

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

FORM 10-Q

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

For the quarterly period ended **June 30, 2020**

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

For the transition period from _____ to _____
Commission file number **01-11350**

CTO REALTY GROWTH, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

1140 N. Williamson Blvd., Suite 140
Daytona Beach, Florida
(Address of principal executive offices)

59-0483700
(I.R.S. Employer
Identification No.)

32114
(Zip Code)

(386) 274-2202
(Registrant's telephone number, including area code)

CONSOLIDATED-TOMOKA LAND CO.
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class:	Trading Symbol	Name of each exchange on which registered:
COMMON STOCK, \$1.00 PAR VALUE	CTO	NYSE American

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

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

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

Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input checked="" type="checkbox"/>
Non-accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>
	Emerging Growth Company <input type="checkbox"/>

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock Outstanding
July 31, 2020
\$1.00 par value 4,715,121

INDEX

	<u>Page No.</u>
<u>PART I—FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets – June 30, 2020 (Unaudited) and December 31, 2019</u>	3
<u>Consolidated Statements of Operations – Three and six months ended June 30, 2020 and 2019 (Unaudited)</u>	4
<u>Consolidated Statements of Comprehensive Income (Loss) – Three and six months ended June 30, 2020 and 2019 (Unaudited)</u>	5
<u>Consolidated Statements of Shareholders' Equity – Three and Six months ended June 30, 2020 and 2019 (Unaudited)</u>	6
<u>Consolidated Statements of Cash Flows – Six months ended June 30, 2020 and 2019 (Unaudited)</u>	7
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	9
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	47
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risks</u>	68
<u>Item 4. Controls and Procedures</u>	68
<u>PART II—OTHER INFORMATION</u>	68
<u>Item 1. Legal Proceedings</u>	68
<u>Item 1A. Risk Factors</u>	69
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	72
<u>Item 3. Defaults Upon Senior Securities</u>	72
<u>Item 4. Mine Safety Disclosures</u>	72
<u>Item 5. Other Information</u>	72
<u>Item 6. Exhibits</u>	73
<u>SIGNATURES</u>	74

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
 CTO REALTY GROWTH, INC.
 CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2020	December 31, 2019
ASSETS		
Property, Plant, and Equipment:		
Income Properties, Land, Buildings, and Improvements	\$ 480,683,312	\$ 392,841,899
Other Furnishings and Equipment	745,482	733,165
Construction in Progress	42,499	24,788
Total Property, Plant, and Equipment	481,471,293	393,599,852
Less, Accumulated Depreciation and Amortization	(26,329,430)	(23,008,382)
Property, Plant, and Equipment—Net	455,141,863	370,591,470
Land and Development Costs	7,151,736	6,732,291
Intangible Lease Assets—Net	54,735,943	49,022,178
Assets Held for Sale—See Note 23	9,974,702	833,167
Investment in Joint Ventures	55,759,088	55,736,668
Investment in Alpine Income Property Trust, Inc.	33,164,611	38,814,425
Mitigation Credits	2,497,884	2,322,596
Commercial Loan Investments	18,488,912	34,625,173
Cash and Cash Equivalents	10,701,531	6,474,637
Restricted Cash	29,709,862	128,430,049
Other Assets—See Note 12	11,526,739	9,703,549
Total Assets	<u>\$ 688,852,871</u>	<u>\$ 703,286,203</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts Payable	\$ 759,158	\$ 1,385,739
Accrued and Other Liabilities—See Note 17	9,627,066	5,687,192
Deferred Revenue—See Note 18	5,178,851	5,830,720
Intangible Lease Liabilities—Net	26,176,171	26,198,248
Liabilities Held for Sale—See Note 23	831,320	831,320
Income Taxes Payable	1,239,167	439,086
Deferred Income Taxes—Net	90,581,236	90,282,173
Long-Term Debt	270,783,375	287,218,303
Total Liabilities	405,176,344	417,872,781
Commitments and Contingencies—See Note 21		
Shareholders' Equity:		
Common Stock – 25,000,000 shares authorized; \$1 par value, 6,108,185 shares issued and 4,713,261 shares outstanding at June 30, 2020; 6,076,813 shares issued and 4,770,454 shares outstanding at December 31, 2019	6,047,393	6,017,218
Treasury Stock – 1,394,924 shares at June 30, 2020 and 1,306,359 shares at December 31, 2019	(77,540,735)	(73,440,714)
Additional Paid-In Capital	32,888,012	26,689,795
Retained Earnings	324,074,094	326,073,199
Accumulated Other Comprehensive Income (Loss)	(1,792,237)	73,924
Total Shareholders' Equity	283,676,527	285,413,422
Total Liabilities and Shareholders' Equity	<u>\$ 688,852,871</u>	<u>\$ 703,286,203</u>

The accompanying notes are an integral part of these consolidated financial statements.

CTO REALTY GROWTH, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues				
Income Properties	\$ 11,473,112	\$ 10,375,295	\$ 22,476,143	\$ 21,099,713
Management Fee Income	695,051	—	1,397,652	—
Interest Income from Commercial Loan Investments	835,190	52,765	1,887,239	52,765
Real Estate Operations	6,390	260,771	87,141	495,672
Total Revenues	<u>13,009,743</u>	<u>10,688,831</u>	<u>25,848,175</u>	<u>21,648,150</u>
Direct Cost of Revenues				
Income Properties	(2,568,462)	(1,634,720)	(4,681,557)	(3,567,208)
Real Estate Operations	(56,635)	(40,129)	(1,581,001)	(86,296)
Total Direct Cost of Revenues	<u>(2,625,097)</u>	<u>(1,674,849)</u>	<u>(6,262,558)</u>	<u>(3,653,504)</u>
General and Administrative Expenses	(2,170,671)	(2,119,176)	(5,262,411)	(4,620,796)
Impairment Charges	—	—	(1,904,500)	—
Depreciation and Amortization	(5,021,187)	(4,074,587)	(9,573,658)	(7,420,874)
Total Operating Expenses	<u>(9,816,955)</u>	<u>(7,868,612)</u>	<u>(23,003,127)</u>	<u>(15,695,174)</u>
Gain on Disposition of Assets	7,075,858	11,811,907	7,075,858	18,681,864
Gain on Extinguishment of Debt	504,544	—	1,141,481	—
Other Gains and Income	7,580,402	11,811,907	8,217,339	18,681,864
Total Operating Income	<u>10,773,190</u>	<u>14,632,126</u>	<u>11,062,387</u>	<u>24,634,840</u>
Investment and Other Income (Loss)	8,469,612	14,560	(4,716,786)	53,315
Interest Expense	(2,452,962)	(3,042,058)	(5,905,560)	(5,965,287)
Income from Continuing Operations Before Income Tax Expense	16,789,840	11,604,628	440,041	18,722,868
Income Tax Expense from Continuing Operations	(4,179,316)	(2,941,213)	(91,376)	(4,715,853)
Income from Continuing Operations	<u>12,610,524</u>	<u>8,663,415</u>	<u>348,665</u>	<u>14,007,015</u>
Income from Discontinued Operations (Net of Income Tax)—See Note 23	—	1,933,385	—	3,057,884
Net Income	<u>\$ 12,610,524</u>	<u>\$ 10,596,800</u>	<u>\$ 348,665</u>	<u>\$ 17,064,899</u>
Per Share Information—See Note 13:				
Basic and Diluted				
Net Income from Continuing Operations	\$ 2.71	\$ 1.75	\$ 0.07	\$ 2.73
Net Income from Discontinued Operations (Net of Income Tax)	—	0.39	—	0.59
Basic and Diluted Net Income per Share	<u>\$ 2.71</u>	<u>\$ 2.14</u>	<u>\$ 0.07</u>	<u>\$ 3.32</u>
Dividends Declared and Paid	\$ 0.25	\$ 0.10	\$ 0.50	\$ 0.20

The accompanying notes are an integral part of these consolidated financial statements.

CTO REALTY GROWTH, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net Income	\$ 12,610,524	\$ 10,596,800	\$ 348,665	\$ 17,064,899
Other Comprehensive Loss				
Cash Flow Hedging Derivative - Interest Rate Swap (Net of Income Tax of \$(167,329) and \$(72,658) for the three months ended June 30, 2020 and 2019, respectively, and Net of Income Tax of \$(599,292) and \$(116,390) for the six months ended June 30, 2020 and 2019, respectively)	(492,876)	(214,017)	(1,866,161)	(342,831)
Total Other Comprehensive Loss, Net of Income Tax	(492,876)	(214,017)	(1,866,161)	(342,831)
Total Comprehensive Income (Loss)	\$ 12,117,648	\$ 10,382,783	\$ (1,517,496)	\$ 16,722,068

The accompanying notes are an integral part of these consolidated financial statements.

CTO REALTY GROWTH, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

For the three months ended June 30, 2020:

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity
Balance April 1, 2020	\$ 6,044,971	\$ (77,355,328)	\$ 32,190,616	\$ 312,626,687	\$ (1,299,361)	\$ 272,207,585
Net Income	—	—	—	12,610,524	—	12,610,524
Stock Repurchase	—	(185,407)	—	—	—	(185,407)
Stock Issuance	2,422	—	107,367	—	—	109,789
Stock Compensation Expense from Restricted Stock Grants and Equity	—	—	590,029	—	—	590,029
Classified Stock Options	—	—	—	(1,163,117)	—	(1,163,117)
Cash Dividends (\$0.25 per share)	—	—	—	—	(492,876)	(492,876)
Other Comprehensive Loss, Net of Income Tax	—	—	—	—	—	—
Balance June 30, 2020	\$ 6,047,393	\$ (77,540,735)	\$ 32,888,012	\$ 324,074,094	\$ (1,792,237)	\$ 283,676,527

For the three months ended June 30, 2019:

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity
Balance April 1, 2019	\$ 6,012,993	\$ (36,470,196)	\$ 24,817,328	\$ 219,231,100	\$ 357,729	\$ 213,948,954
Net Income	—	—	—	10,596,800	—	10,596,800
Stock Repurchase	—	(26,971,468)	—	—	—	(26,971,468)
Stock Issuance	1,543	—	89,572	—	—	91,115
Stock Compensation Expense from Restricted Stock Grants and Equity	—	—	543,160	—	—	543,160
Classified Stock Options	—	—	—	(494,134)	—	(494,134)
Cash Dividends (\$0.20 per share)	—	—	—	—	(214,017)	(214,017)
Other Comprehensive Loss, Net of Income Tax	—	—	—	—	—	—
Balance June 30, 2019	\$ 6,014,536	\$ (63,441,664)	\$ 25,450,060	\$ 229,333,766	\$ 143,712	\$ 197,500,410

For the six months ended June 30, 2020:

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity
Balance January 1, 2020	\$ 6,017,218	\$ (73,440,714)	\$ 26,689,795	\$ 326,073,199	\$ 73,924	\$ 285,413,422
Net Income	—	—	—	348,665	—	348,665
Stock Repurchase	—	(4,100,021)	—	—	—	(4,100,021)
Equity Component of Convertible Debt	—	—	5,247,550	—	—	5,247,550
Vested Restricted Stock and Performance Shares	23,892	—	(561,973)	—	—	(538,081)
Stock Issuance	6,283	—	344,647	—	—	350,930
Stock Compensation Expense from Restricted Stock Grants and Equity	—	—	1,167,993	—	—	1,167,993
Classified Stock Options	—	—	—	(2,347,770)	—	(2,347,770)
Cash Dividends (\$0.50 per share)	—	—	—	—	(1,866,161)	(1,866,161)
Other Comprehensive Loss, Net of Income Tax	—	—	—	—	—	—
Balance June 30, 2020	\$ 6,047,393	\$ (77,540,735)	\$ 32,888,012	\$ 324,074,094	\$ (1,792,237)	\$ 283,676,527

For the six months ended June 30, 2019:

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity
Balance January 1, 2019	\$ 5,995,257	\$ (32,345,002)	\$ 24,326,778	\$ 213,297,897	\$ 486,543	\$ 211,761,473
Net Income	—	—	—	17,064,899	—	17,064,899
Stock Repurchase	—	(31,096,662)	—	—	—	(31,096,662)
Vested Restricted Stock	12,957	—	(316,272)	—	—	(303,315)
Stock Issuance	6,322	—	356,924	—	—	363,246
Stock Compensation Expense from Restricted Stock Grants and Equity	—	—	1,082,630	—	—	1,082,630
Classified Stock Options	—	—	—	(1,029,030)	—	(1,029,030)
Cash Dividends (\$0.20 per share)	—	—	—	—	(342,831)	(342,831)
Other Comprehensive Loss, Net of Income Tax	—	—	—	—	—	—
Balance June 30, 2019	\$ 6,014,536	\$ (63,441,664)	\$ 25,450,060	\$ 229,333,766	\$ 143,712	\$ 197,500,410

The accompanying notes are an integral part of these consolidated financial statements.

CTO REALTY GROWTH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended	
	June 30, 2020	June 30, 2019
Cash Flow from Operating Activities:		
Net Income	\$ 348,665	\$ 17,064,899
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	9,573,658	7,420,874
Amortization of Intangible Liabilities to Income Property Revenue	(918,491)	(1,203,900)
Loan Cost Amortization	223,306	213,008
Amortization of Discount on Convertible Debt	760,354	667,847
Gain on Disposition of Property, Plant, and Equipment and Intangible Assets	(3,628,387)	—
Gain on Disposition of Assets Held for Sale	(3,800,430)	(18,681,864)
Loss on Disposal of Commercial Loan Investment	352,959	—
Gain on Extinguishment of Debt	(1,141,481)	—
Impairment Charges	1,904,500	—
Accretion of Commercial Loan Origination Fees	(156,914)	(7,431)
Non-Cash Imputed Interest on Commercial Loan Investment	(191,130)	—
Deferred Income Taxes	(3,353,798)	3,633,010
Unrealized Loss on Investment Securities	5,649,814	—
Non-Cash Compensation	1,518,923	1,445,876
Decrease (Increase) in Assets:		
Refundable Income Taxes	—	225,024
Golf Assets Held for Sale	—	(140,927)
Land and Development Costs	(419,445)	2,940,632
Mitigation Credits	1,324,712	14,444
Other Assets	(1,823,190)	(1,082,866)
Increase (Decrease) in Liabilities:		
Accounts Payable	(626,581)	(331,570)
Accrued and Other Liabilities	3,939,874	849,980
Deferred Revenue	(651,869)	101,806
Golf Liabilities Held for Sale	—	185,859
Income Taxes Payable	800,081	28,970
Net Cash Provided By Operating Activities	<u>9,685,130</u>	<u>13,343,671</u>
Cash Flow from Investing Activities:		
Acquisition of Property, Plant, and Equipment and Intangible Lease Assets and Liabilities	(138,454,504)	(41,448,286)
Acquisition of Commercial Loan Investments	(6,754,375)	(7,840,000)
Acquisition of Mitigation Credits	(1,500,000)	—
Cash Contribution for Interest in Joint Venture	(22,420)	(33,415)
Proceeds from Disposition of Property, Plant, and Equipment, Net, and Assets Held for Sale	37,800,384	77,661,911
Proceeds from Disposition of Commercial Loan Investments	20,981,221	—
Net Cash Provided By (Used In) Investing Activities	<u>(87,949,694)</u>	<u>28,340,210</u>
Cash Flow from Financing Activities:		
Proceeds from Long-Term Debt	56,641,000	96,500,000
Payments on Long-Term Debt	(63,915,500)	(65,737,247)
Cash Paid for Loan Fees	(1,968,357)	(393,184)
Cash Used to Purchase Common Stock	(4,100,021)	(31,096,662)
Cash Paid for Vesting of Restricted Stock	(538,081)	(303,315)
Dividends Paid	(2,347,770)	(1,029,028)
Net Cash Used In Financing Activities	<u>(16,228,729)</u>	<u>(2,059,436)</u>
Net Increase (Decrease) in Cash	(94,493,293)	39,624,445
Cash, Beginning of Year	134,904,686	22,031,964
Cash, End of Period	<u>\$ 40,411,393</u>	<u>\$ 61,656,409</u>
Reconciliation of Cash to the Consolidated Balance Sheets:		
Cash and Cash Equivalents	\$ 10,701,531	\$ 2,621,259
Restricted Cash	29,709,862	59,035,150
Total Cash as of June 30, 2020 and 2019, respectively	<u>\$ 40,411,393</u>	<u>\$ 61,656,409</u>

The accompanying notes are an integral part of these consolidated financial statements.

CTO REALTY GROWTH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)

Supplemental Disclosure of Cash Flows:

Income taxes paid, net of refunds received, totaled approximately \$203,000 and \$1.4 million during the six months ended June 30, 2020 and 2019.

Interest totaling approximately \$5.6 million and \$5.1 million was paid during the six months ended June 30, 2020 and 2019, respectively. No interest was capitalized during the six months ended June 30, 2020 or 2019.

On February 4, 2020, in connection with the issuance of the 2025 Notes, hereinafter defined in Note 15, "Long-Term Debt", the Company exchanged approximately \$57.4 million of 2020 Notes for the 2025 Notes. This non-cash transaction was not reflected within the consolidated statement of cash flows as it was effectively a non-cash replacement of debt for equal principal value. The remaining approximately \$17.6 million is reflected as proceeds from and payments on long-term debt to complete the retirement of the remaining 2020 Notes and issue the remaining 2025 Notes. In addition, in connection with the \$75.0 million 2020 Notes, approximately \$5.2 million of the 2025 Issuance was allocated to the equity component for the conversion option. This non-cash allocation was reflected on the consolidated balance sheet as a decrease in the long-term debt of approximately \$7 million and an increase in deferred income taxes of approximately \$1.8 million.

Discontinued operations provided approximately \$7.6 million of the net cash flows provided by operating activities for the six months ended June 30, 2019, which consists of approximately \$8.0 million in cash flow from discontinued real estate operations offset by approximately \$434,000 of net cash outflows related to discontinued golf operations.

In connection with the Company's implementation of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") Topic 842, Leases, effective January 1, 2019, the Company recorded an increase in right-of-use assets and lease liabilities for leases for which the Company is the lessee. The amount of the adjustment totaled approximately \$681,000 and was reflected as an increase in Other Assets and Accrued and Other Liabilities for corporate leases totaling approximately \$473,000 and an increase in Assets Held for Sale and Liabilities Held for Sale for golf operations segment leases totaling approximately \$208,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. DESCRIPTION OF BUSINESS AND PRINCIPLES OF INTERIM STATEMENTS

COVID-19 PANDEMIC

In March 2020, the agency of the United Nations, responsible for international public health, declared the outbreak of the novel coronavirus as a pandemic (the “COVID-19 Pandemic”), which has spread throughout the United States. The spread of the COVID-19 Pandemic has continued to cause significant volatility in the U.S. and international markets and, in many industries, business activity was, for a time, virtually shut down entirely. There continues to be uncertainty around the duration and severity of business disruptions related to the COVID-19 Pandemic, as well as its impact on the U.S. economy and international economies.

The actions taken by federal, state and local governments to mitigate the spread of COVID-19, initially by ordering closures of non-essential businesses and ordering residents to generally stay at home, and subsequent phased re-openings, have resulted in some of our tenants temporarily closing their businesses, and for some, impacting their ability to pay rent.

The Company received second quarter payments from tenants representing approximately 81% of the Contractual Base Rent, defined as monthly base rent due pursuant to the original terms of the respective lease agreements without giving effect to any deferrals or abatements subsequently entered into, due during the three months ended June 30, 2020. With respect to unpaid Contractual Base Rent due during the three months ended June 30, 2020 approximately 9% was deferred and approximately 4% was abated. In general, repayment of the deferred Contractual Base Rent will begin in the third quarter of 2020, with ratable payments continuing, in some cases, through the end of 2021. Certain of the deferral agreements are pending full execution of the lease amendment; however, both parties have indicated, in writing, their agreement to the repayment terms and in some instances, the tenant has already made the payments contemplated in the agreed-to lease amendment. In connection with the leases in which rent was abated, other lease modifications, including extended lease terms and imposition of percentage rent, were agreed to by the Company and the tenants. Depending upon the duration of tenant closures and the overall economic downturn resulting from the COVID-19 Pandemic, we may find deferred rents difficult to collect. The Company has not yet reached an agreement with respect to approximately 6% of the Contractual Base Rent due during the three months ended June 30, 2020. See Note 24, “Subsequent Events” for the Company’s disclosure related to July 2020 rent collections.

We have seen a positive uptick in our rent collections levels. While this is a positive trend driven by government mandated restrictions gradually being lifted, we are expecting that our rent collections will continue to be below our tenants’ Contractual Base Rent and historical levels, which will continue to adversely impact our results of operations and cash flows. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted. Depending upon the duration of tenant closures, operating restrictions, and the overall economic downturn resulting from the COVID-19 Pandemic, we may find that even deferred rents are difficult to collect, and we may experience higher vacancies.

An assessment of the current or identifiable potential financial and operational impacts on the Company as a result of the COVID-19 Pandemic are as follows:

- The total borrowing capacity on the Company’s revolving credit facility (the “Credit Facility”), based on the assets currently in the borrowing base, is \$200 million, and as such the Company has the ability to draw an additional \$37.2 million on the Credit Facility. Pursuant to the terms of the Credit Facility, any property in the borrowing base with a tenant that is more than 60 days past due on its contractual rent obligations would be automatically removed from the borrowing base and the Company’s borrowing capacity would be reduced. For the tenants requesting rent relief with which the Company has reached an agreement, such deferral and/or abatement agreements for current rent, under the terms of the credit facility, would not be past due if it adheres to such modification, and thus those properties would not be required to be removed from the borrowing base.

- As a result of the outbreak of the COVID-19 Pandemic, the federal government and the state of Florida issued orders encouraging everyone to remain in their residence and not go into work. In response to these orders and in the best interest of our employees and directors, we have implemented significant preventative measures to ensure the health and safety of our employees and Board of Directors (the “Board”), including: (i) conducting all meetings of the Board and Committees of the Board telephonically or via a visual conferencing service, (ii) permitting the Company’s employees to work from home at their election, (iii) enforcing appropriate social distancing practices in the Company’s office, (iv) encouraging the Company’s employees to wash their hands often and use face masks, (v) providing hand sanitizer and other disinfectant products throughout the Company’s office, (vi) requiring employees who do not feel well in any capacity to stay at home, and (vii) requiring all third-party delivery services (e.g. mail, food delivery, etc.) to complete their service outside the front door of the Company’s office. The Company also offered COVID-19 testing to its employees to ensure a safe working environment. These preventative measures have not had any material adverse impact on the Company’s financial reporting systems, internal controls over financial reporting or disclosure controls and procedures. At this time, we have not laid off, furloughed, or terminated any employee in response to the COVID-19 Pandemic. The Compensation Committee of the Board may reevaluate the performance goals and other aspects of the compensation arrangements of the Company’s executive officers later in 2020 as more information about the effects of the COVID-19 Pandemic become known.

Description of Business

The terms “us,” “we,” “our,” and “the Company” as used in this report refer to CTO Realty Growth, Inc. together with our consolidated subsidiaries.

We are a diversified real estate operating company. We own and manage, sometimes utilizing third-party property management companies, thirty-one commercial real estate properties in twelve states in the United States. As of June 30, 2020, we owned twenty-five single-tenant and six multi-tenant income-producing properties with approximately 2.2 million square feet of gross leasable space. See Note 24, “Subsequent Events”, for information related to the single-tenant income properties sold subsequent to June 30, 2020.

In addition to our income property portfolio, as of June 30, 2020, our business included the following:

Management Services:

- A fee-based management business that is engaged in managing Alpine Income Property Trust, Inc. (“PINE”) and the entity that held approximately 4,900 acres of undeveloped land in Daytona Beach, Florida as of June 30, 2020 (the “Land JV”), see Note 5, “Related Party Management Services Business”. Currently, the Land JV holds approximately 1,800 acres of undeveloped land in Daytona Beach, Florida due to the land sales from the Land JV as described in Note 24, “Subsequent Events”.

Commercial Loan Investments:

- A portfolio of commercial loan investments, of which four were sold during the three months ended June 30, 2020.

Real Estate Operations:

- A portfolio of mineral interests consisting of approximately 455,000 subsurface acres in 20 counties in the State of Florida and a portfolio of mitigation credits;
- A retained interest in the Land JV which is seeking to sell approximately 1,800 acres of undeveloped land in Daytona Beach, Florida; and
- An interest in a joint venture (the “Mitigation Bank JV”) that owns an approximately 2,500 acre parcel of land in the western part of Daytona Beach, Florida which is engaged in the operation of a mitigation bank, which, pursuant to a mitigation plan approved by the applicable state and federal authorities, produces mitigation credits that are marketed and sold to developers of land in the Daytona Beach area for the purpose of enabling the developers to obtain certain regulatory permits.

Our business also includes, as outlined above, the current value of our investment in PINE of approximately \$33.2 million, or approximately 23.5% of the PINE's outstanding equity, including the units of limited partnership interest ("OP Units") we hold in Alpine Income Property OP, LP (the "Operating Partnership"), which are exchangeable into common stock of PINE on a one-for-one basis, at PINE's election. Our investment in PINE generates investment income through the dividends distributed by PINE. In addition to the dividends we receive from PINE, our investment in PINE may benefit from any appreciation in PINE's stock price, although no assurances can be provided that such appreciation will occur, the amount by which our investment will increase in value, or the timing thereof. Any dividends received from PINE are included in Investment and Other Income (Loss) on the accompanying statement of operations.

Discontinued Operations. The Company reports the historical financial position and results of operations of disposed businesses as discontinued operations when it has no continuing interest in the business. On October 16, 2019, the Company sold a controlling interest in its wholly owned subsidiary that held approximately 5,300 acres of undeveloped land in Daytona Beach, Florida. On October 17, 2019, the Company sold its interest in the LPGA golf operations. For the six months ended June 30, 2019, the Company has reported the historical financial position and the results of operations related to the Land JV and the golf operations as discontinued operations (see Note 23, "Assets and Liabilities Held for Sale and Discontinued Operations"). The cash flows related to discontinued operations have been disclosed. There were no discontinued operations during the three and six months ended June 30, 2020.

Interim Financial Information

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited consolidated financial statements do not include all of the information and notes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements, and should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2019, which provides a more complete understanding of the Company's accounting policies, financial position, operating results, business properties, and other matters. The unaudited consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present fairly the financial position of the Company and the results of operations for the interim periods.

The results of operations for the three and six months ended June 30, 2020 are not necessarily indicative of results to be expected for the year ending December 31, 2020.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and other entities in which we have a controlling interest. Any real estate entities or properties included in the consolidated financial statements have been consolidated only for the periods that such entities or properties were owned or under control by us. All inter-company balances and transactions have been eliminated in the consolidated financial statements. The Company has retained interests in the Land JV and the Mitigation Bank JV, as well as an equity investment in PINE. The Company has concluded that these entities are variable interest entities of which the Company is not the primary beneficiary and as a result, these entities are not consolidated.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Because of the fluctuating market conditions that currently exist in the Florida and national real estate markets, and the volatility and uncertainty in the financial and credit markets, it is possible that the estimates and assumptions, most notably those related to the Company's investment in income properties, could change materially during the time span associated with the continued volatility of the real estate and financial markets or as a result of a significant dislocation in those markets.

Recently Issued Accounting Standards

Lease Modifications. In April 2020, the FASB issued interpretive guidance relating to the accounting for lease concessions provided as a result of the COVID-19 Pandemic. In this guidance, entities can elect not to apply lease modification accounting with respect to such lease concessions and, instead, treat the concession as if it was a part of the existing contract. This guidance is only applicable to lease concessions related to the COVID-19 Pandemic that do not result in a substantial increase in the rights of the lessor or the obligations of the lessee. As of and for the six months ended June 30, 2020, the Company elected to not apply lease modification accounting with respect to rent deferrals as the concessions were related to the COVID-19 Pandemic and there was not a substantial increase in the lessor's rights under the lease agreement. Accordingly, for leases in which deferred rent agreements were reached, the Company has continued to account for the lease by recognizing the normal straight-line rental income and as the deferred rents are repaid by the tenant, the straight-line receivable will be reduced. The portion of the straight-line adjustment related to the COVID-19 Pandemic concessions has been reflected separately in the Company's statement of cash flows for the six months ended June 30, 2020. With respect to rent abatement agreements, lease modification accounting applies as extended term was a part of such agreements, accordingly the Company re-calculated straight-line rental income for such leases to recognize over the new lease term.

Tax Cuts and Jobs Act. In February 2018, the FASB issued Accounting Standards Update ("ASU") 2018-02, which amends the guidance allowing for a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act effective January 1, 2018 (the "2018 Tax Cuts and Jobs Act"). The amendments in this update are effective for annual reporting periods beginning after December 15, 2018. The Company implemented ASU 2018-02 effective January 1, 2019 and there were no such reclassifications related to the Tax Cuts and Jobs Act.

ASC Topic 326, Financial Instruments—Credit Losses. In June 2016, the FASB issued ASU 2016-13, which amends its guidance on the measurement of credit losses on financial instruments. The amendments in this update are effective for annual reporting periods beginning after December 31, 2019. ASU 2016-13 affects entities holding financial assets that are not accounted for at fair value through net income, including but not limited to, loans, trade receivables, and net investments in leases. The Company adopted the changes to FASB Accounting Standards Codification ("ASC") 326, Financial Instruments—Credit Losses on January 1, 2020. The Company's evaluation of current expected credit losses ("CECL") resulted in a reserve of approximately \$252,000 on the Company's Commercial Loan Investment portfolio during the six months ended June 30, 2020. See Note 4, "Commercial Loan Investments" for further information.

ASC Topic 842, Leases. In February 2016, the FASB issued ASU 2016-02, which requires entities to recognize assets and liabilities that arise from financing and operating leases and to classify those finance and operating lease payments in the financing or operating sections, respectively, of the statement of cash flows pursuant to FASB ASC Topic 842, Leases. The amendments in this update are effective for annual reporting periods beginning after December 15, 2018.

The Company's implemented ASC 842 effective January 1, 2019 and has elected to follow the practical expedients and accounting policies below:

- The Company, as lessee and as lessor, will not reassess (i) whether any expired or existing contracts are or contain leases, (ii) lease classification for any expired or existing leases or (iii) initial direct costs for any expired or existing leases.
- The Company, as lessee, will not apply the recognition requirements of ASC 842 to short-term (twelve months or less) leases. Instead, the Company, as lessee, will recognize the lease payments in profit or loss on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. As of the date of this report, the Company has no such short-term leases.
- The Company, as lessor, will not separate nonlease components from lease components and, instead, will account for each separate lease component and the nonlease components associated with that lease as a single component if the nonlease components otherwise would be accounted for under ASC Topic 606, Revenue from Contracts with Customers. The primary reason for this election is related to instances where common area maintenance is, or may be, a component of base rent within a lease agreement.

At the beginning of the period of adoption, January 1, 2019, through a cumulative-effect adjustment, the Company increased right-of use assets and lease liabilities for operating leases for which the Company is the lessee. The amount of the adjustment totaled approximately \$681,000 and was reflected as an increase in Other Assets and Accrued and Other Liabilities for corporate leases totaling approximately \$473,000 and an increase in Assets Held for Sale and Liabilities Held for sale for golf operations segment leases totaling approximately \$208,000. There were no adjustments related to the leases for which the Company is the lessor.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank demand accounts, and money market accounts having original maturities of 90 days or less. The Company's bank balances as of June 30, 2020 include certain amounts over the Federal Deposit Insurance Corporation limits.

Restricted Cash

Restricted cash totaled approximately \$29.7 million at June 30, 2020 of which approximately \$27.5 million of cash is being held in multiple separate escrow accounts to be reinvested through the like-kind exchange structure into other income properties; \$1.7 million is being held in a general tenant improvement reserve account with Wells Fargo in connection with our financing of the property located in Raleigh, NC leased to Wells Fargo ("Wells Fargo Raleigh"); approximately \$286,000 is being held in a capital replacement reserve account in connection with our financing of six income properties with Wells Fargo Bank, NA ("Wells Fargo"); \$100,000 is being held in an escrow account in connection with the sale of the Company's ground lease located in Daytona Beach, FL, and approximately \$78,000 is being held in an escrow account related to a separate land transaction which closed in February 2017.

Derivative Financial Instruments and Hedging Activity

Interest Rate Swaps. In conjunction with the variable-rate mortgage loan secured by Wells Fargo Raleigh, the Company entered into an interest rate swap to fix the interest rate (the "Wells Interest Rate Swap"). Effective March 31, 2020, in conjunction with the variable-rate Credit Facility (hereinafter defined in Note 15, "Long-Term Debt"), the Company entered into an interest rate swap to fix the interest rate on \$100 million of the outstanding Credit Facility balance (the "Credit Facility Interest Rate Swap"). The Company accounts for its cash flow hedging derivatives in accordance with FASB ASC Topic 815-20, *Derivatives and Hedging*. Depending upon the hedge's value at each balance sheet date, the derivatives are included in either Other Assets or Accrued and Other Liabilities on the consolidated balance sheet at its fair value. On the date the Interest Rate Swap was entered into, the Company designated the derivatives as a hedge of the variability of cash flows to be paid related to the recognized long-term debt liabilities.

The Company formally documented the relationship between the hedging instruments and the hedged item, as well as its risk-management objective and strategy for undertaking the hedge transactions. At the hedges' inception, the Company formally assessed whether the derivatives that are used in hedging the transactions are highly effective in offsetting changes in cash flows of the hedged items, and we will continue to do so on an ongoing basis. As the terms of the Wells Interest Rate Swap and Credit Facility Interest Rate Swap and the associated debts are identical, both hedging instruments qualify for the shortcut method, therefore, it is assumed that there is no hedge ineffectiveness throughout the entire term of the hedging instruments.

Changes in fair value of the hedging instruments that are highly effective and designated and qualified as cash-flow hedges are recorded in other comprehensive income and loss, until earnings are affected by the variability in cash flows of the designated hedged items.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial assets and liabilities including cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued and other liabilities at June 30, 2020 and December 31, 2019, approximate fair value because of the short maturity of these instruments. The carrying value of the Company's Credit Facility, as defined in Note 15, "Long-Term Debt," approximates current market rates for revolving credit arrangements with similar risks and maturities. The face value of the Company's fixed rate commercial loan investments held as of June 30, 2020 and December 31, 2019 and the mortgage notes and convertible debt held as of June 30, 2020 and December 31,

2019 are measured at fair value based on current market rates for financial instruments with similar risks and maturities. See Note 9, "Fair Value of Financial Instruments."

Fair Value Measurements

The Company's estimates of fair value of financial and non-financial assets and liabilities is based on the framework established by GAAP. The framework specifies a hierarchy of valuation inputs which was established to increase consistency, clarity and comparability in fair value measurements and related disclosures. GAAP describes a fair value hierarchy based upon three levels of inputs that may be used to measure fair value, two of which are considered observable and one that is considered unobservable. The following describes the three levels:

- Level 1 – Valuation is based upon quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuation is based upon inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include option pricing models, discounted cash flow models and similar techniques.

Recognition of Interest Income from Commercial Loan Investments

Interest income on commercial loan investments includes interest payments made by the borrower and the accretion of purchase discounts and loan origination fees, offset by the amortization of loan costs. Interest payments are accrued based on the actual coupon rate and the outstanding principal balance and purchase discounts and loan origination fees are accreted into income using the effective yield method, adjusted for prepayments.

Mitigation Credits

Mitigation credits are stated at historical cost. As these assets are sold, the related revenues and cost basis are reported as revenues from, and direct costs of, real estate operations, respectively, in the consolidated statements of operations.

Accounts Receivable

Accounts receivable related to income properties, which are classified in other assets on the consolidated balance sheets, primarily consist of accrued tenant reimbursable expenses and unresolved collections as a result of the COVID-19 Pandemic. Receivables related to income property tenants totaled approximately \$1.9 million and \$533,000 as of June 30, 2020 and December 31, 2019, respectively. The increase of approximately \$1.4 million is primarily attributable to an increase of approximately \$493,000 in accrued property tax receivables due largely to the significant multi-tenant acquisitions during the three months ended March 31, 2020 as well as approximately \$890,000 of unpaid receivables representing the approximately 7% of rents regarding which the Company has not reached an agreement.

Accounts receivable related to real estate operations, which are classified in other assets on the consolidated balance sheets, totaled approximately \$1.6 million as of June 30, 2020 and December 31, 2019. The accounts receivable as of June 30, 2020 and December 31, 2019 are primarily related to the reimbursement of certain infrastructure costs completed by the Company in conjunction with two land sale transactions that closed during the fourth quarter of 2015 as more fully described in Note 12, "Other Assets."

Trade accounts receivable primarily consists of receivables related to golf operations, which were classified in Assets Held for Sale on the consolidated balance sheets as of December 31, 2018 and thereafter until the sale of the golf operations during the fourth quarter of 2019. As of June 30, 2020, approximately \$499,000 is due from the buyer of the golf operations for the rounds surcharge the Company paid to the City of Daytona Beach.

The collectability of the aforementioned receivables shall be considered and adjusted through an allowance for credit losses pursuant to ASC 326, Financial Instruments-Credit Losses. As of June 30, 2020, the Company recorded an allowance for doubtful accounts of approximately \$73,000 while no allowance was required as of December 31, 2019.

Purchase Accounting for Acquisitions of Real Estate Subject to a Lease

In accordance with the FASB guidance on business combinations, the fair value of the real estate acquired with in-place leases is allocated to the acquired tangible assets, consisting of land, building and tenant improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, the value of in-place leases, and the value of leasing costs, based in each case on their relative fair values.

The fair value of the tangible assets of an acquired leased property is determined by valuing the property as if it were vacant, and the “as-if-vacant” value is then allocated to land, building and tenant improvements based on the determination of the fair values of these assets.

