.
- very short term, typically not more than 4 - 6 weeks
- joint bridge loan providers are required to purchase the property as indicated in the bridge loan document if no bank financing can be obtained, pro rata to their participation in the bridge financing
- interest rate 6%.

If bridge financing is obtained the additional interest cost will be added to the acquisition cost of the property if the necessity of bridge financing is identified at the time of the purchase.

4.5 Forecasted return

The Fund has prepared a forecast of return on investment. This forecast, as well as the underlying assumptions, are included as annex II and are based on the circumstances at the time of writing this Information Memorandum.

Unless stated differently, all forecasts in this Information Memorandum are made on the basis of estimated numbers, based on contracts and prior experience of the initiators.

4.5.1 Forecast net rental return

The estimated Average Net Rental Return over a Fund Life of 8 years is 10, 17% per year. This is net of all costs and fees and assuming an average Initial Net Rental Yield of 5,75%.

The key factors impacting the forecasted return are discussed in paragraphs 4.5.2 and 4.5.3.

4.5.2 Rental income

The Fund will hold strictly to its Minimum Net Initial Rental Yield of 5,50% of the Acquisition Cost.

Rental income is estimated on the basis of current market prices for communal living and expected future developments.

Considering current and expected market conditions vacancy has been estimated conservatively to be 2%.

Rents are indexed. Rental contracts will include an indexation clause that allows rents to be increased annually with inflation in accordance with the

Consumer Price Index (CPI) published by the Central Bureau of Statistics of the Netherlands plus a market factor of at least 1%, while the minimum annual increase is generally set between 1,5% and 2,5%. Where pre let properties are acquired different rent increases clauses may apply.

The rental contracts for properties to be sold by the initiators to the Fund have indexation clauses that allow rent increases of inflation in accordance with CPI plus at least 1%.

The estimated Average Net Rental Return assumes an annual CPI increase of 1% and a market factor of 1% point.

Repayments

We expect that the Fund will repay 2% of the original mortgage amount annually.

4.5.3 Forecasted Capital Gains

The Fund Life is expected to be between 5 and 8 years, depending on market conditions deciding the optimal moment to sell the real estate or real estate portfolio.

Fund Management may at any time during the life of the Fund propose to sell the portfolio. The limited partners will decide with absolute majority whether to accept resulting offers or not.

From year 6 Fund Management will annually advice on the ideal sales moment.

Latest in year 8 Fund management will seek offers for the entire remaining real estate portfolio.

The assumed capital gain over the 8-year Fund Life is 11,2%, or 1.33% per year, assuming the portfolio is sold at the same Net Initial Rental Yield as at purchase. We expect, however, the Capital Gains to be slightly higher.

The following factors impact the Forecasted Capital Gain.

Sales Price

The future sales price of the real estate portfolio depends on a number of future circumstances such as the economic situation, interest rates, development of rental prices, inflation, the situation on the Dutch real estate market and developments in the areas where the real estate is located.

Sales Cost

The initiators have a financial incentive to complete a successful sale through the performance fee. The initiators will therefore not charge any cost associated with the sale.

Advisory costs associated with the sale of real properties, as well as potential financing cost associated with a sale will be borne by the Fund. It is the Fund's forecast that these costs will not exceed € 50.000

4.5.5 Forecasted Internal Rate of Return

Over the Life of the Fund the forecasted Internal Rate of Return is equal to 11,40% after the Performance Fee for the Fund Manager.

4.5.6 Distributions

Annual distributions

It is intended that returns will be distributed annually in the month of May after the completion of the annual accounts. The cash distribution over year one is expected to be nil. Over year two the cash distribution is expected to be approximately 3,95% and this distribution is expected to increase to approximately 7,90% in year 8 (excluding the eventual sale of the portfolio).

Final distribution

The final distribution will be made after the sale of all properties and the settlement of the Fund.

5. Taxation

Tax Laws, Jurisprudence and their interpretation are changing continuously. The information in this Information Memorandum is provided on the basis of the state of the law, jurisprudence and rules and regulations as of January 1, 2017.

This section contains general information on the tax consequences for individuals participating as limited partners in the Fund and is not intended as advice on the specific circumstances of an individual. Potential Participants are encouraged to discuss with their own advisors.

5.1 Income Taxation for Individual Investors

When the admission or substitution of partners can only take place with the consent of all partners (except in the

case of inheritance) the CV will be transparent for Dutch tax purposes. Therefore the CV itself is not subject to Dutch taxation but tax will be levied at the level of the individual investor depending on his or her own tax position.

An individual investor who does not hold its Participation in the CV as part of a business enterprise or business operation would generally be subject to a statutory taxation of 30% on a fictitious return expressed as a percentage of the net value of the Participation at the beginning of a calendar year (Box 3 Dutch Income Tax law) of which € 25.000 is exempt. The fictitious return is as follows:

- 2,87% on the value up to € 75.000
- 4,6% on the value between € 75.000 and € 1.000.000
- 5,39% on the value in excess of € 1.000.000.

This calculation is therefore not dependent on the actual return on investment. The net value of the Participation normally equals the pro rata parte value of the underlying properties less debt. For income tax purposes the value of the property will be derived from the municipal taxation (WOZ value). Depending on the actual rental income the WOZ value may be reduced with at least 15%.

Currently the WOZ value of properties in the Amsterdam and Rotterdam are generally below the fair market value. These low WOZ values are expected to

increase over time. Also taking into account the 15% reduction the tax base for individuals will be moderate. For the first 3 years we expect the tax base for individuals to be zero or close to zero. Capital Gains are not taxed.

Each non-resident limited partner will have to file an income tax return annually. It is expected that for a non-resident investor without other activities or investments in the Netherlands the cost of tax return preparation will not exceed € 750. The Fund administration will coordinate the preparation and filing of tax returns for non-resident investors.

5.2 Income taxation for corporate investor

When the admission or substitution of partners can only take place with the consent of all partners (except in the case of inheritance) the CV will be transparent for Dutch tax purposes. Therefore the CV itself is not subject to Dutch taxation but tax will be levied at the level of the corporate investor depending on his or her own tax position.

A (foreign or domestic) corporation is taxed on its net profit. In 2017 the corporate income tax rate is 20% on profits up to € 200.000 and 25% on profits in excess of € 200.000.

Net profit is broadly equal to net rental income less interest, fees and other costs. Other costs include depreciation. Houses are generally depreciated over 40 years for Dutch tax purposes, or 2,5% per year. Investment properties cannot be depreciated beyond the WOZ value.

If a real property is sold, the gain can be allocated to a reinvestment reserve and tax can thus be deferred.

5.3 Avoidance of double taxation

For foreign investors, depending on the country of residence, the income from the Fund may be tax exempt. For instance, under the tax treaty between the Netherlands and Spain, for Spanish Participants the income derived from the Fund may be taxed in the Netherlands and should be exempt from taxation in Spain. This applies to both individual and corporate investors.

6. Fund Structure and Operations

6.1 Legal structure of the Fund

The Fund will be a Dutch Limited Partnership (*Commanditaire Vennootschap*) with URBANIC Netherlands I B.V. as Managing Partner and the Participants as limited partners. The Fund has not been established yet and has therefore no past or current activities and no historical financial information.

