



P R E S I D E N T ' S M E S S A G E

APRIL 2020

Dear Hartman Team Members,

I hope you all celebrated the resurrection of Jesus Christ this Easter! Easter is a time to rejoice. We can also rejoice now that our economy is opening back up and so are our churches.

The new Leasing activity for all markets increased occupancy by 54,237 square feet. Great job to our leasing department for finishing the first quarter with strong numbers and propelling us towards our goal of increasing the occupancy to 85% in 2020! I want to congratulate Justin Harrity and Kat Morrison for their outstanding performance as the top producers generating 20,975 in square feet in February totaling 3.52% of their portfolio.

The Investment Solutions Division's monthly sales were under budget in March. As the economy recovers from the COVID-19 pandemic and the changes to our REIT product are approved by the SEC, sales should increase throughout the year. Gian and Jacob are doing a good job getting new selling agreements. Property tax season is upon us once again. The deadline to file a protest for property tax assessments is May 15th. The company protests all property tax values each year. The average decrease in values is an average of \$45 million per year. This reduction in value results in large savings for the tenants and the company. You can (and should) protest the assessed value of your property too. Sullivan Barnes is available to assist you with the process of appealing the assessed value of your home. He is very knowledgeable and successful.

Our Human Resources team worked diligently and rolled out the new health care coverage options with Sedera Medical Sharing. The cost of the new plan for Hartman team members is covered by the company 100%. The plan includes a PPO or HSA compatible MEC plan and major medical coverage with a \$1,500.00 out of pocket expense (deductible). Employees' can secure complete medical coverage for their family for as little as \$332.00 per month. These plan options are huge victories for the everyone. Congratulations to Ana Borjas and her team. Thank you, Ana for creating value for our investors and our team members.

Recently we read the book *How Full is Your Bucket?* from Gallup. This brief but significant book explores how positive psychology interactions can change lives and in almost every case eliminate employee disengagement. Each of us has an invisible bucket. It is constantly emptied or filled, depending on what others say or do to us. When our bucket is full, we feel great. When it is empty, we feel awful. Each of us also has an invisible dipper, when we use our dipper to fill up other people buckets – by saying and doing things- we also fill-up our own bucket. This book was a great reminder for me to ask myself, each day, am I adding to buckets? My hope and prayer is a reminder for you all too. As we honor our core values of developing others, caring about the customer and celebrating achievements we have opportunities to add to buckets, daily.

The stay-at-home order for Texas was lifted on May 1st, and we have encouraged our tenants to open their businesses up and get back to work immediately. Many of our tenants have already returned to the buildings. We have implemented several precautionary procedures to keep our buildings safe, including additional cleaning cycles with antibacterial chemicals, cleaning tenant lounges and bathrooms three times per day, and posting social distancing reminder signs throughout the building. The tenant lounges, conference rooms and pantries will reopen, however, game tables will not be returned until Phase II of the opening process, which is expected to be May 18th. Exercise facilities, locker rooms and saunas will remain closed until the state recommends reopening.

In closing, I want those of you who are believers to be a living example of Christ as you work with your coworkers, vendors, tenants, investors, prospects and anyone else each day. My prayer is that people would see Christ living within us as we carry out our duties.

But thanks be to God, who always leads us in triumph in Christ, and manifests through us the sweet aroma of the knowledge of Him everywhere.

- 2 Corinthians 2:14

God Bless you all!



A handwritten signature in black ink that reads "Al Hartman". The signature is fluid and cursive.

AL HARTMAN,
President & CEO, Hartman REIT Management