In allocating the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded as other assets or liabilities based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases, and (ii) management’s estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining term of the lease, including the probability of renewal periods. The capitalized above-market lease values are amortized as a reduction of rental income over the remaining terms of the respective leases. The capitalized below-market lease values are amortized as an increase to rental income over the initial term unless the Company believes that it is likely that the tenant will renew the option, whereby the Company amortizes the value attributable to the renewal over the renewal period.

The aggregate value of other acquired intangible assets, consisting of in-place leases, is measured by the excess of (i) the purchase price paid for a property after adjusting existing in-place leases to market rental rates over (ii) the estimated fair value of the property as-if-vacant, determined as set forth above. The value of in-place leases exclusive of the value of above-market and below-market in-place leases is amortized to expense over the remaining non-cancelable periods of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be written off. The value of tenant relationships is reviewed on individual transactions to determine if future value was derived from the acquisition.

In January 2017, the FASB issued ASU 2017-01, Business Combinations which clarified the definition of a business. Pursuant to ASU 2017-01, the acquisition of an income property subject to a lease no longer qualifies as a business combination, but rather an asset acquisition, accordingly, acquisition costs have been capitalized.

Sales of Real Estate

Gains and losses on sales of real estate are accounted for as required by FASB ASC Topic 606, *Revenue from Contracts with Customers*. The Company recognizes revenue from the sales of real estate when the Company transfers the promised goods and/or services in the contract based on the transaction price allocated to the performance obligations within the contract. As market information becomes available, real estate cost basis is analyzed and recorded at the lower of cost or market.

Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred income taxes result primarily from the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes (see Note 20, “Income Taxes”). In June 2006, the FASB issued additional guidance, which clarifies the accounting for uncertainty in income taxes recognized in a company’s financial statements included in income taxes. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, and disclosure and transition. In accordance with FASB guidance included in income taxes, the Company has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions

are well documented and supported. Additionally, the Company believes that its accruals for tax liabilities are adequate. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to the FASB guidance.

NOTE 2. REVENUE RECOGNITION

The Company implemented FASB ASC Topic 606, Revenue from Contracts with Customers effective January 1, 2018 utilizing the modified retrospective method.

The following table summarizes the Company's revenue from continuing operations by segment, major good and/or service, and the related timing of revenue recognition for the three months ended June 30, 2020:

	Income Properties (\$000's)	Management Services (\$000's)	Commercial Loan Investments (\$000's)	Real Estate Operations (\$000's)	Total Revenues (\$000's)
Major Good / Service:					
Lease Revenue - Base Rent	\$ 9,271	\$ —	\$ —	\$ —	\$ 9,271
Lease Revenue - CAM	856	—	—	—	856
Lease Revenue - Reimbursements	612	—	—	—	612
Lease Revenue - Billboards	83	—	—	—	83
Above / Below Market Lease Accretion	444	—	—	—	444
Lease Incentive Amortization	43	—	—	—	43
Management Services	—	695	—	—	695
Commercial Loan Investments	—	—	835	—	835
Subsurface Revenue - Other	—	—	—	1	6
Interest and Other Revenue	164	—	—	5	164
Total Revenues	\$ 11,473	\$ 695	\$ 835	\$ 6	\$ 13,009
Timing of Revenue Recognition:					
Asset/Good Transferred at a Point in Time	\$ —	\$ —	\$ —	\$ 6	\$ 6
Services Transferred Over Time	164	695	—	—	859
Over Lease Term	11,309	—	—	—	11,309
Commercial Loan Investment Related Revenue	—	—	835	—	835
Total Revenues	\$ 11,473	\$ 695	\$ 835	\$ 6	\$ 13,009

The following table summarizes the Company's revenue from continuing operations by segment, major good and/or service, and the related timing of revenue recognition for the three months ended June 30, 2019:

	Income Properties (\$000's)	Commercial Loan Investments (\$000's)	Real Estate Operations (\$000's)	Total Revenues (\$000's)
Major Good / Service:				
Lease Revenue - Base Rent	\$ 8,640	\$ —	\$ 27	\$ 8,667
Lease Revenue - CAM	471	—	—	471
Lease Revenue - Reimbursements	543	—	—	543
Lease Revenue - Billboards	93	—	—	93
Above / Below Market Lease Accretion	623	—	—	623
Contributed Leased Assets Accretion	62	—	—	62
Lease Incentive Amortization	(76)	—	—	(76)
Commercial Loan Investments	—	53	—	53
Subsurface Lease Revenue	—	—	214	214
Subsurface Revenue - Other	—	—	20	20
Interest and Other Revenue	19	—	—	19
Total Revenues	\$ 10,375	\$ 53	\$ 261	\$ 10,689
Timing of Revenue Recognition:				
Asset/Good Transferred at a Point in Time	\$ —	\$ —	\$ 20	\$ 20
Services Transferred Over Time	19	—	—	19
Over Lease Term	10,356	—	241	10,597
Commercial Loan Investment Related Revenue	—	53	—	53
Total Revenues	\$ 10,375	\$ 53	\$ 261	\$ 10,689

The following table summarizes the Company's revenue from continuing operations by segment, major good and/or service, and the related timing of revenue recognition for the six months ended June 30, 2020:

	Income Properties (\$000's)	Management Services (\$000's)	Commercial Loan Investments (\$000's)	Real Estate Operations (\$000's)	Total Revenues (\$000's)
Major Good / Service:					
Lease Revenue - Base Rent	\$ 18,021	\$ —	\$ —	\$ —	\$ 18,021
Lease Revenue - CAM	1,586	—	—	—	1,586
Lease Revenue - Reimbursements	1,486	—	—	—	1,486
Lease Revenue - Billboards	127	—	—	—	127
Above / Below Market Lease Accretion	918	—	—	—	918
Lease Incentive Amortization	87	—	—	—	87
Management Services	—	1,398	—	—	1,398
Commercial Loan Investments	—	—	1,887	—	1,887
Mitigation Credit Sales	—	—	—	4	4
Subsurface Revenue - Other	—	—	—	78	83
Interest and Other Revenue	251	—	—	5	251
Total Revenues	\$ 22,476	\$ 1,398	\$ 1,887	\$ 87	\$ 25,848
Timing of Revenue Recognition:					
Asset/Good Transferred at a Point in Time	\$ —	\$ —	\$ —	\$ 87	\$ 87
Services Transferred Over Time	251	1,398	—	—	1,649
Over Lease Term	22,225	—	—	—	22,225
Commercial Loan Investment Related Revenue	—	—	1,887	—	1,887
Total Revenues	\$ 22,476	\$ 1,398	\$ 1,887	\$ 87	\$ 25,848

The following table summarizes the Company's revenue from continuing operations by segment, major good and/or service, and the related timing of revenue recognition for the six months ended June 30, 2019:

	Income Properties (\$000's)	Commercial Loan Investments (\$000's)	Real Estate Operations (\$000's)	Total Revenues (\$000's)
Major Good / Service:				
Lease Revenue - Base Rent	\$ 17,515	\$ —	\$ 54	\$ 17,569
Lease Revenue - CAM	1,141	—	—	1,141
Lease Revenue - Reimbursements	1,088	—	—	1,088
Lease Revenue - Billboards	129	—	—	129
Above / Below Market Lease Accretion	1,204	—	—	1,204
Contributed Leased Assets Accretion	124	—	—	124
Lease Incentive Amortization	(151)	—	—	(151)
Commercial Loan Investments	—	53	—	53
Subsurface Lease Revenue	—	—	413	413
Subsurface Revenue - Other	—	—	29	29
Interest and Other Revenue	49	—	—	49
Total Revenues	\$ 21,099	\$ 53	\$ 496	\$ 21,648
Timing of Revenue Recognition:				
Asset/Good Transferred at a Point in Time	\$ —	\$ —	\$ 29	\$ 29
Services Transferred Over Time	49	—	—	49
Over Lease Term	21,050	—	467	21,517
Commercial Loan Investment Related Revenue	—	53	—	53
Total Revenues	\$ 21,099	\$ 53	\$ 496	\$ 21,648

NOTE 3. INCOME PROPERTIES AND LEASES

Leasing revenue consists of long-term rental revenue from retail, office, and commercial income properties, and billboards, which is recognized as earned, using the straight-line method over the life of each lease. Lease payments below include straight-line base rental revenue as well as the non-cash accretion of above and below market lease amortization.

The components of leasing revenue are as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)
Leasing Revenue				
Lease Payments	\$ 9,758	\$ 9,249	\$ 19,026	\$ 18,692
Variable Lease Payments	1,715	1,126	3,450	2,407
Total Leasing Revenue	\$ 11,473	\$ 10,375	\$ 22,476	\$ 21,099

Minimum future base rental revenue on non-cancelable leases subsequent to June 30, 2020, for the next five years ended December 31 are summarized as follows:

Year Ending December 31,	Amounts (\$000's)
Remainder of 2020	\$ 9,774
2021	19,528
2022	18,602
2023	17,820
2024	17,413
2025 and thereafter (cumulative)	122,606
Total	\$ 205,743

See Note 1, "Description of Business and Principles of Interim Statements" for the accounting treatment of lease modifications associated with tenant rent relief requests due to the COVID-19 Pandemic.

2020 Acquisitions. During the six months ended June 30, 2020, the Company acquired two multi-tenant income properties for a purchase price of approximately \$137.2 million, or an acquisition cost of approximately \$137.7 million including capitalized acquisition costs. Of the total acquisition cost, approximately \$46.7 million was allocated to land, approximately \$74.0 million was allocated to buildings and improvements, approximately \$18.8 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and approximately \$1.8 million was allocated to intangible liabilities for the below market lease value.

The properties acquired during the six months ended June 30, 2020 are described below:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Feet	Purchase Price	Percentage Leased at Acquisition	Remaining Lease Term at Acquisition Date (in years)
Crossroads Towne Center	Multi-Tenant	Chandler, AZ	01/24/20	254,109	\$ 61,800,000	99%	5.0
Perimeter Place	Multi-Tenant	Atlanta, GA	02/21/20	268,572	75,435,000	80%	3.6
Total / Weighted Average				522,681	\$ 137,235,000		4.2

2020 Dispositions. During the six months ended June 30, 2020, the Company disposed of four single-tenant income properties, including three ground leases, and one multi-tenant income property. See Note 24, "Subsequent Events", for information related to the single-tenant income properties sold subsequent to June 30, 2020.

The properties disposed of during the six months ended June 30, 2020 are described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain (Loss) on Sale	EPS, After Tax	Exit Cap Rate
CVS, Dallas, TX	Single-Tenant	04/24/20	\$ 15,222,000	\$ 854,336	\$ 0.14	4.50%
Wawa, Daytona Beach, FL	Single-Tenant	04/29/20	6,002,400	1,768,603	0.29	4.75%
JPMorgan Chase Bank, Jacksonville, FL	Single-Tenant	06/18/20	6,714,738	959,444	0.15	4.15%
7-Eleven, Dallas, TX	Multi-Tenant	06/26/20	2,400,000	(45,615)	(0.01)	6.08%
Bank of America, Monterey, CA	Single-Tenant	06/29/20	9,000,000	3,892,049	0.63	3.28%
Total / Weighted Average			\$ 39,339,138	\$ 7,428,817	\$ 1.20	4.30%

2019 Acquisitions. During the six months ended June 30, 2019, the Company acquired five single-tenant income properties for a purchase price of approximately \$40.6 million, or an acquisition cost of approximately \$40.9 million including capitalized acquisition costs. Of the total acquisition cost, approximately \$16.3 million was allocated to land, approximately \$20.5 million was allocated to buildings and improvements, approximately \$4.4 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and approximately \$0.3 million was allocated to intangible liabilities for the below market lease value. The weighted average amortization period for the intangible assets and liabilities was approximately 9.5 years at acquisition.

The properties acquired during the six months ended June 30, 2019 are described below:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Feet	Purchase Price	Percentage Leased at Acquisition	Remaining Lease Term at Acquisition Date (in years)
Hobby Lobby Stores, Inc.	Single-Tenant	Winston-Salem, NC	05/16/19	55,000	\$ 8,075,000	100%	10.9
24 Hour Fitness USA, Inc.	Single-Tenant	Falls Church, VA	05/23/19	46,000	21,250,000	100%	8.6
Walgreen Co.	Single-Tenant	Birmingham, AL	06/05/19	14,516	5,500,000	100%	9.8
Family Dollar Stores of Massachusetts, Inc.	Single-Tenant	Lynn, MA	06/07/19	9,228	2,100,000	100%	4.8
Walgreen Co.	Single-Tenant	Albany, GA	06/21/19	14,770	3,634,000	100%	13.6
Total / Weighted Average				139,514	\$ 40,559,000		9.5

2019 Dispositions. Three multi-tenant income properties were disposed of during the six months ended June 30, 2019, as described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain on Sale	EPS, After Tax	Exit Cap Rate
Whole Foods, Sarasota, FL	Multi-Tenant	02/21/19	\$ 24,620,000	\$ 6,869,957	\$ 0.96	5.15%
The Grove, Winter Park, FL	Multi-Tenant	05/23/19	18,250,000	2,803,198	0.42	6.72%
3600 Peterson, Santa Clara, CA	Multi-Tenant	06/24/19	37,000,000	9,008,709	1.36	6.62%
Total / Weighted Average			\$ 79,870,000	\$ 18,681,864	\$ 2.74	6.19%

NOTE 4. COMMERCIAL LOAN INVESTMENTS

Our investments in commercial loans or similar structured finance investments, such as mezzanine loans or other subordinated debt, have been and are expected to continue to be secured by commercial or residential real estate or the borrower's pledge of its ownership interest in the entity that owns the real estate. The first mortgage loans we invest in or originate are for commercial real estate located in the United States and its territories, and are current or performing with either a fixed or floating rate. Some of these loans may be syndicated in either a pari-passu or senior/subordinated structure. Commercial first mortgage loans generally provide for a higher recovery rate due to their senior position in the underlying collateral. Commercial mezzanine loans are typically secured by a pledge of the borrower's equity ownership in the underlying commercial real estate. Unlike a mortgage, a mezzanine loan is not secured by a lien on the property. An investor's rights in a mezzanine loan are usually governed by an intercreditor agreement that provides holders with the rights to cure defaults and exercise control on certain decisions of any senior debt secured by the same commercial property.

In light of the COVID-19 Pandemic, the Company began marketing its commercial loan portfolio in advance of their upcoming maturities to further strengthen the Company's liquidity. The Company received multiple bids for the portfolio including a bid offering a value that was at a discount to par. Additionally, the Company implemented the guidance regarding CECL effective January 1, 2020, which resulted in an allowance reserve of approximately \$252,000. The CECL reserve combined with the impairment related to marketing the loan portfolio resulted in an aggregate impairment charge on the loan portfolio of approximately \$1.9 million, or \$0.30 per share, after tax during the three months ended March 31, 2020.

During the three months ended June 30, 2020, the Company sold four of its commercial loan investments in two separate transactions generating aggregate proceeds of approximately \$20.0 million and resulting in a second quarter loss of approximately \$353,000, or approximately \$0.06 per share, after tax. For the six months ended June 30, 2020, the total loss on the loan portfolio disposition, including the impairment and CECL reserve charges on the four loans disposed of, in the three months ended March 31, 2020, was approximately \$2.1 million, or \$0.33 per share, after tax.

The Company's commercial loan investments were comprised of the following at June 30, 2020:

Description	Date of Investment	Maturity Date	Original Face Amount	Current Face Amount	Carrying Value	Coupon Rate
Ground Lease Loan – 400 Josephine Street, Austin, TX	July 2019	N/A	\$ 16,250,000	\$ 16,250,000	\$ 16,635,073	N/A
LPGA Buyer Loan – Daytona Beach, FL	Oct 2019	Oct 2020	2,070,000	2,070,000	1,853,839	7.50%
			<u>\$ 18,320,000</u>	<u>\$ 18,320,000</u>	<u>\$ 18,488,912</u>	

The carrying value of the commercial loan investment portfolio at June 30, 2020 and December 31, 2019 consisted of the following:

	June 30, 2020	December 31, 2019
Current Face Amount	\$ 18,320,000	\$ 34,570,000
Imputed Interest over Rent Payments Received on Ground Lease Loan	385,073	193,943
Unaccreted Origination Fees	(9,161)	(138,770)
Impairment / CECL Reserve	(207,000)	—
Total Commercial Loan Investments	<u>\$ 18,488,912</u>	<u>\$ 34,625,173</u>

NOTE 5. RELATED PARTY MANAGEMENT SERVICES BUSINESS

PINE. Pursuant to the Company's management agreement with PINE, we will generate a base management fee equal to 1.5% of PINE's total equity. The structure of the base fee provides us with an opportunity for our base fee to grow should PINE's independent board members determine to raise additional equity capital in the future. We also have an opportunity to achieve additional cash flows as Manager of PINE pursuant to the incentive fee provisions of the management agreement.

During the three and six months ended June 30, 2020, the Company earned management fee revenue from PINE totaling approximately \$644,000 and \$1.3 million, respectively, which is included in management services in the accompanying consolidated statements of operations. Dividend income for the three and six months ended June 30, 2020 totaled approximately \$408,000 and \$816,000, respectively, and is included in investment and other income in the accompanying consolidated statements of operations.

The following table represents amounts due from PINE to the Company as of June 30, 2020 and December 31, 2019 which are included in Other Assets on the consolidated balance sheets:

Description	As of	
	June 30, 2020 (\$000's)	December 31, 2019 (\$000's)
Management Services Fee due from PINE	\$ 644	\$ 254
Dividend Receivable	79	71
Other	7	56
Total	\$ 730	\$ 381

Land JV. Pursuant to the terms of the operating agreement for the Land JV, the initial amount of the management fee is \$20,000 per month. The management fee is evaluated quarterly and as land sales occur in the Land JV, the basis for our management fee will be reduced as the management fee is based on the value of real property that remains in the Land JV. During the three and six months ended June 30, 2020, the Company earned management fee revenue from the Land JV totaling approximately \$51,000 and \$105,000, respectively, which is included in management services in the accompanying consolidated statements of operations and was collected in full during the periods earned.

NOTE 6. REAL ESTATE OPERATIONS

Real Estate Operations – Continuing

Revenue from continuing real estate operations consisted of the following for the three and six months ended June 30, 2020 and 2019:

Revenue Description	Three Months Ended		Six Months Ended	
	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)
Mitigation Credit Sales	\$ —	\$ —	\$ 4	\$ —
Subsurface Revenue	1	234	78	442
Fill Dirt and Other Revenue	5	27	5	54
Total Real Estate Operations Revenue	\$ 6	\$ 261	\$ 87	\$ 496

Daytona Beach Development. During 2018, the Company acquired a 5-acre parcel of land with existing structures in downtown Daytona Beach, for a purchase price of approximately \$2.0 million. As of June 30, 2020, the Company has also acquired other contiguous parcels totaling approximately 1-acre for approximately \$2.1 million. Combined, these parcels represent the substantial portion of an entire city block in downtown Daytona Beach adjacent to International Speedway Boulevard, a major thoroughfare in Daytona Beach. We have engaged a national real estate brokerage firm to assist us in identifying a developer or investor to acquire a portion or all of the property or to contribute into a potential joint venture to redevelop the property. We are pursuing entitlements for the potential redevelopment of these parcels, along with certain other adjacent land parcels, some of which we have under contract for purchase. As of June 30, 2020, we have incurred approximately \$1.5 million in raze and entitlement costs related to these parcels which is included in Land and Development Costs on the consolidated balance sheets.

Other Real Estate Assets. The Company owns mitigation credits with a cost basis of approximately \$2.5 million as of June 30, 2020. As of December 31, 2019, the Company owned mitigation credits with a cost basis of approximately \$2.3 million. The increase in mitigation credit cost basis for the six months ended June 30, 2020 compared to December 31, 2019 is primarily the result of the 20 mitigation credits acquired from the Mitigation Bank, as defined in Note 7, "Investments in Joint Ventures", during the three months ended March 31, 2020 totaling approximately \$1.5 million, or approximately \$75,000 per credit. The cost basis was reduced by the impact of approximately 16 mitigation credits with a cost basis of approximately \$1.2 million that were provided at no cost to buyers. Additionally, the Company purchased 2 mitigation credits from the Mitigation Bank JV, for approximately \$224,000. The aggregate cost of sales charge of approximately \$1.5 million, which is not expected to be a recurring charge, was included in direct costs of revenues of real estate operations during the six months ended June 30, 2020 in the consolidated statements of operations. Mitigation credit sales totaled approximately \$4,000 during the six months ended June 30, 2020. There were no mitigation credit sales during the six months ended June 30, 2019.

Subsurface Interests. As of June 30, 2020, the Company owns full or fractional subsurface oil, gas, and mineral interests underlying approximately 455,000 "surface" acres of land owned by others in 20 counties in Florida (the "Subsurface Interests"). The Company leases certain of the Subsurface Interests to mineral exploration firms for exploration. Our subsurface operations consist of revenue from the leasing of exploration rights and in some instances, additional revenues from royalties applicable to production from the leased acreage.

There were no subsurface sales during the six months ended June 30, 2020 and 2019.

Prior to September 2019, the Company leased certain of the Subsurface Interests to a mineral exploration organization for exploration. The lessee had previously exercised renewal options through the eighth year of the lease which ended on September 22, 2019. The Lessee elected not to renew the oil exploration lease beyond September 22, 2019.

Lease income generated by the annual lease payments is recognized on a straight-line basis over the guaranteed lease term. For the three and six months ended June 30, 2019, lease income of approximately \$214,000 and \$413,000 was recognized, respectively, with no lease income recognized during the three and six months ended June 30, 2020.

During the three and six months ended June 30, 2020 and 2019, the Company also received oil royalties from operating oil wells on 800 acres under a separate lease with a separate operator. Revenues received from oil royalties totaled approximately \$20,000 during the three months ended June 30, 2019 with no revenues received during the three months ended June 30, 2020. Revenues received from oil royalties totaled approximately \$10,000 and \$29,000, during the six months ended June 30, 2020 and 2019, respectively.

The Company is not prohibited from selling any or all of its Subsurface Interests. The Company may release surface entry rights or other rights upon request of a surface owner for a negotiated release fee typically based on a percentage of the surface value. Should the Company complete a transaction to sell all or a portion of its Subsurface Interests or complete a release transaction, the Company may utilize the like-kind exchange structure in acquiring one or more replacement investments including income-producing properties.

Cash payments for the release of surface entry rights totaled approximately \$67,000 during the six months ended June 30, 2020. There were no releases of surface entry rights during the six months ended June 30, 2019.

Real Estate Operations – Discontinued Operations

As of June 30, 2020, the Company continues to pursue land sales of the approximately 4,900 acres that formerly comprised its land holdings on behalf of the JV Partners in its role as Manager of the Land JV. See Note 24, "Subsequent Events", for land sales from the Land JV subsequent to June 30, 2020. As a result of those land sales, the Land JV currently holds approximately 1,800 acres of undeveloped land in Daytona Beach, Florida. The Company's retained interest in the Land JV represents a notional 33.5% stake in the venture, the value of which may be realized in the form of distributions based on the timing and the amount of proceeds achieved when the land is ultimately sold by the Land JV. As of June 30, 2020, the Land JV has completed approximately \$22.2 million in land sales since its inception in mid-October 2019 and currently has a pipeline of 8 purchase and sale agreements for potential land sale transactions representing approximately

\$31 million of potential proceeds to the Land JV. The roughly 267 acres under contract represents approximately 15% of the total remaining land in the Land JV.

The Company currently serves as the manager of the Land JV and is responsible for day-to-day operations at the direction of the JV Partners. All major decisions and certain other actions that can be taken by the Manager must be approved by the unanimous consent of the JV Partners (the "Unanimous Actions"). Unanimous Actions include such matters as the approval of pricing for all land parcels in the Land JV; approval of contracts for the sale of land that contain material revisions to the standard purchase contract of the Land JV; entry into any lease agreement affiliated with the Land JV; entering into listing or brokerage agreements; approval and amendment of the Land JV's operating budget; obtaining financing for the Land JV; admission of additional members; and dispositions of the Land JV's real property for amounts less than market value. Pursuant to the Land JV's operating agreement, the Land JV will pay the Manager a management fee in the initial amount of \$20,000 per month, which amount will be reevaluated on a quarterly basis and reduced based on the value of real property that remains in the Land JV.

During the six months ended June 30, 2019, prior to the inception of the Land JV, a total of approximately 74 acres were sold for approximately \$10.8 million.

NOTE 7. INVESTMENTS IN JOINT VENTURES

The Company's Investment in Joint Ventures were as follows as of June 30, 2020 and December 31, 2020:

	As of	
	June 30, 2020	December 31, 2019
Land JV	\$ 48,864,662	\$ 48,864,662
Mitigation Bank JV	6,894,426	6,872,006
Total Investments in Joint Ventures	\$ 55,759,088	\$ 55,736,668

Land JV. The Investment in Joint Ventures on the Company's consolidated balance sheets includes the Company's ownership interest in the Land JV. We have concluded the Land JV is a variable interest entity and is accounted for under the equity method of accounting as the Company is not the primary beneficiary as defined in FASB ASC Topic 810, Consolidation. The significant factors related to this determination include, but are not limited to, the Land JV being jointly controlled by the members through the use of unanimous approval for all material actions. Under the guidance of FASB ASC 323, Investments-Equity Method and Joint Ventures, the Company uses the equity method to account for the JV Investment.

The following table provides summarized financial information of the Land JV as of June 30, 2020 and December 31, 2019:

	As of	
	June 30, 2020 (\$000's)	December 31, 2019 (\$000's)
Assets, cash and cash equivalents	\$ 816	\$ 15,066
Assets, prepaid expenses	190	61
Assets, investment in land assets	14,667	17,058
Total Assets	\$ 15,673	\$ 32,185
Liabilities, accounts payable, deferred revenue	\$ 227	\$ 987
Equity	\$ 15,446	\$ 31,198
Total Liabilities & Equity	\$ 15,673	\$ 32,185

The following table provides summarized financial information of the Land JV for the three and six months ended June 30, 2020. There was no activity for the three and six months ended June 30, 2019.

	Three Months Ended		Six Months Ended
	June 30, 2020		June 30, 2020
	(\$000's)		(\$000's)
Revenues	\$ 680	\$	7,826
Direct Cost of Revenues	269		3,375
Operating Income	\$ 411	\$	4,451
Other Operating Expenses	\$ 137	\$	274
Net Income	\$ 274	\$	4,177

The Company's share of the Land JV's net income was zero for the three and six months ended June 30, 2020. Pursuant to ASC 323, certain adjustments are made when calculating the Company's share of net income, including adjustments required to reflect the investor's share of changes in investee's capital to reflect distributions from the venture. Additionally, basis differences are also considered. The Company recorded the retained interest in the Land JV of approximately \$48.9 million at the estimated fair market value based on the relationship of the \$97.0 million sales price of the 66.5% equity interest to the 33.5% retained interest. The Land JV recorded the assets contributed by the Company at carry-over basis pursuant to ASC 845 which states that transfers of nonmonetary assets to should typically be recorded at the transferor's historical cost basis. Accordingly, the Company's basis difference in the 33.5% retained equity interest will be evaluated each quarter upon determining the Company's share of the Land JV's net income. No adjustment was required for the three and six months ended June 30, 2020.

Mitigation Bank. The mitigation bank transaction completed in June 2018 consists of the sale of a 70% interest in the Mitigation Bank JV. The purchaser of the 70% interest in the Mitigation Bank JV is comprised of certain funds and accounts managed by an investment advisor subsidiary of BlackRock, Inc. ("BlackRock"). The Company retained an approximately 30% non-controlling interest in the Mitigation Bank JV. A third-party was retained by the Mitigation Bank JV as the day-to-day manager of the Mitigation Bank property, responsible for the maintenance, generation, tracking, and other aspects of wetland mitigation credits. The approximately \$6.9 million Investments in Joint Ventures included on the Company's consolidated balance sheets is comprised of the fair market value of the 30% retained interest in the Mitigation Bank JV.

The Mitigation Bank JV intends to engage in the creation and sale of both federal and state wetland mitigation credits. These credits will be created pursuant to the applicable permits that have been or will be issued to the Mitigation Bank JV from the federal and state regulatory agencies that exercise jurisdiction over the awarding of such credits, but no assurances can be given as to the ultimate issuance, marketability or value of the credits. The Mitigation Bank JV received the permit from the state regulatory agency on June 8, 2018 (the "State Permit"). The state regulatory agency may award up to 355 state credits under the State Permit. On August 6, 2018, the state regulatory agency awarded the initial 88.84 credits under the State Permit. Receipt of the remaining federal permit is anticipated to occur prior to the end of 2020.

The operating agreement of the Mitigation Bank JV (the "Operating Agreement") executed in conjunction with the mitigation bank transaction stipulates that the Company shall arrange for sales of the Mitigation Bank JV's mitigation credits to unrelated third parties totaling no less than \$6 million of revenue to the Mitigation Bank JV, net of commissions, by the end of 2020, utilizing a maximum of 60 mitigation credits (the "Minimum Sales Requirement"). The Operating Agreement stipulates that if the Minimum Sales Requirement is not achieved, then BlackRock has the right, but is not required, to cause the Company to purchase the number of mitigation credits necessary to reach the Minimum Sales Requirement (the "Minimum Sales Guarantee"). The Company estimates the fair value of the Minimum Sales Guarantee to be approximately \$100,000 which was recorded as a reduction in the gain on the transaction and is included in Accrued and Other Liabilities in the Company's consolidated balance sheet.

Additionally, the Operating Agreement provides BlackRock the right to cause the Company to purchase a maximum of 8.536 mitigation credits per quarter (the "Commitment Amount") from the Mitigation Bank JV at a price equal to 60% of the then fair market value for mitigation credits (the "Put Right"). The Put Right is applicable even if the Mitigation Bank JV has not yet been awarded a sufficient number of mitigation credits by the applicable federal and state regulatory agencies. Further, in any quarter that BlackRock does not exercise its Put Right, the unexercised Commitment Amount for the applicable quarter may be rolled over to future calendar quarters. However, the Operating Agreement also stipulates

that any amount of third-party sales of mitigation credits will reduce the Put Rights outstanding on a one-for-one basis, if the sales price of the third-party sales equals or exceeds the prices stipulated by the Put Right. Further, any sales of mitigation credits to third parties at the requisite minimum prices in a quarter that exceeds the quarterly amount of the Put Right will reduce the Put Rights in future calendar quarters on a one-for-one basis. The maximum potential of future payments for the Company pursuant to the Put Right is approximately \$27 million. The Company estimates the fair value of the Put Right to be approximately \$200,000, which was recorded as a reduction in the gain on the transaction and is included in Accrued and Other Liabilities in the Company's consolidated balance sheet.

In March 2020, BlackRock exercised its Put Right and put 20 mitigation credits to the Company, which the Company purchased for approximately \$1.5 million, or approximately \$75,000 per credit. In December 2019, BlackRock exercised its Put Right and put 25 mitigation credits to the Company, which the Company purchased for approximately \$1.9 million, or approximately \$75,000 per credit. The credits acquired were included as an increase to Mitigation Credits on the accompanying consolidated balance sheets as of June 30, 2020 and December 31, 2019, respectively. The Company evaluated the impact of the exercised Put Right on the fair value of the Company's investment in the Mitigation Bank JV as of June 30, 2020 and December 31, 2019 of approximately \$6.9 million, and on the fair value of the mitigation credits purchased as of June 30, 2020 and December 31, 2019, noting no impairment. The Company evaluates its estimates of fair value on an ongoing basis; however, actual results may differ from those estimates. See Note 24, "Subsequent Events" for additional Put Right exercised in July 2020.

The following tables provide summarized financial information of the Mitigation Bank JV as of June 30, 2020 and December 31, 2019:

	As of	
	June 30, 2020 (\$000's)	December 31, 2019 (\$000's)
Assets, cash and cash equivalents	\$ 1,905	\$ 4,015
Assets, prepaid expenses	41	19
Assets, investment in mitigation credit assets	1,477	1,521
Assets, property, plant, and equipment	16	17
Total Assets	\$ 3,439	\$ 5,572
Liabilities, accounts payable, deferred mitigation credit sale revenue	\$ 19	\$ 39
Equity	3,420	5,533
Total Liabilities & Equity	\$ 3,439	\$ 5,572

The following table provides summarized financial information of the Mitigation Bank JV for the three and six months ended June 30, 2020 and 2019:

	Three Months Ended		Six Months Ended	
	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)
Revenues	\$ 12	\$ —	\$ 1,878	\$ 47
Direct Cost of Revenues	1	—	81	4
Operating Income	\$ 11	\$ —	\$ 1,797	\$ 43
Other Operating Expenses	\$ 72	\$ 56	\$ 148	\$ 127
Net Income	\$ (61)	\$ (56)	\$ 1,649	\$ (84)

The Company's share of the Mitigation Bank JV's net income was zero for the three and six months ended June 30, 2020 and 2019. Pursuant to ASC 323, certain adjustments are made when calculating the Company's share of net income, including adjustments required to reflect the investor's share of changes in investee's capital to reflect distributions from the venture. Additionally, basis differences are also considered. The Company recorded the initial retained interest in the Mitigation Bank JV of approximately \$6.8 million in June 2018 at the estimated fair market value based on the relationship of the \$15.3 million sales price of the 70% equity interest to the 30% retained interest. The Mitigation Bank JV recorded the assets contributed by the Company at carry-over basis pursuant to ASC 845 which states that transfers of nonmonetary assets to should typically be recorded at the transferor's historical cost basis. Accordingly, the Company's basis difference in the 30% retained equity interest will be evaluated each quarter upon determining the Company's share of the Mitigation Bank JV's net income.

NOTE 8. INVESTMENT SECURITIES

On November 26, 2019, the Company purchased 394,737 shares of PINE common stock for a total purchase price of \$7.5 million. Also, on November 26, 2019, the Company purchased 421,053 shares of PINE common stock in the IPO for a total purchase price of \$8.0 million. Including the 1,223,854 OP Units the Company received in exchange for the contribution of certain income properties to the Operating Partnership, as of June 30, 2020, the Company owns, in the aggregate, approximately 2.04 million shares of PINE, or approximately 23.5% of PINE's total shares outstanding for an initial investment of approximately \$38.8 million. The Company has elected the fair value option related to the aggregate investment in securities of PINE pursuant to ASC 825, otherwise such investments would have been accounted for under the equity method.

During the three months ended June 30, 2020, the closing stock price of PINE increased by \$3.95 per share, with a closing price of \$16.26 on June 30, 2020. This increase resulted in an unrealized, non-cash gain on the Company's investment in PINE of approximately \$8.1 million, or \$1.30 per share, after tax, which is included in Investment and Other Income (Loss) in the consolidated statements of operations for the three months ended June 30, 2020.

During the six months ended June 30, 2020, the closing stock price of PINE decreased by \$2.77 per share, with a closing price of \$16.26 on June 30, 2020. This decrease resulted in an unrealized, non-cash loss on the Company's investment in PINE of approximately \$5.6 million, or \$0.91 per share, after tax, which is included in Investment and Other Income (Loss) in the consolidated statements of operations for the six months ended June 30, 2020.

As of June 30, 2020				
	Cost	Unrealized Gains in Investment Income	Unrealized Losses in Investment Income	Estimated Fair Value (Level 1 Inputs)
Common Stock	\$ 15,500,000	\$ —	\$ (2,235,255)	\$ 13,264,745
Operating Units	23,253,230	—	(3,353,364)	19,899,866
Total Equity Securities	38,753,230	—	(5,588,619)	33,164,611
Total Investment Securities	\$ 38,753,230	\$ —	\$ (5,588,619)	\$ 33,164,611

As of December 31, 2019				
	Cost	Unrealized Gains in Investment Income	Unrealized Losses in Investment Income	Estimated Fair Value (Level 1 Inputs)
Common Stock	\$ 15,500,000	\$ 24,484	\$ —	\$ 15,524,484
Operating Units	23,253,230	36,711	—	23,289,941
Total Equity Securities	38,753,230	61,195	—	38,814,425
Total Investment Securities	\$ 38,753,230	\$ 61,195	\$ —	\$ 38,814,425

NOTE 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying value and estimated fair value of the Company's financial instruments at June 30, 2020 and December 31, 2019:

	June 30, 2020		December 31, 2019	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and Cash Equivalents - Level 1	\$ 10,701,531	\$ 10,701,531	\$ 6,474,637	\$ 6,474,637
Restricted Cash - Level 1	29,709,862	29,709,862	128,430,049	128,430,049
Commercial Loan Investments - Level 2	18,488,912	18,488,912	34,625,173	35,001,997
Long-Term Debt - Level 2	270,783,375	277,037,986	287,218,303	288,830,346

To determine estimated fair values of the financial instruments listed above, market rates of interest, which include credit assumptions, were used to discount contractual cash flows. The estimated fair values are not necessarily indicative of the amount the Company could realize on disposition of the financial instruments. The use of different market assumptions or estimation methodologies could have a material effect on the estimated fair value amounts.

The following table presents the fair value of assets (liabilities) measured on a recurring basis by Level as of June 30, 2020:

	6/30/2020	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Flow Hedge - Interest Rate Swap - Wells Fargo	\$ (217,034)	\$ —	\$ (217,034)	\$ —
Cash Flow Hedge - Interest Rate Swap - BMO	\$ (2,174,495)	\$ —	\$ (2,174,495)	\$ —
Investment Securities	\$ 33,164,611	\$ 33,164,611	\$ —	\$ —

The following table presents the fair value of assets measured on a recurring basis by Level as of December 31, 2019:

	12/31/2019	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Flow Hedge - Interest Rate Swap - Wells Fargo	\$ 99,021	\$ —	\$ 99,021	\$ —
Investment Securities	\$ 38,814,425	\$ 38,814,425	\$ —	\$ —

NOTE 10. INTANGIBLE LEASE ASSETS AND LIABILITIES

Intangible lease assets and liabilities consist of the value of above-market and below-market leases, the value of in-place leases, and the value of leasing costs, based in each case on their fair values.