Urbanic Netherlands I B.V. is wholly owned by Urbanic B.V.

The Limited Partnership is a contractual arrangement between the Managing Partner and the limited partners. The Managing Partner is the legal representative of the Limited Partnership and acts on behalf of the Limited Partnership. The Managing Partner is fully liable for all actions on behalf of the Limited Partnership.

Stichting Urbanic Netherlands I, the Custodian, acts to preserve the interest

of the Participants in the Fund. The Custodian shall hold the legal title of the assets and liabilities of the Fund for the purpose of management and custody on behalf and for the account of the Participants. For a more detailed overview of the structure in this respect reference is made to paragraph 6.5.

The liability of a limited partner is limited to the amount of their investment as long as the limited partner does not undertake management activities.

The admission or substitution of partners will be restricted and can only take place with the consent of all partners. This restriction is to ensure transparency for tax purposes.

The above two factors drive the choice for the Limited Partnership: ensuring limiting liability for the limited partners and transparency for tax purposes.

6.2 Participations

The Participations in the Fund are quoted in euro. The Fund will issue a maximum of 150 Participations of € 100.000 each at the formation of the Fund. The formation of the Fund will be after the Initial Closing. The minimum subscription is for 2 Participations. As the Fund is closed, no further Participations will be issued after the final closing of the Fund at the latest on September 30, 2016.

The Participants are entitled to the results of the Fund in proportion to the number of Participations owned. However, a limited partner cannot be forced to contribute to losses exceeding the amount of their investment.

Annually within 6 months after the end of the financial year a Participants meeting will be held. During this meeting the activities and results of the past year will be discussed.

Each Participation has one vote during the Participants meeting.

6.3 Participation in subsequent closings

In the event that Participants are admitted to the Fund during any closing after the Initial Closing, unless there has been a material change or significant event relating to an investment that would justify at the sole discretion of the Fund Manager a different valuation (or the exclusion of new limited partners from participation in an investment), such Participants will contribute to the Fund an amount equal to:

- (a) their pro rata share of all drawn commitments, other than the portion thereof drawn to pay the Portfolio Management Fee, minus their pro rata share of all distributions made to Participants admitted in prior closings, plus
- (b) interest on the average daily balance of such amount at a per annum rate equal to 10%.

6.4 Fund Manager

URBANIC B.V. will be the Fund Manager. URBANIC B.V. was incorporated in December 2015.

URBANIC B.V. wholly owns the Managing Partner.

6.5 Management Team

The managing director of URBANIC Netherlands I B.V. is URBANIC B.V. The management team of URBANIC B.V. consists of Arco Bakker as managing director. Raymond Varossieau and Wytze Lucas, joint owners of C111 Vastgoed B.V., will advise the Fund on all real estate related issues as external advisors. Gys Ekker will support the Management Team.

Arco Bakker

Arco Bakker has a background as a Dutch tax advisor. After taking a master degree in Fiscal Economics from the University of Amsterdam and jobs with Peat Marwick Tax Advisors (predecessor firm to KPMG) and Gist brocades NV he joined EY in 1990. In 1996 he was promoted to partner. After a long career with EY, including foreign assignments to Japan, the USA and Brazil and membership of EY's EMEA management team for TAX for 8 years he retired on July 1, 2015.

Arco will be responsible for the legal, tax, financial matters and administration of the Fund.

Raymond Varossieau

Raymond Varossieau has a background as a real estate developer. He studied engineering at the Universities for Applied Sciences in Utrecht and Den Bosch. From 1988 to 2000 he worked for Dura Vermeer and Heijmans. In 2000 he started his own real estate development and consultancy business. Over the years his clients included businesses, institutional investors and real estate developers.

He had lived and worked in Amsterdam for more than 25 years.

Wytze Lucas

Wytze Lucas studied Construction and Business at the University of Amsterdam. During his study he did a internship by a major construction company, J.P. van Eesteren. In 2011 he joined C111 Vastgoedconsultancy B.V.. Over the past years Wytze played a major role in developing the portfolio of Urbanic Amsterdam I CV. He lives and works in Amsterdam since 2010.

Gys Ekker

Gys Ekker studied Econometrics at the University of Amsterdam. He has been working in the financial industry since 1984, starting in the Economic Bureau of Pierson, Heldring & Pierson in the Netherlands. His main activities have been in asset and wealth management in Spain and the Netherlands. At present he is a partner at Orienta Capital, a Spanish multi-family office.

6.6 Relation between Fund Manager and Custodian

The Fund Manager acts as the manager (*beheerder*) of the Fund. Within the limits as set out in this Information Memorandum and the Terms and Conditions Management and Custody (see Annex III to this Information Memorandum), the Fund Manager has the authority to make investments and divestments on behalf of the Fund, where appropriate as attorney-in-fact (*gevolmachtigde*) of and in the name of the Custodian. To this extent, the Custodian has granted the Fund Manager a power of attorney.

The Fund Manager and the Custodian have agreed upon the Terms and Conditions of Management and Custody.

The foundation under Dutch law Stichting URBANIC Netherlands I, being the Custodian, will act as titleholder and will in that capacity be the legal owner of all assets of the Fund. The Custodian will acquire and hold the assets of the Fund and assume obligations on behalf and for the account of the Participants. The Custodian will act solely in the interest of the Participants. The Custodian is not entitled to perform any other activities.

Legally, the Custodian will acquire and hold the assets for the purpose of management and custody (*ten titel van beheer en bewaring*) on behalf and for the account of the Participants. Such interest of the Participants is represented by the Participations held by each of them. A Participation gives the Participant a contractual claim against the Custodian for payment of an amount equal to the value of a pro rata share of the net asset value of the Fund subject to the Terms and Conditions of Management and Custody. Participants have no proprietary rights with respect to the assets of the Fund but an economic interest in the assets of the Fund. Participations represent an identical interest in the assets of the Fund.

The Custodian as title holder shall only be liable towards the Participants for a loss suffered by them in connection with the performance of its duties and responsibilities, if and to the extent that such loss is directly caused by gross negligence (*grove nalatigheid*) or willful default (*opzet*). Otherwise the

Custodian shall not be liable towards the Participants for any loss suffered by them as a result of any act or omission of a third party (including the Fund Manager).

The initiators believe that the use of the Custodian is important. As the Fund is not an entity with legal personality, it cannot hold legal title to assets and liabilities itself. Without the involvement of a third party acting as title holder, legal title to the assets and liabilities would be held by the Managing Partner of the Fund which would create a conflict of interest and/or additional counterparty risk which is not created with the appointment of a Custodian.

6.7 Supervisory Committee

The Fund will have an internal Supervisory Committee. The Supervisory Committee will be composed of three members, not being members of the Management Team or the Managing Partner. The members of the Supervisory Committee shall be approved by simple majority of the present limited partners in the general meeting of limited partners.

The tasks of the Supervisory Committee will be to:

- supervise the implementation of the investment policy;
- upon request of any limited partner supervise or discuss specific matters with the Fund Manager;
- settle any conflict of interest between the Fund and

the Fund Manager or any member of the Management Team. The Fund Manager will inform as soon as reasonably possible any potential conflict of interest to the Supervisory Committee, who will take a decision which is binding;

- approve an extension of the investment period of the Fund of 1 year;
- approve an extension of the life of 8 years of the Fund;
- approve the sale of a property at a loss;
- approve any investment below an expected Net Initial Rental Yield of 5,50%;
- approve the activities undertaken by the Fund Manager such as sales and renting of student housing if not undertaken through the Fund;
- mandate the sale of the real property portfolio.

