



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

FEBRUARY 2020

Dear Hartman Team Members,

January's new leasing activity for all markets totaled 29,931 SF and renewal activity totaled 35,629 SF. Congratulations team on beating the budget in January. What a blessing to start the year with great momentum.

The Leasing Department had an excellent month; beginning the year strong and setting a great pace for 2020. Let's congratulate Linda Nguyen for her outstanding performance as the top producer generating 6,925 in square feet last month totaling 2.51% of her portfolio. Last year we began focusing on measuring occupancy gain versus leasing volume/revenue. We will be measuring our monthly traction towards our 2020 goal of increasing occupancy by 3%.

The Investment Solutions Division's sales were over budget for the month of January. 2020 brings with it some exciting changes to strategy regarding opportunities to raise capital. In addition, we have launched our Institutional Sales Platform; an investment opportunity for high net worth family offices, endowments and other institutions focusing on flex industrial and ground up construction. We are also adding staff to the department by hiring a National Sales Manager, National Key Accounts Executive, Internal Key Accounts Sales Representative and a new Wholesaler. All these changes will allow us to fund our continued growth strategies. This is exciting news not only for the department, but everyone, as this will fuel the steps required to double our size in 5 years.

Each department empowers themselves through the budget process by setting goals for 2020. We witnessed those goals come to life during the DART sessions in January when those goals were quantified, and action plans were created. Our teams focused on their goals and creating effective initiatives, improving tenant relationships, improving closing ratios with our prospects, improving processes and fundraising efforts, increasing our vendor pool and keeping us functioning like the flywheel. Jim Collins writes in his book *Good to Great* – In building a great company, there is no single defining action, no grand program, no one killer innovation, no solitary lucky break, no miracle moment. Rather, the process resembles relentlessly pushing a giant, heavy, flywheel, turn upon turn, building momentum until a point of breakthrough and beyond. By creating action plans and executing quarter after quarter we are keeping the flywheel in motion.

The most exciting news I must share with you today involves traction around initiatives that address some of your concerns revealed from the last employee survey associated with profit sharing and quarterly bonuses. Last week, our consolidation filing was approved by the regulatory agencies. The approval allows us to begin the proxy (voting) process with our shareholders. I believe we will be able to issue the \$8 million stock awards by June 2020. The stock grants will increase your annual income. I anticipate increasing the

percentages used for calculation of scorecard bonus payments by 4.5 points. We will be granting \$440,000.00 in salary increases as of April 1, 2020. It is my desire to continue to share the fruit of our labor with each of you.

As we continue to honor our core value of honoring God in all we do by operating the company in a manner consistent with biblical principles: I encourage you to take advantage of our new 401K investment platform presented to us by Beacon Wealth. The investment options presented for the biblically responsible investment funds are performing comparable to all other funds and will allow you the opportunity to advance the Kingdom of God while increasing your own personal wealth.

In closing, I want to ask you to remember that we hold one another accountable for our individual goals to ensure our success in reaching our company's goals. Along our way, read and study the book *How Full Is Your Bucket* and encourage one another. According to Dr. Kevin Elko, we have 70,000 thoughts per day, but 80% of them are negative. Spend time on the 20%; encourage yourself, encourage one another and keep chopping! God will give you what is necessary to continue in your efforts, overcome your challenges, hit our goals and encourage one another as we serve Him in our workplace every day.

"May he give you the desire of your heart and make all your plans succeed." – Psalm 20:4

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