Intangible lease assets and liabilities consisted of the following as of June 30, 2020 and December 31, 2019:

	As of	
	June 30, 2020	December 31, 2019
Intangible Lease Assets:		
Value of In-Place Leases	\$ 43,898,967	\$ 42,584,264
Value of Above Market In-Place Leases	10,588,409	7,119,316
Value of Intangible Leasing Costs	14,577,445	14,645,780
Sub-total Intangible Lease Assets	69,064,821	64,349,360
Accumulated Amortization	(14,328,878)	(15,327,182)
Sub-total Intangible Lease Assets—Net	54,735,943	49,022,178
Intangible Lease Liabilities (included in accrued and other liabilities):		
Value of Below Market In-Place Leases	(37,675,639)	(36,507,336)
Sub-total Intangible Lease Liabilities	(37,675,639)	(36,507,336)
Accumulated Amortization	11,499,468	10,309,088
Sub-total Intangible Lease Liabilities—Net	(26,176,171)	(26,198,248)
Total Intangible Assets and Liabilities—Net	\$ 28,559,772	\$ 22,823,930

During the six months ended June 30, 2020, the value of in-place leases increased by approximately \$1.3 million, the value of above-market in-place leases increased by approximately \$3.5 million, the value of intangible leasing costs decreased by approximately \$68,000, and the value of below-market in-place leases decreased by approximately \$1.2 million due to the acquisition of two multi-tenant income properties completed during the first quarter of 2020, such increases reflect acquisitions, net of the disposition of four single-tenant income properties and one multi-tenant income property during the second quarter of 2020, and two single-tenant income properties which were classified as held for sale

as of June 30, 2020. Net amortization increased by approximately \$2.2 million, for a net increase during the six months ended June 30, 2020 of approximately \$5.7 million.

As of June 30, 2020 and December 31, 2019, approximately \$21 and \$22.2 million, respectively, of the total below market in-place lease value is related to Wells Fargo Raleigh which was acquired on November 18, 2015.

The following table reflects the amortization of intangible assets and liabilities during the three and six months ended June 30, 2020 and 2019:

	Three Months Ended		Six Months Ended	
	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)
Depreciation and Amortization Expense	\$ 2,136	\$ 1,559	\$ 4,017	\$ 2,686
Increase to Income Properties Revenue	(444)	(623)	(918)	(1,204)
Net Amortization of Intangible Assets and Liabilities	\$ 1,692	\$ 936	\$ 3,099	\$ 1,482

The estimated future amortization expense (income) related to net intangible assets and liabilities is as follows:

Year Ending December 31,	Future Amortization Amount	Future Accretion to Income Property Revenue	Net Future Amortization of Intangible Assets and Liabilities
Remainder of 2020	\$ 3,651,725	\$ (873,687)	\$ 2,778,038
2021	6,769,579	(1,841,373)	4,928,206
2022	6,362,262	(1,912,533)	4,449,729
2023	6,238,903	(1,889,287)	4,349,616
2024	6,203,350	(1,685,744)	4,517,606
2025 and thereafter	16,731,349	(9,194,772)	7,536,577
Total	\$ 45,957,168	\$ (17,397,396)	\$ 28,559,772

NOTE 11. IMPAIRMENT OF LONG-LIVED ASSETS

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The fair value of long-lived assets required to be assessed for impairment is determined on a non-recurring basis using Level 3 inputs in the fair value hierarchy. These Level 3 inputs may include, but are not limited to, executed purchase and sale agreements on specific properties, third party valuations, discounted cash flow models, and other model-based techniques.

During the six months ended June 30, 2020 and 2019 there were no impairment charges on the Company's undeveloped land holdings, or its income property portfolio.

NOTE 12. OTHER ASSETS

Other assets consisted of the following:

	As of	
	June 30, 2020	December 31, 2019
Income Property Tenant Receivables	\$ 1,915,168	\$ 532,636
Income Property Straight-line Rent Adjustment	5,011,351	3,352,245
Interest Receivable from Commercial Loan Investment	6,038	96,604
Operating Leases - Right-of-Use Asset	305,196	363,631
Golf Rounds Surcharge - LPGA	498,865	549,251
Cash Flow Hedge - Interest Rate Swap	—	99,021
Infrastructure Reimbursement Receivables	1,605,980	1,591,445
Deferred Deal Costs	—	4,787
Prepaid Expenses, Deposits, and Other	2,184,141	3,113,929
Total Other Assets	<u>\$ 11,526,739</u>	<u>\$ 9,703,549</u>

Income Property Straight-Line Rent Adjustment. As of June 30, 2020, the straight-line rent adjustment includes a balance of approximately \$1.0 million of deferred rent related to the COVID-19 Pandemic. Pursuant to the April 2020 FASB guidance on lease modifications, for leases in which deferred rent agreements were reached, the Company has continued to account for the lease concessions by recognizing the normal straight-line rental income and as the deferred rents are repaid by the tenant, the straight-line receivable will be reduced.

Infrastructure Reimbursement Receivables. As of June 30, 2020 and December 31, 2019, the Infrastructure Reimbursement Receivables were all related to the land sales within the Tomoka Town Center. The balance as of June 30, 2020 consisted of approximately \$1,100,000 due from Tanger for infrastructure reimbursement to be repaid in seven remaining annual installments of \$175,000, net of a discount of approximately \$124,000, and approximately \$505,000 due from Sam's Club for infrastructure reimbursement to be repaid in five remaining annual installments of \$110,000, net of a discount of approximately \$45,000.

Operating Leases – Right-of-Use Asset. The Company implemented FASB ASC Topic 842, *Leases*, effective January 1, 2019, resulting in a cumulative effect adjustment to increase right-of-use assets and related liabilities for operating leases for which the Company is the lessee.

NOTE 13. COMMON STOCK AND EARNINGS PER SHARE

Basic earnings per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per common share is based on the assumption of the conversion of stock options and vesting of restricted stock at the beginning of each period using the treasury stock method at average cost for the periods.

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Income Available to Common Shareholders:				
Net Income	\$ 12,610,524	\$ 10,596,800	\$ 348,665	\$ 17,064,899
Weighted Average Shares Outstanding	4,653,627	4,951,469	4,682,511	5,147,580
Common Shares Applicable to Stock				
Options Using the Treasury Stock Method	—	—	—	—
Total Shares Applicable to Diluted Earnings Per Share	<u>4,653,627</u>	<u>4,951,469</u>	<u>4,682,511</u>	<u>5,147,580</u>
Per Share Information:				
Basic and Diluted				
Net Income from Continuing Operations	\$ 2.71	\$ 1.75	\$ 0.07	\$ 2.73
Net Income from Discontinued Operations (Net of Income Tax)	—	0.39	—	0.59
Net Income	<u>\$ 2.71</u>	<u>\$ 2.14</u>	<u>\$ 0.07</u>	<u>\$ 3.32</u>

There were no potentially dilutive securities for the three and six months ended June 30, 2020 or 2019. The effect of 39,402 and 7,500 potentially dilutive securities was not included for the six months ended June 30, 2020 and 2019, respectively, as the effect would be anti-dilutive.

The Company intends to settle its 3.875% Convertible Senior Notes due 2025 (the "Convertible Notes") in cash upon conversion with any excess conversion value to be settled in shares of our common stock. Therefore, only the amount in excess of the par value of the Convertible Notes will be included in our calculation of diluted net income per share using the treasury stock method. As such, the Convertible Notes have no impact on diluted net income per share until the price of our common stock exceeds the current conversion price of \$77.79. The average price of our common stock during the six months ended June 30, 2020 did not exceed the conversion price which resulted in no additional diluted outstanding shares.

NOTE 14. TREASURY STOCK

In February 2020, the Company's Board of Directors approved a \$10 million stock repurchase program (the "\$10 Million Repurchase Program"). During the six months ended June 30, 2020, the Company repurchased 88,565 shares of its common stock on the open market for a total cost of approximately \$4.1 million, or an average price per share of \$46.29. The shares of the Company's common stock repurchased during the six months ended June 30, 2020 were returned to the Company's treasury. The \$10 Million Repurchase Program does not have an expiration date.

NOTE 15. LONG-TERM DEBT

As of June 30, 2020, the Company's outstanding indebtedness, at face value, was as follows:

	Face Value Debt	Maturity Date	Interest Rate
Credit Facility ⁽¹⁾	\$ 162,845,349	May 2023	30-day LIBOR plus 1.35% - 1.95%
Mortgage Note Payable (originated with Wells Fargo) ⁽²⁾	30,000,000	October 2034	4.330%
Mortgage Note Payable (originated with Wells Fargo) ⁽³⁾	23,536,432	April 2021	3.170%
3.875% Convertible Senior Notes due 2025	62,468,000	April 2025	3.875%
Total Long-Term Face Value Debt	\$ 278,849,781		

⁽¹⁾ Effective March 31, 2020, utilized interest rate swap to achieve fixed interest rate of 0.7325% plus the applicable spread on \$100 million of the outstanding principal balance.

⁽²⁾ Secured by the Company's interest in six income properties. The mortgage loan carries a fixed rate of 4.33% per annum during the first ten years of the term, and requires payments of interest only during the first ten years of the loan. After the tenth anniversary of the effective date of the loan, the cash flows, as defined in the related loan agreement, generated by the underlying six income properties must be used to pay down the principal balance of the loan until paid off or until the loan matures. The loan is fully pre-payable after the tenth anniversary of the effective date of the loan.

⁽³⁾ Secured by the Company's income property leased to Wells Fargo Raleigh. The mortgage loan has a 5-year term with two years interest only, and interest and a 25-year amortization for the balance of the term. The mortgage loan bears a variable rate of interest based on the 30-day LIBOR plus a rate of 190 basis points. The interest rate for this mortgage loan has been fixed through the use of an interest rate swap that fixed the rate at 3.17%. The mortgage loan can be prepaid at any time subject to the termination of the interest rate swap. Amortization of the principal balance began in May 2018.

Credit Facility. The Company's revolving credit facility (the "Credit Facility"), with Bank of Montreal ("BMO") serving as the administrative agent for the lenders thereunder, is unsecured with regard to our income property portfolio but is guaranteed by certain wholly owned subsidiaries of the Company. The Credit Facility bank group is led by BMO and also includes Wells Fargo and Branch Banking & Trust Company. On September 7, 2017, the Company executed the second amendment and restatement of the Credit Facility (the "2017 Amended Credit Facility").

On May 24, 2019, the Company executed the Second Amendment to the 2017 Amended Credit Facility (the "Second Revolver Amendment"). As a result of the Second Revolver Amendment, the Credit Facility has a total borrowing capacity of \$200.0 million with the ability to increase that capacity up to \$300.0 million during the term, subject to lender approval. The Credit Facility provides the lenders with a security interest in the equity of the Company subsidiaries that own the properties included in the borrowing base. The indebtedness outstanding under the Credit Facility accrues interest at a rate ranging from the 30-day LIBOR plus 135 basis points to the 30-day LIBOR plus 195 basis points based on the total balance outstanding under the Credit Facility as a percentage of the total asset value of the Company, as defined in the 2017 Amended Credit Facility, as amended by the Second Revolver Amendment. The Credit Facility also accrues a fee of 15 to 25 basis points for any unused portion of the borrowing capacity based on whether the unused portion is greater or less than 50% of the total borrowing capacity. Pursuant to the Second Revolver Amendment, the Credit Facility matures on May 24, 2023, with the ability to extend the term for 1 year.

On November 26, 2019, the Company entered into the Third Amendment to the Second Amended and Restated Credit Agreement (the "Second 2019 Revolver Amendment"), which further amends the 2017 Amended Credit Facility. The Second 2019 Revolver Amendment included, among other things, an adjustment of certain financial maintenance covenants, including a temporary reduction of the minimum fixed charge coverage ratio to allow the Company to redeploy the proceeds received from the sale of certain income properties to PINE (the "PINE Income Property Sale Transactions"), and an increase in the maximum amount the Company may invest in stock and stock equivalents of real estate investment trusts to allow the Company to invest in the common stock and operating partnership units of PINE.

On July 1, 2020, the Company entered into the Fourth Amendment to the Second Amended and Restated Credit Agreement (the "2020 Revolver Amendment") whereby the tangible net worth covenant was adjusted to be more reflective of market terms. The 2020 Revolver Amendment was effective as of March 31, 2020.

At June 30, 2020, the current commitment level under the Credit Facility was \$200.0 million. The available borrowing capacity under the Credit Facility was approximately \$37.2 million, based on the level of borrowing base assets. As of June 30, 2020, the Credit Facility had a \$162.8 million balance outstanding. See Note 1, "Description of Business and Principles of Interim Statements" for a discussion of the potential impact on borrowing base assets due to the COVID-19 Pandemic.

The Credit Facility is subject to customary restrictive covenants including, but not limited to, limitations on the Company's ability to: (a) incur indebtedness; (b) make certain investments; (c) incur certain liens; (d) engage in certain affiliate transactions; and (e) engage in certain major transactions such as mergers. In addition, the Company is subject to various financial maintenance covenants including, but not limited to, a maximum indebtedness ratio, a maximum secured indebtedness ratio, and a minimum fixed charge coverage ratio. The Credit Facility also contains affirmative covenants and events of default including, but not limited to, a cross default to the Company's other indebtedness and upon the occurrence of a change in control. The Company's failure to comply with these covenants or the occurrence of an event of default could result in acceleration of the Company's debt and other financial obligations under the Credit Facility.

Mortgage Notes Payable. In addition to the Credit Facility, the Company has certain other borrowings, as noted in the table above, all of which are non-recourse.

Convertible Debt. The Company's \$75.0 million aggregate principal amount of 4.50% Convertible Notes (the "2020 Notes") were scheduled to mature on March 15, 2020; however, the Company completed the Note Exchanges, hereinafter defined, on February 4, 2020. The initial conversion rate was 14.5136 shares of common stock for each \$1,000 principal amount of the 2020 Notes, which represented an initial conversion price of approximately \$68.90 per share of common stock.

On February 4, 2020, the Company closed privately negotiated exchange agreements with certain holders of its outstanding 2020 Notes pursuant to which the Company issued approximately \$57.4 million principal amount of 3.875% Convertible Senior Notes due 2025 (the "2025 Notes") in exchange for approximately \$57.4 million principal amount of the 2020 Notes (the "Note Exchanges"). In addition, the Company closed a privately negotiated purchase agreement with an investor, who had not invested in the 2020 Notes, and issued approximately \$17.6 million principal amount of the 2025 Notes (the "New Notes Placement," and together with the Note Exchanges, the "Convert Transactions"). The Company used approximately \$5.9 million of the proceeds from the New Notes Placement to repurchase approximately \$5.9 million of the 2020 Notes. As a result of the Convert Transactions there was a total of \$75 million aggregate principal amount of 2025 Notes outstanding.

In exchange for issuing the 2025 Notes pursuant to the Note Exchanges, the Company received and cancelled the exchanged 2020 Notes. The \$11.7 million of net proceeds from the New Notes Placement were used to redeem at maturity on March 15, 2020 approximately \$11.7 million of the aggregate principal amount of the 2020 Notes that remained outstanding.

During the six months ended June 30, 2020, the Company repurchased approximately \$12.5 million aggregate principal amount of 2025 Notes at an approximate \$2.6 million discount, resulting in a gain on the extinguishment of debt of approximately \$1.1 million. Following the repurchase of the 2025 Notes during the first and second quarter of 2020, \$62.5 million aggregate principal amount of the 2025 Notes remains outstanding.

The 2025 Notes represent senior unsecured obligations of the Company and pay interest semi-annually in arrears on each April 15th and October 15th, commencing on April 15, 2020, at a rate of 3.875% per annum. The 2025 Notes mature on April 15, 2025 and may not be redeemed by the Company prior to the maturity date. The conversion rate for the 2025 Notes is initially 12.7910 shares of the Company's common stock per \$1,000 of principal of the 2025 Notes (equivalent to an initial conversion price of approximately \$78.18 per share of the Company's common stock). The initial conversion price of the 2025 Notes represents a premium of approximately 20% to the \$65.15 closing sale price of the Company's common stock on the NYSE American on January 29, 2020. If the Company's Board of Directors increases the quarterly dividend above the \$0.13 per share in place at issuance, the conversion rate is adjusted with each such increase in the quarterly dividend amount. After the second quarter 2020 dividend, the conversion rate is equal to 12.8551 shares of common stock for each \$1,000 principal amount of 2025 Notes, which represents an adjusted conversion price of approximately \$77.79 per share of common stock. The 2025 Notes are convertible into cash, common stock or a combination thereof, subject to various conditions, at the Company's option. Should certain corporate transactions or

events occur prior to the stated maturity date, the Company will increase the conversion rate for a holder that elects to convert its 2025 Notes in connection with such corporate transaction or event.

The conversion rate is subject to adjustment in certain circumstances. Holders may not surrender their 2025 Notes for conversion prior to January 15, 2025 except upon the occurrence of certain conditions relating to the closing sale price of the Company's common stock, the trading price per \$1,000 principal amount of 2025 Notes, or specified corporate events including a change in control of the Company. The Company may not redeem the 2025 Notes prior to the stated maturity date and no sinking fund is provided for the 2025 Notes. The 2025 Notes are convertible, at the election of the Company, into solely cash, solely shares of the Company's common stock, or a combination of cash and shares of the Company's common stock. The Company intends to settle the 2025 Notes in cash upon conversion, with any excess conversion value to be settled in shares of our common stock. In accordance with GAAP, the 2025 Notes were accounted for as a liability with a separate equity component recorded for the conversion option. A liability was recorded for the 2025 Notes on the issuance date at fair value based on a discounted cash flow analysis using current market rates for debt instruments with similar terms. The difference between the initial proceeds from the 2025 Notes and the estimated fair value of the debt instruments resulted in a debt discount, with an offset recorded to additional paid-in capital representing the equity component. As of June 30, 2020, the unamortized debt discount of our Notes was approximately \$6.8 million.

Long-term debt consisted of the following:

	June 30, 2020		December 31, 2019	
	Total	Due Within One Year	Total	Due Within One Year
Credit Facility	\$ 162,845,350	\$ —	\$ 159,845,349	\$ —
Mortgage Note Payable (originated with Wells Fargo)	30,000,000	—	30,000,000	—
Mortgage Note Payable (originated with Wells Fargo)	23,536,432	23,536,432	23,884,373	—
4.500% Convertible Senior Notes, net of discount	—	—	74,706,078	75,000,000
3.875% Convertible Senior Notes, net of discount	55,676,641	—	—	—
Loan Costs, net of accumulated amortization	(1,275,048)	—	(1,217,497)	—
Total Long-Term Debt	\$ 270,783,375	\$ 23,536,432	\$ 287,218,303	\$ 75,000,000

Payments applicable to reduction of principal amounts as of June 30, 2020 will be required as follows:

Year Ending December 31,	Amount
Remainder of 2020	\$ —
2021	23,536,432
2022	—
2023	162,845,349
2024	—
2025 and thereafter	92,468,000
Total Long-Term Debt - Face Value	\$ 278,849,781

The carrying value of long-term debt as of June 30, 2020 consisted of the following:

	Total
Current Face Amount	\$ 278,849,781
Unamortized Discount on Convertible Debt	(6,791,358)
Loan Costs, net of accumulated amortization	(1,275,048)
Total Long-Term Debt	\$ 270,783,375

The following table reflects a summary of interest expense incurred and paid during the three months ended June 30, 2020 and 2019:

	Three Months Ended		Six Months Ended	
	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)
Interest Expense	\$ 2,123	\$ 2,598	\$ 4,922	\$ 5,084
Amortization of Loan Costs	74	107	223	213
Amortization of Discount on Convertible Notes	256	337	760	668
Total Interest Expense	\$ 2,453	\$ 3,042	\$ 5,905	\$ 5,965
Total Interest Paid	\$ 2,496	\$ 1,636	\$ 5,636	\$ 5,067

The Company was in compliance with all of its debt covenants as of June 30, 2020 and December 31, 2019.

NOTE 16. INTEREST RATE SWAPS

During April 2016, the Company entered into an interest rate swap agreement to hedge cash flows tied to changes in the underlying floating interest rate tied to LIBOR for the \$25.0 million mortgage note payable as discussed in Note 15, "Long-Term Debt." During the six months ended June 30, 2020, the interest rate swap agreement was 100% effective. Accordingly, the change in fair value on the interest rate swap has been classified in accumulated other comprehensive income. As of June 30, 2020, the fair value of our interest rate swap agreement, which was a loss of approximately \$217,000, is included in accrued and other liabilities on the consolidated balance sheets. As of December 31, 2019, the fair value of our interest rate swap agreement, which was a gain of approximately \$99,000, was included in other assets on the consolidated balance sheets. The interest rate swap was effective on April 7, 2016 and matures on April 7, 2021. The interest rate swap fixed the variable rate debt on the notional amount of related debt of \$23.5 million to a rate of 3.17%.

During March 2020, the Company entered into an interest rate swap agreement to hedge cash flows tied to changes in the underlying floating interest rate tied to LIBOR for \$100.0 million of the outstanding balance on the Credit Facility as discussed in Note 15, "Long-Term Debt." During the six months ended June 30, 2020, the interest rate swap agreement was 100% effective. Accordingly, the change in fair value on the interest rate swap has been classified in accumulated other comprehensive income. As of June 30, 2020, the fair value of our interest rate swap agreement, which was a loss of approximately \$2.2 million, was included in accrued and other liabilities on the consolidated balance sheets. The interest rate swap was effective on March 31, 2020 and matures on March 29, 2024. The interest rate swap fixed the variable rate debt on the notional amount of related debt of \$100.0 million to a rate of 0.73250% plus the applicable spread.

NOTE 17. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities consisted of the following:

	As of	
	June 30, 2020	December 31, 2019
Accrued Property Taxes	\$ 1,770,183	\$ 44,232
Reserve for Tenant Improvements	2,145,196	617,968
Accrued Construction Costs	54,194	93,270
Accrued Interest	597,890	1,312,801
Environmental Reserve and Restoration Cost Accrual	101,869	205,774
Interest Rate Swaps	2,391,529	—
Operating Leases - Liability	304,982	364,888
Other	2,261,223	3,048,259
Total Accrued and Other Liabilities	\$ 9,627,066	\$ 5,687,192

Reserve for Tenant Improvements. In connection with the acquisition of Perimeter Place in Atlanta, Georgia on February 21, 2020, the Company received approximately \$460,000 of credits from the seller of the property for tenant improvement allowances and leasing commissions for multiple tenants. Such credits have been included in accrued and other liabilities. During the six months ended June 30, 2020, payments totaling approximately \$231,000 were made, leaving a remaining commitment of approximately \$229,000.

In connection with the acquisition of the Crossroads Towne Center property in Chandler, Arizona on January 24, 2020, the Company received approximately \$1.3 million of credits from the seller of the property for tenant improvement allowances and leasing commissions for two tenants. Such credits have been included in accrued and other liabilities. No payments have been made during the six months ended June 30, 2020, accordingly, the remaining commitment is approximately \$1.3 million.

Environmental Reserve. During the year ended December 31, 2014, the Company accrued an environmental reserve of approximately \$110,000 in connection with an estimate of additional costs required to monitor a parcel of less than one acre of land owned by the Company in Highlands County, Florida, on which environmental remediation work had previously been performed. The Company engaged legal counsel who, in turn, engaged environmental engineers to review the site and the prior monitoring test results. During the year ended December 31, 2015, their review was completed, and the Company made an additional accrual of approximately \$500,000, representing the low end of the range of possible costs estimated by the engineers to be between approximately \$500,000 and \$1.0 million to resolve this matter subject to the approval of the state department of environmental protection (the "FDEP"). The FDEP issued a Remedial Action Plan Modification Approval Order (the "FDEP Approval") in August 2016 which supports the approximate \$500,000 accrual made in 2015. The Company is implementing the remediation plan pursuant to the FDEP Approval. During the fourth quarter of 2017, the Company made an additional accrual of approximately \$51,000 for the second year of monitoring as the low end of the original range of estimated costs was increased for the amount of monitoring now anticipated. Since the total accrual of approximately \$661,000 was made, approximately \$580,000 in costs have been incurred through June 30, 2020, leaving a remaining accrual of approximately \$81,000.

Restoration Accrual. As part of the resolution of a regulatory matter pertaining to the Company's prior agricultural activities on certain of the Company's land located in Daytona Beach, Florida, as of December 31, 2015, the Company accrued an obligation of approximately \$1.7 million, representing the low end of the estimated range of possible wetlands restoration costs for approximately 148.4 acres within such land, and such estimated costs were included on the consolidated balance sheets as an increase in the basis of our land and development costs associated with those and benefiting surrounding acres. The final proposal for restoration work was received during the second quarter of 2016 which totaled approximately \$2.0 million. Accordingly, an increase in the accrual of approximately \$300,000 was recorded during the second quarter of 2016. During the first quarter of 2019, the Company received a revised estimate for completion of the restoration work for which the adjusted final total cost was approximately \$2.4 million. Accordingly, an increase in the accrual of approximately \$361,000 was recorded during the first quarter of 2019. The Company has funded approximately \$2.3 million of the total \$2.4 million of estimated costs through the period ended June 30, 2020, leaving a remaining accrual of approximately \$57,000. This matter is more fully described in Note 21 "Commitments and Contingencies."

Operating Leases – Liability. The Company implemented FASB ASC Topic 842, *Leases*, effective January 1, 2019, resulting in a cumulative effect adjustment to increase right-of-use assets and related liabilities for operating leases for which the Company is the lessee.

NOTE 18. DEFERRED REVENUE

Deferred revenue consisted of the following:

	As of	
	June 30, 2020	December 31, 2019
Interest Reserve from Commercial Loan Investment	\$ —	\$ 834,972
Prepaid Rent	2,302,904	2,063,173
Tenant Contributions	2,802,071	2,888,822
Other Deferred Revenue	73,876	43,753
Total Deferred Revenue	<u>\$ 5,178,851</u>	<u>\$ 5,830,720</u>

Interest Reserve from Commercial Loan Investments. In conjunction with certain of the Company's commercial loan investments, the borrower has deposited interest and real estate tax reserves in escrow accounts held by the Company. The corresponding liability is recorded in deferred revenue on the Company's consolidated balance sheets as the interest reserves are utilized to fund the monthly interest due on the loans. As of June 30, 2020, the escrow balance, related to four of the Company's commercial loan investments, had been released in connection with the sale transactions completed during the second quarter of 2020, see Note 4, "Commercial Loan Investments", for further disclosure.

Tenant Contributions. In connection with the acquisition of the property in Aspen, Colorado, the master tenant contributed \$1.5 million of the \$28.0 million purchase price at closing on February 21, 2018. Additionally, the master tenant funded, from its leasing reserve escrow, approximately \$935,000 of the Company's acquisition-related costs. The tenant contributions are being recognized ratably over the remaining term of the lease into income property rental revenue. Approximately \$284,000 was recognized into income property rental revenue through June 30, 2020, leaving an aggregate balance of approximately \$2.2 million, related to the Company's total acquisition cost of approximately \$29.0 million, to be recognized over the remaining term of the lease.

In connection with the construction of the Company's beachfront restaurant formerly leased to Cocina 214 in Daytona Beach, Florida, pursuant to the lease agreement, the tenant contributed approximately \$1.9 million towards the completion of the building and tenant improvements through direct payments to various third-party construction vendors. The tenant contribution is being recognized ratably over the remaining term of the lease into income property rental revenue. As a result of the lease termination agreement, entered into on July 16, 2019 by the Company and Cocina 214, the balance of the tenant contribution liability was reduced by \$1.0 million, leaving a balance of approximately \$690,000 to be recognized into income property rental revenue ratably over the remaining term of the original Cocina 214 lease. Approximately \$238,000 was recognized into income property rental revenue through June 30, 2020, leaving a balance of approximately \$651,000 to be recognized over the remaining term of the lease.

NOTE 19. STOCK-BASED COMPENSATION

SUMMARY OF STOCK-BASED COMPENSATION

A summary of share activity for all equity classified stock compensation during the six months ended June 30, 2020, is presented below:

Type of Award	Shares Outstanding at 1/1/2020	Granted Shares	Vested / Exercised Shares	Expired Shares	Forfeited Shares	Shares Outstanding at 6/30/2020
Equity Classified - Performance Share Awards - Peer Group Market Condition Vesting	49,275	19,641	(12,635)	—	—	56,281
Equity Classified - Market Condition Restricted Shares - Stock Price Vesting	22,000	—	—	—	—	22,000
Equity Classified - Three Year Vest Restricted Shares	37,595	19,451	(18,054)	—	(200)	38,792
Equity Classified - Non-Qualified Stock Option Awards	80,000	—	—	—	—	80,000
Total Shares	188,870	39,092	(30,689)	—	(200)	197,073

Amounts recognized in the financial statements for stock options, stock appreciation rights, and restricted stock are as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Total Cost of Share-Based Plans Charged Against Income Before Tax Effect	\$ 699,818	\$ 634,275	\$ 1,518,923	\$ 1,445,876
Income Tax Expense Recognized in Income	\$ (174,192)	\$ (160,757)	\$ (378,075)	\$ (366,457)

EQUITY-CLASSIFIED STOCK COMPENSATION

Performance Share Awards – Peer Group Market Condition Vesting

On February 3, 2017, the Company awarded to certain employees 12,635 Performance Shares under the Amended and Restated 2010 Equity Incentive Plan (the “Original 2010 Plan”). The Performance Shares awards entitle the recipient to receive, upon the vesting thereof, shares of common stock of the Company equal to between 0% and 150% of the number of Performance Shares awarded. The number of shares of common stock so vesting will be determined based on the Company’s total shareholder return as compared to the total shareholder return of a certain peer group during a three-year performance period commencing on January 1, 2017, and ending on December 31, 2019. On February 11, 2020, pursuant to the calculation of the vesting criteria, as performed by an independent third party, the recipients vested 14,214 shares in the aggregate. The Company’s total shareholder return for the performance period was 15.18% and the Company’s percentile rank for the performance period was the 55th percentile. Based on the formula, as defined in the award agreements, the actual vested percentage of the performance shares was 112.5%.

On January 24, 2018, the Company awarded to certain employees 15,445 Performance Shares under the Original 2010 Plan. The Performance Shares awards entitle the recipient to receive, upon the vesting thereof, shares of common stock of the Company equal to between 0% and 150% of the number of Performance Shares awarded. The number of shares of common stock so vesting will be determined based on the Company’s total shareholder return as compared to the total shareholder return of a certain peer group during a three-year performance period commencing on January 1, 2018, and ending on December 31, 2020.

On January 23, 2019, the Company awarded to certain employees 21,195 Performance Shares under the Second Amended and Restated 2010 Equity Incentive Plan (the “Amended 2010 Plan”). The Performance Shares awards entitle the recipient to receive, upon the vesting thereof, shares of common stock of the Company equal to between 0% and 150% of the number of Performance Shares awarded. The number of shares of common stock so vesting will be determined based on the Company’s total shareholder return as compared to the total shareholder return of a certain peer group during a three-year performance period commencing on January 1, 2019, and ending on December 31, 2021.

On February 24, 2020, the Company awarded to certain employees 19,641 Performance Shares under the Amended 2010 Plan. The Performance Shares awards entitle the recipient to receive, upon the vesting thereof, shares of common stock of the Company equal to between 0% and 150% of the number of Performance Shares awarded. The number of shares of common stock so vesting will be determined based on the Company’s total shareholder return as compared to the total shareholder return of a certain peer group during a three-year performance period commencing on January 1, 2020, and ending on December 31, 2022.

Pursuant to amendments to the employment agreements and certain restricted share award agreements entered into by the Company on August 4, 2017, the restricted shares granted thereunder, if they are subject to performance-based vesting conditions, will fully vest following a change in control only if the executive’s employment is terminated without cause or if the executive resigns for good reason (as such terms are defined in the executive’s employment agreement), in each case, at any time during the 24-month period following the change in control (as defined in the executive’s employment agreement).

The Company used a Monte Carlo simulation pricing model to determine the fair value of its awards that are based on market conditions. The determination of the fair value of market condition-based awards is affected by the Company’s stock price as well as assumptions regarding a number of other variables. These variables include expected stock price volatility over the requisite performance term of the awards, the relative performance of the Company’s stock price and shareholder returns to companies in its peer group, annual dividends, and a risk-free interest rate assumption. Compensation cost is recognized regardless of the achievement of the market conditions, provided the requisite service period is met.

A summary of activity during the six months ended June 30, 2020, is presented below:

Performance Shares with Market Conditions	Shares	Wtd. Avg. Fair Value
Outstanding at January 1, 2020	49,275	\$ 65.59
Granted	19,641	54.69
Vested	(12,635)	54.66
Expired	—	—
Forfeited	—	—
Outstanding at June 30, 2020	56,281	\$ 64.02

As of June 30, 2020, there was approximately \$1.8 million of unrecognized compensation cost, adjusted for estimated forfeitures, related to Performance Share awards, which will be recognized over a remaining weighted average period of 1.9 years.

Market Condition Restricted Shares – Stock Price Vesting

On May 20, 2015 and February 26, 2016, a combined grant of 26,000 shares, net of 68,000 shares permanently surrendered during 2016, of restricted Company common stock was awarded to Mr. Albright under the Original 2010 Plan under a new five-year employment agreement. The 26,000 shares of restricted Company common stock outstanding from these grants were to vest in four increments based upon the price per share of Company common stock during the term of his employment (or within sixty days after termination of employment by the Company without cause), meeting or exceeding the target trailing thirty-day average closing prices ranging from \$60 and \$65 per share for the first two increments of 2,000 shares each, \$70 per share for the third increment of 18,000 shares, and \$75 per share for the fourth increment of 4,000 shares. If any increment of the restricted shares fails to satisfy the applicable stock price condition prior to January 28, 2021, that increment of the restricted shares will be forfeited. As of June 30, 2020, the first two increments of this award had vested, leaving 22,000 shares outstanding.

Pursuant to amendments to the employment agreements and certain restricted share award agreements entered into by the Company on February 26, 2016 and August 4, 2017, the restricted shares granted thereunder, if they are subject to performance-based vesting conditions, will fully vest following a change in control only if the executive's employment is terminated without cause or if the executive resigns for good reason (as such terms are defined in the executive's employment agreement), in each case, at any time during the 24-month period following the change in control (as defined in the executive's employment agreement).

The Company used a Monte Carlo simulation pricing model to determine the fair value of its awards that are based on market conditions. The determination of the fair value of market condition-based awards is affected by the Company's stock price as well as assumptions regarding a number of other variables. These variables include expected stock price volatility over the requisite performance term of the awards, the relative performance of the Company's stock price and shareholder returns to companies in its peer group, annual dividends, and a risk-free interest rate assumption. Compensation cost is recognized regardless of the achievement of the market conditions, provided the requisite service period is met.

A summary of the activity for these awards during the six months ended June 30, 2020, is presented below:

Market Condition Non-Vested Restricted Shares	Shares	Wtd. Avg. Fair Value
Outstanding at January 1, 2020	22,000	\$ 41.71
Granted	—	—
Vested	—	—
Expired	—	—
Forfeited	—	—
Outstanding at June 30, 2020	22,000	\$ 41.71

As of June 30, 2020, there is no unrecognized compensation cost related to market condition restricted stock.

Three Year Vest Restricted Shares

On January 25, 2017, the Company granted to certain employees 17,451 shares of restricted Company common stock under the Original 2010 Plan. One-third of the restricted shares will vest on each of the first, second, and third anniversaries of January 28, 2017, provided the grantee is an employee of the Company on those dates. In addition, any unvested portion of the restricted shares will vest upon a change in control. No shares remain outstanding under this award as the remaining shares vested during the first quarter of 2020.

On January 24, 2018, the Company granted to certain employees 17,712 shares of restricted Company common stock under the Original 2010 Plan. One-third of the restricted shares will vest on each of the first, second, and third anniversaries of January 28, 2018, provided the grantee is an employee of the Company on those dates. In addition, any unvested portion of the restricted shares will vest upon a change in control.

On January 23, 2019, the Company granted to certain employees 20,696 shares of restricted Company common stock under the Amended 2010 Plan. One-third of the restricted shares will vest on each of the first, second, and third anniversaries of January 28, 2019, provided the grantee is an employee of the Company on those dates. In addition, any unvested portion of the restricted shares will vest upon a change in control.

On February 24, 2020, the Company granted to certain employees 19,451 shares of restricted Company common stock under the Amended 2010 Plan. One-third of the restricted shares will vest on each of the first, second, and third anniversaries of February 28, 2020, provided the grantee is an employee of the Company on those dates. In addition, any unvested portion of the restricted shares will vest upon a change in control.

Effective as of August 4, 2017, the Company entered into amendments to the employment agreements and certain stock option award agreements and restricted share award agreements whereby such awards will fully vest following a change in control (as defined in the executive's employment agreement) only if the executive's employment is terminated without cause or if the executive resigns for good reason (as such terms are defined in the executive's employment agreement), in each case, at any time during the 24-month period following the change in control.

The Company's determination of the fair value of the three-year vest restricted stock awards was calculated by multiplying the number of shares issued by the Company's stock price at the grant date, less the present value of expected dividends during the vesting period. Compensation cost is recognized on a straight-line basis over the vesting period.

A summary of activity during the six months ended June 30, 2020, is presented below:

Three Year Vest Non-Vested Restricted Shares	Shares	Wtd. Avg. Fair Value Per Share
Outstanding at January 1, 2020	37,595	\$ 60.21
Granted	19,451	59.70
Vested	(18,054)	59.69
Expired	—	—
Forfeited	(200)	58.78
Outstanding at June 30, 2020	<u>38,792</u>	<u>\$ 60.20</u>

As of June 30, 2020, there was approximately \$1.8 million of unrecognized compensation cost, adjusted for estimated forfeitures, related to the three-year vest non-vested restricted shares, which will be recognized over a remaining weighted average period of 2.0 years.