The Supervisory Committee will meet at least once a year. Any decision of the Supervisory Committee needs to be taken with at least two votes in favor.

6.8 Limitation on the Establishment of New Funds

The Fund Manager may decide to initiate a new fund with a same or similar focus as Urbanic Netherlands I CV, provided that the Fund is invested for a minimum of 90%.

6.9 Supervision by the Authority Financial Markets (“AFM”)

URBANIC B.V., as the Fund Manager, will be registered with the AFM pursuant to Act on Financial Supervision (*Wet op het financieel toezicht*). Urbanic B.V. is not required to obtain a license from the Authority Financial Markets.

Under this law, where investments are offered to the public, apart from the registration, a license for the Fund Manager is required unless an exemption applies.

One of the exemptions is where the minimum Participation is € 100.000 and the total capital in the Fund will not exceed € 100 million, as laid down in Article 2:66a in the Act on Financial Supervision (“AFS”) (*Wet op het financieel toezicht*). The background to this exemption is that Participants investing at least € 100.000 are expected to be sufficiently knowledgeable and professional to be able to assess the investment offered as well as the initiators.

As the minimum Participation in the Fund is set at € 200.000, the Fund is not subject to licensing by the AFM; Participants therefore participate outside of the supervision of the AFM.

6.10 Information and Reporting

The Fund will quarterly report to the limited partners about the progress of the Fund.

Once a year the Fund will publish its audited annual accounts.

6.11 Conflict of Interest

There are three potential areas of a conflict of interest.

The first one is where the Fund acquires the initial portfolio from two of the initiators. As the Participants have agreed to the price paid for the properties by investing in the Fund we consider this potential conflict resolved.

A second potential area of conflict has been identified where properties can be acquired that do not meet the 5,5% Minimum Net Initial Rental Return set by the Fund. It is possible that one or more members of the management team or its real estate advisor would be interested to acquire the property as a (direct or indirect) personal investment.

The members of the Management Team and its advisor agree that as long as the Fund is not fully invested such properties will first be offered to the Fund through the Supervisory Committee. They will only acquire the property if the Supervisory Committee decides that the Fund should not acquire it.

The third potential area of conflict of interest is the relationship between the Fund and C111 Vastgoed B.V. that might imply a lack of independency as discussed in the next paragraph. This relationship will be agreed in an agreement and will be subject to an extensive set of restrictions, which, we believe, will properly cover those potential conflicts of interest.

6.12 Agreement between Fund and C111 Vastgoed B.V.

The Fund will enter into an agreement with C111 Vastgoed B.V. a company owned by Raymond Varossieau and Wytze Lucas, advisors to the board of URBANIC Netherlands I BV.

C111 will be engaged to perform the following activities:

- Identifying properties to acquire
- Preparing feasibility studies for target properties
- Preparation of re-design and re-development plans for properties acquired
- Contractor management
- Initial letting of properties.

For these activities C111 will charge a fee of 5,45% (including VAT) of the Acquisition Cost before C111 fee of each property acquired as specified in the Purchase Report. The fee will be increased to 6% (including VAT) if the Net Initial Rental Yield of a property exceeds 6,25% and reduced to 4,85% (including VAT) if a Net Initial Rental Yield of 5,75% is not met before reducing the C111 fee. The increase and reduction of the C111 fee cannot reduce the Net Initial Rental Yield below 6,25% or increase the Net Initial Rental Yield above 4,85%. Refer also paragraph 1.4.

In addition C111 Vastgoed B.V. will be engaged for tenant, commercial and technical management of the Fund's properties.

For these activities C111 will charge the Fund a fee of 5% of gross rent received (including VAT).

7. Major Risk Factors

7.1 General

Investments in real property carry risks. If these risks are realized, it can have a negative impact on the forecasted return. The value of an investment may increase and decrease and it is possible that the Participants realize a negative return or, in the worst case, lose their entire investment.

The following risks may impact the Fund's return on investment.

Below the most significant risks associated with an investment in the Fund are summarized and discussed. This section is not meant as an exhaustive overview of every possible risk.

7.2 Non investment risk

Prices in the Amsterdam and Rotterdam markets continue to trend up. This may affect the availability of real estate at prices that allow for the forecasted return, leading to a lower investment than envisaged.

7.3 Debtor Risk

The income of the Fund will primarily consist of rent received. It is possible that a tenant will not pay the rent or that the rent agreement will be terminated, which would negatively affect the return for the Participants.

We have a variety of strategies to mitigate this risk. When properties are let to students we try to get additional certainty. Generally we succeed to have a parent of the tenant co-sign the rental agreement.

Another aspect of our risk strategy is to stay close to our tenants. C111 personnel knows all of our tenants personally, frequently visits our properties and takes immediate action when defects are reported or when tenants report nuisance from other tenants in the same property.

We feel that this strategy of "knowing our tenants" is effective and will minimize debtor risk. However, none of these strategies can guarantee that debtor risk will not occur.

7.4 Vacancy Risk

Rental agreement can be terminated. If at the time of the termination no new tenants have been identified vacancy may occur. Vacancy would lead to a reduction of the Fund's income and would negatively affect the return for the Participants.

Our strategy to mitigate this risk is to build our brand as a provider of quality housing with a high service level in the sense that we take care of our tenants, and maintaining close relationships with intermediaries on the rental market.

7.5 Sales Value Risk

The sales value of the properties or the portfolio of properties may be affected by negative developments in the Amsterdam real estate market. A lower sales price would lead to a reduction of the Fund's income and would negatively affect the return for the Participants.

7.6 Inflation Risk

Inflation is dependent on a variety of economic factors. The rental prices of the properties are linked to inflation. If actual inflation is lower than percentages used in the forecast, the return for the Participants may be lower than forecasted.

7.7 Liquidity Risk

Negative occurrences during the Life of the Fund that exceed the liquidity reserve can negatively affect the forecasted distributions to the Participants or, in a worst case scenario, affect the continuation of the Fund. In that case the Participants may wholly or partially lose their investment.

7.8 Interest Rate Risk

The Fund will apply for a mortgage for every property acquired. As interest rates change over time, there is a risk that a higher interest rate will have to be accepted than used in the forecast.

The Fund would normally try to obtain fixed term fixed interest financing. After the agreed term the interest rates would be reset.

Higher than anticipated interest rates would negatively affect the return to the Participants.

In addition higher interest rates may negatively affect the sales value of properties, which would negatively affect the return to the Participants.

7.9 Refinancing Risk

The Fund would normally try to obtain fixed term fixed interest financing. There is a risk that at the end of the fixed term no new financing would be available or only at considerably worse conditions.

In that case the Fund may be forced to sell properties. Normally the sales prices in a forced sale are lower which would negatively affect the return to the Participants. If refinancing can only be obtained at worse conditions this would negatively affect the return to Participants.