Non-Qualified Stock Option Awards

On October 22, 2014, the Company granted to Mr. Smith an option to purchase 10,000 shares of the Company's common stock under the Original 2010 Plan, with an exercise price of \$50.00. One-third of the options vested on each of the first, second, and third anniversaries of the grant date. The options expire on the earliest of: (a) the tenth anniversary of the grant date; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

On February 9, 2015, the Company granted to Mr. Albright an option to purchase 20,000 shares of the Company's common stock under the Original 2010 Plan, with an exercise price of \$55.62. On February 26, 2016, this option was surrendered and an option to purchase 40,000 shares was granted on February 26, 2016, with identical terms. One-third of the options vested immediately, and the remaining two-thirds vested on January 28, 2017 and January 28, 2018. The option expires on the earliest of: (a) January 28, 2025; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

On May 20, 2015, the Company granted to Mr. Albright an option to purchase 40,000 shares of the Company's common stock under the Original 2010 Plan, with an exercise price of \$55.62. On February 26, 2016, this option was surrendered and an option to purchase 40,000 shares was granted on February 26, 2016, with identical terms. One-third of the options vested immediately, and the remaining two-thirds vested on January 28, 2017 and January 28, 2018. The option expires on the earliest of: (a) January 28, 2025; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

On June 29, 2015, the Company granted to an officer of the Company an option to purchase 10,000 shares of the Company's common stock under the Original 2010 Plan, with an exercise price of \$57.54. One-third of the options vested on each of the first, second, and third anniversaries of the grant date. The option expires on the earliest of: (a) June 29, 2025; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

Effective as of August 4, 2017, the Company entered into amendments to the employment agreements and certain stock option award agreements and restricted share award agreements whereby such awards will fully vest following a change in control (as defined in the executive's employment agreement) only if the executive's employment is terminated without cause or if the executive resigns for good reason (as such terms are defined in the executive's employment agreement), in each case, at any time during the 24-month period following the change in control.

The Company used the Black-Scholes valuation pricing model to determine the fair value of its non-qualified stock option awards. The determination of the fair value of the awards is affected by the stock price as well as assumptions regarding a number of other variables. These variables include expected stock price volatility over the term of the awards, annual dividends, and a risk-free interest rate assumption.

A summary of the activity for the awards during the six months ended June 30, 2020, is presented below:

Non-Qualified Stock Option Awards	Shares	Wtd. Avg. Ex. Price	Wtd. Avg. Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2020	80,000	\$ 55.63		
Granted	—	—		
Exercised	—	—		
Expired	—	—		
Forfeited	—	—		
Outstanding at June 30, 2020	80,000	\$ 55.63	4.76	\$ —
Exercisable at January 1, 2020	80,000	\$ 55.63	6.50	\$ 25,000
Exercisable at June 30, 2020	80,000	\$ 55.63	4.76	\$ —

No options were granted, and no options were exercised during the six months ended June 30, 2020. As of June 30, 2020, there is no unrecognized compensation cost related to non-qualified, non-vested stock option awards.

NON-EMPLOYEE DIRECTOR STOCK COMPENSATION

Each member of the Company's Board of Directors has the option to receive his or her annual retainer in shares of Company common stock rather than cash. The number of shares awarded to the directors making such election is calculated quarterly by dividing (i) the sum of (A) the amount of the quarterly retainer payment due to such director plus (B) meeting fees earned by such director during the quarter, by (ii) the closing price of the Company's common stock on the last business day of the quarter for which such payment applied, rounded down to the nearest whole number of shares.

Commencing in 2019, each non-employee director serving as of the beginning of each calendar year shall receive an annual award of the Company's common stock valued at \$20,000 (the "Annual Award"). The number of shares awarded will be calculated based on the trailing 20-day average price of the Company's common stock as of the date two business days prior to the date of the award, rounded down to the nearest whole number of shares.

During the six months ended June 30, 2020 and 2019, the expense recognized for the value of the Company's common stock received by non-employee directors totaled approximately \$351,000, or 6,283 shares, and \$363,000, or 6,322, respectively. The 2020 amount includes the approximately \$120,000 Annual Award received during the first quarter of 2020, while the 2019 amount includes the approximately \$160,000 Annual Award received during the first quarter of 2019.

NOTE 20. INCOME TAXES

The Company's effective income tax rate was 20.8% and 25.2% for the six months ended June 30, 2020 and 2019, respectively. The provision for income taxes reflects the Company's estimate of the effective rate expected to be applicable for the full fiscal year, adjusted for any discrete events, which are reported in the period that they occur. There were no discrete events during the six months ended June 30, 2020 or 2019.

The Company has filed, or will file, a consolidated income tax return in the United States Federal jurisdiction and the states of Alabama, Arizona, California, Colorado, Florida, Georgia, Maryland, Massachusetts, Nevada, New Mexico, New York, North Carolina, Oregon, Texas, Virginia, Washington, and Wisconsin. The Internal Revenue Service has audited the federal tax returns through the year 2012, with all proposed adjustments settled. The Florida Department of Revenue has audited the Florida tax returns through the year 2014, with all proposed adjustments settled. The Company recognizes all potential accrued interest and penalties to unrecognized tax benefits in income tax expense.

NOTE 21. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, the Company may be a party to certain legal proceedings, incidental to the normal course of its business. While the outcome of the legal proceedings cannot be predicted with certainty, the Company does not expect that these proceedings will have a material effect upon our financial condition or results of operations.

On November 21, 2011, the Company, Indigo Mallard Creek LLC and Indigo Development LLC, as owners of the property leased to Harris Teeter, Inc. ("Harris Teeter") in Charlotte, North Carolina, were served with pleadings filed in the General Court of Justice, Superior Court Division for Mecklenburg County, North Carolina, for a highway condemnation action involving this property. The proposed road modifications would impact access to the property. The Company does not believe the road modifications provided a basis for Harris Teeter to terminate the lease. Regardless, in January 2013, the North Carolina Department of Transportation ("NCDOT") proposed to redesign the road modifications to keep the all access intersection open for ingress with no change to the planned limitation on egress to the right-in/right-out only. Additionally, NCDOT and the City of Charlotte proposed to build and maintain a new access road/point into the property. Construction has begun and is not expected to be completed until 2020. Harris Teeter has expressed satisfaction with the redesigned project and indicated that it will not attempt to terminate its lease if this project is built as currently redesigned. Because the redesigned project will not be completed until 2020, the condemnation case has been placed in administrative closure. As a result, the trial and mediation will not likely be scheduled until requested by the parties, most likely in 2021.

Contractual Commitments – Expenditures

In connection with the acquisition of Perimeter Place in Atlanta, Georgia on February 21, 2020, the Company received approximately \$460,000 of credits from the seller of the property for tenant improvement allowances and leasing commissions for multiple tenants. Such credits have been included in accrued and other liabilities. During the six months ended June 30, 2020, payments totaling approximately \$231,000 were made, leaving a remaining commitment of approximately \$229,000.

In connection with the acquisition of the Crossroads Towne Center property in Chandler, Arizona on January 24, 2020, the Company received approximately \$1.3 million of credits from the seller of the property for tenant improvement allowances and leasing commissions for two tenants. Such credits have been included in accrued and other liabilities. No payments have been made during the six months ended June 30, 2020, accordingly, the remaining commitment is approximately \$1.3 million.

In connection with the acquisition of The Strand property located in Jacksonville, FL on December 9, 2019, the Company received a credit of approximately \$450,000 for a tenant improvement allowance for one of the tenants of The Strand. Accordingly, this amount is included in accrued and other liabilities in the accompanying consolidated balance sheets as of December 31, 2019. During the six months ended June 30, 2020, the improvements were completed by the tenant and the Company funded the \$450,000.

Other Matters

In connection with a certain land sale contract to which the Company is a party, the purchaser's pursuit of customary development entitlements gave rise to an inquiry by federal regulatory agencies regarding prior agricultural activities by the Company on such land. During the second quarter of 2015, we received a written information request regarding such activities. We submitted a written response to the information request along with supporting documentation. During the fourth quarter of 2015, based on discussions with the agency, a penalty related to this matter was deemed probable, and accordingly the estimated penalty of \$187,500 was accrued as of December 31, 2015, for which payment was made during the quarter ended September 30, 2016. Also, during the fourth quarter of 2015, the agency advised the Company that the resolution to the inquiry would likely require the Company to incur costs associated with wetlands restoration relating to approximately 148.4 acres of the Company's land. At December 31, 2015, the Company's third-party environmental engineers estimated the cost for such restoration activities to range from approximately \$1.7 million to approximately \$1.9 million. Accordingly, as of December 31, 2015, the Company accrued an obligation of approximately \$1.7 million, representing the low end of the estimated range of possible restoration costs, and included such estimated costs on the consolidated balance sheets as an increase in the basis of our land and development costs associated with those and

benefitting surrounding acres. As of June 30, 2016, the final proposal from the Company's third-party environmental engineer was received reflecting a total cost of approximately \$2.0 million. Accordingly, an increase in the accrual of approximately \$300,000 was made during the second quarter of 2016. During the first quarter of 2019, the Company received a revised estimate for completion of the restoration work for which the adjusted final total cost was approximately \$2.4 million. Accordingly, an increase in the accrual of approximately \$361,000 was recorded during the first quarter of 2019. The Company has funded approximately \$2.3 million of the total \$2.4 million of estimated costs through June 30, 2020, leaving a remaining accrual of approximately \$57,000. The Company believes there is at least a reasonable possibility that the estimated remaining liability of approximately \$57,000 could change within one year of the date of the consolidated financial statements, which in turn could have a material impact on the Company's consolidated balance sheets and future cash flows. The Company evaluates its estimates on an ongoing basis; however, actual results may differ from those estimates.

During the first quarter of 2017, the Company completed the sale of approximately 1,581 acres of land to Minto Communities LLC which acreage represents a portion of the Company's remaining \$430,000 obligation. Accordingly, the Company deposited \$423,000 of cash in escrow to secure performance on the obligation. The funds in escrow can be drawn upon completion of certain milestones including completion of restoration and annual required monitoring. The first such milestone was achieved during the fourth quarter of 2017 and \$189,500 of the escrow was refunded. The second milestone related to the completion of the first-year maintenance and monitoring was achieved during the first quarter of 2019 and \$77,833 of the escrow was refunded, leaving an escrow balance of approximately \$156,000 as of December 31, 2019. The third milestone related to the completion of the second-year maintenance and monitoring was achieved during the first quarter of 2020 and \$77,833 of the escrow was refunded, leaving an escrow balance of approximately \$78,000 as of June 30, 2020. Additionally, resolution of the regulatory matter required the Company to apply for an additional permit pertaining to an additional approximately 54.66 acres, which permit may require mitigation activities which the Company anticipates could be satisfied through the utilization of existing mitigation credits owned by the Company or the acquisition of mitigation credits. Resolution of this matter allowed the Company to obtain certain permits from the applicable federal or state regulatory agencies needed in connection with the closing of the land sale contract that gave rise to this matter. As of June 30, 2017, the Company determined that approximately 36 mitigation credits were required to be utilized, which represents approximately \$298,000 in cost basis of the Company's mitigation credits. Accordingly, the Company transferred the mitigation credits through a charge to direct cost of revenues of real estate operations during the three months ended June 30, 2017, thereby resolving the required mitigation activities related to the approximately 54.66 acres.

NOTE 22. BUSINESS SEGMENT DATA

The Company operates in four primary business segments: income properties, management services, commercial loan investments, and real estate operations. The management services segment consists of the revenue generated from managing PINE and the Land JV. The management services segment had no assets as of June 30, 2020 and December 31, 2019, and therefore there are no related capital expenditures or depreciation and amortization for the periods presented. The real estate operations segment previously included land sales from the Daytona Beach land portfolio as well as revenue and expenses related to the sale of mitigation credits and subsurface operations. Upon the completion of the Land JV transaction in the fourth quarter of 2019, the real estate operations related to land sales have been classified as discontinued operations in the accompanying consolidated statements of income for the three and six months ended June 30, 2019 and the real estate operations segment remaining consists of subsurface operations and mitigation credit sales. The identifiable assets and liabilities related to the discontinued real estate operations have been separately disclosed as discontinued real estate operations for the periods presented.

Our income property operations consist primarily of income-producing properties, and our business plan is focused on investing in additional income-producing properties. Our income property operations accounted for 81.3% and 66.0% of our identifiable assets as of June 30, 2020 and December 31, 2019, respectively, and 87.0% and 97.5% of our consolidated revenues for the six months ended June 30, 2020 and 2019, respectively. Our management fee income consists of the management fees earned for the management of PINE and the Land JV. As of June 30, 2020, our commercial loan investment portfolio consisted of one fixed-rate first mortgage and the Ground Lease Loan. Our continuing real estate operations primarily consist of revenues generated from leasing and royalty income from our interests in subsurface oil, gas and mineral rights, and the sale of mitigation credits.

The Company evaluates performance based on profit or loss from operations before income taxes. The Company's reportable segments are strategic business units that offer different products. They are managed separately because each segment requires different management techniques, knowledge, and skills.

Information about the Company's operations in different segments for the three and six months ended June 30, 2020 and 2019 is as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues:				
Income Properties	\$ 11,473,112	\$ 10,375,295	\$ 22,476,143	\$ 21,099,713
Management Services	695,051	—	1,397,652	—
Commercial Loan Investments	835,190	52,765	1,887,239	52,765
Real Estate Operations	6,390	260,771	87,141	495,672
Total Revenues	\$ 13,009,743	\$ 10,688,831	\$ 25,848,175	\$ 21,648,150
Operating Income:				
Income Properties	\$ 8,904,650	\$ 8,740,575	\$ 17,794,586	\$ 17,532,505
Management Services	695,051	—	1,397,652	—
Commercial Loan Investments	835,190	52,765	1,887,239	52,765
Real Estate Operations	(50,245)	220,642	(1,493,860)	409,376
General and Corporate Expense	(7,191,858)	(6,193,763)	(16,740,569)	(12,041,670)
Gain on Disposition of Assets	7,075,858	11,811,907	7,075,858	18,681,864
Gain on Extinguishment of Debt	504,544	—	1,141,481	—
Total Operating Income	\$ 10,773,190	\$ 14,632,126	\$ 11,062,387	\$ 24,634,840
Depreciation and Amortization:				
Income Properties	\$ 5,015,590	\$ 4,068,968	\$ 9,563,011	\$ 7,408,824
Corporate and Other	5,597	5,619	10,647	12,050
Total Depreciation and Amortization	\$ 5,021,187	\$ 4,074,587	\$ 9,573,658	\$ 7,420,874
Capital Expenditures:				
Income Properties	\$ 250,085	\$ 40,972,487	\$ 138,241,592	\$ 41,030,492
Commercial Loan Investments	—	7,840,000	6,754,375	7,840,000
Discontinued Real Estate Operations	—	1,028,984	—	1,899,493
Corporate and Other	6,471	—	12,317	2,061
Total Capital Expenditures	\$ 256,556	\$ 49,841,471	\$ 145,008,284	\$ 50,772,046
As of				
	June 30, 2020	December 31, 2019		
Identifiable Assets:				
Income Properties	\$ 560,086,707	\$ 464,285,272		
Commercial Loan Investments	18,494,950	35,742,218		
Real Estate Operations	67,014,688	65,554,619		
Discontinued Land Operations	833,167	833,167		
Corporate and Other	42,423,359	136,870,927		
Total Assets	\$ 688,852,871	\$ 703,286,203		

Operating income represents income from continuing operations before loss on early extinguishment of debt, interest expense, investment income, and income taxes. General and corporate expenses are an aggregate of general and administrative expenses, impairment charges, depreciation and amortization expense, and gains on the disposition of assets. Identifiable assets by segment are those assets that are used in the Company's operations in each segment. Real Estate Operations includes the identifiable assets of the Mitigation Bank JV and Land JV. Corporate and other assets consist primarily of cash, property, plant, and equipment related to the other operations, as well as the general and corporate operations.

The Management Services segment had no capital expenditures and held no assets as of June 30, 2020 or December 31, 2019.

NOTE 23. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets and liabilities held for sale as of June 30, 2020 and December 31, 2019 are summarized below. The single tenant income property held for sale as of March 31, 2020 was sold during the three months ended June 30, 2020. Two single-tenant income properties were classified as held for sale as of June 30, 2020. See Note 24, "Subsequent Events", for information related to the single-tenant income properties sold subsequent to June 30, 2020.

	As of June 30, 2020		
	Land JV	Single-Tenant Income Properties	Total Assets (Liabilities) Held for Sale
Plant, Property, and Equipment—Net	\$ —	\$ 8,465,416	\$ 8,465,416
Restricted Cash	833,167	—	833,167
Intangible Lease Assets - Net	—	821,382	821,382
Intangible Lease Liabilities - Net	—	(145,263)	(145,263)
Total Assets Held for Sale	\$ 833,167	\$ 9,141,535	\$ 9,974,702
Deferred Revenue	(831,320)	—	(831,320)
Total Liabilities Held for Sale	\$ (831,320)	\$ —	\$ (831,320)

	As of December 31, 2019	
	Land JV	Total Assets (Liabilities) Held for Sale
Restricted Cash	833,167	833,167
Total Assets Held for Sale	\$ 833,167	\$ 833,167
Deferred Revenue	(831,320)	(831,320)
Total Liabilities Held for Sale	\$ (831,320)	\$ (831,320)

There were no discontinued operations for the three and six months ended June 30, 2020. The following is a summary of discontinued operations for the three and six months ended June 30, 2019:

	Three Months Ended		Six Months Ended	
	June 30, 2019		June 30, 2019	
Golf Operations Revenue	\$ 1,453,859	\$ 2,950,552	\$ 1,453,859	\$ 2,950,552
Golf Operations Direct Cost of Revenues	(1,673,633)	(3,384,963)	(1,673,633)	(3,384,963)
Loss from Operations	(219,774)	(434,411)	(219,774)	(434,411)
Loss from Discontinued Operations Before Income Tax	(219,774)	(434,411)	(219,774)	(434,411)
Income Tax Benefit	55,702	110,102	55,702	110,102
Loss from Discontinued Operations (Net of Income Tax)	\$ (164,072)	\$ (324,309)	\$ (164,072)	\$ (324,309)
Land Operations Revenue	\$ 7,250,000	\$ 10,550,000	\$ 7,250,000	\$ 10,550,000
Land Operations Direct Cost of Revenues	(4,440,469)	(6,019,571)	(4,440,469)	(6,019,571)
Income from Operations	2,809,531	4,530,429	2,809,531	4,530,429
Income from Discontinued Operations Before Income Tax	2,809,531	4,530,429	2,809,531	4,530,429
Income Tax Expense	(712,074)	(1,148,236)	(712,074)	(1,148,236)
Income from Discontinued Operations (Net of Income Tax)	\$ 2,097,457	\$ 3,382,193	\$ 2,097,457	\$ 3,382,193
Total Income from Discontinued Operations (Net of Income Tax)	\$ 1,933,385	\$ 3,057,884	\$ 1,933,385	\$ 3,057,884

NOTE 24. SUBSEQUENT EVENTS

The Company reviewed all subsequent events and transactions through August 7, 2020, the date the consolidated financial statements were available to be issued.

COVID-19 Pandemic – July Collections Update

As of August 7, 2020, the Company has received July 2020 payments from tenants representing approximately 87% of the Contractual Base Rent due for the month of July 2020. With respect to unpaid Contractual Base Rent due for the month of July, approximately 6% was deferred and approximately 1% was abated pursuant to executed agreements between the Company and the tenants. The Company has not yet reached an agreement with respect to approximately 6% of the Contractual Base Rent due for the month of July 2020.

Income Property Dispositions

On July 23, 2020, the Company sold its Wawa ground lease located in Jacksonville, Florida, for a sales price of approximately \$7.1 million, reflecting an exit cap rate of approximately 4.9%. The Company's estimated gain on the sale is approximately \$246,000, or \$0.04 per share after tax.

On August 5, 2020, the Company sold its single-tenant income property leased to Carrabba's Italian Grill located in Austin, Texas, for a sales price of approximately \$2.5 million, reflecting an exit cap rate of approximately 6.4%. The Company's estimated loss on the sale is approximately \$94,000, or \$(0.02) per share after tax.

Land JV Update

In July 2020, the Land JV completed five land sales totaling approximately 3,128 acres for approximately \$41.8 million. Since its inception in October 2019 through August 6, 2020, the Land JV has sold approximately 3,545 acres, in 12 separate transactions, for approximately \$64.1 million. The current pipeline of potential land sales includes eight purchase and sale agreements representing approximately \$31 million of potential proceeds to the Land JV. The approximately 267 acres under contract represents approximately 15% of the total remaining land in the Land JV. As of July 28, 2020, the capital balance of the joint venture partner totals approximately \$45 million.

Mitigation Bank JV – Put Right

In July 2020, BlackRock exercised its Put Right and put 19,745 mitigation credits to the Company, which the Company purchased for approximately \$1.48 million, or approximately \$75,000 per credit. The Company evaluated the impact of the exercised Put Right on the fair value of the Company's investment in the Mitigation Bank JV noting no impairment. The Company evaluates its estimates of fair value on an ongoing basis; however, actual results may differ from those estimates.

There were no other reportable subsequent events or transactions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Statements contained in this Quarterly Report on Form 10-Q, including the documents that are incorporated by reference, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Also, when the Company uses any of the words "anticipate," "assume," "believe," "estimate," "expect," "intend," or similar expressions, the Company is making forward-looking statements. Management believes the expectations reflected in such forward-looking statements are based upon present expectations and reasonable assumptions. However, the Company's actual results could differ materially from those set forth in the forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise such forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law. The risks and uncertainties that could cause our actual results to differ materially from those presented in our forward-looking statements, include, but are not limited to, the following:

- we are subject to risks related to the ownership of commercial real estate that could affect the performance and value of our properties;
- our business is dependent upon our tenants successfully operating their businesses, and their failure to do so could materially and adversely affect us;
- competition that traditional retail tenants face from e-commerce retail sales, or the integration of brick and mortar stores with e-commerce retail operators, could adversely affect our business;
- we operate in a highly competitive market for the acquisition of income properties and more established entities or other investors may be able to compete more effectively for acquisition opportunities than we can;
- the loss of revenues from our income property portfolio or certain tenants would adversely impact our results of operations and cash flows;
- our revenues include receipt of management fees and potentially incentive fees derived from our provision of management services to PINE and the loss or failure, or decline in the business or assets, of PINE could substantially reduce our revenues;
- there are various potential conflicts of interest in our relationship with PINE, including our executive officers and/or directors who are also officers and/or directors of PINE, which could result in decisions that are not in the best interest of our stockholders;
- a prolonged downturn in economic conditions could adversely impact our business, particularly with regard to our ability to maintain revenues from our income-producing assets and our ability to monetize parcels of land the Land JV;
- a part of our investment strategy is focused on investing in commercial loan investments which may involve credit risk;
- we may suffer losses when a borrower defaults on a loan and the value of the underlying collateral is less than the amount due;
- the Company's real estate investments are generally illiquid;
- if we are not successful in utilizing the like-kind exchange structure in deploying the proceeds from dispositions of income properties, or our like-kind exchange transactions are disqualified, we could incur significant taxes and our results of operations and cash flows could be adversely impacted;
- the Company may be unable to obtain debt or equity capital on favorable terms, if at all, or additional borrowings may impact our liquidity or ability to monetize any assets securing such borrowings;
- servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to service or pay our debt;
- our operations and properties could be adversely affected in the event of natural disasters, pandemics, or other significant disruptions;
- we may encounter environmental problems which require remediation or the incurrence of significant costs to resolve, which could adversely impact our financial condition, results of operations, and cash flows; and
- An epidemic or pandemic (such as the outbreak and worldwide spread of COVID-19), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, may precipitate or materially exacerbate one or more of the above-mentioned and/or other risks and may significantly disrupt or prevent us from operating its business in the ordinary course for an extended period.

The Company describes the risks and uncertainties that could cause actual results and events to differ materially in “Risk Factors” (Part I, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A of our Annual Report on Form 10-K), “Quantitative and Qualitative Disclosures about Market Risk” (Part I, Item 3 of our Quarterly Report on Form 10-Q), and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” (Part I, Item 2 of this Quarterly Report on Form 10-Q).

COVID-19 PANDEMIC

In March 2020, the agency of the United Nations, responsible for international public health, declared the outbreak of the novel coronavirus as a pandemic (the “COVID-19 Pandemic”), which has spread throughout the United States. The spread of the COVID-19 Pandemic has continued to cause significant volatility in the U.S. and international markets and, in many industries, business activity was, for a time, virtually shut down entirely. There continues to be uncertainty around the duration and severity of business disruptions related to the COVID-19 Pandemic, as well as its impact on the U.S. economy and international economies.

The actions taken by federal, state and local governments to mitigate the spread of COVID-19, initially by ordering closures of non-essential businesses and ordering residents to generally stay at home, and subsequent phased re-openings, have resulted in some of our tenants temporarily closing their businesses, and for some, impacting their ability to pay rent.

The Company received second quarter payments from tenants representing approximately 81% of the Contractual Base Rent, defined as monthly base rent due pursuant to the original terms of the respective lease agreements without giving effect to any deferrals or abatements subsequently entered into, due during the three months ended June 30, 2020. With respect to unpaid Contractual Base Rent due during the three months ended June 30, 2020 approximately 9% was deferred and approximately 4% was abated. In general, repayment of the deferred Contractual Base Rent will begin in the third quarter of 2020, with ratable payments continuing, in some cases, through the end of 2021. Certain of the deferral agreements are pending full execution of the lease amendment; however, both parties have indicated, in writing, their agreement to the repayment terms and in some instances, the tenant has already made the payments contemplated in the agreed-to lease amendment. In connection with the leases in which rent was abated, other lease modifications, including extended lease terms and imposition of percentage rent, were agreed to by the Company and the tenants. Depending upon the duration of tenant closures and the overall economic downturn resulting from the COVID-19 Pandemic, we may find deferred rents difficult to collect. The Company has not yet reached an agreement with respect to approximately 6% of the Contractual Base Rent due during the three months ended June 30, 2020. See Note 24, “Subsequent Events” for the Company’s disclosure related to July 2020 rent collections.

We have seen a positive uptick in our rent collections levels. While this is a positive trend driven by government mandated restrictions gradually being lifted, we are expecting that our rent collections will continue to be below our tenants’ Contractual Base Rent and historical levels, which will continue to adversely impact our results of operations and cash flows. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted. Depending upon the duration of tenant closures, operating restrictions, and the overall economic downturn resulting from the COVID-19 Pandemic, we may find that even deferred rents are difficult to collect, and we may experience higher vacancies.

An assessment of the current or identifiable potential financial and operational impacts on the Company as a result of the COVID-19 Pandemic are as follows:

- The total borrowing capacity on the Company’s revolving credit facility (the “Credit Facility”), based on the assets currently in the borrowing base, is \$200 million, and as such the Company has the ability to draw an additional \$37.2 million on the Credit Facility. Pursuant to the terms of the Credit Facility, any property in the borrowing base with a tenant that is more than 60 days past due on its contractual rent obligations would be automatically removed from the borrowing base and the Company’s borrowing capacity would be reduced. For the tenants requesting rent relief with which the Company has reached an agreement, such deferral and/or abatement agreements for current rent, under the terms of the credit facility, would not be past due if it adheres to such modification, and thus those properties would not be required to be removed from the borrowing base.

- As a result of the outbreak of the COVID-19 Pandemic, the federal government and the state of Florida issued orders encouraging everyone to remain in their residence and not go into work. In response to these orders and in the best interest of our employees and directors, we have implemented significant preventative measures to ensure the health and safety of our employees and Board of Directors (the "Board"), including: (i) conducting all meetings of the Board and Committees of the Board telephonically or via a visual conferencing service, (ii) permitting the Company's employees to work from home at their election, (iii) enforcing appropriate social distancing practices in the Company's office, (iv) encouraging the Company's employees to wash their hands often and use face masks, (v) providing hand sanitizer and other disinfectant products throughout the Company's office, (vi) requiring employees who do not feel well in any capacity to stay at home, and (vii) requiring all third-party delivery services (e.g. mail, food delivery, etc.) to complete their service outside the front door of the Company's office. The Company also offered COVID-19 testing to its employees to ensure a safe working environment. These preventative measures have not had any material adverse impact on the Company's financial reporting systems, internal controls over financial reporting or disclosure controls and procedures. At this time, we have not laid off, furloughed, or terminated any employee in response to the COVID-19 Pandemic. The Compensation Committee of the Board may reevaluate the performance goals and other aspects of the compensation arrangements of the Company's executive officers later in 2020 as more information about the effects of the COVID-19 Pandemic become known.

OVERVIEW

We are a diversified real estate operating company. We own and manage, sometimes utilizing third-party property management companies, thirty-one commercial real estate properties in twelve states in the United States. As of June 30, 2020, we owned twenty-five single-tenant and six multi-tenant income-producing properties with approximately 2.2 million square feet of gross leasable space. See Note 24, "Subsequent Events", for information related to the single-tenant income properties sold subsequent to June 30, 2020.

In addition to our income property portfolio, as of June 30, 2020, our business included the following:

Management Services:

- A fee-based management business that is engaged in managing Alpine Income Property Trust, Inc. ("PINE") and the entity that held approximately 4,900 acres of undeveloped land in Daytona Beach, Florida as of June 30, 2020 (the "Land JV"), see Note 5, "Related Party Management Services Business". Currently, the Land JV holds approximately 1,800 acres of undeveloped land in Daytona Beach, Florida due to the land sales from the Land JV as described in Note 24, "Subsequent Events".

Commercial Loan Investments:

- A portfolio of commercial loan investments, of which four were sold during the three months ended June 30, 2020.

Real Estate Operations:

- A portfolio of mineral interests consisting of approximately 455,000 subsurface acres in 20 counties in the State of Florida and a portfolio of mitigation credits;
- A retained interest in the Land JV which is seeking to sell approximately 1,800 acres of undeveloped land in Daytona Beach, Florida; and
- An interest in a joint venture (the "Mitigation Bank JV") that owns an approximately 2,500 acre parcel of land in the western part of Daytona Beach, Florida which is engaged in the operation of a mitigation bank, which, pursuant to a mitigation plan approved by the applicable state and federal authorities, produces mitigation credits that are marketed and sold to developers of land in the Daytona Beach area for the purpose of enabling the developers to obtain certain regulatory permits.

Our business also includes, as outlined above, the current value of our investment in PINE of approximately \$33.2 million, or approximately 23.5% of the PINE’s outstanding equity, including the units of limited partnership interest (“OP Units”) we hold in Alpine Income Property OP, LP (the “Operating Partnership”), which are exchangeable into common stock of PINE on a one-for-one basis, at PINE’s election. Our investment in PINE generates investment income through the dividends distributed by PINE. In addition to the dividends we receive from PINE, our investment in PINE may benefit from any appreciation in PINE’s stock price, although no assurances can be provided that such appreciation will occur, the amount by which our investment will increase in value, or the timing thereof. Any dividends received from PINE are included in Investment and Other Income (Loss) on the accompanying statement of operations.

Discontinued Operations. The Company reports the historical financial position and results of operations of disposed businesses as discontinued operations when it has no continuing interest in the business. On October 16, 2019, the Company sold a controlling interest in its wholly owned subsidiary that held the approximately 5,300 acres of undeveloped land in Daytona Beach, Florida. On October 17, 2019, the Company sold its interest in the LPGA golf operations. For the three and six months ended June 30, 2019, the Company has reported the historical financial position and the results of operations related to the Land JV and the golf operations as discontinued operations (see Note 23, “Assets and Liabilities Held for Sale and Discontinued Operations”). The cash flows related to discontinued operations have been disclosed.

Income Property Operations. We have pursued a strategy of investing in income-producing properties, when possible by utilizing the proceeds from real estate transactions qualifying for income tax deferral through like-kind exchange treatment for tax purposes.

Our strategy for investing in income-producing properties is focused on factors including, but not limited to, long-term real estate fundamentals and target markets, including major markets or those markets experiencing significant economic growth. We employ a methodology for evaluating targeted investments in income-producing properties which includes an evaluation of: (i) the attributes of the real estate (e.g. location, market demographics, comparable properties in the market, etc.); (ii) an evaluation of the existing tenant(s) (e.g. credit-worthiness, property level sales, tenant rent levels compared to the market, etc.); (iii) other market-specific conditions (e.g. tenant industry, job and population growth in the market, local economy, etc.); and (iv) considerations relating to the Company’s business and strategy (e.g. strategic fit of the asset type, property management needs, alignment with the Company’s 1031 like-kind exchange structure, etc.).

We believe investment in each of these income-producing asset classes provides attractive opportunities for stable current cash flows and increased returns in the long run and the potential for capital appreciation. We currently expect a short term decrease in cash from operations as our tenants are impacted by the COVID-19 Pandemic and, while contractually obligated, some have not paid rent during July 2020. See Note 1, “Description of Business and Principles of Interim Statements” for the Company’s disclosure related to the potential cash flow impact as well as the accounting treatment of potential lease modifications associated with tenant rent relief requests due to the COVID-19 Pandemic. A prolonged imposition of mandated closures or other social-distancing guidelines as a result of the COVID-19 Pandemic may adversely impact more our tenants’ ability to generate sufficient revenues, and could force additional tenants to default on their leases, or result in the bankruptcy or insolvency of tenants, which would diminish the rental revenue we receive under our leases. The rapid development and fluidity of the pandemic precludes any prediction as to the ultimate adverse impact on our business.

2020 Acquisitions. During the six months ended June 30, 2020, the Company acquired two multi-tenant income properties for a purchase price of approximately \$137.2 million, or an acquisition cost of approximately \$137.7 million including capitalized acquisition costs. Of the total acquisition cost, approximately \$46.7 million was allocated to land, approximately \$74.0 million was allocated to buildings and improvements, approximately \$18.8 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and approximately \$1.8 million was allocated to intangible liabilities for the below market lease value.

The properties acquired during the six months ended June 30, 2020 are described below:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Feet	Purchase Price	Percentage Leased at Acquisition	Remaining Lease Term at Acquisition Date (in years)
Crossroads Towne Center	Multi-Tenant	Chandler, AZ	01/24/20	254,109	\$ 61,800,000	99%	5.0
Perimeter Place	Multi-Tenant	Atlanta, GA	02/21/20	268,572	75,435,000	80%	3.6
Total / Weighted Average				522,681	\$ 137,235,000		4.2

2020 Dispositions. During the six months ended June 30, 2020, the Company disposed of four single-tenant income properties, including three ground leases, and one multi-tenant income property. See Note 24, "Subsequent Events", for information related to the single-tenant income properties sold subsequent to June 30, 2020.

The properties disposed of during the six months ended June 30, 2020 are described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain (Loss) on Sale	EPS, After Tax	Exit Cap Rate
CVS, Dallas, TX	Single-Tenant	04/24/20	\$ 15,232,000	\$ 854,336	\$ 0.14	4.50%
Wawa, Daytona Beach, FL	Single-Tenant	04/29/20	6,002,400	1,768,603	0.29	4.75%
JPMorgan Chase Bank, Jacksonville, FL	Single-Tenant	06/18/20	6,714,738	959,444	0.15	4.15%
7-Eleven, Dallas, TX	Multi-Tenant	06/26/20	2,400,000	(45,615)	(0.01)	6.08%
Bank of America, Monterey, CA	Single-Tenant	06/29/20	3,000,000	3,892,089	0.63	3.28%
Total / Weighted Average			\$ 39,339,138	\$ 7,428,817	\$ 1.20	4.30%

Our current portfolio of twenty-five (25) single-tenant income properties generates approximately \$20.1 million of revenues from straight-line base lease payments on an annualized basis and had a weighted average remaining lease term of 13.7 years as of June 30, 2020. Our current portfolio of six (6) multi-tenant properties generates approximately \$21.6 million of revenue from straight-line base lease payments on an annualized basis and had a weighted average remaining lease term of 5.0 years as of June 30, 2020.

We self-developed two single-tenant net lease restaurant properties on a 6-acre beachfront parcel in Daytona Beach, Florida. The development was completed in January of 2018 and rent commenced from both tenants pursuant to their separate leases. On a limited basis, we have acquired and may continue to selectively acquire other real estate, either vacant land or land with existing structures, that we would demolish and develop into additional income properties, possibly in the downtown and beachside areas of Daytona Beach, Florida. Through June 30, 2020, we invested approximately \$5.6 million to acquire approximately 6.0 acres in downtown Daytona Beach that is located in an opportunity zone. Specifically, our investments in the Daytona Beach area would target opportunistic acquisitions of select catalyst sites, which are typically distressed, with an objective of having short investment horizons. Should we pursue such acquisitions, we may seek to partner with developers to develop these sites rather than self-develop the properties.

Our focus on acquiring income-producing investments includes a continual review of our existing income property portfolio to identify opportunities to recycle our capital through the sale of income properties based on, among other possible factors, the current or expected performance of the property and favorable market conditions. We sold one single-tenant income property and four multi-tenant income properties during the six months ended June 30, 2020. In part, as a result of entering the exclusivity and right of first offer agreement with PINE (the "Exclusivity and ROFO Agreement") which generally prevents us from investing in single-tenant net lease income properties, our income property investment strategy will be focused primarily on multi-tenant retail and office properties. We may pursue this strategy, in part, by monetizing certain of our single-tenant properties, and should we do so, we would seek to utilize the 1031 like-kind exchange structure to preserve the tax-deferred gain on the original transaction(s) that pertains to the replacement asset.

Real Estate Operations – Continuing

Revenue from continuing real estate operations consisted of the following for the three and six months ended June 30, 2020 and 2019:

Revenue Description	Three Months Ended		Six Months Ended	
	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)	June 30, 2020 (\$000's)	June 30, 2019 (\$000's)
Mitigation Credit Sales	\$ —	\$ —	\$ 4	\$ —
Subsurface Revenue	1	234	78	442
Fill Dirt and Other Revenue	5	27	5	54
Total Real Estate Operations Revenue	\$ 6	\$ 261	\$ 87	\$ 496

Daytona Beach Development. During 2018, the Company acquired a 5-acre parcel of land with existing structures in downtown Daytona Beach, for a purchase price of approximately \$2.0 million. As of June 30, 2020, the Company has also acquired other contiguous parcels totaling approximately 1-acre for approximately \$2.1 million. Combined, these parcels represent the substantial portion of an entire city block in downtown Daytona Beach adjacent to International Speedway Boulevard, a major thoroughfare in Daytona Beach. We have engaged a national real estate brokerage firm to assist us in

identifying a developer or investor to acquire a portion or all of the property or to contribute into a potential joint venture to redevelop the property. We are pursuing entitlements for the potential redevelopment of these parcels, along with certain other adjacent land parcels, some of which we have under contract for purchase. As of June 30, 2020, we have incurred approximately \$1.5 million in raze and entitlement costs related to these parcels.

Other Real Estate Assets. The Company owns mitigation credits with a cost basis of approximately \$2.5 million as of June 30, 2020. As of December 31, 2019, the Company owned mitigation credits with a cost basis of approximately \$2.3 million. The increase in mitigation credit cost basis for the six months ended June 30, 2020 compared to December 31, 2019 is primarily the result of the 20 mitigation credits acquired from the Mitigation Bank, as defined in Note 7, "Investments in Joint Ventures", during the three months ended March 31, 2020 totaling approximately \$1.5 million, or approximately \$75,000 per credit. The cost basis was reduced by the impact of approximately 16 mitigation credits with a cost basis of approximately \$1.2 million that were provided at no cost to buyers. Additionally, the Company purchased 2 mitigation credits from the Mitigation Bank JV, for approximately \$224,000. The aggregate cost of sales charge of approximately \$1.5 million, which is not expected to be a recurring charge, was included in direct costs of revenues of real estate operations during the six months ended June 30, 2020 in the consolidated statements of operations. Mitigation credit sales totaled approximately \$4,000 during the six months ended June 30, 2020. There were no mitigation credit sales during the six months ended June 30, 2019.

Subsurface Interests. As of June 30, 2020, the Company owns full or fractional subsurface oil, gas, and mineral interests underlying approximately 455,000 "surface" acres of land owned by others in 20 counties in Florida (the "Subsurface Interests"). The Company leases certain of the Subsurface Interests to mineral exploration firms for exploration. Our subsurface operations consist of revenue from the leasing of exploration rights and in some instances, additional revenues from royalties applicable to production from the leased acreage.

There were no subsurface sales during the six months ended June 30, 2020 and 2019.

Prior to September 2019, the Company leased certain of the Subsurface Interests to a mineral exploration organization for exploration. The lessee had previously exercised renewal options through the eighth year of the lease which ended on September 22, 2019. The Lessee elected not to renew the oil exploration lease beyond September 22, 2019.

Lease income generated by the annual lease payments is recognized on a straight-line basis over the guaranteed lease term. For both the three and six months ended June 30, 2019, lease income of approximately \$201,000 was recognized, with no lease income recognized during the three and six months ended June 30, 2020.

During the three and six months ended June 30, 2020 and 2019, the Company also received oil royalties from operating oil wells on 800 acres under a separate lease with a separate operator. Revenues received from oil royalties totaled approximately \$20,000 during the three months ended June 30, 2019 with no revenues received during the three months ended June 30, 2020. Revenues received from oil royalties totaled approximately \$10,000 and \$29,000, during the six months ended June 30, 2020 and 2019, respectively.

The Company is not prohibited from selling any or all of its Subsurface Interests. The Company may release surface entry rights or other rights upon request of a surface owner for a negotiated release fee typically based on a percentage of the surface value. Should the Company complete a transaction to sell all or a portion of its Subsurface Interests or complete a release transaction, the Company may utilize the like-kind exchange structure in acquiring one or more replacement investments including income-producing properties.

Cash payments for the release of surface entry rights totaled approximately \$67,000 during the six months ended June 30, 2020. There were no releases of surface entry rights during the six months ended June 30, 2019.

Real Estate Operations – Discontinued Operations

As of June 30, 2020, the Company continues to pursue land sales of the approximately 4,900 acres that formerly comprised its land holdings on behalf of the JV Partners in its role as Manager of the Land JV. See Note 24, "Subsequent Events", for land sales from the Land JV subsequent to June 30, 2020. As a result of those land sales, the Land JV currently holds approximately 1,800 acres of undeveloped land in Daytona Beach, Florida. The Company's retained interest in the Land JV represents a notional 33.5% stake in the venture, the value of which may be realized in the form of distributions based on the timing and the amount of proceeds achieved when the land is ultimately sold by the Land JV. As of June 30,

2020, the Land JV has completed approximately \$22.2 million in land sales since its inception in mid-October 2019 and currently has a pipeline of 8 purchase and sale agreements for potential land sale transactions representing approximately \$31 million of potential proceeds to the Land JV. The roughly 267 acres under contract represents approximately 15% of the total remaining land in the Land JV.

The Company currently serves as the manager of the Land JV and is responsible for day-to-day operations at the direction of the JV Partners. All major decisions and certain other actions that can be taken by the Manager must be approved by the unanimous consent of the JV Partners (the "Unanimous Actions"). Unanimous Actions include such matters as the approval of pricing for all land parcels in the Land JV; approval of contracts for the sale of land that contain material revisions to the standard purchase contract of the Land JV; entry into any lease agreement affiliated with the Land JV; entering into listing or brokerage agreements; approval and amendment of the Land JV's operating budget; obtaining financing for the Land JV; admission of additional members; and dispositions of the Land JV's real property for amounts less than market value. Pursuant to the Land JV's operating agreement, the Land JV will pay the Manager a management fee in the initial amount of \$20,000 per month, which amount will be reevaluated on a quarterly basis and reduced based on the value of real property that remains in the Land JV.

During the six months ended June 30, 2019, a total of approximately 74 acres were sold for approximately \$10.8 million.

SUMMARY OF OPERATING RESULTS FOR THE QUARTER ENDED JUNE 30, 2020 COMPARED TO JUNE 30, 2019

REVENUE

Total revenue for the three months ended June 30, 2020 is presented in the following summary and indicates the changes as compared to three months ended June 30, 2019:

Operating Segment	Revenue for the Quarter Ended 6/30/2020 (\$000's)	Increase (Decrease)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
Income Properties	\$ 11,473	\$ 1,098	11%
Management Services	695	695	100%
Commercial Loan Investments	835	782	1483%
Real Estate Operations	6	(254)	-98%
Total Revenue	\$ 13,009	\$ 2,321	22%

Total revenue for the three months ended June 30, 2020 increased to approximately \$13.0 million, compared to approximately \$10.7 million during the same period in 2019. The increase in total revenue reflects the net impact of an increase in revenue from our income property operations of approximately \$1.1 million, which is the result of an increase in revenue of approximately \$5.5 million from recent acquisitions partially offset by a decrease relating to our recent dispositions of income properties, which totaled approximately \$4.4 million. In addition, our revenues increased by approximately \$782,000 from the revenue generated by our commercial loan portfolio due to five loan originations subsequent to the second quarter of 2019 and total revenues increased by approximately \$695,000 in connection with the management fees we earned from PINE and the Land JV. These increases were offset by a decrease of approximately \$254,000 in the revenue we generated from our real estate operations segment, which decrease is primarily related to the termination of the subsurface lease as described in Note 6, "Real Estate Operations".

Income Property Operations Revenue	Revenue for the Quarter Ended 6/30/2020 (\$000's)	Increase (Decrease)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
Revenue from Recent Acquisitions	\$ 5,532	\$ 5,532	100%
Revenue from Recent Dispositions	—	(4,387)	-100%
Revenue from Remaining Portfolio	5,497	132	2%
Accretion of Above Market/Below Market Intangibles	444	(179)	-29%
Total Income Property Operations Revenue	\$ 11,473	\$ 1,098	11%

Real Estate Operations Revenue	Revenue for the Quarter Ended 6/30/2020 (\$000's)	Increase (Decrease)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
Mitigation Credit Sales	\$ —	\$ —	0%
Subsurface Revenue	1	(233)	-100%
Other Revenue	5	(22)	-81%
Total Real Estate Operations Revenue	\$ 6	\$ (255)	-98%

NET INCOME

Net income and basic net income per share for the quarter ended June 30, 2020, compared to the same period in 2019, was as follows:

	Quarter Ended 6/30/2020 (\$000's)	Increase (Decrease) Vs. Same Period in 2019 (\$000's)
Income from Continuing Operations (\$000's)	\$ 12,611	\$ 3,947
Income from Discontinued Operations (Net of Income Tax) (\$000's)	\$ —	\$ (1,933)
Net Income (\$000's)	\$ 12,611	\$ 2,014
Basic Net Income from Continuing Operations Per Share	\$ 2.71	\$ 0.96
Basic Net Income from Discontinued Operations Per Share	\$ —	\$ (0.39)
Basic Net Income Per Share	\$ 2.71	\$ 0.57

Our above results for the quarter ended June 30, 2020, as compared to the same period in 2019, reflected the following significant operating elements, in addition to the impacts on revenues described above:

- An increase in investment and other income (loss) of approximately \$8.5 million primarily due to the increase in the closing stock price of PINE resulting in the unrealized, non-cash gain on the Company's investment in PINE of approximately \$8.1 million, or \$1.30 per share, after tax;
- An increase in depreciation and amortization expense of approximately \$947,000 which is primarily due to the increase in the Company's income property portfolio;
- A decrease in gain on disposition of assets totaling approximately \$4.7 million attributable to second quarter 2020 gains totaling approximately \$7.4 million on the disposition of four single-tenant and one multi-tenant income property, versus that of gains totaling approximately \$11.8 million on the disposition of two multi-tenant income properties during the second quarter of 2019. The decrease in gain on disposition of assets was further impacted by the sale of four of the Company's commercial loan investments, resulting in a second quarter loss of approximately \$353,000, or approximately \$0.06 per share, after tax; and
- An increase in gain on extinguishment of debt of approximately \$505,000, or approximately \$0.08 per share, after tax related to the repurchase of approximately \$7.5 million aggregate amount of 2025 Notes at a discount totaling approximately \$1.4 million.

INCOME PROPERTIES

Revenues and operating income from our income property operations totaled approximately \$11.5 million and \$8.9 million, respectively, during the three months ended June 30, 2020, compared to total revenue and operating income of approximately \$10.4 million and \$8.7 million, respectively, for the three months ended June 30, 2019. The direct costs of revenues for our income property operations totaled approximately \$2.6 million and \$1.6 million for the three months ended June 30, 2020 and 2019, respectively. The increase in revenues of approximately \$1.1 million, or 11%, during the three months ended June 30, 2020 reflects our expanded portfolio of income properties including increases of approximately \$5.5 million due to recent acquisitions, offset by the decrease of approximately \$4.4 million related to properties we sold during 2019. Revenue from our income properties during the quarters ended June 30, 2020 and 2019 also includes approximately \$444,000 and \$623,000, respectively, in revenue from the net accretion of the above-market and below-market lease intangibles, of which a significant portion is attributable to Wells Fargo Raleigh. Our increased operating income from our income property operations reflects increased rent revenues, offset by an increase of approximately \$934,000 in our direct costs of revenues which was primarily comprised of approximately \$1.5 million in increased operating expenses related to our recent acquisitions, offset by the reduction in operating expenses related to the

property dispositions completed in 2019. See our discussion above under the heading “COVID-19 PANDEMIC” for a description of how the COVID-19 Pandemic has impacted our income property operations.

MANAGEMENT SERVICES

Revenue from our management services totaled approximately \$695,000 during the three months ended June 30, 2020 with no revenue recognized during the three months ended June 30, 2019. During the three months ended June 30, 2020, the Company earned management services revenue from PINE of approximately \$644,000 and approximately \$51,000 from the Land JV.

COMMERCIAL LOAN INVESTMENTS

Interest income from our commercial loan investments totaled approximately \$835,000 and \$53,000 during the three months ended June 30, 2020 and 2019, respectively. The increase is due to the timing of investing in the Company’s commercial loan investment portfolio, as the Company held no commercial loan investments during 2019 until June 14, 2019 when the Company originated a \$8.0 million first mortgage bridge loan secured by 72 acres of land in Orlando, Florida at a fixed rate of 12.00%.

REAL ESTATE OPERATIONS

During the three months ended June 30, 2020, the operating loss from real estate operations was approximately \$50,000 on revenues totaling approximately \$6,400. During the three months ended June 30, 2019, operating income was approximately \$221,000 on revenues totaling approximately \$261,000. The operating loss during the three months ended June 30, 2020, was due to the decrease in revenue of approximately \$254,000.

GENERAL AND ADMINISTRATIVE EXPENSES

Total general and administrative expenses for the three months ended June 30, 2020 is presented in the following summary and indicates the changes as compared to the three months ended June 30, 2019:

	G&A Expense Quarter Ended 6/30/2020 (\$000's)	Decrease (Increase)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
General and Administrative Expenses			
Recurring General and Administrative Expenses	\$ 1,471	\$ (7)	0%
Non-Cash Stock Compensation	700	(65)	-10%
Shareholder and Proxy Matter Legal and Related Costs	—	21	100%
Total General and Administrative Expenses	<u>\$ 2,171</u>	<u>\$ (51)</u>	<u>-2%</u>

General and administrative expenses totaled approximately \$2.2 million and \$2.1 million for the quarters ended June 30, 2020 and 2019, respectively, with minimal change in expense quarter over quarter.

GAINS (LOSSES) AND IMPAIRMENT CHARGES

2025 Note Repurchases. During the three months ended June 30, 2020, the Company repurchased approximately \$7.5 million aggregate principal amount of the 2025 Notes, representing a cash discount of approximately \$1.4 million. The gain on the repurchase of approximately \$505,000, net of the pro-rata share of the conversion value, is included in Gain on Extinguishment of Debt in the consolidated statements of operations for the three months ended June 30, 2020.

Commercial Loan Portfolio. In late May 2020, the Company sold four of its commercial loan investments in two separate transactions generating aggregate proceeds of approximately \$20.0 million and resulting in a second quarter loss of approximately \$353,000, or approximately \$0.06 per share, after tax.

2020 Dispositions. During the three months ended June 30, 2020, the Company disposed of four single-tenant income properties, including three ground leases, and one multi-tenant income property, as described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain (Loss) on Sale	EPS, After Tax	Exit Cap Rate
CVS, Dallas, TX	Single-Tenant	04/24/20	\$ 15,222,000	\$ 854,336	\$ 0.14	4.50%
Wawa, Daytona Beach, FL	Single-Tenant	04/29/20	6,002,400	1,768,603	0.29	4.75%
JPMorgan Chase Bank, Jacksonville, FL	Single-Tenant	06/18/20	6,714,738	959,444	0.15	4.15%
7-Eleven, Dallas, TX	Multi-Tenant	06/26/20	2,400,000	(45,615)	(0.01)	6.08%
Bank of America, Monterey, CA	Single-Tenant	06/29/20	9,000,000	3,892,049	0.63	3.28%
Total / Weighted Average			\$ 39,339,138	\$ 7,428,817	\$ 1.20	4.30%

2019 Dispositions. During the three months ended June 30, 2020, the Company disposed of two multi-tenant income properties, as described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain (Loss) on Sale	EPS, After Tax	Exit Cap Rate
The Grove, Winter Park, FL	Multi-Tenant	05/23/19	\$ 18,250,000	2,803,198	0.42	6.72%
3600 Peterson, Santa Clara, CA	Multi-Tenant	06/24/19	37,000,000	9,008,709	1.36	6.62%
Total / Weighted Average			\$ 55,250,000	\$ 11,811,907	\$ 1.78	6.66%

There were no impairment charges on the Company's undeveloped land holdings, or its income property portfolio during the three months ended June 30, 2020 or 2019.

INVESTMENT AND OTHER INCOME

During the three months ended June 30, 2020, the closing stock price of PINE increased by \$3.95 per share, with a closing price of \$16.26 on June 30, 2020 versus \$12.31 on March 31, 2020. As a result, the Company recognized an unrealized, non-cash gain on its 2,039,644 shares (including OP Units) of approximately \$8.1 million, or \$1.30 per share, after tax, which is included in Investment and Other Income (Loss).

DISCONTINUED OPERATIONS

During the three months ended June 30, 2020, there was no activity related to discontinued operations. During the three months ended June 30, 2019, discontinued operations activity consisted of land operations and golf operations, which were sold during the fourth quarter of 2019.

INTEREST EXPENSE

Interest expense totaled approximately \$2.5 million and \$3.0 million for the three months ended June 30, 2020 and 2019, respectively. The decrease of approximately \$589,000 is attributable to lower outstanding balances on the Convertible Notes with lower LIBOR rates as well as the benefit from the lower rate on the 2025 Notes, compared to the 2020 Notes.

SUMMARY OF OPERATING RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2020 COMPARED TO JUNE 30, 2019
REVENUE

Total revenue for the six months ended June 30, 2020 is presented in the following summary and indicates the changes as compared to six months ended June 30, 2019:

Operating Segment	Revenue for the Six Months Ended 6/30/2020 (\$000's)	Increase (Decrease)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
Income Properties	\$ 22,476	\$ 1,376	7%
Management Services	1,398	1,398	100%
Commercial Loan Investments	1,887	1,834	3477%
Real Estate Operations	87	(409)	-82%
Total Revenue	\$ 25,848	\$ 4,201	19%

Total revenue for the six months ended June 30, 2020 totaled approximately \$25.8 million, compared to approximately \$21.6 million during the same period in 2019. The increase in total revenue reflects the net impact of an increase in revenue from our income property operations of approximately \$1.4 million, which is the result of an increase in revenue of approximately \$10.4 million from recent acquisitions and a decrease relating to our recent dispositions of income properties, which totaled approximately \$8.7 million. In addition, our revenues increased by approximately \$1.4 million in connection with the management fees we earned from PINE and the Land JV as well as an increase of approximately \$1.8 million from the revenue generated by our commercial loan portfolio due to five loan originations subsequent to the second quarter of 2019. These increases were offset by a decrease of approximately \$409,000 in the revenue we generated from our real estate operations segment, primarily related to the termination of the subsurface lease as described in Note 2, "Revenue Recognition".

Income Property Operations Revenue	Revenue for the Six Months Ended 6/30/2020 (\$000's)	Increase (Decrease)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
Revenue from Recent Acquisitions	\$ 10,407	\$ 10,407	100%
Revenue from Recent Dispositions	—	(8,739)	-100%
Revenue from Remaining Portfolio	11,595	(185)	-2%
Accretion of Above Market/Below Market Intangibles	474	(107)	-18%
Total Income Property Operations Revenue	\$ 22,476	\$ 1,376	7%

Real Estate Operations Revenue	Revenue for the Six Months Ended 6/30/2020 (\$000's)	Increase (Decrease)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
Mitigation Credit Sales	\$ 4	\$ 4	100%
Subsurface Revenue	78	(364)	-82%
Fill Dirt and Other Revenue	5	(49)	-90%
Total Real Estate Operations Revenue	\$ 87	\$ (409)	-82%

NET INCOME

Net income and basic net income per share for the six ended June 30, 2020, compared to the same period in 2019, was as follows:

	Six Months Ended 6/30/2020 (\$000's)	Increase (Decrease) Vs. Same Period in 2019 (\$000's)
Income from Continuing Operations (\$000's)	\$ 349	\$ (13,658)
Income from Discontinued Operations (Net of Income Tax) (\$000's)	\$ —	\$ (3,058)
Net Income (\$000's)	\$ 349	\$ (16,716)
Basic Net Income from Continuing Operations Per Share	\$ 0.07	\$ (2.66)
Basic Net Income from Discontinued Operations Per Share	\$ —	\$ (0.59)
Basic Net Income Per Share	\$ 0.07	\$ (3.25)

Our above results for the six months ended June 30, 2020, as compared to the same period in 2019, reflected the following significant operating elements in addition to the impacts on revenues described above:

- A decrease in investment and other income of approximately \$4.8 million primarily due to the decrease in the closing stock price of PINE resulting in the unrealized, non-cash loss on the Company's investment in PINE of approximately \$5.6 million, or \$0.91 per share, after tax;
- An increase in impairment charges of approximately \$1.9 million related to the Company's implementation of CECL, hereinafter defined, resulting in an allowance reserve of approximately \$252,000, in addition to the impairment totaling approximately \$1.6 million, recognized during the first quarter of 2020, related to marketing the Company's loan portfolio in advance of their upcoming maturities, prior to the disposition of four commercial loan investments during the second quarter of 2020;
- An increase in the direct cost of real estate operations of approximately \$1.5 million associated with the cost basis of approximately 20 mitigation credits provided at no cost to buyers, of which is not recurring in nature;
- An increase in depreciation and amortization expense of approximately \$2.2 which is primarily due to the increase in the Company's income property portfolio;
- A decrease in gain on disposition of assets totaling approximately \$11.6 million attributable to approximately \$7.4 million on the disposition of four single-tenant and one multi-tenant income property during the six months ended June 30, 2020, versus that of gains totaling approximately \$18.7 million on the disposition of three multi-tenant income properties during the six months ended June 30, 2020. The decrease in gain on disposition of assets was further impacted by the sale of four of the Company's commercial loan investments, resulting in loss of approximately \$353,000, or approximately \$0.06 per share, after tax; and
- An increase in gain on extinguishment of debt of approximately \$1.1 million, or approximately \$0.18 per share, after tax related to the repurchase of approximately \$12.5 million aggregate amount of 2025 Notes at a discount totaling approximately \$2.6 million.

INCOME PROPERTIES

Revenues and operating income from our income property operations totaled approximately \$22.5 million and \$17.8 million, respectively, during the six months ended June 30, 2020, compared to total revenue and operating income of approximately \$21.1 million and \$17.5 million, respectively, for the six months ended June 30, 2019. The direct costs of revenues for our income property operations totaled approximately \$4.7 million and \$3.6 million for the six months ended June 30, 2020 and 2019, respectively. The increase in revenues of approximately \$1.4 million, or 7%, during the six months ended June 30, 2020 reflects our expanded portfolio of income properties including increases of approximately \$10.4 million due to recent acquisitions, offset by the decrease of approximately \$8.7 million related to properties we sold during 2019. Revenue from our income properties during the six months ended June 30, 2020 and 2019 also includes approximately \$474,000 and \$581,000 million, respectively, in revenue from the net accretion of the above-market and

below-market lease intangibles, of which a significant portion is attributable to Wells Fargo Raleigh. Our increased operating income from our income property operations reflects increased rent revenues, offset by an increase of approximately \$1.1 million in our direct costs of revenues which was primarily comprised of approximately \$2.5 million in increased operating expenses related to our recent acquisitions, offset by the reduction in operating expenses related to the property dispositions completed in 2019. See our discussion above under the heading “COVID-19 PANDEMIC” for a description of how the COVID-19 Pandemic has impacted our income property operations.

MANAGEMENT SERVICES

Revenue from our management services totaled approximately \$1.4 million during the six months ended June 30, 2020 with no revenue recognized during the six months ended June 30, 2019. During the six months ended June 30, 2020, the Company earned management services revenue from PINE of approximately \$1.3 million and approximately \$105,000 from the Land JV.

COMMERCIAL LOAN INVESTMENTS

Interest income from our commercial loan investments totaled approximately \$1.9 million and approximately \$53,000 during the six months ended June 30, 2020 and 2019, respectively. The increase is due to the timing of investing in the Company’s commercial loan investment portfolio, as the Company held no commercial loan investments during 2019 until June 14, 2019 when the Company originated a \$8.0 million first mortgage bridge loan secured by 72 acres of land in Orlando, Florida at a fixed rate of 12.00%.

REAL ESTATE OPERATIONS

During the six months ended June 30, 2020, the operating loss from real estate operations was approximately \$1.5 million on revenues totaling approximately \$87,000. During the six months ended June 30, 2019, operating income was approximately \$409,000 on revenues totaling approximately \$496,000. The operating loss was due to the decrease in revenue and the charge of approximately \$1.5 million attributable to the approximately 16 mitigation credits, with a cost basis of approximately \$1.2 million, provided at no cost to buyers, which is not expected to be recurring in nature.

GENERAL AND ADMINISTRATIVE EXPENSES

Total general and administrative expenses for the six months ended June 30, 2020 is presented in the following summary and indicates the changes as compared to the six months ended June 30, 2019:

	G&A Expense Six Months Ended 6/30/2020 (\$000's)	Decrease (Increase)	
		Vs. Same Period in 2019 (\$000's)	Vs. Same Period in 2019 (%)
General and Administrative Expenses			
Recurring General and Administrative Expenses	\$ 3,744	\$ (703)	-23%
Non-Cash Stock Compensation	1,518	(73)	-5%
Shareholder and Proxy Matter Legal and Related Costs	—	134	100%
Total General and Administrative Expenses	\$ 5,262	\$ (642)	-14%

General and administrative expenses totaled approximately \$5.3 million and \$4.6 million for the six months ended June 30, 2020 and 2019, respectively. The approximately \$703,000 increase in recurring general and administrative expenses consists of an increase in legal and tax fees related to the Company’s potential REIT conversion of approximately \$127,000 as well as approximately \$317,000 of increased audit, tax, and legal fees primarily attributable to the significant transactions completed during the fourth quarter of 2019 including the Land JV and the asset portfolio sale to PINE.

GAINS (LOSSES) AND IMPAIRMENT CHARGES

2025 Note Repurchases. During the six months ended June 30, 2020, the Company repurchased approximately \$12.5 million aggregate principal amount of the 2025 Notes, representing a cash discount of approximately \$2.6 million. The gain on the repurchase of approximately \$1.1 million, net of the pro-rata share of the conversion value, is included in Gain on Extinguishment of Debt in the consolidated statements of operations for the six months ended June 30, 2020.

Commercial Loan Portfolio. In light of the COVID-19 Pandemic, the Company began marketing its commercial loan portfolio in advance of their upcoming maturities to further strengthen the Company's liquidity. The Company received multiple bids including a bid offering a value that was at a discount to par. Additionally, the Company implemented the guidance regarding CECL effective January 1, 2020, which resulted in an allowance reserve of approximately \$252,000. The CECL reserve combined with the impairment related to marketing the loan portfolio resulted in an aggregate impairment charge on the loan portfolio of approximately \$1.9 million, or \$0.30 per share, after tax during the three months ended March 31, 2020.

During the three months ended June 30, 2020, the Company sold four of its commercial loan investments in two separate transactions generating aggregate proceeds of approximately \$20.0 million and resulting in a second quarter loss of approximately \$353,000, or approximately \$0.06 per share, after tax. The total loss on the loan portfolio disposition, including the impairment and CECL reserve charges in the three months ended March 31, 2020, was approximately \$2.1 million, or \$0.33 per share, after tax.

2020 Dispositions. During the six months ended June 30, 2020, the Company disposed of four single-tenant income properties, including three ground leases, and one multi-tenant income property, as described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain (Loss) on Sale	EPS, After Tax	Exit Cap Rate
CVS, Dallas, TX	Single-Tenant	04/24/20	\$ 15,222,000	\$ 854,336	\$ 0.14	4.50%
Wawa, Daytona Beach, FL	Single-Tenant	04/29/20	6,002,400	1,768,003	0.29	4.75%
JPMorgan Chase Bank, Jacksonville, FL	Single-Tenant	06/18/20	6,714,738	959,444	0.15	4.15%
7-Eleven, Dallas, TX	Multi-Tenant	06/26/20	2,400,000	(45,615)	(0.01)	6.08%
Bank of America, Monterey, CA	Single-Tenant	06/29/20	9,000,000	3,892,049	0.63	3.28%
Total / Weighted Average			\$ 39,339,138	\$ 7,428,817	\$ 1.20	4.30%

2019 Dispositions. During the six months ended June 30, 2019, the Company disposed of three multi-tenant income properties, as described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain (Loss) on Sale	EPS, After Tax	Exit Cap Rate
Whole Foods, Sarasota, FL	Multi-Tenant	02/21/19	\$ 24,620,000	\$ 6,869,957	\$ 0.96	5.15%
The Grove, Winter Park, FL	Multi-Tenant	05/23/19	18,250,000	2,803,198	0.42	6.72%
3600 Peterson, Santa Clara, CA	Multi-Tenant	06/24/19	37,000,000	9,008,709	1.36	6.62%
Total / Weighted Average			\$ 79,870,000	\$ 18,681,864	\$ 2.74	6.19%

There were no impairment charges on the Company's undeveloped land holdings, or its income property portfolio during the six months ended June 30, 2020 or 2019.

INVESTMENT AND OTHER INCOME

During the six months ended June 30, 2020, the closing stock price of PINE decreased by \$2.77 per share, with a closing price of \$16.26 on June 30, 2020. As a result, the Company recognized an unrealized, non-cash loss on its 2,039,644 shares (including OP Units) of approximately \$5.6 million, or \$0.91 per share, after tax, which is included in Investment and Other Income (Loss).

DISCONTINUED OPERATIONS

During the six months ended June 30, 2020, there was no activity related to discontinued operations. During the six months ended June 30, 2019, discontinued operations activity consisted of land operations and golf operations, which were sold during the fourth quarter of 2019.

INTEREST EXPENSE

Interest expense totaled approximately \$5.9 million and \$6.0 million for the six months ended June 30, 2020 and 2019, respectively. The decrease of approximately \$100,000 is primarily attributable to decreased interest expense totaling approximately \$290,000 related to the lower outstanding balance on the 2025 Notes as well as the reduced rate, partially offset by increased interest expense totaling approximately \$133,000 related to higher outstanding balances on the Credit Facility.

LIQUIDITY AND CAPITAL RESOURCES

Cash totaled approximately \$10.7 million at June 30, 2020. Restricted cash totaled approximately \$29.7 million at June 30, 2020 of which approximately \$27.5 million of cash is being held in multiple separate escrow accounts to be reinvested through the like-kind exchange structure into other income properties; \$1.7 million is being held in a general tenant improvement reserve account with Wells Fargo in connection with our financing of the property located in Raleigh, NC leased to Wells Fargo ("Wells Fargo Raleigh"); approximately \$286,000 is being held in a capital replacement reserve account in connection with our financing of six income properties with Wells Fargo Bank, NA ("Wells Fargo"); \$100,000 is being held in an escrow account in connection with the sale of the Company's ground lease located in Daytona Beach, FL, and approximately \$78,000 is being held in an escrow account related to a separate land transaction which closed in February 2017.

Our total cash balance at June 30, 2020, reflected cash flows provided by our operating activities totaling approximately \$9.7 million during the six months ended June 30, 2020, compared to the prior year's cash flows provided by operating activities totaling approximately \$13.3 million in the same period in 2019, a decrease of approximately \$3.6 million. The decrease of approximately \$3.6 million primarily consists of the approximately \$1.5 million of cash utilized in the first quarter of 2020 for the purchase of 20 mitigation credits put by the Mitigation Bank JV and a decrease of approximately \$7.6 million of cash that was provided by discontinued operations, primarily land sales, during the first and second quarter of 2019, offset by the aggregate increase in management fee income and interest income from commercial loan investments of approximately \$3.3 million. The net change in operating cash is also impacted by various other differences with regards to the timing of payments within other assets, accounts payable, and accrued and other liabilities.

Our cash flows used in investing activities totaled approximately \$87.9 million for the six months ended June 30, 2020, compared to cash flows provided by investing activities of approximately \$28.3 million for the six months ended June 30, 2019, a decrease of approximately \$116.3 million. The decrease is primarily the result of an increase in cash outflows of approximately \$97.0 million for income property acquisitions during the six months ended June 30, 2020 compared to the same period in 2019, a decrease of cash inflows of approximately \$39.9 million related to the additional proceeds received during the six months ended June 30, 2019 for three multi-tenant dispositions, primarily the sale of the 3600 Peterson property, as compared to dispositions during the six months ended June 30, 2020, offset by an increase of cash inflows totaling approximately \$21.0 million related to the commercial loan investments sold during the second quarter of 2020.

Our cash flows used in financing activities totaled approximately \$16.2 million for the six months ended June 30, 2020, compared to cash flows used in financing activities of approximately \$2.1 million for the six months ended June 30, 2019, an increase of approximately \$14.2 million. The increase in cash used in financing activities is primarily related to the net draws on the Company's Credit Facility totaling approximately \$3.0 million during the six months ended June 30, 2020, as compared to net draws on the Credit Facility of approximately \$31.1 million during the six months ended June 30, 2019. This increase was partially offset by the cash outlay of approximately \$9.9 million to repurchase approximately \$12.5 million principal amount of the 2025 Notes, at a discount. Offsetting the impact of our net borrowings and 2025 Note repurchases were the use of funds of approximately \$4.1 million for stock buybacks during the six months ended June 30, 2020, versus approximately \$31.1 million of stock buybacks during the same period in 2019.

LONG-TERM DEBT

As of June 30, 2020, the Company's outstanding indebtedness, at face value, was as follows:

	Face Value Debt	Maturity Date	Interest Rate
Credit Facility ⁽¹⁾	\$ 162,845,349	May 2023	30-day LIBOR plus 1.35% - 1.95%
Mortgage Note Payable (originated with Wells Fargo) ⁽²⁾	30,000,000	October 2034	4.330%
Mortgage Note Payable (originated with Wells Fargo) ⁽³⁾	23,536,432	April 2021	3.170%
3.875% Convertible Senior Notes due 2025	62,468,000	April 2025	3.875%
Total Long-Term Face Value Debt	\$ 278,849,781		

⁽¹⁾ Effective March 31, 2020, utilized interest rate swap to achieve fixed interest rate of 0.7325% plus the applicable spread on \$100 million of the outstanding principal balance.

⁽²⁾ Secured by the Company's interest in six income properties. The mortgage loan carries a fixed rate of 4.33% per annum during the first ten years of the term, and requires payments of interest only during the first ten years of the loan. After the tenth anniversary of the effective date of the loan, the cash flows, as defined in the related loan agreement, generated by the underlying six income properties must be used to pay down the principal balance of the loan until paid off or until the loan matures. The loan is fully pre-payable after the tenth anniversary of the effective date of the loan.

⁽³⁾ Secured by the Company's income property leased to Wells Fargo Raleigh. The mortgage loan has a 5-year term with two years interest only, and interest and a 25-year amortization for the balance of the term. The mortgage loan bears a variable rate of interest based on the 30-day LIBOR plus a rate of 190 basis points. The interest rate for this mortgage loan has been fixed through the use of an interest rate swap that fixed the rate at 3.17%. The mortgage loan can be prepaid at any time subject to the termination of the interest rate swap. Amortization of the principal balance began in May 2018.

Credit Facility. The Company's revolving credit facility (the "Credit Facility"), with Bank of Montreal ("BMO") serving as the administrative agent for the lenders thereunder, is unsecured with regard to our income property portfolio but is guaranteed by certain wholly owned subsidiaries of the Company. The Credit Facility bank group is led by BMO and also includes Wells Fargo and Branch Banking & Trust Company. On September 7, 2017, the Company executed the second amendment and restatement of the Credit Facility (the "2017 Amended Credit Facility").

On May 24, 2019, the Company executed the Second Amendment to the 2017 Amended Credit Facility (the "Second Revolver Amendment"). As a result of the Second Revolver Amendment, the Credit Facility has a total borrowing capacity of \$200.0 million with the ability to increase that capacity up to \$300.0 million during the term, subject to lender approval. The Credit Facility provides the lenders with a security interest in the equity of the Company subsidiaries that own the properties included in the borrowing base. The indebtedness outstanding under the Credit Facility accrues interest at a rate ranging from the 30-day LIBOR plus 135 basis points to the 30-day LIBOR plus 195 basis points based on the total balance outstanding under the Credit Facility as a percentage of the total asset value of the Company, as defined in the 2017 Amended Credit Facility, as amended by the Second Revolver Amendment. The Credit Facility also accrues a fee of 15 to 25 basis points for any unused portion of the borrowing capacity based on whether the unused portion is greater or less than 50% of the total borrowing capacity. Pursuant to the Second Revolver Amendment, the Credit Facility matures on May 24, 2023, with the ability to extend the term for 1 year.

On November 26, 2019, the Company entered into the Third Amendment to the Second Amended and Restated Credit Agreement (the "Second 2019 Revolver Amendment"), which further amends the 2017 Amended Credit Facility. The Second 2019 Revolver Amendment included, among other things, an adjustment of certain financial maintenance covenants, including a temporary reduction of the minimum fixed charge coverage ratio to allow the Company to redeploy the proceeds received from the sale of certain income properties to PINE (the "PINE Income Property Sale Transactions"), and an increase in the maximum amount the Company may invest in stock and stock equivalents of real estate investment trusts to allow the Company to invest in the common stock and operating partnership units of PINE.

On July 1, 2020, the Company entered into the Fourth Amendment to the Second Amended and Restated Credit Agreement (the "2020 Revolver Amendment") whereby the tangible net worth covenant was adjusted to be more reflective of market terms. The 2020 Revolver Amendment was effective as of March 31, 2020.

At June 30, 2020, the current commitment level under the Credit Facility was \$200.0 million. The available borrowing capacity under the Credit Facility was approximately \$37.2 million, based on the level of borrowing base assets. As of June 30, 2020, the Credit Facility had a \$162.8 million balance outstanding. See Note 1, "Description of Business and Principles of Interim Statements" for a discussion of the potential impact on borrowing base assets due to the COVID-19 Pandemic.

The Credit Facility is subject to customary restrictive covenants including, but not limited to, limitations on the Company's ability to: (a) incur indebtedness; (b) make certain investments; (c) incur certain liens; (d) engage in certain affiliate transactions; and (e) engage in certain major transactions such as mergers. In addition, the Company is subject to various financial maintenance covenants including, but not limited to, a maximum indebtedness ratio, a maximum secured indebtedness ratio, and a minimum fixed charge coverage ratio. The Credit Facility also contains affirmative covenants and events of default including, but not limited to, a cross default to the Company's other indebtedness and upon the occurrence of a change in control. The Company's failure to comply with these covenants or the occurrence of an event of default could result in acceleration of the Company's debt and other financial obligations under the Credit Facility.