7.10 Risk of limited exit options

The Participations can normally only be sold with the approval of all other Partners in the Fund. For the Participants this constitutes a risk that during the Life of the Fund they may not be able to sell their Participations.

7.11 Risk that the Life of the Fund exceeds the expected Life

The Life of the Fund may exceed the expected Life of the Fund of 8 years. For example, in case market circumstances do not allow for a satisfactory sale of the property portfolio and the end of the expected Life of the Fund and/or the partners meeting does not agree to a proposed sale. In that case the Participants would need to own the Participations longer than anticipated.

7.12 Maintenance Risk

Maintenance costs may be higher or lower than forecasted. If the Properties are not properly maintained this may negatively affect the sales value of the properties.

Higher than forecasted maintenance cost and reductions in the sales values of the properties would negatively affect the return to Participants. We ensure that maintenance cost are controlled and minimized by bringing properties in excellent condition when renovated after acquisition and respond immediately to maintenance issues.

7.13 Tax Risk

As Life of the Fund is expected to be 5 - 8 years the taxation of the returns of the Participants is uncertain. The tax treatment of a Participation, a limited partner or a service provider to the Fund can change over time and could negatively affect return to the Participants.

7.14 Unexpected costs

Paragraph 5 of this Information Memorandum provides a forecast of the return to the Participants. This forecast is based on the assumptions discussed in paragraph 5.

Actual costs may be higher or lower. If actual costs are higher than forecasted the return to the Participants may be negatively affected.

7.15 Legal Risk

The Information Memorandum is based on the laws and regulations at the date of this Information Memorandum. Future law changes, however, may lead to additional costs for the Fund, which would negatively affect the return to the Participants.

The Amsterdam and Rotterdam housing markets are partially

regulated. The Fund invests outside the regulated sector, but certain market regulations apply, in particular in the rental sector.

The Fund will operate within these market regulations and in line with general market behavior. But it needs to be recognized that these regulations are not always easy to interpret, which leads to the risk of unexpected interpretation and /or enforcement by the cities of Amsterdam and Rotterdam. Also these regulations may change.

Changes in regulation or unexpected interpretation and/or enforcement may negatively affect the return to the Participants.

7.16 Execution Risk

The Fund will acquire 100 to 150 houses and apartments, including a number of houses and apartments with overdue maintenance. Houses and apartments, especially those with overdue maintenance, may have unexpected defects. Also the subsequent construction phase may include unforeseen risks.

These execution risks may lead to higher construction and /or maintenance costs, which could negatively affect the return to Participants.

7.17 Risk of Damages

Water and fire damages could negatively affect receiving rent and the value of the property. Costs to repair damages caused by such unforeseen circumstances might be unexpectedly high.

7.18 Political Risk

The Fund's operations may be adversely affected in the future by governmental policies relating to the economy. There is no assurance that the Fund will not be affected by governmental policies or public attitudes towards ecological impact or real property investments.

7.19 Concentration Risk

The Fund concentrates its investments in real estate. As a result, the Fund's portfolio is significantly impacted by the performance of the real estate market generally, and the Fund may be exposed to greater risk and experience higher volatility than would a more diversified portfolio. In particular, the value of the Fund's Participations will be impacted by factors generally affecting the value of real estate and the earnings of companies engaged in the real estate industry. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural or technological developments.

8. Subscribing to Participations

Both natural and legal persons can participate in the Fund with an initial Participation of EUR 100.000. The minimum subscription is for 2 Participations. By signing the Subscription Form investors confirm to participate as a Participant in the Fund.

Registration for the Fund will be open for investors at the time of publication of the Information Memorandum and closes when all Participations are assigned being no later than the final closing. Investors shall include in their Subscription Form a copy of their (valid) passport / identity document. Legal entities should enclose a certified copy of the certificate of incorporation and an excerpt from the trade register at the relevant chamber of commerce.

Subscription Forms must be sent (i) by mail; and (ii) by fax or by electronic mail. Participations will be issued at the formation of the Fund. The amount must be transferred from a credit institution with a registered office in a member state of the European union, the European Economic Area or another state for which derived identification is permitted under the Act on Prevention of Money Laundering and Financing of Terrorism from an account number in the name of the Participant.

Upon receipt of the Initial Subscription Amount the Fund Manager will send the Participant a written confirmation of its Participation and allocation of the Participations containing practical information on the settlement date and the time of accession to the Fund. There is no need for physical presence

of the Participant upon completion of its Participation.

By signing the Application Form the Participant accepts and agrees to be bound by the terms and conditions set out in the Information Memorandum and its attachments. The Participant expressly agrees to the authorization of the Managing Partner to act on behalf of the Fund and therefore is entitled to enter into binding agreements on behalf of the Fund.

If this is in the interest of the Fund, the Fund Manager may in relation to an offer, decline such offer, suspend such offer or stipulate additional conditions with respect to such offer.

9. Amendments

Amendment of the Terms and Conditions can only take place upon prior written consent of all Participants. The Fund Manager in collaboration with the Custodian will send each Participant the proposed amendments by e-mail.

In the event that one or more Participants fail to approve the amendments as mentioned above, the Fund Manager shall notify the relevant Participants by registered mail of their failure to do so. If the relevant Participant still fails to approve within one month after the notification and the relevant Participant have not informed the other Participants of its objection to the amendment(s), the relevant Participant shall be deemed to have approved the amendments. The actual signature of the other Participants shall be binding on all Participants.

10. Declaration of the Fund Manager

The Fund Manager declares that it, the Fund, the Custodian and the Information Memorandum comply with the rules set out in Dutch law and the regulations based on the AFS, as in force at the date of this Information Memorandum.

This Information Memorandum has been prepared by the Fund Manager. The Fund Manager is responsible for the contents hereof. The information included in this Information Memorandum, insofar as the Fund Manager could reasonably be aware, is true and no information has been omitted which, if included, would alter the meaning of this Information Memorandum.

11. Parties Involved

Initiator and Fund Manager

Urbanic B.V.
Bachlaan 41
1217 BV Hilversum

Managing Partner

URBANIC Netherlands I BV
Batjanstraat 13
1094 RC Amsterdam

Stichting Bewaarder

Stichting URBANIC Netherlands I
Batjanstraat 13
1094 RC Amsterdam

Tax Advisor

EY Belastingadviseurs LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam

Legal Advisor and Notary

Holland van Gijzen Advocaten en
Notarissen LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam

Project Management and Real Estate advisory

C111 Vastgoed B.V.
Batjanstraat 13
1094 RC Amsterdam

Limited Partnership Agreement

Definitions

Article 1

In this Agreement, the following capitalized terms shall have the following meanings:

1. Information Memorandum: the information memorandum dated April 28, 2017, possibly as amended from time to time;
2. the Limited Partnership: the Limited Partnership Urbanic Netherlands I CV;
3. Limited Partners: the partners of the Limited Partnership holding a limited partnership interest (*commanditaire vennoten*);
4. Managing Partner: The managing partner of the Limited Partnership (*beherend vennoot*) being Urbanic Netherlands I B.V. The Managing Partner is a private company with limited liability under Dutch Law. Formally resident and with its office at Batjanstraat 13, Amsterdam. The Managing Partner was established on 24 April 2017 and is registered in the Trade Register of the Chamber of Commerce under number 68617399;
5. Participation: A unit representing the contractual interest of a partner in the Limited Partnership;
6. Subscription Amount: the amount for which a Limited Partner has subscribed in the Subscription Form to participate in the Limited Partnership;
7. Subscription Form: a form through which a potential investor makes a formal and binding request to subscribe for Participations;
8. Agreement: the Limited Partnership Agreement;
9. Outstanding Subscription Amount: the Subscription Amount minus the subscription payments already made;
10. Payment Request: A request made by the Managing Partner to one or more Limited Partners to pay part or all of the outstanding subscription amount.