Mortgage Notes Payable. In addition to the Credit Facility, the Company has certain other borrowings, as noted in the table above, all of which are non-recourse.

Convertible Debt. The Company's \$75.0 million aggregate principal amount of 4.50% Convertible Notes (the "2020 Notes") were scheduled to mature on March 15, 2020; however, the Company completed the Note Exchanges, hereinafter defined, on February 4, 2020. The initial conversion rate was 14.5136 shares of common stock for each \$1,000 principal amount of the 2020 Notes, which represented an initial conversion price of approximately \$68.90 per share of common stock.

On February 4, 2020, the Company closed privately negotiated exchange agreements with certain holders of its outstanding 2020 Notes pursuant to which the Company issued approximately \$57.4 million principal amount of 3.875% Convertible Senior Notes due 2025 (the "2025 Notes") in exchange for approximately \$57.4 million principal amount of the 2020 Notes (the "Note Exchanges"). In addition, the Company closed a privately negotiated purchase agreement with an investor, who had not invested in the 2020 Notes, and issued approximately \$17.6 million principal amount of the 2025 Notes (the "New Notes Placement," and together with the Note Exchanges, the "Convert Transactions"). The Company used approximately \$5.9 million of the proceeds from the New Notes Placement to repurchase approximately \$5.9 million of the 2020 Notes. As a result of the Convert Transactions there was a total of \$75.0 million aggregate principal amount of 2025 Notes outstanding.

In exchange for issuing the 2025 Notes pursuant to the Note Exchanges, the Company received and cancelled the exchanged 2020 Notes. The \$11.7 million of net proceeds from the New Notes Placement were used to redeem at maturity on March 15, 2020 approximately \$11.7 million of the aggregate principal amount of the 2020 Notes that remained outstanding.

During the six months ended June 30, 2020, the Company repurchased approximately \$12.5 million aggregate principal amount of 2025 Notes at an approximate \$2.6 million discount, resulting in a gain on the extinguishment of debt of approximately \$1.1 million. Following the repurchase of the 2025 Notes during the first and second quarter of 2020, \$62.5 million aggregate principal amount of the 2025 Notes remains outstanding.

The 2025 Notes represent senior unsecured obligations of the Company and pay interest semi-annually in arrears on each April 15th and October 15th, commencing on April 15, 2020, at a rate of 3.875% per annum. The 2025 Notes mature on April 15, 2025 and may not be redeemed by the Company prior to the maturity date. The conversion rate for the 2025 Notes is initially 12.7910 shares of the Company's common stock per \$1,000 of principal of the 2025 Notes (equivalent to an initial conversion price of approximately \$78.18 per share of the Company's common stock). The initial conversion price of the 2025 Notes represents a premium of approximately 20% to the \$65.15 closing sale price of the Company's common stock on the NYSE American on January 29, 2020. If the Company's Board of Directors increases the quarterly dividend above the \$0.13 per share in place at issuance, the conversion rate is adjusted with each such increase in the quarterly dividend amount. After the second quarter 2020 dividend, the conversion rate is equal to 12.8551 shares of common stock for each \$1,000 principal amount of 2025 Notes, which represents an adjusted conversion price of approximately \$77.79 per share of common stock. The 2025 Notes are convertible into cash, common stock or a combination thereof, subject to various conditions, at the Company's option. Should certain corporate transactions or

events occur prior to the stated maturity date, the Company will increase the conversion rate for a holder that elects to convert its 2025 Notes in connection with such corporate transaction or event.

The conversion rate is subject to adjustment in certain circumstances. Holders may not surrender their 2025 Notes for conversion prior to January 15, 2025 except upon the occurrence of certain conditions relating to the closing sale price of the Company's common stock, the trading price per \$1,000 principal amount of 2025 Notes, or specified corporate events including a change in control of the Company. The Company may not redeem the 2025 Notes prior to the stated maturity date and no sinking fund is provided for the 2025 Notes. The 2025 Notes are convertible, at the election of the Company, into solely cash, solely shares of the Company's common stock, or a combination of cash and shares of the Company's common stock. The Company intends to settle the 2025 Notes in cash upon conversion, with any excess conversion value to be settled in shares of our common stock. In accordance with GAAP, the 2025 Notes were accounted for as a liability with a separate equity component recorded for the conversion option. A liability was recorded for the 2025 Notes on the issuance date at fair value based on a discounted cash flow analysis using current market rates for debt instruments with similar terms. The difference between the initial proceeds from the 2025 Notes and the estimated fair value of the debt instruments resulted in a debt discount, with an offset recorded to additional paid-in capital representing the equity component. As of June 30, 2020, the unamortized debt discount of our Notes was approximately \$6.8 million.

Acquisitions and Investments. As noted previously, the Company acquired two multi-tenant income properties during the six months ended June 30, 2020 for an aggregate purchase price of approximately \$137.2 million. These acquisitions included the following:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Foot	Purchase Price	Percentage Leased at Acquisition	Remaining Lease Term at Acquisition Date (in years)
Crossroads Towne Center	Multi-Tenant	Chandler, AZ	01/24/20	254,109	\$ 61,800,000	99%	5.0
Perimeter Place	Multi-Tenant	Atlanta, GA	02/21/20	268,572	75,435,000	80%	3.6
Total / Weighted Average				<u>522,681</u>	<u>\$ 137,235,000</u>		<u>4.2</u>

The Company's guidance for 2020 investments in income-producing properties totaled between \$160 million and \$210 million. We expect to fund such acquisitions utilizing cash on hand, primarily our \$27.5 million in 1031 restricted cash, cash from operations, proceeds from the dispositions of income properties and potentially the sale of all or a portion of our Subsurface Interests, and borrowings, if available. We expect dispositions of income properties and subsurface interests will qualify under the like-kind exchange deferred-tax structure, and additional financing sources.

Dispositions. During the six months ended June 30, 2020, the Company disposed of four single-tenant income properties, including three ground leases, and one multi-tenant income property. With the closing of these transactions, the Company has more than \$27 million of restricted cash, which proceeds are expected to be re-invested as part of a future Section 1031 like-kind exchange.

The properties disposed of during the six months ended June 30, 2020 are described below:

Tenant Description	Tenant Type	Date of Disposition	Sales Price	Gain (Loss) on Sale	EPS, After Tax	Exit Cap Rate
CVS, Dallas, TX	Single-Tenant	04/24/20	\$ 15,222,000	\$ 854,336	\$ 0.14	4.50%
Wawa, Daytona Beach, FL	Single-Tenant	04/29/20	6,002,400	1,768,603	0.29	4.75%
JPMorgan Chase Bank, Jacksonville, FL	Single-Tenant	06/18/20	6,714,738	929,444	0.15	4.15%
7-Eleven, Dallas, TX	Multi-Tenant	06/26/20	2,400,000	(45,615)	(0.01)	6.08%
Bank of America, Monterey, CA	Single-Tenant	06/29/20	9,000,000	3,892,049	0.63	3.28%
Total / Weighted Average			<u>\$ 39,339,138</u>	<u>\$ 7,428,817</u>	<u>\$ 1.20</u>	<u>4.30%</u>

Contractual Commitments. In connection with the acquisition of Perimeter Place in Atlanta, Georgia on February 21, 2020, the Company received approximately \$460,000 of credits from the seller of the property for tenant improvement allowances and leasing commissions for multiple tenants. Such credits have been included in accrued and other liabilities. During the six months ended June 30, 2020, payments totaling approximately \$231,000 were made, leaving a remaining commitment of approximately \$229,000.

In connection with the acquisition of the Crossroads Towne Center property in Chandler, Arizona on January 24, 2020, the Company received approximately \$1.3 million of credits from the seller of the property for tenant improvement allowances and leasing commissions for two tenants. Such credits have been included in accrued and other liabilities. No payments have been made during the six months ended June 30, 2020, accordingly, the remaining commitment is approximately \$1.3 million.

In connection with the acquisition of The Strand property located in Jacksonville, FL on December 9, 2019, the Company received a credit of approximately \$450,000 for a tenant improvement allowance for one of the tenants of The Strand. Accordingly, this amount is included in accrued and other liabilities in the accompanying consolidated balance sheets as of December 31, 2019. During the six months ended June 30, 2020, the improvements were completed by the tenant and the Company funded the \$450,000.

Other Matters. In connection with a certain land sale contract to which the Company is a party, the purchaser's pursuit of customary development entitlements gave rise to an inquiry by federal regulatory agencies regarding prior agricultural activities by the Company on such land. During the second quarter of 2015, we received a written information request regarding such activities. We submitted a written response to the information request along with supporting documentation. During the fourth quarter of 2015, based on discussions with the agency, a penalty related to this matter was deemed probable, and accordingly the estimated penalty of \$187,500 was accrued as of December 31, 2015, for which payment was made during the quarter ended September 30, 2016. Also, during the fourth quarter of 2015, the agency advised the Company that the resolution to the inquiry would likely require the Company to incur costs associated with wetlands restoration relating to approximately 148.4 acres of the Company's land. At December 31, 2015, the Company's third-party environmental engineers estimated the cost for such restoration activities to range from approximately \$1.7 million to approximately \$1.9 million. Accordingly, as of December 31, 2015, the Company accrued an obligation of approximately \$1.7 million, representing the low end of the estimated range of possible restoration costs, and included such estimated costs on the consolidated balance sheets as an increase in the basis of our land and development costs associated with those and benefitting surrounding acres. As of June 30, 2016, the final proposal from the Company's third-party environmental engineer was received reflecting a total cost of approximately \$2.0 million. Accordingly, an increase in the accrual of approximately \$300,000 was made during the second quarter of 2016. During the first quarter of 2019, the Company received a revised estimate for completion of the restoration work for which the adjusted final total cost was approximately \$2.4 million. Accordingly, an increase in the accrual of approximately \$361,000 was recorded during the first quarter of 2019. The Company has funded approximately \$2.3 million of the total \$2.4 million of estimated costs through June 30, 2020, leaving a remaining accrual of approximately \$57,000. The Company believes there is at least a reasonable possibility that the estimated remaining liability of approximately \$57,000 could change within one year of the date of the consolidated financial statements, which in turn could have a material impact on the Company's consolidated balance sheets and future cash flows. The Company evaluates its estimates on an ongoing basis; however, actual results may differ from those estimates.

During the first quarter of 2017, the Company completed the sale of approximately 1,581 acres of land to Minto Communities LLC which acreage represents a portion of the Company's remaining \$430,000 obligation. Accordingly, the Company deposited \$423,000 of cash in escrow to secure performance on the obligation. The funds in escrow can be drawn upon completion of certain milestones including completion of restoration and annual required monitoring. The first such milestone was achieved during the fourth quarter of 2017 and \$189,500 of the escrow was refunded. The second milestone related to the completion of the first-year maintenance and monitoring was achieved during the first quarter of 2019 and \$77,833 of the escrow was refunded, leaving an escrow balance of approximately \$156,000 as of December 31, 2019. The third milestone related to the completion of the second-year maintenance and monitoring was achieved during the first quarter of 2020 and \$77,833 of the escrow was refunded, leaving an escrow balance of approximately \$78,000 as of June 30, 2020. Additionally, resolution of the regulatory matter required the Company to apply for an additional permit pertaining to an additional approximately 54.66 acres, which permit may require mitigation activities which the Company anticipates could be satisfied through the utilization of existing mitigation credits owned by the Company or the acquisition of mitigation credits. Resolution of this matter allowed the Company to obtain certain permits from the applicable federal or state regulatory agencies needed in connection with the closing of the land sale contract that gave rise to this matter. As of June 30, 2017, the Company determined that approximately 36 mitigation credits were required to be utilized, which represents approximately \$298,000 in cost basis of the Company's mitigation credits. Accordingly, the Company transferred the mitigation credits through a charge to direct cost of revenues of real estate operations during the three months ended June 30, 2017, thereby resolving the required mitigation activities related to the approximately 54.66 acres.

As of June 30, 2020, we have no other contractual requirements to make capital expenditures.

We believe we will have sufficient liquidity to fund our operations, capital requirements, maintenance, and debt service requirements over the next twelve months and into the foreseeable future, with cash on hand, cash flow from our operations and approximately \$37.2 million of available capacity on the existing \$200.0 million Credit Facility, based on our current borrowing base of income properties, as of June 30, 2020.

Our Board and management consistently review the allocation of capital with the goal of providing the best long-term return for our shareholders. These reviews consider various alternatives, including increasing or decreasing regular dividends, repurchasing the Company's securities, and retaining funds for reinvestment. Annually, the Board reviews our business plan and corporate strategies, and makes adjustments as circumstances warrant. Management's focus is to continue our strategy to diversify our portfolio by redeploying proceeds from like-kind exchange transactions and utilizing our Credit Facility to increase our portfolio of income-producing properties, providing stabilized cash flows with strong risk-adjusted returns primarily in larger metropolitan areas and growth markets.

We believe that we currently have a reasonable level of leverage. Our strategy is to utilize leverage, when appropriate and necessary, and proceeds from sales of income properties, the disposition or payoffs on our commercial loan investments, and certain transactions in our subsurface interests, to acquire income properties. We may also acquire or originate commercial loan investments, invest in securities of real estate companies, or make other shorter-term investments. Our targeted investment classes may include the following:

- Multi-tenant office and retail properties in major metropolitan areas and growth markets, typically stabilized;
- Single-tenant retail and office, double or triple net leased, properties in major metropolitan areas and growth markets that are compliant with our commitments under the Exclusivity and ROFO agreement;
- Purchase or origination of ground leases, that are compliant with our commitments under the Exclusivity and ROFO agreement;
- Self-developed properties on Company-owned land including select retail and office;
- Joint venture development using Company-owned land;
- Origination or purchase of commercial loan investments with loan terms of 1-10 years with strong risk-adjusted yields secured by property types to include hotel, office, retail, residential, land and industrial;
- Select regional area investments using Company market knowledge and expertise to earn strong risk-adjusted yields; and
- Real estate related investment securities, including commercial mortgage backed securities, preferred or common stock, and corporate bonds.

Our investments in income-producing properties are typically subject to long-term leases. For multi-tenant properties, each tenant typically pays its proportionate share of the aforementioned operating expenses of the property, although for such properties we typically incur additional costs for property management services. Single-tenant leases are typically in the form of triple or double net leases and ground leases. Triple-net leases generally require the tenant to pay property operating expenses such as real estate taxes, insurance, assessments and other governmental fees, utilities, repairs and maintenance, and capital expenditures.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements are prepared in conformity with United States GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Our significant accounting policies are described in the notes to the consolidated financial statements included in our Annual Report on Form 10-K for the year-ended December 31, 2019. Judgments and estimates of uncertainties are required in applying our accounting policies in many areas. During the six months ended June 30, 2020, there have been no material

changes to the critical accounting policies affecting the application of those accounting policies as noted in our Annual Report on Form 10-K for the year ended December 31, 2019.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The principal market risk (i.e. the risk of loss arising from adverse changes in market rates and prices), to which we are exposed is interest rate risk relating to our debt. We may utilize overnight sweep accounts and short-term investments as a means to minimize the interest rate risk. We do not believe that interest rate risk related to cash equivalents and short-term investments, if any, is material due to the nature of the investments.

We are primarily exposed to interest rate risk relating to our own debt in connection with our Credit Facility, as this facility carries a variable rate of interest. Our borrowings on our \$200.0 million revolving Credit Facility bear a variable rate of interest based on the 30-day LIBOR plus a rate of between 135 basis points and 195 basis points based on our level of borrowing as a percentage of our total asset value. Effective March 31, 2020, the Company utilized an interest rate swap to achieve a fixed interest rate of 0.7325% plus the applicable spread on \$100 million of the outstanding principal balance. As of June 30, 2020, the outstanding balance on our Credit Facility was approximately \$162.8 million. A hypothetical change in the interest rate of 100 basis points (i.e., 1%) would affect our financial position, results of operations, and cash flows by approximately \$1.6 million. The \$23.5 million mortgage loan which closed on April 15, 2016, bears a variable rate of interest based on the 30-day LIBOR plus a rate of 190 basis points. The interest rate for this mortgage loan has been fixed through the use of an interest rate swap that fixed the rate at 3.17%. By virtue of fixing the variable rate, our exposure to changes in interest rates is minimal but for the impact on Other Comprehensive Income. Management's objective is to limit the impact of interest rate changes on earnings and cash flows and to manage our overall borrowing costs.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation, as required by Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). Based on that evaluation, our CEO and CFO have concluded that the design and operation of the Company's disclosure controls and procedures were effective as of June 30, 2020, to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and to provide reasonable assurance that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during the three months ended June 30, 2020, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be a party to certain legal proceedings, incidental to the normal course of its business. While the outcome of the legal proceedings cannot be predicted with certainty, the Company does not expect that these proceedings will have a material effect upon our financial condition or results of operations.

On November 21, 2011, the Company, Indigo Mallard Creek LLC and Indigo Development LLC, as owners of the property leased to Harris Teeter, Inc. ("Harris Teeter") in Charlotte, North Carolina, were served with pleadings filed in the General Court of Justice, Superior Court Division for Mecklenburg County, North Carolina, for a highway condemnation action involving this property. The proposed road modifications would impact access to the property. The Company does not believe the road modifications provided a basis for Harris Teeter to terminate the lease. Regardless, in January 2013, the North Carolina Department of Transportation ("NCDOT") proposed to redesign the road modifications to keep the all access intersection open for ingress with no change to the planned limitation on egress to the right-in/right-out only. Additionally, NCDOT and the City of Charlotte proposed to build and maintain a new access road/point into the property. Construction has begun and is not expected to be completed until 2020. Harris Teeter has expressed satisfaction with the redesigned project and indicated that it will not attempt to terminate its lease if this project is built as currently

redesigned. Because the redesigned project will not be completed until 2020, the condemnation case has been placed in administrative closure. As a result, the trial and mediation will not likely be scheduled until requested by the parties, most likely in 2021.

ITEM 1A. RISK FACTORS

As of June 30, 2020, there have been no material changes in our risk factors from those set forth in our Annual Report on Form 10-K for the year ended December 31, 2019 (the "Form 10-K"). However, in light of the onset of the COVID-19 Pandemic, we have expanded certain of the risk factors disclosed in the Form 10-K and added a risk factor to provide additional specificity to the matters covered by such risk factors:

We are subject to risks related to the ownership of commercial real estate that could affect the performance and value of our properties.

Factors beyond our control can affect the performance and value of our properties. Our core business is the ownership of commercial properties that generate lease revenue from either a single tenant in a stand-alone property or multiple tenants occupying a single structure or multiple structures. Accordingly, our performance is subject to risks incident to the ownership of commercial real estate, including:

- inability to collect rents from tenants due to financial hardship, including bankruptcy;
- changes in local real estate conditions in the markets where our properties are located, including the availability and demand for the properties we own;
- changes in consumer trends and preferences that affect the demand for products and services offered by our tenants;
- adverse changes in national, regional and local economic conditions;
- inability to lease or sell properties upon expiration or termination of existing leases;
- environmental risks, including the presence of hazardous or toxic substances on our properties;
- the subjectivity of real estate valuations and changes in such valuations over time;
- illiquidity of real estate investments, which may limit our ability to modify our portfolio promptly in response to changes in economic or other conditions;
- zoning or other local regulatory restrictions, or other factors pertaining to the local government institutions which inhibit interest in the markets in which our properties are located;
- changes in interest rates and the availability of financing;
- competition from other real estate companies similar to ours and competition for tenants, including competition based on rental rates, age and location of properties and the quality of maintenance, insurance and management services;
- acts of God, including natural disasters and global pandemics which impact the United States, which may result in uninsured losses;
- acts of war or terrorism, including consequences of terrorist attacks;
- changes in tenant preferences that reduce the attractiveness and marketability of our properties to tenants or cause decreases in market rental rates;
- costs associated with the need to periodically repair, renovate or re-lease our properties;
- increases in the cost of our operations, particularly maintenance, insurance or real estate taxes which may occur even when circumstances such as market factors and competition cause a reduction in our revenues;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances including in response to global pandemics whereby our tenants' businesses are forced to close or remain open on a limited basis only; and
- commodities prices.

The occurrence of any of the risks described above may cause the performance and value of our properties to decline, which could materially and adversely affect us.

Our business is dependent upon our tenants successfully operating their businesses, and their failure to do so could materially and adversely affect us.

Each of our properties is occupied by a single tenant or multiple tenants. Therefore, the success of our investments in these properties is materially dependent upon the performance of our tenants. The financial performance of any one of our tenants is dependent on the tenant's individual business, its industry and, in many instances, the performance of a larger business network that the tenant may be affiliated with or operate under. The financial performance of any one of our tenants could be adversely affected by poor management, unfavorable economic conditions in general, changes in consumer trends and preferences that decrease demand for a tenant's products or services or other factors, including the impact of a global pandemic which affects the United States, over which neither they nor we have control. Our portfolio includes properties leased to tenants that operate in multiple locations, which means we own multiple properties operated by the same tenant. To the extent we own multiple properties operated by one tenant, the general failure of that single tenant or a loss or significant decline in its business could materially and adversely affect us.

At any given time, any tenant may experience a decline in its business that may weaken its operating results or the overall financial condition of individual properties or its business as a whole. Any such decline may result in our tenant failing to make rental payments when due, declining to extend a lease upon its expiration, delaying occupancy of our property or the commencement of the lease or becoming insolvent or declaring bankruptcy. We depend on our tenants to operate their businesses at the properties we own in a manner which generates revenues sufficient to allow them to meet their obligations to us, including their obligations to pay rent, maintain certain insurance coverage, pay real estate taxes, make repairs and otherwise maintain our properties. The ability of our tenants to fulfill their obligations under our leases may depend, in part, upon the overall profitability of their operations. Cash flow generated by certain tenant businesses may not be sufficient for a tenant to meet its obligations to us pursuant to the applicable lease. We could be materially and adversely affected if a tenant representing a significant portion of our operating results or a number of our tenants were unable to meet their obligations to us.

A significant portion of the revenue we generate from our income property portfolio is concentrated in specific industry classifications and/or geographic locations and any prolonged dislocation in those industries or downturn in those geographic areas would adversely impact our results of operations and cash flows.

- More than 20% of our base rent revenue during the year ended December 31, 2019 was generated from tenants in the financial services industry including Wells Fargo, Fidelity, Bank of America, and JP Morgan Chase; and
- Approximately 24% and 10% of our base rent revenue during the year ended December 31, 2019 was generated from tenants located in Florida and North Carolina, respectively.

Such geographic concentrations could be heightened by the fact that our investments may be concentrated in certain areas that are affected by COVID-19 more than other areas. Any financial hardship and/or economic downturns in the financial industry, including a downturn similar to the financial crisis in 2007 through 2009, or in the four states noted could have an adverse effect on our results of operations and cash flows.

The current COVID-19 Pandemic, and the future outbreak of other highly infectious or contagious diseases, could materially and adversely impact or disrupt our tenant's business operations and as a result adversely impact our financial condition, results of operations, cash flows and performance.

Since late December 2019, the COVID-19 Pandemic has spread globally, including every state in the United States. The COVID-19 Pandemic has had, and other future pandemics could have, repercussions across regional and global economies and financial markets. The outbreak of COVID-19 Pandemic has significantly adversely impacted global economic activity and produced significant volatility in the global financial markets. The global impact of the outbreak has been rapidly evolving and, as cases of COVID-19 have continued to be identified in additional countries, many countries, including the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel.

Certain states and cities, including those in which we own properties, have also reacted by instituting quarantines, restrictions on travel, “shelter at home” rules, and importantly restrictions on the types of business that may continue to operate or requiring others to shut down completely. Additional states and cities may implement similar restrictions. As a result, the COVID-19 Pandemic is negatively impacting most every industry directly or indirectly. A number of our tenants have announced temporary closures of their stores and requested deferral, or in some instances, rent abatement while the pandemic remains. Many experts predict that the COVID-19 Pandemic will trigger, or even has already triggered, a period of global economic slowdown or possibly a global recession. The COVID-19 Pandemic, or a future pandemic, could have material and adverse effects on our ability to successfully operate our business and as a result our financial condition, results of operations and cash flows due to, among other factors:

- a complete or partial closure of, or other operational issues at, one or more of our properties resulting from government or tenant action;
- the reduced economic activity severely impacts our tenants' businesses, financial condition and liquidity and may cause one or more of our tenants to be unable to meet their obligations to us in full, or at all, or to otherwise seek modifications of such obligations;
- the reduced economic activity could result in a recession, which could negatively impact consumer discretionary spending;
- difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations on a timely basis;
- a general decline in business activity and demand for real estate transactions could adversely affect our ability or desire to grow our portfolio of properties;
- a deterioration in our or our tenants' ability to operate in affected areas or delays in the supply of products or services to us or our tenants from vendors that are needed for our or our tenants' efficient operations could adversely affect our operations and those of our tenants; and
- the potential negative impact on the health of the Company's personnel, particularly if a significant number of them are impacted, could result in a deterioration in our ability to ensure business continuity during a disruption.

The extent to which the COVID-19 Pandemic impacts our operations and those of our tenants will depend on future developments, which are highly uncertain and cannot be predicted with any degree of certainty, including the scope, severity and duration of the COVID-19 Pandemic, and the impact of actions taken by governmental and health organizations to contain the COVID-19 Pandemic or mitigate its impact, and the direct and indirect economic effects of the COVID-19 Pandemic and containment measures, among others. Additional closures by our tenants of their businesses and early terminations by our tenants of their leases could reduce our cash flows, which could impact our ability to continue paying dividends to our shareholders at expected levels or at all. The rapid onset of the COVID-19 Pandemic and the continued uncertainty of its duration and long-term impact precludes any prediction of the magnitude of the adverse impact on the U.S. economy, our tenant's businesses and ours. Consequently, the COVID-19 Pandemic presents material uncertainty and risk with respect to our business operations, and therefore our financial condition, results of operations, and cash flows. Further, many risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2019, including those disclosed in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, should be interpreted as heightened risks as a result of the impact of the COVID-19 Pandemic.

Certain statements contained in this report (other than statements of historical fact) are forward-looking statements. The words “believe,” “estimate,” “expect,” “intend,” “anticipate,” “will,” “could,” “may,” “should,” “plan,” “potential,” “predict,” “forecast,” “project,” and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Forward-looking statements are made based upon management's expectations and beliefs concerning future developments and their potential effect upon the Company. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on the Company will be those anticipated by management.

We wish to caution readers that the assumptions, which form the basis for forward-looking statements with respect to or that may impact earnings for the year-ended December 31, 2020, and thereafter, include many factors that are beyond the Company's ability to control or estimate precisely. These risks and uncertainties include, but are not limited to, the strength of the U.S. economy and real estate markets; the impact of a prolonged recession or downturn in economic conditions; our ability to successfully execute acquisition or development strategies; any loss of key management personnel; changes in local, regional, and national economic conditions affecting the real estate development business and income properties; the impact of environmental and land use regulations generally; extreme or severe weather conditions;

the impact of competitive real estate activity; the loss of any major income property tenants; and the availability of capital. These risks and uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

The risks described in the Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of equity securities during the six months ended June 30, 2020, which were not previously reported.

The following share repurchases were made during the six months ended June 30, 2020:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as a Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
1/01/2020 - 1/31/2020	—	—	—	8,077
2/01/2020 - 2/29/2020	4,481	56.58	4,481	9,754,525 ⁽¹⁾
3/01/2020 - 3/31/2020	78,817	47.66	78,817	6,093,462
4/01/2020 - 4/30/2020	5,267	35.20	5,267	5,908,056
5/01/2020 - 5/31/2020	—	—	—	5,908,056
6/01/2020 - 6/30/2020	—	—	—	5,908,056
Total	88,565	\$ 46.29	88,565	

⁽¹⁾ In February 2020, the Company's Board of Directors approved a \$10 million stock repurchase program under which approximately \$4.1 million of the Company's stock had been repurchased as of June 30, 2020. The repurchase program does not have an expiration date.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 5. OTHER INFORMATION

Not applicable

ITEM 6. EXHIBITS

(a) Exhibits:

- *Exhibit 10.1 [Purchase and Sale Agreement, dated February 6, 2020 by and between Consolidated-Tomoka Land Co. and GLL Perimeter Place, L.P. for the purchase of the property known as Perimeter Place located in Atlanta, Georgia.](#)
- Exhibit 10.34 [Fourth Amendment to Second Amended and Restated Credit Agreement between CTO Realty Growth, Inc., the Borrower, the Guarantors party thereto, the Lenders party thereto and Bank of Montreal, as Administrative Agent, dated July 1, 2020, filed as Exhibit 10.34 with this Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.](#)
- **Exhibit 31.1 [Certification filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- **Exhibit 31.2 [Certification filed pursuant to Section 302 of Sarbanes-Oxley Act of 2002.](#)
- **Exhibit 32.1 [Certification furnished pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- **Exhibit 32.2 [Certification furnished pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- Exhibit 101.INS XBRL Instance Document
- Exhibit 101.SCH XBRL Taxonomy Extension Schema Document
- Exhibit 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- Exhibit 101.DEF XBRL Taxonomy Definition Linkbase Document
- Exhibit 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- Exhibit 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document
- Exhibit 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
- * Certain information has been excluded because the information is both (i) not material and (ii) would likely cause competitive harm to the Registrant if publicly disclosed.
- ** In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Signatures

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

CTO REALTY GROWTH, INC.
(Registrant)

August 7, 2020

By: /s/ John P. Albright
John P. Albright
President and Chief Executive Officer
(Principal Executive Officer)

August 7, 2020

By: /s/ Mark E. Patten
Mark E. Patten, Senior Vice President and
Chief Financial Officer
(Principal Financial and Accounting Officer)

PURCHASE AND SALE AGREEMENT

BETWEEN

**GLL PERIMETER PLACE, L.P.,
a Delaware limited partnership,
as Seller**

AND

**CTO20 PERIMETER LLC,
a Delaware limited liability company,
as Buyer**

February 6, 2020

NAI-1510716910v10

TABLE OF CONTENTS

	Page
SECTION 1. THE PROPERTY	1
SECTION 2. PURCHASE PRICE	2
SECTION 3. ESCROW AND TITLE INSURANCE	2
3.1 Escrow Agent	2
3.2 Title/Survey	3
3.3 Satisfaction of Monetary Liens	4
SECTION 4. CONVEYANCE	4
SECTION 5. PRORATIONS AND CLOSING COSTS	5
5.1 Rents	5
5.2 Property Operating Expenses	5
5.3 Real Estate Taxes and Assessments	7
5.4 Costs to be Paid by Seller	7
5.5 Costs to be Paid by Buyer	8
5.6 Security Deposits	8
5.7 Leasing Costs	9
5.8 Insurance Policies	9
SECTION 6. POSSESSION AND CLOSING	9
6.1 Closing	9
6.2 Seller's and Buyer's Closing Deliveries	9
6.3 Tenant and Seller Estoppels	11
6.4 Additional Estoppels	12
6.5 Covenants of Seller Pending Closing	13
6.6 Investor Approval Condition	14
SECTION 7. CONDITION OF PROPERTY	14
7.1 "As-Is" Condition	14
7.2 Release of Claims Under Environmental Laws	15
SECTION 8. DUE DILIGENCE	16
8.1 Seller's Due Diligence Materials	16
8.2 Inspections and Reports; Review of Commitment and Survey	16
8.3 Service Contracts	18
8.4 Confidentiality	18

TABLE OF CONTENTS
(continued)

	Page
SECTION 9. REPRESENTATIONS AND WARRANTIES	19
9.1 By Seller	19
9.2 By Buyer	22
9.3 Know Your Counterparty	24
SECTION 10. DEFAULT	24
10.1 Seller Default	24
10.2 Buyer Default	25
SECTION 11. BROKERS	25
SECTION 12. EMINENT DOMAIN	25
SECTION 13. CASUALTY	26
SECTION 14. [RESERVED.]	26
SECTION 15. MISCELLANEOUS	26
15.1 Governing Law; Venue; Jurisdiction	26
15.2 Waiver of Jury Trial	27
15.3 Entire Agreement	27
15.4 Modifications and Waivers	27
15.5 Parties Bound	27
15.6 Assignment	27
15.7 Notices	27
15.8 Section Headings	28
15.9 Severability	28
15.10 Time of the Essence	28
15.11 Confidentiality	28
15.12 Further Action	29
15.13 Construction	29
15.14 No Recording	29
15.15 Third Party Beneficiary	29
15.16 1031 Exchange	29
15.17 Business Day	29
15.18 Public Disclosure	29
15.19 Counterparts and Electronic Signatures	30

TABLE OF CONTENTS
(continued)

	Page
15.20 IRS Real Estate Sales Reporting	30
15.21 Holdback Escrow	30

NAI-1510716910v10

Schedules

Schedule 8.1 Due Diligence Material

Exhibits

<u>Exhibit "A"</u>	Legal Description of Property	
<u>Exhibit "B"</u>	Form of State Specific Deed	
<u>Exhibit "C"</u>	Assignment of Leases	
<u>Exhibit "D"</u>	Bill of Sale	
<u>Exhibit "E"</u>	Assignment of Contracts	
<u>Exhibit "F"</u>	Tenant Notice Letter	
<u>Exhibit "G"</u>	Form of Tenant Estoppel Certificate	
<u>Exhibit "H"</u>	Description of Leases, Lease Amendments and Guaranties, Security Deposits and	Leasing Costs
<u>Exhibit "I"</u>	Service Contracts	
<u>Exhibit "J"</u>	Seller's Affidavit	
<u>Exhibit "K"</u>	Form of REA Developer Assignment	
<u>Exhibit "L"</u>	Form of DEA Approving Party Assignment	
<u>Exhibit "M"</u>	Form of REA Estoppels	
<u>Exhibit "N"</u>	Form of DEA Estoppels	
<u>Exhibit "O"</u>	Form of Condo Estoppel	
<u>Exhibit "P"</u>	Form of Holdback Escrow Agreement	

Definitions

NAI-1510716910v10

v



Additional Deposit	2	Leasing Commissions	20
Agreement	1	Leasing Costs	20
Approval	14	Major Tenants	11
Appurtenances	1	Objections	4
Assignment of Contracts	9	OEA	10
Assignment of Leases	5	OEA Approving Party Assignment	10
Assignor	1	OEA Estoppels	13
Association	10	OFAC	19
Bill of Sale	9, 1	Operating Expenses	5
Broker	25	Owner	13
Buyer	1	Party	13
Buyer Parent	23	Pass Through Charges	6
Buyer Related Parties	24	Permitted Exceptions	5
Cap	22	Personal Property	1
CERCLA	15	Property	1
Claim	30	PT Solutions Lease	9
Claim Amount	30	Purchase Price	2
Claim Notice	30	qualified intermediary	29
Claims Deadline	30	RCRA	16
Closing	9	REA	10
Closing Date	9	REA Developer Assignment	10
CLOSING DOCUMENTS	14	REA Estoppels	13
Commitment	3	Real Property	1
CONDITION OF THE PROPERTY	15	Reconciliation Statement	6
Condo Declaration	10	Records	10
Condo Estoppel	13	Rent Roll	21
Corresponding Tenant Estoppel	12	Rents	5
County	26	Reports	17
Current Year Appeal	7	Required Estoppels	11
Deed	5	Seller	1
Due Diligence Material	16	Seller Estoppels	12
Due Diligence Period	16	Seller Parties	17
Earnest Money	2	Seller's actual knowledge	22
Effective Date	1	Seller's knowledge	22
Environmental Laws	15	Seller's Response	4
Escrow Agent	2	Service Contracts	21
Floor	22	Settlement Statement	10
foreign person	20	State	26
Hazardous Substances	19	Stipulated Tenant	16
Holdback Escrow	30	Superfund Act	19
Improvements	1	Survey	3
Initial Deposit	2	Survey Objections	4
Inspections	16	Survival Period	22
Intangibles	1	Taxes	7
Land	1	Tenant Estoppels	11
Leasing Agreement	18	Tenant Inducements	20

TABLE OF CONTENTS
(continued)

Page

Tenant Interviews	16
Tenant True-Up Collectible	6
Title Affidavit	3
Title Company	2
Title Objections	4
Title Policy	3
USA Patriot Act	20
Verizon Wireless Lease Renewal	14

NAI-1510716910v10

PURCHASE AND SALE AGREEMENT

(Perimeter Place, Atlanta, Georgia)

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of February 6, 2020 (the "**Effective Date**") by and between **GLL PERIMETER PLACE, L.P.**, a Delaware limited partnership ("**Seller**"), and **CTO20 PERIMETER LLC**, a Delaware limited liability company ("**Buyer**").

SECTION 1. **THE PROPERTY.** Seller agrees to sell and Buyer agrees to purchase all of Seller's right, title and interest in and to the following, which is commonly known as "Perimeter Place" (collectively, the "**Property**");

(a) That certain tract of land, more particularly described in **Exhibit "A"** attached hereto and incorporated by reference herein for all purposes (the "**Land**");

(b) All buildings, structures, parking areas and improvements situated on the Land and all fixtures and other property affixed thereto (the "**Improvements**"; the Land and the Improvements collectively, the "**Real Property**");

(c) All rights, privileges, benefits, hereditaments and appurtenances pertaining to the Land, including rights to any easements, adjacent streets, alleys, roads, rights-of-ways, water rights, and any adjacent strips and gores of real estate relating to the Land (the "**Appurtenances**");

(d) The personal property (the "**Personal Property**"), which is located on or about, and is used exclusively in connection with, the operation, repair or maintenance of the Real Property;

(e) To the extent assignable by Seller, any (i) product and service warranties, guaranties and indemnities relating to the Real Property or the Personal Property, (ii) contracts, agreements, written or oral, licenses, certificates, occupancy and use certificates, permits, authorizations, consents, variances, waivers, approvals and the like from any governmental entity, and water and sanitary sewer and utility capacity and development rights allocable to the Land, (iii) Service Contracts (as hereinafter defined) to which Seller is a party relating to the operation of the Property and which Buyer elects to assume under **Section 8.3** below, (iv) all rights, if any, of Seller to the name "**Perimeter Place**," and (v) to the extent in Seller's possession, third party produced plans, drawings, blueprints, specifications and surveys, in each case, to the extent same relates to the ownership, occupancy, or operation of the Real Property or the Personal Property (collectively, the "**Intangibles**"); and

(f) The interest of the lessor or landlord, as applicable, under all leases, licenses and other occupancy agreements covering space on the Land or in the Improvements (including all modifications, extensions, amendments and guaranties thereof collectively, the "**Leases**"), together with all prepaid rents, and outstanding security deposits and other refundable deposits made by the tenants under the Leases.

SECTION 2. **PURCHASE PRICE.** Buyer agrees to pay Seller, as the purchase price for the Property, the sum of Seventy-Five Million Five Hundred Thousand and 00/100 Dollars (\$75,500,000.00) (the "**Purchase Price**"). The Purchase Price shall be paid as follows:

(a) Within two (2) business days after the Effective Date of this Agreement, Buyer shall deposit Five Hundred Thousand and 00/100 Dollars (\$500,000.00) with the Escrow Agent (as hereinafter defined) in escrow as an earnest money deposit (the "**Initial Deposit**"). In the event Buyer fails to deliver the Initial Deposit within such two (2) business day period, then such failure shall constitute an immediate event of default under this Agreement and Seller shall be entitled to terminate this Agreement upon written notice to Buyer;

(b) By no later than the expiration of the Due Diligence Period (as hereinafter defined), unless Buyer has terminated this Agreement in accordance with **Section 8.2** below, Buyer shall deposit an additional sum of One Million Seven Hundred Thousand and 00/100 Dollars (\$1,700,000.00) with the Escrow Agent (the "**Additional Deposit**"; together with the Initial Deposit and any interest earned thereon, collectively, the "**Earnest Money**"). Upon expiration of the Due Diligence Period, the Earnest Money shall, except as otherwise specifically provided in this Agreement, be nonrefundable to Buyer but shall be applicable to the Purchase Price at Closing (as hereinafter defined);

(c) Buyer shall deliver the Purchase Price, less the Earnest Money, and the credits herein authorized to Buyer, in immediately available funds in escrow with the Escrow Agent at or before 11:00 AM on the Closing Date (as hereinafter defined); and

(d) Notwithstanding anything in this Agreement to the contrary, a portion of the Earnest Money in the amount of One Hundred and 00/100 Dollars (\$100.00) will be non-refundable to Buyer and will be distributed to Seller upon any termination of this Agreement as independent consideration for Seller's performance under this Agreement. If this Agreement is properly terminated by Buyer pursuant to a right of termination expressly granted to Buyer in this Agreement, if any, the One Hundred and 00/100 Dollars (\$100.00) non-refundable portion of the Earnest Money will be promptly distributed to Seller and, subject to the relevant provisions herein, the balance of the Earnest Money remaining after distribution of the independent consideration to Seller will be promptly returned to Buyer.

SECTION 3. **ESCROW AND TITLE INSURANCE.**

3.1 **Escrow Agent.**

(a) The parties hereto designate Fidelity National Title Insurance Company, c/o National Commercial Services, Atlanta, 3301 Windy Ridge Parkway, Suite 300, Atlanta, Georgia 30339, Attention: Leslie Flowers, (678) 718-1422, leslie.flowers@fntg.com (the "**Title Company**") as the escrow agent (in such capacity, the "**Escrow Agent**") in connection with this transaction. This Agreement shall serve as escrow instructions and shall be subject to the usual conditions of acceptance of the Escrow Agent, insofar as the same are not inconsistent in any material respects with the terms hereof. By execution of

this Agreement, the Escrow Agent agrees that the Earnest Money shall be held as a deposit under this Agreement in an interest-bearing account and: (i) applied against the Purchase Price if Closing occurs; or (ii) delivered to Seller or Buyer, as applicable, in accordance with the terms of this Agreement if Closing does not occur. Buyer will provide the Escrow Agent with Buyer's taxpayer identification number, and the party that receives the benefit of the Earnest Money pursuant to the Agreement shall pay all income taxes due by reason of interest accruing on the Earnest Money. Interest on the Earnest Money shall be paid to the party entitled to receive the Earnest Money pursuant to this Agreement.

(b) If Escrow Agent is uncertain for any reason whatsoever as to its duties or rights hereunder notwithstanding anything to the contrary herein, Escrow Agent may deposit the Earnest Money into any court of competent jurisdiction or may decline to take any other action whatsoever. In the event the Earnest Money is deposited in a court by Escrow Agent pursuant to this Agreement, Escrow Agent shall be entitled to rely upon the decision of such court. In the event of any dispute whatsoever among the parties with respect to disposition of the Earnest Money, Buyer and Seller shall pay the actual, reasonable outside counsel attorneys' fees and disbursements incurred by Escrow Agent (which said parties shall share equally, but for which said parties shall be jointly and severally liable) for any litigation in which Escrow Agent is named as, or becomes, a party.

(c) Escrow Agent shall have no duties or responsibilities except those set forth herein, which the parties hereto agree are ministerial in nature. Seller and Buyer acknowledge that Escrow Agent is serving solely as an accommodation to the parties hereto, and except for the gross negligence or willful misconduct of the Escrow Agent, Escrow Agent shall have no liability of any kind whatsoever arising out of or in connection with its activity as Escrow Agent. Seller and Buyer jointly and severally agree to and do hereby indemnify and hold harmless Escrow Agent from all suits, actions, loss, costs, claims, damages, expenses and other liabilities (including, without limitation, attorneys' fees and disbursements) which may be incurred by reason of its acting as Escrow Agent, other than those liabilities caused by the gross negligence or willful misconduct of the Escrow Agent.

3.2 Title/Survey.

(a) Prior to or as soon as reasonably practicable after the Effective Date, but in any event within three (3) days following the Effective Date, Seller shall cause the Title Company to forward to Buyer a commitment (the "**Commitment**") to issue an ALTA Owner's Policy of Title Insurance in an amount equal to the Purchase Price (the "**Title Policy**"). Buyer shall have the right to order and obtain, at its expense, a new survey or an update of Seller's existing survey, if any, of the Property (collectively, the "**Survey**"). In the event Buyer desires to obtain a Survey, then Buyer shall order same no later than five (5) days after the Effective Date. The Survey shall be certified to Buyer, Seller and the Title Company. Buyer shall provide Seller with a copy of the Survey promptly following receipt thereof. On or before the Closing Date, Seller shall execute and deliver to the Title Company an affidavit substantially in the form of Exhibit "L" attached hereto (the "**Title Affidavit**") to cause the Title Company to delete those standard printed exceptions from the Title Policy which can be deleted by the delivery of a customary seller's title affidavit.

It shall be a condition precedent to Buyer's obligation to purchase the Property that the Title Company can and will, on the Closing Date, issue the Title Policy in accordance with the Commitment and subject only to the Permitted Exceptions (as hereinafter defined). Buyer shall deliver to Seller a copy of each of the Survey and the Commitment promptly upon receipt thereof.

(b) Buyer shall have the right to object to: (i) any matters disclosed by the Commitment ("**Title Objections**"), and (ii) any matters disclosed by the Survey ("**Survey Objections**") provided that Buyer delivers written notice of any valid Title Objections or Survey Objections within five (5) business days of its receipt of both the Commitment and Survey; otherwise any such objections shall be deemed to be waived. If Buyer delivers in a timely manner written notice of any valid Title Objections, and/or Survey Objections (collectively, the "**Objections**"), then Seller shall within five (5) business days from receipt of any Objections from Buyer notify Buyer in writing ("**Seller's Response**") whether Seller, in Seller's sole discretion, elects to: (i) attempt to cure any such Objections on or prior to the Closing Date, or (ii) not to attempt to cure any such Objections. If Seller elects to attempt to cure an Objection under the previous sentence and fails to do so by the Closing Date, Buyer shall have the right to (x) terminate this Agreement, whereupon the Escrow Agent shall promptly deliver the Earnest Money to Buyer, or (y) waive the Objections and proceed to purchase the Property with such condition of title as Seller is able to convey and/or subject to the uncured Objections, without a reduction of the Purchase Price therefor, in which event the items objected to which were not cured shall be deemed to be Permitted Exceptions and acceptable to Buyer. In the event Seller fails to deliver Seller's Response to Buyer within such five (5) business day period, Seller shall be deemed to have issued a Seller's Response electing not to cure any of the Objections. If Seller's Response states that Seller elects not to cure any of the Objections on or prior to the Closing Date, or if Seller is deemed to have elected not to cure any of the Objections as set forth above, then by the earlier to occur of two (2) business days following Buyer's receipt or deemed receipt of Seller's Response, or two (2) business days following the expiration of the Due Diligence Period, Buyer shall elect either to (x) terminate this Agreement, whereupon the Escrow Agent shall promptly deliver the Earnest Money to Buyer, or (y) waive the Objections and proceed to purchase the Property with such condition of title as Seller is able to convey and/or subject to the uncured Objections, without a reduction of the Purchase Price therefor, in which event the items objected to that were not cured shall be deemed to be Permitted Exceptions and acceptable to Buyer. If Buyer fails to timely make such election, then Buyer shall be deemed to have elected to purchase the Property pursuant to the foregoing clause (y).

3.3 Satisfaction of Monetary Liens. Except for Taxes (as hereinafter defined) not yet due and payable as of the Closing (which shall be prorated), and liens and other encumbrances that are Permitted Exceptions, all liens and other encumbrances expressly incurred or assumed by, under or through Seller and which can be satisfied by the payment of ascertainable amounts or by bonding or which the Title Company agrees to insure over, shall be satisfied by Seller at or prior to Closing.

SECTION 4. CONVEYANCE. On the Closing Date, Seller shall convey title to the Property by special or limited warranty deed in the form attached hereto as Exhibit "B" (the

“Deed”), free and clear of all liens and encumbrances, except the following (collectively, the “Permitted Exceptions“): (i) real estate taxes and assessments, both general and special, not yet due and payable; (ii) declarations, conditions, covenants, restrictions, easements, rights of way and other matters of record, including without limitation, those items shown on the subdivision plat of the Property, which are not objected to or are waived or deemed waived by Buyer pursuant to Section 3.2(b) herein; (iii) zoning and building ordinances; (iv) those matters which would be disclosed by an accurate survey of the Property; and (v) the rights of tenants in possession as tenants only. Transfer of Seller’s interest as landlord under the Leases then in effect at Closing with respect to the Property shall be made by an assignment and assumption agreement (the “Assignment of Leases”) substantially in the form attached hereto as Exhibit “C” and made a part hereof, to be executed by Seller and Buyer effective as of Closing.

SECTION 5. PRORATIONS AND CLOSING COSTS.

5.1 Rents. All collected Rents (as hereinafter defined) shall be prorated between Seller and Buyer as of 12:01 a.m. on the Closing Date. Seller shall be entitled to all collected Rents attributable to any period prior to, but not including, the Closing Date. Buyer shall be entitled to all collected Rents attributable to any period on and after the Closing Date. After Closing, Buyer shall make a good faith effort for nine (9) months to collect on Seller’s behalf any Rents to which Seller is entitled that were not collected as of the Closing Date (but Buyer need not institute any suit, action or proceeding therefor or terminate any Lease) and regardless of when collected to tender the same to Seller upon receipt (which obligations of Buyer shall survive the Closing and not be merged therein); provided, however, that all Rents collected by Buyer on or after the Closing Date shall first be applied to all amounts due and payable under the Leases at the time of collection (*i.e.*, current Rents and sums due Buyer as the current owner and landlord) with the balance (if any) payable to Seller, but only to the extent of amounts delinquent and actually due Seller. Buyer shall not have an exclusive right to collect the sums due Seller under the Leases and Seller hereby retains its rights to pursue claims against any tenant under the Leases for sums due with respect to periods prior to the Closing Date; provided, however, that Seller shall not be permitted to commence or pursue any legal proceedings against any tenant seeking eviction of such tenant or the termination of the underlying Lease. “Rents“ shall mean all base rents, percentage rent, additional rent, common area maintenance charges and any tax, insurance and operating expense reimbursements and escalations due from the tenants of the Property under the Leases. Notwithstanding anything to the contrary herein, (a) payments from tenants relating to year-end reconciliations of Pass Through Charges (as hereinafter defined) following the Closing shall be prorated pursuant to Section 5.2, and (b) additional rent payments due from any tenants in respect of Taxes upon payment by the landlord of such amounts shall be prorated pursuant to Section 5.3(b)(ii). This Section 5.1 shall survive the Closing Date and not be merged therein.

5.2 Property Operating Expenses.

(a) Operating Expenses (as hereinafter defined) for the Property for the month of Closing shall be prorated as of 12:01 a.m. on the Closing Date. Seller shall pay all utility charges and other operating expenses attributable to the Property which are the responsibility of the owner of the Property (collectively, the “Operating Expenses“), incurred prior to, but not including, the Closing Date and Buyer shall pay all Operating Expenses on and after the Closing Date. All Operating Expenses paid or payable to the

landlord by tenants in accordance with the Leases shall be allocated between Seller and Buyer, with Seller responsible for periods prior to, but not including, the Closing Date and Buyer responsible for all periods on and after the Closing Date, and all applicable amounts to be trued up between Seller and Buyer in accordance with this Section 5.2. Meters for all public utilities (including water) being used on the Property shall be ordered read by Seller on the day of giving possession to Buyer, and Buyer shall arrange with such services and companies to have accounts opened in Buyer's name beginning at 12:01 a.m. on the Closing Date. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading.

(b) Seller is currently collecting from tenants pursuant to their respective Leases additional rent to reimburse taxes (including Taxes), insurance, utilities, common area maintenance, and other operating costs and expenses (collectively, "**Pass Through Charges**") incurred by Seller in connection with the ownership, operation, maintenance and management of the Property. The Pass Through Charges for the month in which the Closing occurs shall be prorated as of the Closing Date based upon the Pass Through Charges paid by tenants under the Leases for that month. Not later than March 31, 2021, Buyer shall prepare and deliver to Seller the operating expense statements for the Property for the 2020 calendar year (the "**Reconciliation Statement**"), which shall be subject to Seller's reasonable approval as to Seller's period of ownership. Seller will cooperate with Buyer in Buyer's preparation of the Reconciliation Statement by providing to Buyer any information in Seller's possession or reasonable control which is reasonably necessary for the preparation of the Reconciliation Statement. Seller shall have ten (10) days from receipt of the Reconciliation Statement in which to object or comment with regard to the Reconciliation Statement, and the parties shall cooperate in good faith to resolve such objections or comments and to arrive at a final Reconciliation Statement. If Seller does not comment or object to the Reconciliation Statement within such ten (10) day period, Seller shall be deemed to have approved the Reconciliation Statement. If Seller collected such estimated prepayments of Pass Through Charges in excess of each tenant's share of such Pass Through Charges actually incurred by Seller (or deemed to have been accrued or incurred by Seller under the applicable Lease), then Seller shall, within 30 days after Seller's approval of the Reconciliation Statement, pay Buyer such excess (as prorated to the Closing Date). If Seller collected estimated payments of Pass-Through Charges that are less than each tenant's share of such Pass Through Charges actually incurred by Seller (or deemed to have been accrued or incurred by Seller under the applicable Lease) (each, a "**Tenant True-Up Collectible**"), then Buyer shall pay Seller each such Tenant True-Up Collectible (as prorated to the Closing Date) within ten (10) days after Buyer collects the Tenant True-Up Collectible from each such tenant. Buyer shall use reasonable efforts to collect all Tenant True-Up Collectibles; provided, however, that Buyer shall have no obligation to take legal action to collect such amounts.

(c) Absent an agreement by Buyer and Seller to the contrary, Seller shall retain all interest in and shall not assign to Buyer any deposits which Seller has posted with any of the utility services or companies servicing the Property.

This Section 5.2 shall survive the Closing and not be merged therein.

5.3 Real Estate Taxes and Assessments.

(a) Real estate and personal property taxes and assessments, both general and special (collectively, "Taxes"), assessed shall be adjusted and prorated based on (i) the periods of ownership of the Property by Seller and Buyer, and (ii) the most current official real property tax information available from the county assessor's office where the Property is located or other assessing authorities. If real property tax and assessment figures for the taxes or assessments to be apportioned between Buyer and Seller pursuant to this Section 5.3 are not available, real property taxes shall be prorated based on the most recent assessment, subject to further and final adjustment when the tax rate and/or assessed valuation for such taxes and assessments for the Property is fixed. In the event that the Property or any part thereof shall be or shall have been affected by an assessment or assessments, whether or not the same become payable in annual installments, Seller shall, at the Closing, be responsible for any installments due prior to the Closing and Buyer shall be responsible for any installments due on or after the Closing.

(b) Notwithstanding the provisions of this Section 5.3, (i) with respect to tenants that, pursuant to the terms of their Leases, are obligated to pay Taxes directly to the taxing authorities, if any, no adjustment between the Buyer and the Seller shall be made on account of such portion of the Taxes so payable, and (ii) with respect to tenants that make additional rent payment in respect of Taxes upon payment by the landlord of such amounts (*i.e.*, annual tax payers), an adjustment of the entire recoverable amount from such tenants of the Taxes due and payable by the landlord in the calendar year in which the Closing occurs shall be prorated at Closing based on the respective periods of ownership of the Property in such year by the Seller and the Buyer.

(c) Notwithstanding the foregoing, any real estate tax refunds or rebates which apply to periods before the Closing Date shall remain the property of Seller, and Seller shall have the right to file and pursue any appeals with respect to tax assessments for the Property for any calendar year in which Seller owns the Property for the entirety of such year. Buyer shall have the right to file and pursue any appeals with respect to tax assessments for the Property for the calendar year in which the Closing occurs (a "**Current Year Appeal**"). If Buyer is successful in any Current Year Appeal, Buyer and Seller shall share in the cost of any such appeal and rebates or refunds in the same proportion as the proration of Taxes set forth on the settlement statement executed by the parties at Closing; provided however, that in no event shall Buyer be obligated for appeal costs that exceed the amount of rebates or refunds that Buyer actually receives and is entitled to retain. Buyer will calculate and refund to tenants' accounts credits (net of appeal costs) where applicable. Buyer will provide copies of this calculation, along with copies of the refund notices to Seller, along with any balance due to Seller. All prorations hereunder shall be made within thirty (30) days after presentment of invoices or receipt of amounts applicable to this Section 5.3(c).

This Section 5.3 shall survive the Closing and not be merged therein.

5.4 Costs to be Paid by Seller. Seller shall pay or be charged with the following costs and expenses in connection with this transaction:

- (a) all documentary stamp taxes or similar taxes imposed upon the transfer of the Property by applicable law;
- (b) one half of escrow and closing fees;
- (c) the commission due to the Broker, as described and defined in Section 11 below;
- (d) recording costs relating to the satisfaction of any Title Objections undertaken by Seller; and
- (e) the fees and expenses of Seller's attorney(s).

This Section 5.4 shall survive the Closing or, as applicable, any termination of this Agreement and shall not be merged therein.

5.5 Costs to be Paid by Buyer. Buyer shall pay the following costs and expenses in connection with this transaction:

- (a) all title charges and premiums (including search fees and charges and premiums relating to the Commitment, any Commitment updates, the Title Policy and any endorsements thereto and reinsurance charges therefor);
- (b) one half of escrow and closing fees;
- (c) the cost of recording the Deed;
- (d) the cost of the Survey, if obtained;
- (e) all costs and expenses in connection with Buyer's financing, including without limitation, all loan title insurance costs, mortgage taxes and the cost of filing all documents necessary to complete such financing;
- (f) all costs incurred by Buyer in connection with its due diligence or other activities related to the Property; and
- (g) the fees and expenses of Buyer's attorney(s).

This Section 5.5 shall survive the Closing or, as applicable, any termination of this Agreement and shall not be merged therein.

5.6 Security Deposits. At Closing, all outstanding cash security deposits delivered by the tenants under the Leases, to the extent not applied prior to Closing in accordance with the applicable Leases (including, without limitation, application by Seller against any accounts receivable from such tenants that are due Seller), shall be credited to Buyer as a credit against the Purchase Price and shall be retained by Seller free and clear of any and all claims on the part of tenants. Buyer shall be responsible for maintaining as security deposits the aggregate amount so

credited to Buyer in accordance with all applicable laws, rules and regulations, and in accordance with the provisions of the Leases relevant thereto.

This Section 5.6 shall survive the Closing and not be merged therein.

5.7 Leasing Costs. Buyer will receive a credit at Closing for any outstanding unamortized Leasing Costs (as hereinafter defined) as of the Closing Date relating to (a) Leases in effect on the Effective Date and (b) as otherwise specified in Section 6.5(c); provided, however, no such credit will be available for Leasing Costs payable with respect (i) the lease with PT Solutions Holdings, LLC dated January 15, 2020 (the "**PT Solutions Lease**"), (ii) to rights and options of tenants under their Leases which have not yet been unconditionally exercised as of January 8, 2020, and (iii) any other Leasing Costs which Buyer is obligated to pay under Section 6.5(c), shall be the sole responsibility of Buyer. If Seller pays any Leasing Costs prior to Closing for which Buyer is responsible pursuant to the terms of this Agreement, Seller shall receive a credit at Closing in reimbursement thereof.

5.8 Insurance Policies. Premiums on insurance policies will not be adjusted. As of the Closing Date, Seller will terminate its insurance coverage with respect to the Property and Buyer will obtain its own insurance coverage.

SECTION 6. POSSESSION AND CLOSING.

6.1 Closing. The transaction contemplated herein shall be closed by mail through, or at the office of, the Escrow Agent at such time and on such date as may be agreed upon by Buyer and Seller; provided, however, that absent such agreement the closing shall occur on or before 11:00 AM (Eastern Time) on March 16, 2020; provided, however, (a) Seller shall have the right, upon written notice to Buyer, to extend the Closing Date for up to thirty (30) days in the aggregate if Seller determines that additional time is needed to cure any Objections or to obtain any Tenant Estoppels, and (b) Buyer shall have the right, upon written notice to Seller delivered to Seller no later than February 18, 2020, to accelerate the Closing Date to February 28, 2020 so long as it waives any deficiency regarding Tenant Estoppels and any other conditions precedent to Closing except Seller's Closing Documents delivery requirements under Section 6.2. The time and date of such closing is referred to herein as the "**Closing Date**" or the "**Closing**."

6.2 Seller's and Buyer's Closing Deliveries.

(a) To effect the Closing, Seller shall deliver to the Escrow Agent the following: (i) the Deed; (ii) signed counterparts of a bill of sale in the form attached hereto as **Exhibit "D"** (the "**Bill of Sale**") conveying Seller's interest in all Personal Property to Buyer in an AS-IS, WHERE-IS condition; (iii) signed counterparts of an assignment and assumption of contracts on the form attached hereto as **Exhibit "E"** (the "**Assignment of Contracts**") assigning Seller's interest in (A) the Service Contracts assumed or deemed assumed by Buyer pursuant to Section 8.3, and (B) the Intangibles, (iv) signed counterparts of the Assignment of Leases; (v) a certificate and affidavit of non-foreign status; (vi) an affidavit as to the Georgia residency status of Seller in customary form, or an affidavit of Seller's gain (or no gain) limiting (or eliminating) the withholding tax requirement under O.C.G.A Section 48-7-128; (vii) a completed 1099-S request for taxpayer identification

number and certification and acknowledgment; (viii) the Title Affidavit; (ix) signed notices to all tenants and other occupants of the Property, substantially in the form of **Exhibit "F"** attached hereto and made a part hereof, advising them of the sale of the Property and directing them where to send all future rent and notices; (x) to the extent required by the Title Company, certificates or resolutions of Seller authorizing the sale of the Property pursuant to this Agreement and evidencing the authority of the officer executing the closing documents on behalf of Seller; (xi) a certificate certifying that Seller's representations and warranties in **Section 9.1** (as updated to incorporate changes in circumstances that are not due to a breach or default by Seller under this Agreement) remain true and correct in all material respects as of the Closing Date; (xii) a commercial real estate broker's affidavit and lien waiver in form and content reasonably satisfactory to the Title Company, executed by Broker (as defined below), and sufficient to discharge under Georgia law any lien rights in or against the Property of Broker, (xiii) a settlement statement with respect to the Closing prepared by Escrow Agent and acceptable to Seller and Buyer (the "**Settlement Statement**"), (xiv) an assignment of the rights, powers and reservations of "Developer" under that certain Declaration of Restrictions and Easements by Bell Sembler II, LLC For Perimeter Place, Atlanta, Georgia dated April 30, 2004, and recorded on May 3, 2004, in Deed Book 16084, Page 634 and re-recorded on May 10, 2004, in Deed Book 16116, Page 400 in the Office of the Clerk of Superior Court of Dekalb County (the "**Records**"), as amended by that First Amendment to Declaration of Restrictions and Easements dated December 16, 2004, and recorded December 17, 2004, in Deed Book 16917, Page 85 of the Records, as affected by that Joinder by Target Corporation recorded June 15, 2004, in Deed Book 16261, page 307, of the Records, as further affected by Joinder by Neuse, Incorporated recorded June 15, 2004, and recorded in Deed Book 16261, Page 308 of the Records (together with any joinders thereto or amendments thereof, the "**REA**") substantially in the form of **Exhibit "K"** attached hereto and made a part hereof (the "**REA Developer Assignment**"), (xv) an assignment of the status of "Approving Party" for the Property under that certain Operation and Easement Agreement between Target Corporation and Bell Sembler II, LLC For Perimeter Place, Atlanta, Georgia dated April 30, 2004 and recorded in May 3, 2004 in Deed Book 16084, Page 688 of the Records, (as amended, the "**OEA**") substantially in the form of **Exhibit "L"** attached hereto and made a part hereof (the "**OEA Approving Party Assignment**"), (xvi) a notice of transfer of the Property pursuant to Section 1.15 of the OEA including the information required thereunder, (xvii) the resignation as a director or officer (or both, as applicable) of any representative or employee of Seller or its property manager (serving on behalf of Seller), or of an Affiliate or agent of Seller or its property manager (serving on behalf of Seller), of any person who serves as a director or officer of the Perimeter Place Master Condominium Association, Inc. (the "**Association**") established by the Declaration of Condominium for Perimeter Place Master Condominium made July 19, 2006 by Lincoln Perimeter Center LLC and recorded on July 19, 2006 in Deed Book 18944, Page 171 of the Records (the "**Condo Declaration**"); (xviii) signed counterparts of the Escrow Holdback Agreement; and (xiv) such other closing documents as may be reasonably necessary to consummate the transactions contemplated herein. In addition, within three (3) business days following the Closing, Seller shall deliver to Buyer or make available to Buyer at the Property executed original counterparts of all Leases in Seller's possession.

(b) To effect the Closing, Buyer shall deliver to the Escrow Agent: (i) funds in the amount of the Purchase Price, less the Earnest Money, subject to the adjustments, credits and prorations contemplated in this Agreement, (ii) signed counterparts of (A) the Assignment of Leases; (B) Assignment of Contracts, (C) REA Developer Assignment, (D) OEA Approving Party Assignment, (E) Escrow Holdback Agreement, and (F) the Settlement Statement; (iii) a certificate certifying that Seller's representations and warranties in Section 9.2 remain true and correct in all material respects as of the Closing Date; (iv) a broker's certification or affidavit in form and content reasonably satisfactory to the Title Company, executed by Buyer, confirming that Buyer has not retained a commercial real estate broker in connection with its purchase of the Property in connection with Agreement, and (v) such other closing documents as may be required by the Title Company for the issuance of the Title Policy or reasonably necessary to consummate the transactions contemplated herein.

(c) Unless otherwise provided herein, all documents and funds necessary for Closing shall be deposited in escrow at or before 11:00 AM on the Closing Date. At Closing, the Escrow Agent shall: (i) deliver the Deed to Buyer by filing the Deed for record in the public records for the jurisdiction in which the Property is located; (ii) pay to Seller the Earnest Money and the balance of the Purchase Price subject to adjustments, credits and prorations as contemplated in this Agreement; (iii) cause the Title Company to issue or to unconditionally commit to issue the Title Policy; and (iv) charge Seller and Buyer for the closing costs as set forth in Section 5 above. Seller shall deliver exclusive possession of the Property to Buyer at the Closing, subject to the rights of any parties under the Permitted Exceptions.

6.3 Tenant and Seller Estoppels. In accordance with the further terms and conditions of this Section 6.3, Seller shall use its commercially reasonable efforts to provide tenant estoppel certificates (the "**Tenant Estoppels**") from tenants under the Leases. Notwithstanding the foregoing, at a minimum Seller shall deliver to Buyer at or prior to Closing a Tenant Estoppel from: (i) Ross Dress for Less, Inc., Michael's, Crunch Fitness, La-Z-Boy and Q Research Solutions (Coca Cola), (collectively, the "**Major Tenants**"); and (ii) tenants under the Leases leasing, together with the Major Tenants, not less than seventy five percent (75%) of the leased area of the Property (collectively, the "**Required Estoppels**"). The form of the Tenant Estoppel shall be substantially in the form of Exhibit "G" attached hereto and made a part hereof; provided, however, that (a) if any tenant is required or permitted under the terms of its Lease to provide less information or to otherwise make different statements in a certification of such nature than are set forth on Exhibit "G", then Buyer shall accept any modifications made to such estoppel certificate that are consistent with the minimum requirements set forth in such tenant's Lease, (b) if the previously agreed form of estoppel is prescribed in any Lease, then Buyer shall accept the form of estoppel so prescribed, and (c) if any tenant is a national tenant, Buyer shall accept the customary form of estoppels that such national tenant is willing to provide. Buyer shall prepare drafts of Tenant Estoppels for each tenant and submit such drafts to Seller prior to presentment by Seller to the tenants. Seller agrees to review and provide Buyer with any reasonable comments to such drafts within two (2) business days of receipt thereof. In the event Seller has been unable to obtain the Required Estoppels at or prior to Closing, and subject to Buyer's right to accelerate Closing to February 28, 2020 and waive any deficiency in the Required Estoppel requirement, Seller shall have the right, upon written notice to Buyer, to extend the Closing Date by up to thirty (30) days

in order to allow Seller additional time to obtain the Required Estoppels. Seller shall have no obligation to update any previously received Tenant Estoppels at or prior to Closing. Notwithstanding anything contained herein to the contrary, Buyer shall have the right to reject modifications to an approved form of Tenant Estoppel that reveal material breaches by Seller under the applicable Lease or otherwise conflict in any material respect with (i) Seller's representations and warranties set forth in Section 9.1 or (ii) the terms of the Leases in any material respect. Any Tenant Estoppel so rejected shall not be counted towards satisfaction of the Required Estoppels. Notwithstanding that Tenant Estoppels relating to Leases which include one or more guaranties may include as part of the Tenant Estoppels a certification to be executed by the Lease guarantor(s), if the Lease does not require the guarantor to sign a certification included with the Tenant Estoppel, the Tenant Estoppel delivered with respect to the guaranteed Lease will not be considered unacceptable merely as a result of the failure of the Lease guarantor(s) to execute the requested certification.

Additionally, in the event that Seller has not been able to obtain a Tenant Estoppel from such tenants, Seller shall have the option, but not the obligation, to deliver Seller estoppel certificates ("**Seller Estoppels**") at or prior to Closing relating to any tenants on the Property (excluding the Major Tenants) comprising not more than ten percent (10%) of the total leasable space area of the Property, which Seller Estoppels shall be substantially in the form of **Exhibit "G"** attached hereto and made a part hereof. A Seller Estoppel (if given) shall be an acceptable substitute for the respective Tenant Estoppel not yet received and shall count toward the delivery requirement with respect to the Required Estoppels. The statements made by Seller in any Seller Estoppel (if given) shall be deemed to be representations and warranties of Seller contained in this Agreement to the same extent, and with the same effect, as if such representations and warranties were set forth in **Section 9.1** of this Agreement and shall be subject to all of the terms and provisions of **Section 9.1** of this Agreement, including, without limitation, the Floor (as hereinafter defined), the Cap (as hereinafter defined) and the Survival Period (as hereinafter defined). Notwithstanding anything contained herein to the contrary, in the event Seller delivers a Seller Estoppel to Buyer or Buyer otherwise obtains (a) prior to the Closing, or (b) after the Closing, provided that such Tenant Estoppel received post-Closing is materially consistent with the Seller Estoppel previously delivered with respect to such tenant (each, a "**Corresponding Tenant Estoppel**"), then such Corresponding Tenant Estoppel shall be substituted for the Seller Estoppel previously delivered with respect to such tenant, and such Seller Estoppel previously delivered with respect to such tenant shall automatically become null and void and be of no further force or effect and Seller shall have no liability therefor.

Notwithstanding anything contained herein to the contrary, if Buyer has not received the Required Estoppels in accordance with the terms of this **Section 6.3** at or before the scheduled Closing Date (as may be extended), Seller shall not be deemed in default of this Agreement but Buyer shall have the right either (i) to terminate this Agreement, in which event the Earnest Money shall be returned to Buyer promptly and neither Seller nor Buyer shall have any further rights or obligations hereunder, except for those obligations which are expressly stated in this Agreement to survive any termination of this Agreement, or (ii) to waive such requirement and proceed to Closing.

6.4 **Additional Estoppels.** At or prior to Closing, Seller shall deliver: (a) an estoppel from each of The Manhattan Condominium Association, Inc., the Association, and Target

Corporation, as an “Owner” under the REA, in substantially in the form of **Exhibit “M”** attached hereto and made a part hereof (the “**REA Estoppels**”), (b) an estoppel from Target Corporation, as a “Party” under the OEA substantially in the form of **Exhibit “N”** attached hereto and made a part hereof (the “**OEA Estoppel**”), and (c) an estoppel from the Association with respect to the Condo Declaration substantially in the form of **Exhibit “O”** attached hereto and made a part hereof (the “**Condo Estoppel**”). The delivery of the executed REA Estoppels, the executed OEA Estoppel, and the executed Condo Estoppel within such time period referenced above shall be a condition of Closing; however, the failure or inability of Seller to obtain and deliver any REA estoppels, OEA Estoppel or Condo Estoppel shall not constitute a default by Seller under this Agreement.

6.5 Covenants of Seller Pending Closing.

(a) From and after the Effective Date through the Closing Date, Seller shall not: (i) except for the Verizon Wireless Lease Renewal or as may be required pursuant to any Leases, modify, cancel, extend or otherwise change in any manner the terms and provisions of the Leases, (ii) enter into any contracts for services or otherwise that may be binding upon the Property following Closing or upon Buyer; (iii) voluntarily grant any easements or other encumbrances on the Property; (iv) take any legal action in connection with the Property; or (v) except for the PT Solutions Lease and the Contender eSports Lease, enter into any new leases, licenses or occupancy agreements of space in the Property; in each instance without the express prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed during the Due Diligence Period and in Buyer’s sole discretion after the Due Diligence Period and prior to Closing. Buyer agrees to deliver to Seller such consent or refusal of consent, in writing (and in the event Buyer refuses consent, Buyer shall include with such written refusal, with reasonable specificity, Buyer’s reasons for refusing consent), within three (3) business days after receipt of a written request from Seller seeking any such consent. In the event Buyer fails to deliver to Seller such consent or refusal of consent (including Buyer’s reasons therefore), in writing, within three (3) business days after receipt of a written request from Seller seeking any such consent, Buyer shall be deemed to have consented, in all respects, to any and all matters set forth in the written request from Seller.

(b) From the Effective Date through the Closing Date, Seller shall continue to operate and insure the Property in substantially the same manner as Seller has prior to the Effective Date; provided, however, that Seller shall have no obligation to make any capital improvements to the Property.

(c) In the event the parties consummate the transaction contemplated by this Agreement, Buyer shall, and hereby covenants and agrees to, be responsible for any and all Leasing Costs in respect of (i) the PT Solutions Lease, and (ii) except as otherwise provided below, any new lease entered into after the Effective Date with the approval or deemed approval of Buyer or any renewal, extension or expansion of any existing Lease (A) entered into after January 8, 2020, relating to the exercise by the tenant of a right or option in such Lease, or (B) otherwise entered into after the Effective Date with the approval or deemed approval of Buyer (unless Seller received, and is entitled hereunder to retain, any rental income in respect of such new lease, renewal, extension or expansion

prior to Closing, in which event such Leasing Costs shall be equitably prorated between Seller and Buyer based on their respective periods of ownership during such new lease term or Lease renewal, extension or expansion term). Notwithstanding the foregoing Seller anticipates executing prior to Closing a Lease renewal with Verizon Wireless (the "**Verizon Wireless Lease Renewal**") and Seller shall provide Buyer with a credit at Closing for all outstanding Leasing Costs for the Verizon Wireless Lease Renewal; provided however that if the Verizon Wireless Lease Renewal is not executed prior to Closing then Seller shall provide Buyer with a credit at Closing for all Leasing Costs that would have been incurred with respect to the Verizon Wireless Lease Renewal had same been executed prior to Closing as such Leasing costs are quantified in **Exhibit "H."** All of the obligations of Buyer under this Section 6.5(c) shall survive Closing.

6.6 Investor Approval Condition. Seller's obligation to consummate the Closing shall be conditioned upon Seller having obtained from Seller's investors prior to Closing approval to consummate the Closing in accordance with the terms of this Agreement (the "**Approval**"). Seller agrees (a) to use commercially reasonable efforts to secure the Approval prior to February 14, 2020, and, in the event the Approval is not obtained prior to February 14, 2020, shall continue to use commercially reasonable efforts to secure the Approval prior to the scheduled Closing Date, and (b) to promptly notify Buyer if and when such approval has been obtained.