In this Agreement the masculine shall include the feminine and the neuter and the singular shall include the plural and vice versa as the context shall admit or require.

Formation and Duration

Article 2

1. Pursuant to the Dutch Civil Code (*Burgerlijk Wetboek*), the Limited Partners hereby form and establish the Limited Partnership. The Limited Partners wish to carry on a business in accordance with the objects as stated in Article 4 of this Agreement at the joint expense and account of the Limited Partners, in accordance with the terms and conditions as stated in this Agreement and the Information Memorandum in which the investment objectives are described.
2. The Limited Partnership is entered into for an indefinite period. However, the Limited Partnership may be prematurely terminated in case of any of the events as stated in Article 16 of this Agreement.
3. It is the explicit intention of all partners that the Limited Partnership qualifies as transparent for (corporate) income tax purposes and consequently not as an opaque limited partnership (Open commanditaire vennootschap) as mentioned in Section 2, paragraph 3 under c of the State Taxes Act (*Algemene wet inzake rijksbelastingen*).

Management and Managing Partner

Article 3

1. The management of the Limited Partnership and all acts of administration including its day-to-day business and affairs shall vest exclusively with the Managing Partner. The Managing Partner may appoint a third party as a manager, who may take on certain of the Managing Partner's responsibilities as described in such appointment and the terms and conditions of management and custody respectively.
2. The Managing Partner is authorized to represent the Limited Partnership, including but not limited to acting and signing on behalf of the Limited Partnership and binding the Limited Partnership towards third parties.
3. In the event the Managing Partner leaves the management, the Limited Partners will be liberated of their remaining commitments.
4. Expenses made by the Managing Partner in exercising its function will be reimbursed by the Limited Partnership.

Name, Registration and Objective

Article 4

1. The name of the Limited Partnership is Urbanic Netherlands I CV and the Limited Partnership shall conduct its business under that name. The Managing Partner is authorized to make any variation in the Limited Partnership's name that it may deem necessary, provided that such name contains the abbreviation "CV" and shall not contain the name or a significant part thereof of any Limited Partner.
2. The Limited Partnership has its registered seat at Amsterdam the Netherlands.
3. The objective of the Limited Partnership is to invest in registered properties for the account and risk of the Limited Partners. The objects of the Limited Partnership therefore are:
 - To own, purchase, acquire, invest in, manage, supervise, rent, sell real estate or other properties in the Netherlands;
 - To raise funds by way of bank loans;

Subscription

Article 5

1. Both natural and legal persons can participate in the Limited Partnership with an initial Participation of EUR 100.000. The minimum subscription is for 2 (two) Participations. The Limited Partnership will issue max 150 Participations. By signing the Subscription Form Limited Partners confirm to participate as a Limited Partner in the Limited Partnership. In the event that Limited Partners are admitted to the Limited Partnership during any closing after the Initial Closing, unless there has been a material change or significant event relating to an investment that would justify at the sole discretion of the manager of the Limited Partnership a different valuation (or the exclusion of new limited partners from participation in an investment), such Limited Partners will contribute to the Limited Partners an amount equal to:
 - (a) their pro rata share of all drawn commitments, other than the portion thereof drawn to pay the Portfolio Management Fee, minus their pro rata share of all distributions made to Limited Partners admitted in prior closings, plus
 - (b) interest on the average daily balance of such amount at a per annum rate equal to 10%.
2. Registration for the Limited Partnership will be open for investors at the time of publication of the Information Memorandum and closes when all Participations are assigned. Investors shall include in their Subscription Form a copy of their (valid) passport / identity document. Legal entities should enclose a certified copy of the certificate of incorporation and an excerpt from the trade register at the relevant

chamber of commerce and a copy of the passport / identity document of the managing director(s) authorized to represent the legal entity.

3. Subscription Forms must be sent (i) by mail; and (ii) by fax or by electronic mail. Participations will be issued against payment of the subscription amount. The amount must be transferred from a credit institution with a registered office in a member state of the European union, the European Economic Area or another state for which derived identification is permitted under the Act on Prevention of Money Laundering and Financing of Terrorism (*Wet ter voorkoming van witwassen en financieren van terrorisme*) from an account number in the name of the Limited Partner.
4. Upon receipt of the initial Subscription Amount the Managing Partner will send the Limited Partner a written confirmation of its Participation and allocation of the Participations containing practical information on the settlement date and the time of accession to the Limited Partnership. There is no need for physical presence of the Limited Partner upon completion of its Participation.
5. By signing the Application Form the investor hereby accepts and agrees to be bound by the terms and conditions set out in the Information Memorandum and the annexes thereto. The Limited Partner expressly agrees to the authorization of the Managing Partner to act on behalf of the Limited Partnership and therefore is entitled to enter into binding agreements on behalf of the Limited Partnership.
6. If this is in the interest of the Limited Partnership, the Managing Partner may in relation to a subscription, decline such subscription, suspend such subscription or stipulate additional conditions with respect to such subscription.

Payment Request

Article 6

1. The Managing Partner may partially or fully call the outstanding Subscription Amount of a Limited Partner by means of a Payment Request:
 - To enable the Limited Partnership to comply with funding requests; and
 - For payment of expenses of the Limited Partnership or reservation for expenses that the Limited Partnership or Managing Partner will incur within the next three months.
2. A Limited Partner that receives a Payment Request is obliged to pay the corresponding amount within the payment term as specified in the Payment Request, which term shall be a minimum of ten Business Days from the date of receipt by a Limited Partner. In case of an emergency Limited Partners and Managing Partner may agree to a shorter term.
3. A Limited Partner is immediately in default if such Limited Partners does not, not timely or not fully comply with a Payment Request. The payment term specified in the Payment Request constitutes a final term. If the requested payment is not received on the date specified in the Payment Request:
 - The particular Limited Partner shall be obliged to compensate any damages that the Limited Partnership suffers as a consequence of the late payment by the Limited Partner, excluding consequential damages as a result thereof;
 - The Managing Partner is entitled to charge a penalty interest of EURIBOR +10% over the amount of the capital called to the Limited Partner that is in default 10 (ten) days after the date of a Payment Request. The amount of the penalty interest will be for the benefit of the Limited Partnership.
 - The Managing Partner is entitled to redeem the Participations of the Participant as soon as the Participant is in default 45 days after the payment date of a Payment Request for the benefit of the Fund for the amount of nil, provided the Participant has been informed at least 10 (ten) working days before by the Managing Partner's intention to redeem the Participation by registered mail. In that case the Limited Partner will not be entitled to any distribution from the Limited Partnership and will no longer have any voting right in the General meeting of Limited Partners. In addition, the Managing

Partner is entitled to exclude the Limited Partner from any future Payment Request. The Limited Partners therefore will lose its right to participate in future investments.

Capital Accounts, Contributions and Withdrawals

Article 7

1. The Limited Partnership shall not have a capital divided into shares.
2. The Limited Partnership shall keep a capital account for each Partner, administered by the Managing Partner. The interest of each Partner in the Limited Partnership shall be determined pro rata the sum of the total amount on the Partner's capital account.
3. As from the date of this Agreement, or in due course thereafter, the Limited Partners shall make initial contributions to the Limited Partnership.
4. Additional contributions of cash shall be made on the basis of the commitment set out in the subscription agreement and subsequent capital call(s).
5. Limited Partners are not entitled to interest on their contributions.
6. Except as expressly provided for in this Agreement, no Limited Partner shall have the right to withdraw any part of its contributions from the Limited Partnership or to receive any distributions without the prior written consent of all Limited Partners.

Allocation of Profits and Losses

Article 8

1. The profits and losses of the Limited Partnership shall be calculated in accordance with Dutch generally accepted accounting principles, unless the Limited Partners agree otherwise by unanimous prior written consent.
2. The profits of the Limited Partnership, if any, shall be allocated to the general reserves of the Limited Partnership. Allocations to the Limited Partners shall only be made after the debit balances of the Limited Partnership resulting from losses incurred by the Limited Partnership in previous financial years have been restored.
3. The profits shall be pro rata allocated to each of the Limited Partners capital account.

Supervisory Committee

Article 9

1. The Supervisory Committee shall consist of three Members – not being members of the Management Team or the Managing Partner - of the Limited Partnership. Upon approval by simple majority of the present Limited Partners in the general meeting of Limited Partners any Limited Partner or external advisor may become a member of the Committee.

2. The responsibilities of the Supervisory Committee are, on behalf of all Limited Partners, to:
 - supervise the implementation of the investment policy of the Limited Partnership;
 - upon request of any Limited Partner supervise or discuss specific matters with the Fund Manager;
 - settle any conflict of interest between the Limited Partnership and the Managing Partner or any member of the Management Team. The Managing Partner will inform as soon as reasonably possible any potential conflict of interest to the Supervisory Committee, which will take a decision that is binding;
 - approve an extension of the investment period of the Limited Partnership of 1 (one) year;
 - approve an extension of the life of the Limited Partnership;
 - approve the activities undertaken by the Fund Manager such as sales and renting of student housing;
 - approve any investment below an expected Net Initial Rental Yield of 5.5%;
 - approve the sale of a property at a loss.
3. The Supervisory Committee will meet at least once a year. Any decision of the Supervisory Committee needs to be taken with at least two votes in favor.

Books and Records

Article 10

1. The Managing Partner shall in accordance with Dutch generally accepted accounting principles, maintain proper and complete books and records of the Limited Partnership, including a profit and loss account, a balance sheet and a capital account for each partner. It shall fully and accurately enter all transactions and other matters relating to the business of the Limited Partnership therein.
2. The books and records shall at all times be open to inspection and examination by all Limited Partners or their duly authorized representatives during regular business hours.
3. The Managing Partner shall maintain the books and records of the Limited Partnership for a minimum period of seven years. The currency used by the Limited Partnership in its books and records shall be in Euro.

Financial Year and Annual Accounts

Article 11

1. The financial year of the Limited Partnership equals a calendar year, or such other annual period as the Limited Partners from time to time may determine by unanimous resolution.
2. The Managing Partner shall annually within five months after the end of the financial year prepare the Limited Partnership's annual accounts, including a balance sheet, a profit and loss account, a capital account for each Partner and a joint retained earnings account. The annual accounts shall be prepared and be drawn up in accordance with Dutch generally accepted accounting principles.
3. Ultimately at the end of the period as mentioned in paragraph 2 above, the annual accounts of the immediately preceding financial year shall be submitted to the general meeting of Limited Partners for signing and adoption of the Limited Partners. The annual accounts are approved by simple majority vote, including those votes submitted by e-mail to the Managing Partner.

4. In the event that one or more Limited Partners fail to approve the annual accounts as mentioned above, the Managing Partner shall notify the relevant Limited Partners by e-mail of their failure to do so. If the relevant Limited Partner still fails to approve within one month after the notification and the relevant Limited Partners have not informed the other Limited Partners of its/their objection to the annual accounts, the relevant Limited Partner(s) shall be deemed to have approved the annual accounts. The actual signature of the other Limited Partners shall be binding on all Limited Partners.
5. If after informing all Limited Partners of its objection to the annual accounts, the Limited Partners have not reached an agreement within one month of the date in which Limited Partners have been notified about the objection, the dispute shall be resolved by an independent auditor. The decision of the auditor shall be binding on all Limited Partners.

General Meeting of Limited Partners and Voting

Article 12

1. A general meeting of Limited Partners shall be held upon a written request thereto by one or more Limited Partners delivered to the Managing Partner. Upon receipt of the aforementioned notice, the Managing Partner shall call the general meeting of Limited Partners, providing at least two weeks advance written notice thereof to each Limited Partner. Such notice shall include the date, place, time and agenda of the general meeting of Limited Partners.
2. At least one general meeting of Limited Partners shall be held annually within six months after the close of the financial year. The Managing Partner shall call this meeting of Limited Partners, providing at least two-week advance written notice thereof to each Limited Partner. The agenda of this general meeting of Limited Partners shall include, amongst others, the approval of the annual accounts and the allocation of profits and losses of the previous financial year in accordance with the provisions of this Agreement.
3. The general meeting of Limited Partners may resolve upon any and all matters that have not been entrusted by virtue of law and/or this Agreement to the Managing Partner.
4. General meetings of Limited Partners may be held inside or outside the Netherlands.
5. When adopting resolutions of the general meeting of Limited Partners, each Limited Partner will have one vote for every Participation in the Limited Partnership. Each Limited Partner shall have at least one vote.
6. Unless otherwise provided for in this Agreement and/or unless otherwise provided for under Dutch law, resolutions of the general meeting of Limited Partners are adopted by simple majority vote of the votes present and/or represented such meeting.
7. A unanimous written resolution of all Limited Partners adopted outside a general meeting of Limited Partners shall be as valid and binding as a resolution adopted at the general meeting of Limited Partners and may be executed in two or more counterparts.

Admission, Replacement and Assignment of Participations

Article 13

1. Except in case of inheritance or legacy, admission or replacement of Limited Partners, the creation of a usufruct or any other limited right with respect to a Participation, any change in the relative interest of a Limited Partner, including a legal merger or demerger or other events as described in section 2.3 of the Degree of the State Secretary of the Ministry of Finance, dated 15 December 2015, number BLKB2015/1209M, can only take place with prior written consent of all Limited Partners as well as the Managing Partner.

2. The admission, replacement or assignment of a Limited Partners Participation in the Limited Partnership shall take place pursuant to a written agreement between all current Limited Partners and the new partner, or a partner to whom all or part of the Participations will be assigned.
3. In the event that one or more Limited Partners fail to approve the admission, replacement or assignment of Limited Partners, the Managing Partner shall notify the relevant Limited Partners by e-mail of their failure to do so. If the relevant Limited Partner still fails to approve within one month after the notification and the relevant Limited Partners have not informed the other Limited Partners of its/their objection, the relevant Limited Partner(s) shall be deemed to have approved the admission, replacement or assignment of Limited Partners.

Withdrawal and Conversion of Limited Partners

Article 14

1. In the event of withdrawal of a Limited Partner as a Limited Partner of the Limited Partnership and the terms and conditions thereof shall require prior written consent of all Limited Partners as well as the Managing Partner.
2. In the event of conversion of a Managing Partner to Limited Partner and/or vice versa shall require the prior written consent of all Limited Partners as well as the Managing Partner.

Limitation of liability of Limited Partners

Article 15

1. A Limited Partner shall neither participate in nor be liable for losses of the Limited Partnership in excess of the value of the balance of their respective capital account.
2. Other than in the event a Limited Partner acts as a Managing Partner, in breach of Article 3 of this Agreement, a Limited Partner shall in no event be liable towards third parties for obligations of the Limited Partnership.

Termination of the Limited Partnership

Article 16

1. The Limited Partnership shall terminate and be dissolved:
 - By unanimous written consent of all Limited Partners, effective as of the date specified therein;
 - In the event and on the first day that the Limited Partnership shall cease to have at least one Managing Partner and one Limited Partner.
2. In the event of bankruptcy or application for suspension of payment by any Limited Partner shall terminate its membership with immediate effect.
3. Notwithstanding the other provisions of this article, in case of a replacement of a Limited Partner it is agreed that the Limited Partnership will continue to exist between the remaining Limited Partners.

Liquidation

Article 17

1. The Managing Partner, or any other person appointed by the general meeting of Limited Partners, shall act as a liquidator and as custodian of the books and records of the Limited Partnership. No further business shall be conducted by the Limited Partnership except for those actions necessary for the liquidation of the Limited Partnership business (such as the preparation of accounts for the accounting period ended on the Limited Partnership termination date) and the distribution of Limited Partnership assets and/or liquidation proceeds.

2. The provisions of this Agreement shall remain in full force and effect insofar as necessary for the liquidation of the Limited Partnership.
3. After payment of all Limited Partnership liabilities, the remaining liquidation proceeds shall be distributed to the Limited Partners pro rata to their respective Limited Partnership interests.

Applicable Law

Article 18

1. This Agreement and the Limited Partnership shall be governed by and construed exclusively in accordance with the laws of the Netherlands.
2. If any provision of this Agreement shall be invalid or unenforceable under applicable law, such invalidity or enforceability shall not invalidate the entire Agreement. In that case, this Agreement shall be construed so as to limit such a provision to make it enforceable or valid within the requirements of applicable law. In the event such term or provision cannot be limited as such, this Agreement shall be construed to omit such invalidity or unenforceability and to replace such term or provision with a valid and enforceable provision in accordance with the objectives of the invalid and/or unenforceable provision.

Disputes

Article 19

1. This Agreement and any non-contractual obligations arising out of or in relation to this Agreement shall be governed by and construed in accordance with the laws of the Netherlands.
2. If a dispute arises in connection with this Agreement, the relevant parties shall first try to come to an amicable solution. If they fail to do so each party shall have the right to submit such dispute to an arbitration court, including summary proceedings.
3. All disputes arising in connection with this Agreement, or further agreements resulting there from, shall be finally settled in accordance with the arbitration rules of the Netherlands Arbitration Institute. The arbitral tribunal shall be composed of three arbitrators. The place of the arbitration shall be Amsterdam.
4. If an amicable settlement cannot be reached the dispute shall be exclusively submitted to the competent court in Amsterdam, the Netherlands. To the extent possible, the proceedings shall be conducted in the English language.

Amendments

Article 20

The provisions of this Agreement can only be modified, altered, supplemented or amended with prior written consent of all Limited Partners.

Terms and Conditions of Management and Custody

Management of Urbanic Netherlands I C.V., a Limited Partnership under Dutch law and its assets as established by

1. Fund Manager (*beheerder*): Urbanic B.V., a private company with limited liability under Dutch law, formally resident and with its office at Bachlaan 41, 1217BV Hilversum, the Netherlands. Formed on December 4, 2015 and registered in the Trade Register of the Chamber of Commerce under number 64696006.
2. Managing Partner (*beherend vennoot*): Urbanic Netherlands I B.V., a private company with limited liability under Dutch law, formally resident and with its office at Batjanstraat 13, 1094 RC Amsterdam, the Netherlands. Formed on 24 April 2017 and registered in the Trade Register of the Chamber of Commerce under number 68617399.
3. Custodian: Stichting URBANIC Netherlands I, a Foundation under Dutch Law, formally resident and with its office at Batjanstraat 13, 1094 RC, Amsterdam, the Netherlands.

CONSIDERING THAT:

1. The Limited Partnership Urbanic Netherlands I C.V. is an investment fund (hereinafter the "Fund") as defined in the Act on Financial Supervision ("AFS") (*Wet op het financieel toezicht*);
2. The Fund is a private Limited Partnership, in which participation is possible by legal entities and natural persons in the capacity as limited partners wishing to invest in real estate;
3. The Fund Manager has the required expertise, organization and other facilities for the benefit of the Fund's management about the ability of the Fund to conduct and to act as Fund Manager of the Fund;
4. The Custodian acts to preserve the interest of the Participants of the Fund. The Custodian shall hold the legal title and the assets and liabilities of the Fund.

AGREE AS FOLLOWS:

1. The Fund hereby confirms the appointment of the Fund Manager as the administrator, portfolio manager and risk manager of the Fund with full authority and responsibility to provide, or cause to be provided, to the Fund the administration and portfolio risk management services and facilities herein set forth and the Fund Manager hereby confirms it has accepted such appointment and delegation of authority and responsibility and confirms that it has agreed to act in such capacity and to provide or cause to be provided such services and facilities upon the terms set forth in these Terms and Conditions.
2. The Fund hereby confirms that it has granted to the Fund Manager the exclusive authority to manage the operations and affairs of the Fund and to make all decisions regarding the business of the Fund, including the full power and authority to bind the Fund.
3. The Fund hereby appoints the Custodian, and the Custodian hereby accepts such appointment, to hold the legal title and the assets and liabilities, subject to the terms of these Terms and Conditions.

4. The Managing Partner hereby assigns to the Fund Manager the preparation of the financial statements of the Managing Partner and the Fund Manager hereby confirms it has agreed to do so. These Terms and Conditions terminate on the date the Fund ends, as set forth in these Terms and Conditions.

The following Terms and Conditions apply:

Services to be performed by the Fund Manager

Article 1

1. The Fund Manager will be responsible in accordance with these Terms and Conditions for the accounting and management of the Fund in the interest of the limited partners of the Fund.
2. Within 6 (six) months after the end of each calendar year the Fund Manager will make an annual report available to the Participants, which includes the financial statements. Participants will receive an annual statement with relevant data required for their tax reporting.
3. The Fund Manager shall determine the annual budget and cash flow forecast for the Fund and for the assets of the Fund. The budget is submitted for approval to the Managing Partner. The budget includes inter alia:
 - the expected revenue from the assets of the Fund;
 - the expected (operating) expenses related to keeping the assets of the Fund;
 - portfolio management;
 - property management (to be outsourced)
4. The Fund Manager will be authorized to act for the account and risk of the Fund, in accordance with these Terms and Conditions, and to perform all actions that are necessary or desirable for the performance of its tasks.
5. The Fund Manager will be responsible for the arrangement of all necessary insurances of the (assets of the) Fund in order to limit risks, such as liabilities and damages in order to protect all relevant parties as far as insurance is possible.
6. The Fund Manager may give instructions to the Custodian which the Custodian must follow provided that these instructions are within the regular course of the custody function and unless they are in conflict with the applicable regulations or the Information Memorandum. Furthermore, any outsourced activities by the Custodian may be terminated by the Fund Manager if this is in the best interest of the Participants.

Services to be performed by the Custodian

Article 2

1. The Custodian acts to preserve the interest of the Participants of the Fund. The main roles and responsibilities of the Custodian are to hold the legal title and the assets and liabilities of the Fund;
2. The Custodian carries out the instructions of the Fund Manager, provided that implementation of these instructions is the responsibility of the Custodian and as far as these instructions are within the regular course of the custody function.
3. The Custodian is obliged to ensure, as far as controllable, that no payments on behalf of the Fund Manager are carried out otherwise than according to these Terms and Conditions and the Information Memorandum and to and from the designated bank accounts.
4. If the Custodian upon the exercise of his duties decides that the Fund Manager has not acted in accordance with the Information Memorandum or the applicable regulations, the Custodian may instruct the Fund Manager to take away the negative consequences for the Fund, if possible. Unless a limitation of the liability of the Fund Manager is applicable, the related expenses will be for the account of the Fund Manager.

Duties Managing Partner

Article 3

1. The Managing Partner will, as the sole managing partner of the Limited Partnership conduct the administration of the Limited Partnership in accordance with the provisions of the Limited Partnership Agreement and as part thereof perform the acts as approved by the Limited Partners.
2. The Managing Partner will be formulate and implement the (investment) policy in respect of the assets of the Limited Partnership on the basis of the investment framework set out in the Information Memorandum.
3. The Managing Partner may decide to initiate a new fund with the same focus, provided that the Fund is invested for a minimum of 90% of commitments.

Fees and Expenses

Article 4

1. On Acquisition Cost of real estate under management from the moment the property is acquired the Fund manager will receive a Portfolio Management Fee of 0,6% calculated per annum. The management fee is for the benefit of the Fund Manager. The management fee is calculated excluding taxes. Furthermore, the Fund Manager is entitled to a Portfolio Management Fee of 0,3 % annually on equity, but not called over the first 24 months of the Fund's existence. Furthermore, the Fund Manager is entitled to a performance fee at the end of the Fund life equal to 20% of the Net Total Return in excess of an Internal Rate of Return of 5% without catch-up.
2. If the contract with the Fund Manager is terminated in accordance with Article 11 paragraph 5, the Fund Manager is entitled to one more year of Management Fees including fees over the previous acquired real estate and the carried interest over the real estate until termination of the management contract.
3. The Managing Partner will not receive any fee regarding its services for the Fund. Expenses to be made by the Managing Partner will be paid by the Fund Manager.
4. The Custodian will not receive any fee regarding its services for the Fund. Expenses to be made by the Custodian will be paid by the Fund.
5. Expenses include costs incurred by lawyers and legal advisors directly charged in connection with legal issues concerning the Fund or its underlying investments.

Means and Bank Accounts

Article 5

1. All necessary means will be made available to the Fund Manager by the Fund in order to fulfill its duties in accordance with these Terms and Conditions.
2. The Fund Manager will ensure that the revenue in respect to the assets of the Fund will be transferred to the account of the Custodian.
3. The capital of the Fund is managed collectively for the Participants in a joint account.

Damages and Liability

Article 6

1. The Fund Manager is only liable towards the Fund and the Participants for a loss suffered as a consequence of the performance of its duties under the Information Memorandum and its annexes, if and to the extent that such loss is determined by court verdict to be the direct result of gross negligence or willful default (*opzet*) of Fund related agreements or fraud.

2. The Custodian is only liable towards the Fund and the Participants for damage suffered by them as a result of negligence or intentional failure to properly fulfill its obligations under these Terms and Conditions.

Information Distribution

Article 7

1. The Fund Manager, the Fund and the Custodian will continuously inform each other regarding all relevant matters concerning the assets of the Fund.
2. The Fund Manager produces, on a quarterly basis, a financial summary for the Participants. These summaries are cosigned by the Custodian and contain at least the following information:
 - The total value of the Fund; and
 - An overview of the composition of the investments.
3. Participants receive every year a summary of their Participation for their tax reporting.

Participants Meeting and Participants Rights

Article 8

1. The Fund Manager, the Custodian and Managing Partner act in the best interest of the Participants and in accordance with the Information Memorandum and these Terms and Conditions. The aforementioned parties have a joint responsibility to:
 - Submit proposals to the Limited Partners regarding relevant matters subjected to approval prior to the final decision;
 - Convene the Participants meeting;
 - Draft and send to each Participant statements periodically of the Fund's progress;
 - Ensure availability of the financial statements and annual account;
 - Instruct the auditor and provide the auditor with relevant data to audit the annual accounts;
2. Announcement of every Participants meeting is made by the Fund Manager and is subjected to a period of at least fourteen days prior to the date of the meeting. The announcement is send to the address of each participant which contains an indication of the date, time and place of the Meeting, a condensed content of the agenda and a registration form. Also this will be published on the Fund Manager's website. Investors who have registered will receive to their address one week in advance of the meeting the agenda of the meeting accompanied by all relevant documents.
3. Each Participant, regardless of the number of participation rights held, is entitled to one vote. Decisions are taken by majority of votes present at the meeting and will then be binding. Blank votes are considered not have been cast.
4. Resolutions of the Participants may, instead of at a Participants Meeting, be adopted in writing, including by e-mail, provided that all Participants participate in this decision-making process by exercising their voting rights.
5. The Participants have the right to terminate the contract with the Fund Manager at any time with a majority of the votes of at least 2/3, being at least 66 2/3 % of the votes.

Dissolution and Liquidation

Article 9

1. In the event of termination of the Fund the Fund Manager and Managing Partner are responsible for and will manage the liquidation of the Fund under supervision of the Custodian. The proposal to terminate the Fund shall be communicated by the Fund Manager at the known (e-mail) addresses of each Participant.

2. Prior to the liquidation and winding up, a liquidation balance sheet and profit and loss account will be prepared which is audited by the external auditor. All expenses associated with the liquidation of the Fund will be charged to the Fund.

Final provisions

Article 10

1. Amendment of the Terms and Conditions can only take place upon prior written consent of all Participants. The Fund Manager in collaboration with the Custodian will send each Participant the proposed amendments by e-mail.
2. In the event that one or more Participants fail to approve the amendments as mentioned above, the Fund Manager shall notify the relevant Participants by registered mail of their failure to do so. If the relevant Participant still fails to approve within one month after the notification and the relevant Participant have not informed the other Participants of its objection to the amendment(s), the relevant Participant shall be deemed to have approved the amendments. The actual signature of the other Participants shall be binding on all Participants.
3. The proposal will be in force one month after publication.