SECTION 7. CONDITION OF PROPERTY.

7.1 "As-Is" Condition. BUYER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT BUYER WILL HAVE, AS OF CLOSING, THOROUGHLY INSPECTED AND EXAMINED THE STATUS OF TITLE TO THE PROPERTY AND THE PHYSICAL CONDITION OF THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY BUYER IN ORDER TO ENABLE BUYER TO EVALUATE THE PURCHASE OF THE PROPERTY. BUYER HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN, AND SUBJECT TO THE LIMITATIONS OF, SECTIONS 9.1 AND 11 OF THIS AGREEMENT AND ANY CLOSING DOCUMENTS EXECUTED BY SELLER AND DELIVERED AT CLOSING (COLLECTIVELY, THE "**CLOSING DOCUMENTS**"), BUYER IS RELYING SOLELY UPON THE INSPECTION, EXAMINATION, AND EVALUATION OF THE PHYSICAL CONDITION OF THE PROPERTY BY BUYER AND HAS NOT RELIED UPON THE DUE DILIGENCE MATERIALS OR ANY INFORMATION PROVIDED BY, OR ANY WRITTEN OR ORAL REPRESENTATIONS, WARRANTIES OR STATEMENTS, WHETHER EXPRESS OR IMPLIED, MADE BY SELLER, OR ANY PARTNER OF SELLER, OR ANY AFFILIATE, AGENT, EMPLOYEE, OR OTHER REPRESENTATIVE OF ANY OF THE FOREGOING OR BY ANY BROKER OR ANY OTHER PERSON REPRESENTING OR PURPORTING TO REPRESENT SELLER WITH RESPECT TO THE PROPERTY, THE CONDITION OF THE PROPERTY OR ANY OTHER MATTER AFFECTING OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. BUYER IS PURCHASING, AND AT CLOSING WILL ACCEPT, THE PROPERTY ON AN "AS IS," "WHERE IS" AND "WITH ALL FAULTS" BASIS, WITHOUT REPRESENTATIONS, WARRANTIES AND/OR COVENANTS, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN, AND SUBJECT TO THE LIMITATIONS OF, SECTIONS 9.1 AND 11 OF THIS AGREEMENT AND THE CLOSING

DOCUMENTS. BUYER ACKNOWLEDGES THAT SELLER HAS NO OBLIGATION TO ALTER, REPAIR OR IMPROVE THE PROPERTY.

AS USED IN THE PRIOR PARAGRAPH, THE TERM “**CONDITION OF THE PROPERTY**” MEANS THE FOLLOWING MATTERS: (I) THE QUALITY, NATURE AND ADEQUACY OF THE PHYSICAL CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE QUALITY OF THE DESIGN, LABOR AND MATERIALS USED TO CONSTRUCT THE IMPROVEMENTS INCLUDED IN THE PROPERTY; THE CONDITION OF STRUCTURAL ELEMENTS, FOUNDATIONS, ROOFS, GLASS, MECHANICAL, PLUMBING, ELECTRICAL, HVAC, SEWAGE, AND UTILITY COMPONENTS AND SYSTEMS; THE CAPACITY OR AVAILABILITY OF SEWER, WATER, OR OTHER UTILITIES; THE GEOLOGY, FLORA, FAUNA, SOILS, SUBSURFACE CONDITIONS, GROUNDWATER, LANDSCAPING, AND IRRIGATION OF OR WITH RESPECT TO THE PROPERTY; THE LOCATION OF THE PROPERTY IN OR NEAR ANY SPECIAL TAXING DISTRICT, FLOOD HAZARD ZONE, WETLANDS AREA, PROTECTED HABITAT, GEOLOGICAL FAULT OR SUBSIDENCE ZONE, HAZARDOUS WASTE DISPOSAL OR CLEAN-UP SITE, OR OTHER SPECIAL AREA; THE EXISTENCE, LOCATION, OR CONDITION OF INGRESS, EGRESS, ACCESS, AND PARKING; THE CONDITION OF THE PERSONAL PROPERTY AND ANY FIXTURES; AND THE PRESENCE OF ANY ASBESTOS OR OTHER HAZARDOUS MATERIALS, DANGEROUS, OR TOXIC SUBSTANCE, MATERIAL OR WASTE IN, ON, UNDER OR ABOUT THE PROPERTY AND THE IMPROVEMENTS LOCATED THEREON; AND (II) THE COMPLIANCE OR NON-COMPLIANCE OF SELLER WITH, OR THE OPERATION OF THE PROPERTY OR ANY PART THEREOF IN ACCORDANCE WITH, AND THE CONTENTS OF: (A) ALL CODES, LAWS, ORDINANCES, REGULATIONS, AGREEMENTS, LICENSES, PERMITS, APPROVALS AND APPLICATIONS OF OR WITH ANY GOVERNMENTAL AUTHORITIES ASSERTING JURISDICTION OVER THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO ZONING, BUILDING, PUBLIC WORKS, PARKING, FIRE AND POLICE ACCESS, HANDICAP ACCESS, LIFE SAFETY, SUBDIVISION AND SUBDIVISION SALES, AND HAZARDOUS MATERIALS, DANGEROUS, AND TOXIC SUBSTANCES, MATERIALS, CONDITIONS OR WASTE, INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY INCLUDING THOSE THAT WOULD CAUSE STATE OR FEDERAL AGENCIES TO ORDER A CLEAN UP OF THE PROPERTY UNDER ANY APPLICABLE LEGAL REQUIREMENTS; AND (B) ALL AGREEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS (PUBLIC OR PRIVATE), CONDOMINIUM PLANS, DEVELOPMENT AGREEMENTS, SITE PLANS, BUILDING PERMITS, BUILDING RULES, AND OTHER INSTRUMENTS AND DOCUMENTS GOVERNING OR AFFECTING THE USE, MANAGEMENT, AND OPERATION OF THE PROPERTY.

7.2 Release of Claims Under Environmental Laws. Buyer, on behalf of itself and all future owners and occupants of the Property, hereby waives and releases Seller from any claims for recovery of costs associated with conduct of any voluntary action or any remedial responses, corrective action or closure under any applicable federal, state or local environmental laws (“**Environmental Laws**”). For purposes of this Agreement, the term “**Environmental Laws**” shall include, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (“**CERCLA**”), 42 U.S.C. § 9601 *et seq.* and the Resource Conservation and

Recovery Act (“RCRA”), 42 U.S.C. § 6901 *et seq.*, as amended from time to time; and any similar federal, state and local laws and ordinances and the regulations and rules implementing such statutes, laws and ordinances. The foregoing waiver and release shall be set forth in the Deed and shall be binding upon all future owners and occupants of the Property.

The provisions of this Section 7 shall survive the Closing.

SECTION 8. DUE DILIGENCE.

8.1 Seller’s Due Diligence Materials. Seller has made available (either at a physical location or via electronic data room) or delivered to Buyer, as and if available, the information set forth on Schedule 8.1 to facilitate Buyer’s due diligence review of the Property (the “**Due Diligence Material**”). Seller, however, shall have no liability with regard to such Due Diligence Material and shall not be required to update the Due Diligence Material or to provide any such Due Diligence Material that is not in Seller’s custody or control. Further, except as specifically set forth in Section 9.1, Seller makes no representation or warranty regarding the accuracy of the information contained in the Due Diligence Material and Seller shall have no obligation or liability with respect to any of the Due Diligence Material. Buyer acknowledges and agrees that all materials, data and information delivered by Seller to Buyer in connection with the transaction contemplated hereby are provided to Buyer as a convenience only and that any reliance on or use of such materials, data or information by Buyer shall be at the sole risk of Buyer and without recourse to Seller.

8.2 Inspections and Reports; Review of Commitment and Survey. During the period commencing on the Effective Date and expiring at 5:00 PM (Eastern Time) on February 14, 2020 (the “**Due Diligence Period**”), Seller shall permit Buyer and Buyer’s representatives to enter the Property at any time for the purpose of conducting non-invasive inspections and investigations reasonably required by Buyer in order to determine the suitability of the Property for Buyer’s purposes (collectively, the “**Inspections**”). During the Due Diligence Period, Buyer shall also review the status of title to the Property as set forth in the Commitment and all matters relating to the Survey pursuant to Section 3.2 herein. No Inspections shall be conducted without reasonable prior notice to Seller and Seller’s prior approval as to the time and manner thereof, which approval shall not be unreasonably withheld, conditioned or delayed with respect to non-invasive inspection.

Notwithstanding anything to the contrary set forth in this Agreement, in no event shall Buyer or its representatives, without the prior written consent of Seller in each instance, which consent may be withheld in Seller’s sole and absolute discretion: (a) make any intrusive physical testing (environmental, structural or otherwise) at the Property (such as soil borings, water, air, vapor or ACM samplings or the like), and/or (b) contact any employee, agent or contractor at the Property or contact any governmental authority having jurisdiction over the Property for other than routine due diligence investigations such as seeking copies of certificates of occupancy and operating permits and confirming the Property’s compliance with zoning and building code requirements; provided, however, during the Due Diligence Period, Buyer may conduct tenant interviews (“**Tenant Interviews**”), subject to the terms and conditions set forth herein. Buyer shall deliver to Seller a list of tenants that Buyer wishes to interview (each, a “**Stipulated Tenant**”), and Seller shall, within two (2) business day after receipt thereof, notify and contact the Stipulated

Tenants and shall use commercially reasonable efforts to coordinate an interview between each Stipulated Tenant and Buyer. All Tenant Interviews must be coordinated by Seller, and a representative of Seller shall be given the opportunity to be present at each Tenant Interview, provided that Buyer shall not be required to delay any Tenant Interview due to the unavailability of any such representative for more than two (2) business days.

Buyer shall promptly repair any damage to the Property attributable to the conduct of the Inspections, and shall promptly return the Property to substantially the same condition as existed prior to the conduct thereof. At Seller's request, any such Inspection shall be performed in the presence of a representative of Seller. Any such Inspection shall be subject to any limitation under the Leases and shall be performed in a manner which does not interfere with the use, operation, or enjoyment of the Property, including, but not limited to, the rights of any tenant on the Property. Upon Seller's request therefor, Buyer shall cause copies of such information and written materials obtained or generated in connection with the conduct of all Inspections, including any tests and environmental studies conducted of the Property ("**Reports**"), to be delivered to Seller upon issuance thereof without cost to Seller.

If the results of the Inspections or the Reports are not acceptable to Buyer, Buyer, in its sole discretion, may terminate this Agreement by written notice given to Seller prior to the expiration of the Due Diligence Period, in which event Buyer shall receive a refund of the Earnest Money and neither of the parties hereto shall have any further rights or obligations hereunder except for obligations that specifically survive the termination of this Agreement. If Buyer fails to terminate this Agreement prior to the expiration of the Due Diligence Period, Buyer shall be deemed to have waived the termination right set forth in this Section, and elected to proceed with the purchase of the Property. In addition, except as otherwise specifically provided herein, the Earnest Money shall become nonrefundable to Buyer, but shall remain applicable to the Purchase Price at Closing.

Buyer hereby agrees to indemnify, defend and hold harmless Seller and Seller's affiliates, agents and property manager (collectively, the "**Seller Parties**") from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements), suffered or incurred by Seller or any Seller Parties to the extent arising out of (a) the acts and omissions of Buyer or its representatives' access upon the Property or investigations thereon, and (b) any liens or encumbrances filed or recorded against the Property as a consequence of such investigations. The foregoing indemnity shall not include any claims, demands, causes of action, losses, damages, liabilities, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) that result from (i) the mere discovery of existing conditions on the Property which have not been exacerbated as a result of Buyer's Inspections, or (ii) the negligence or willful misconduct of Seller. Buyer acknowledges and agrees that any such Inspections conducted by Buyer or Buyer's agents and representatives shall be solely at the risk of Buyer. Buyer shall carry commercial general liability insurance covering all activities conducted by Buyer, its agents, contractors and engineers on the Property. Such insurance shall have limits of not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence and not less than Two Million Dollars (\$2,000,000.00) on a general aggregate basis for bodily injury, death, or property damage, together with excess (umbrella) liability insurance with limits of not less than Three Million Dollars (\$3,000,000.00), and shall name Seller (and such additional parties as Seller may

reasonably request) as an additional insured. Prior to any entry onto the Property by Buyer or its agents or representatives, and as a condition to Buyer's right to enter onto the Property, Buyer shall provide proof of such insurance to Seller. All of the obligations of Buyer under this Section 8.2 shall survive Closing or the termination of this Agreement.

8.3 Service Contracts. Prior to the expiration of the Due Diligence Period, Buyer will advise Seller in writing which Service Contracts Buyer will assume and which Service Contracts Buyer requests be terminated at Closing (and Buyer's failure to so advise Seller in writing shall be deemed to constitute Buyer's election to assume all Service Contracts). Seller shall deliver at Closing notices of termination of all Service Contracts, if any, that are not so assumed or deemed assumed and which may be terminated by Seller without the payment of any penalty or fee. Notwithstanding the foregoing, Seller shall terminate, as of the Closing Date, all existing property management and leasing agreements with respect to the Property; provided, however, notwithstanding the termination at or prior to Closing of the leasing agreement with Colliers International Atlanta, LLC identified in Exhibit "I" (the "Leasing Agreement"), Buyer agrees that should Buyer at Closing receive a credit for any Leasing Commissions payable post-Closing, Buyer agrees to assume Seller's obligations under the Leasing Agreement to pay such commissions to the extent of the credit received therefor as and when due pursuant to the terms of the Leasing Agreement. Notwithstanding the aforesaid, Buyer hereby acknowledges and agrees that Buyer will be obligated to assume at Closing one or more Service Contracts if and as specifically indicated in Exhibit "I"

The provisions of this Section 8.3 shall survive the Closing.

8.4 Confidentiality. Buyer agrees that it shall treat all Due Diligence Material and Reports as confidential materials and shall not disclose any portion thereof except: (a) to the extent necessary in connection with its evaluation of the Property; (b) to the extent legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) or is otherwise required by applicable laws or regulations, including without limitation, Securities and Exchange Commission regulations; (c) to Buyer's mortgage lender(s) or investors, if any, involved in the transaction contemplated by this Agreement (subject to similar confidentiality commitments by such parties); or (d) with the express written consent of Seller. Confidential Information shall not include any information which (i) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of a disclosure directly or indirectly by Buyer or its representatives), (ii) was available to Buyer or its representatives from a source other than Seller or its representatives and to Buyer's knowledge was not disclosed in violation of a confidentiality restriction, or (iii) has been independently acquired or developed by Buyer or its representatives (*i.e.*, not based on any of the information described in clauses (a) or (b)) without violating any of Buyer's obligations under this Agreement. If this Agreement terminates in accordance with the terms hereof, Buyer shall promptly return to Seller or destroy all Due Diligence Material it received and deliver to Seller any Reports not previously shared with Seller and shall not retain any copies of the Due Diligence Material or Reports.

Notwithstanding any provision in this Agreement to the contrary, neither Buyer nor Buyer's agents shall contact any governmental authority regarding Buyer's discovery of any Hazardous Substances (as hereinafter defined) on, or any environmental or other physical conditions at, the Property without Seller's prior written consent thereto. In addition, if Seller's consent is obtained by Buyer, Seller shall be entitled to receive at least five (5) business days prior

written notice of the intended contact and to have a representative present when Buyer has any such contact with any governmental official or representative. For the purposes of this Agreement, the term "**Hazardous Substances**" shall have the same definition as is set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 *et seq.* (the "**Superfund Act**"); provided, however, that the definition of the term "**Hazardous Substances**" shall also include (if not included within the definition contained in the Superfund Act) petroleum and related byproducts, hydrocarbons, radon, asbestos, urea formaldehyde and polychlorinated biphenyl compounds. Buyer agrees that Seller may seek injunctive relief to prevent or limit an unauthorized disclosure of the Due Diligence Material and Reports and unauthorized contact with a governmental agency and also may pursue any other remedies available under law or equity as a result of a breach or anticipated breach of this Section. All of the obligations of Buyer under this Section shall survive the termination of this Agreement.

The provisions of this Section 8.4 shall survive the termination of this Agreement.

SECTION 9. REPRESENTATIONS AND WARRANTIES.

9.1 By Seller. Seller represents and warrants to Buyer that:

(a) Seller is a limited partnership duly organized and validly existing under the laws of the State of Delaware and qualified to do business in the State of Georgia.

(b) Seller has the capacity and authority to execute this Agreement and perform the obligations of Seller under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Seller has been taken, and such action has not been rescinded or modified. Upon the execution of this Agreement, this Agreement will be legally binding upon Seller. The persons signing this Agreement on behalf of Seller have been duly authorized to sign and deliver this Agreement on behalf of Seller.

(c) Seller is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would materially adversely limit or restrict Seller's right to enter into or ability to carry out this Agreement.

(d) Neither the execution of this Agreement nor the consummation of the transactions contemplated herein by Seller will constitute a breach under (i) any indenture, contract, instrument or agreement to which Seller is a party or by which Seller is bound or affected, or (ii) law, order, ruling, ordinance, rule, order or regulation with respect to Seller, in each case, which breach would materially adversely limit or restrict Seller's right to enter into or ability to carry out this Agreement.

(e) Seller, and to Seller's actual knowledge, each person or entity owning an interest in Seller, is not a person or entity with whom U.S. persons are restricted from doing business with under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support

Terrorism), the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (the “USA Patriot Act”), or other governmental action and is not and shall not engage in any dealings or transaction or be otherwise associated with such person or entities. Seller, and to Seller’s actual knowledge, each person or entity owning an interest in Seller, is not acting, directly or indirectly for, or on behalf of, any person, group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, “Specially Designated National and Blocked Person,” or other banned or blocked person, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control, and is not engaging in the transactions contemplated by this Contract, directly or indirectly, on behalf of, or instigating or facilitating such transactions, directly or indirectly, on behalf of, any such person, group, entity or nation.

(f) Seller is not a “**foreign person**” within the meaning of Section 1445 of the Internal Revenue Code.

(g) Seller has not received written notice of any legal actions, suits or similar proceedings pending and served against Seller that affect the Property and are not covered by insurance, nor, to the actual knowledge of Seller, have any legal actions, suits or similar proceedings been threatened in writing against Seller that affect the Property.

(h) Seller has not received written notice of any pending, nor to Seller’s actual knowledge are there any threatened actions in writing, by any governmental authority having the power of condemnation or eminent domain which might result in all or any portion of the Property or any interest therein being taken by eminent domain, condemnation or conveyed in lieu thereof.

(i) Seller has received no written notice from any governmental authority alleging that the Property is in violation of applicable laws, ordinances or regulations which remain uncured.

(j) To the actual knowledge of Seller, **Exhibit “H”** attached hereto sets forth a true and correct list of (i) all Leases (including all amendments and modifications thereof), (ii) all security deposits held by Seller under the Leases and the form thereof (*e.g.*, cash or letter of credit), (iii) all construction allowances, tenant buildout, moving expenses, lease buyouts, existing lease termination payments or other inducement amounts due and payable by the landlord under the Leases and any free rent or rent abatements available to tenants under the Leases, including those anticipated for the Verizon Wireless Lease Renewal (collectively, the “**Tenant Inducements**”) that remain outstanding as of the Effective Date, if any, and (iv) all leasing fees and commissions payable under the Leases or pursuant to separate agreements, if any that remain outstanding as of the Effective Date, including those anticipated for the Verizon Wireless Lease Renewal (the “**Leasing Commissions**”; the Tenant Inducements and Leasing Commissions collectively, the “**Leasing Costs**”). Seller has provided to Buyer a true, correct and complete copy of all of the Leases (including all amendments and modifications thereof). The rent roll provided

to Buyer as part of the Due Diligence Material (the "**Rent Roll**") is prepared by Seller's property management company and is the same rent roll used by Seller in the ordinary course of its operations.

(k) To the actual knowledge of Seller, and except as disclosed in any environmental assessment or other environmental reports, documentation or correspondence included as part of the Due Diligence Material, within the twelve (12) month period prior to the Effective Date, Seller has received no written notice that the Property is in violation of any Environmental Laws.

(l) To the actual knowledge of Seller, all material service contracts (including lease brokerage agreements and leasing commission agreements, but excluding the listing agreement for the sale of Property with Broker which will terminate at Closing) for which Seller is obligated with respect to the Property currently in effect, together with any amendments thereto, are described on **Exhibit "I"** attached hereto (collectively, the "**Service Contracts**").

(m) Seller has not received any written notice of any planned public improvements that may result in a special tax or assessment against any portion of the Property.

(n) Neither Seller nor any affiliate of Seller has, and each has not had, any employees that were employed in connection with the operation and maintenance of the Property which employment would continue after the Closing Date. Neither Seller nor any affiliate of Seller has any employment agreements, either written or oral, with any person which would require Buyer to employ any person or which would impose any obligation on Buyer after the Closing Date.

(o) Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, or (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets.

In the event that any representation or warranty by Seller in this Section 9.1 is materially inaccurate as of the Closing Date, and if such material inaccuracy is due to either: (i) such representation or warranty otherwise being materially inaccurate as of the Effective Date; or (ii) such representation or warranty becoming materially inaccurate after the Effective Date and prior to Closing due to a breach or default by Seller under this Agreement; then only under such circumstances shall Buyer, as its sole and exclusive remedy, have the right to terminate this Agreement, in which event the Earnest Money shall be returned to Buyer by the Escrow Agent, and neither party hereto shall have any further obligations hereunder except for such obligations and indemnities which expressly survive the termination of this Agreement, and Buyer expressly waives the right to sue Seller for damages. Buyer may, within the Survival Period, deliver a written notice to Seller alleging the untruth, inaccuracy or breach of any such warranties and/or representations of which Buyer first became aware following Closing and that expressly survive Closing as provided for herein, and the warranties and/or representations at issue will survive until

full and final determination of any action or proceeding instituted with respect thereto, provided that Buyer institutes any such action or proceeding no later than thirty (30) days following the expiration of the Survival Period. However, if Buyer proceeds to Closing with actual knowledge, or knowledge Buyer should reasonably have deemed to possess pursuant to the Due Diligence Materials set forth on Schedule 8.1 attached hereto and Buyer's due diligence inspection of the Property, of any such untruth, inaccuracy or breach of any warranty, representation or agreement, Buyer is deemed to have waived any claims with respect to each such warranty, representation or agreement. Buyer shall be deemed to have actual knowledge of all matters arising and/or disclosed in any Tenant Estoppels delivered to Buyer at or prior to Closing, and Seller's representation and warranties as contained herein shall be deemed automatically updated to reflect all such matters arising and/or disclosed in any Tenant Estoppel upon delivery of such Tenant Estoppel to Buyer. Subject to the limitations in this Section 9.1 and elsewhere in this Agreement, following Closing Seller shall reimburse Buyer for its actual damages arising out of any untruth, inaccuracy or breach of any surviving warranty, representation or agreement hereunder or under any of the Closing documents, provided, however, that: (i) the valid claims for all such breaches hereunder or under any Closing Documents aggregate to more than Twenty Five Thousand and No/100ths Dollars (\$25,000.00) (the "**Floor**"); (ii) written notice containing a description of the specific nature of such breach shall have been given by Buyer to Seller after the Closing Date and prior to the expiration of the Survival Period and Buyer shall have initiated a legal proceeding to enforce its claim relating to the alleged breach by Seller within thirty (30) days following the expiration of the Survival Period; and (iii) except with respect to the limited warranty of title provided in the Deed and the indemnification of Broker set forth in Section 11, in no event shall Seller's aggregate liability to Buyer for all breaches of surviving warranties, representations and agreements hereunder and under any Closing Documents exceed the amount of One Million Two Hundred Thousand and No/100ths Dollars (\$1,200,000.00) (the "**Cap**"). The warranties, representations and agreements of Seller as set forth in this Section 9.1 shall survive Closing and delivery of the Deed to Buyer for a period of nine (9) months (the "**Survival Period**") immediately following the Closing Date. Notwithstanding the foregoing, Seller's obligations under Section 5 relating to proration and reconciliations shall not be subject to the Floor, Cap and Survival Period limitations under this Section 9.1.

As used in this Agreement, any and all references to "**Seller's knowledge**," "**Seller's actual knowledge**" or phrases of similar import shall mean the conscious awareness of facts or other relevant information, without investigation or inquiry, by Brandon Benson, the asset manager with primary operational responsibility for the Property.

9.2 By Buyer. Buyer represents and warrants to Seller as of the Effective Date that:

(a) Buyer is duly created and validly existing pursuant to the laws of the jurisdiction of its organization and is or will be duly qualified to do business in the jurisdiction in which the Property is situated if and to the extent that such qualification is required.

(b) Buyer has the capacity and authority to execute this Agreement and perform the obligations of Buyer under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Buyer has been taken, and such action has not been rescinded or modified. Upon the execution of this Agreement, this

Agreement will be legally binding upon Buyer. The person signing this Agreement on behalf of Buyer has been duly authorized to sign and deliver this Agreement on behalf of Buyer.

(c) Buyer is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would materially adversely limit or restrict Buyer's right to enter into and carry out this Agreement.

(d) Neither the execution of this Agreement nor the consummation of the transactions contemplated herein by Buyer will constitute a breach under any contract or agreement to which Buyer is a party or by which Buyer is bound or affected, in each case, which breach would materially adversely limit or restrict Seller's right to enter into or ability to carry out this Agreement.

(e) No consent or approval of any third party (including, without limitation any governmental authority) is or was required in connection with Buyer's execution and delivery of this Agreement or its consummation of the transaction contemplated herein.

(f) None of the funds to be used for payment by Buyer of the Purchase Price will be subject to 18 U.S.C. §§ 1956-1957 (Laundering of Money Instruments), 18 U.S.C. §§ 981-986 (Federal Asset Forfeiture), 18 U.S.C. §§ 881 (Drug Property Seizure), Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001, or the USA Patriot Act.

(g) Buyer and its parent, Consolidated-Tomoka Land Co. ("**Buyer Parent**") are not persons or entities with whom U.S. persons are restricted from doing business with under the regulations of OFAC (including those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), the USA Patriot Act, or other governmental action, and are not and shall not engage in any dealings or transaction or be otherwise associated with such person or entities. Seller and Buyer Parent are not acting, directly or indirectly for, or on behalf of, any person, group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control, and is not engaging in the transactions contemplated by this Contract, directly or indirectly, on behalf of, or instigating or facilitating such transactions, directly or indirectly, on behalf of, any such person, group, entity or nation.

(h) Buyer has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Buyer's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Buyer's assets, or (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Buyer's assets.

- (i) Buyer is indirectly wholly owned and controlled by Buyer Parent.

Buyer shall fully disclose to Seller, immediately upon Buyer's becoming aware of its occurrence, any change in facts or circumstances of which Buyer becomes aware prior to the Closing that may affect the representations and warranties set forth above. In the event that any representation or warranty by Buyer is materially inaccurate, (A) Seller, as its sole and exclusive remedy, shall have the right to terminate this Agreement, in which event the Earnest Money shall be delivered and paid to Seller by the Escrow Agent as liquidated damages in accordance with Section 10.2, and neither party hereto shall have any further obligations hereunder except for such obligations and indemnities which expressly survive the termination of this Agreement, and (B) Seller expressly waives the right to sue Buyer for damages.

9.3 Know Your Counterparty.

Without limiting Buyer's representations and warranties in Sections 9.2(f) and (g), upon request from Seller, Buyer shall promptly furnish to Seller all information regarding Buyer, its affiliates and the shareholders, members, investors or partners of each of them and any permitted assignees of Buyer hereunder (collectively, the "**Buyer Related Parties**") as Seller reasonably requests in order to enable Seller to determine to Seller's sole satisfaction that the transaction contemplated by this Agreement will be in compliance with the "German Money Laundering Act" and that Buyer's representations and warranties contained in Sections 9.2(f) and (g) are true and correct. Buyer represents, warrants and covenants to Seller that there will not be any change in any such information regarding Buyer or the Buyer Related Parties prior to or on the Closing Date. In connection with the foregoing, Buyer will promptly notify Seller of any change in any such information regarding Buyer or the Buyer Related Parties prior to or on the Closing. In the event any such information or change results in a situation in which, in Seller's sole discretion, the transaction contemplated by this Agreement would result in a violation of the "German Money Laundering Act" by Seller or any Seller Related Parties or a breach of Buyer's representations and warranties contained in Sections 9.2(f) and (g), then Seller may terminate this Agreement without liability on the part of Seller or Buyer (provided such change did not occur as a result of a default or act of bad faith by Buyer), other than the obligations herein which expressly provide that they shall survive the termination of this Agreement, the independent consideration contemplated in Section 2(d) will be delivered to Seller, and the remainder of the Earnest Money will be returned to Buyer.

SECTION 10. DEFAULT.

10.1 Seller Default. Notwithstanding any provision in this Agreement to the contrary, if Closing does not occur by reason of a material default by Seller which continues for ten (10) days after written notice from Buyer (provided that Seller shall not have the ability to cure any material default of its obligations pursuant to Section 6.2(a) of this Agreement), then Buyer shall have the right to either: (i) terminate this Agreement, in which event Buyer shall receive the Earnest Money from the Escrow Agent and recover from Seller all reasonable out-of-pocket costs, expenses and fees actually incurred by Buyer in connection with the transaction contemplated by the Agreement up to Fifty Thousand Dollars (\$50,000) and neither of the parties hereto shall have any further rights or obligations hereunder except for obligations that specifically survive the termination; or (ii) file a lawsuit to enforce specific performance of this Agreement, provided that

such suit must be filed within sixty (60) days following Buyer's discovery of Seller's material default under this Agreement. Notwithstanding the foregoing, if the remedy of specific performance is not available to Buyer because Seller has willfully conveyed the Property to a third party in violation of this Agreement, Buyer shall be entitled to a payment from Seller in the amount by which the purchase price received by Seller from such conveyance exceeds the Purchase Price. No other remedy or relief shall be available to Buyer, and Buyer hereby waives any and all other remedies, including the right to sue Seller for damages hereunder.

10.2 **Buyer Default.** Notwithstanding any provisions of this Agreement to the contrary, if Closing does not occur by reason of a material default by Buyer which continues for ten (10) days after written notice from Seller (provided that Buyer shall not have the ability to cure any material default of its obligations pursuant to **Section 6.2(b)** of this Agreement), then this Agreement shall terminate, and the Earnest Money shall be delivered to Seller as agreed-upon liquidated damages as Seller's sole remedy. The retention by Seller of said Earnest Money is intended not as a penalty, but as full liquidated damages pursuant to *Official Code of Georgia Annotated §13-6-7*. Seller and Buyer acknowledge that: (i) it would be impossible to accurately determine Seller's damages in the event of Buyer's default; (ii) the Earnest Money is fair and equitable; and (iii) Seller expressly waives the right to exercise any and all other rights available at law or in equity. The limitation of damages set forth herein shall not apply to any indemnities, covenants or obligations of Buyer which expressly survive either the termination of this Agreement or Closing, for which Seller shall be entitled to all rights and remedies available at law or in equity. Buyer hereby waives and releases any right to (and hereby covenants that it shall not) sue Seller or seek or claim a refund of said Earnest Money (or any part thereof) on the grounds it is unreasonable in amount and exceeds the actual damages of Seller or that its retention by Seller constitute a penalty and not agreed upon and reasonable liquidated damages as permitted under the *Official Code of Georgia Annotated §13-6-7*.

SECTION 11. **BROKERS.** Buyer and Seller each represent and warrant that they have not been represented by any broker in connection with the sale of the Property other than Eastdil Secured, L.L.C. (the "**Broker**"), and no commissions or fees are due to any other broker or finder by reason of either party's actions in this matter. Seller shall pay Broker pursuant to a separate commission agreement. Buyer and Seller shall each be responsible for all liability, if any, for any broker or finder fees payable with respect to the sale of the Property that are attributable to its actions. Seller and Buyer hereby indemnify, defend and hold harmless the other from and against the claims, demands, actions and judgments of any and all brokers, agents and other persons or entities alleging a commission, fee or other payment to be owing by reason of their respective dealings, negotiations or communications in connection with this Agreement or the purchase and sale of the Property. The indemnity obligations in this Section shall survive the termination of this Agreement or the Closing.

SECTION 12. **EMINENT DOMAIN.** In the event of the taking by eminent domain for any public or quasi-public use, or if notice of intent of a taking or a sale in lieu of taking is received by Seller or Buyer, at or prior to the Closing, which taking or notice of intent (a) reduces by more than ten percent (10%) the leasable area of the Improvements, (b) materially restricts access to the Property, which restriction cannot reasonably be expected to be removed by application of available eminent domain proceeds, or (c) causes the Property not to be in compliance with applicable zoning laws, and such non-compliance cannot reasonably be expected to be corrected

by application of eminent domain proceeds, Buyer shall have the right, to be exercised within ten (10) days after notice of such taking, but in any event prior to the outside Closing Date hereunder, by written notice to Seller, to terminate this Agreement, in which event Buyer shall receive the Earnest Money (as and if yet made) and neither of the parties hereto shall have any further rights or obligations hereunder except for obligations that specifically survive the termination of this Agreement. In the event Buyer does not timely terminate this Agreement as aforesaid, or the taking by eminent domain does not trigger a termination right, Buyer shall consummate this transaction on the Closing Date (with no reductions in the Purchase Price), and Buyer shall be entitled to participate in any such condemnation or eminent domain proceedings and to receive all of the proceeds therefrom attributable to the Property.

SECTION 13. CASUALTY. If prior to the Closing Date, in Seller's reasonable judgment (a) more than ten percent (10%) of the leasable area of the Improvements is destroyed by fire or other casualty, (b) any casualty materially impairs access to the Property, which impairment cannot reasonably be expected to be removed by application of available casualty insurance proceeds, or (c) any casualty causes the Property not to be in compliance with applicable law and such non-compliance cannot reasonably be expected to be corrected by application of insurance proceeds, Seller shall notify Buyer in writing of such fact and Buyer shall have the option to terminate this Agreement upon notice to Seller given within ten (10) days after Buyer's receipt of Seller's written notification, but in any event prior to the outside Closing Date hereunder. Upon such termination, the Escrow Agent shall return the Earnest Money (as and if yet made) to Buyer, this Agreement shall terminate and neither party shall have any further obligation or liability to the other, except for obligations that specifically survive the termination. In the event Buyer does not timely terminate this Agreement as aforesaid, or there is damage to or destruction to the Improvements that does not trigger a termination right, Seller shall assign to Buyer any insurance claims, upon the written consent of the applicable insurer, and the amount of any deductible shall be subtracted from the Purchase Price and Buyer shall acquire the Property pursuant to this Agreement without any other reduction in the Purchase Price. In the event the applicable insurer will not consent to the assignments of any insurance claim to Buyer, Seller shall pursue the applicable insurance claim on behalf of Buyer (and Buyer shall assist Seller as reasonably requested by Seller) and will turn over insurance proceeds from such claim to Buyer, less any actual expenses of Seller's pursuit of such insurance claim, upon Seller's receipt of same.

SECTION 14. [RESERVED.]

SECTION 15. MISCELLANEOUS.

15.1 Governing Law; Venue; Jurisdiction. This Agreement shall be governed by the laws of the State where the Property is located (the "State"), without regard to rules regarding conflicts of laws. Each Party hereby consents to the exclusive jurisdiction of the state courts of the State located in County where the Property is located (the "County") or the United States Federal District Court with jurisdiction in the County, waives any objections to such venue, waives personal service of any and all process upon it, consents to service of process by registered mail directed to it at the address stated above, and acknowledges that service so made shall be deemed to be completed upon actual delivery thereof (whether accepted or refused).

15.2 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BUYER AND SELLER HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO.

15.3 Entire Agreement. This Agreement, together with the attached exhibit(s), contains all of the terms and conditions of the agreement between the parties hereto, and any and all prior and contemporaneous oral and written agreements are merged herein.

15.4 Modifications and Waivers. This Agreement cannot be changed nor can any provision of this Agreement, or any right or remedy of any party, be waived orally. Changes and waivers can only be made in writing, and the change or waiver must be signed by the party against whom the change or waiver is sought to be enforced. Any waiver of any provision of this Agreement, or any right or remedy, given on any one or more occasions shall not be deemed a waiver with respect to any other occasion.

15.5 Parties Bound. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, successors, and permitted assigns of the parties hereto.

15.6 Assignment. Buyer may not assign its rights and obligations under this Agreement without Seller's prior written consent; provided, however, Buyer may assign its rights and obligations under this Agreement without the consent of Seller, provided and on the condition that: (i) Buyer shall have given Seller written notice of the assignment and the identity of the assignee at least five (5) business days prior to Closing; (ii) Buyer or an affiliate of Buyer shall own a controlling interest in the assignee; (iii) such assignee shall have assumed Buyer's obligations hereunder by a written instrument of assumption in form and substance reasonably satisfactory to Seller; and (iv) such assignee will comply with Buyer's representations and obligations under Sections 9.2 and 9.3 and shall provide Seller with an ownership organization chart in form reasonably acceptable to Seller and a representation with respect thereto similar to that provided by Buyer in Section 9.2(j). Notwithstanding any such assignment and assumption, Buyer shall nevertheless remain, along with such assignee, jointly and severally liable for all of Buyer's obligations hereunder.

15.7 Notices. All notices, requests and other communications under this Agreement shall be in writing and shall be deemed given when made by personal delivery or sent next business day by delivery by a nationally recognized overnight courier, or by electronic mail (as long as such electronic mail is followed the next day with personal delivery or next business day delivery by a nationally recognized overnight courier) addressed as follows. Notice shall be deemed given on the date on which the notice is received by a party:

If to Seller: c/o GLL Real Estate Partners, Inc.
200 Orange Avenue, Suite 1375
Orlando, Florida 32801
Attn: Hugh McWhinnie
Email: hugh.mcwhinnie@gll-partners.com

With a copy to: Jones Day
1420 Peachtree Street, N.E. Suite 800
Atlanta, Georgia 30309
Attn: Scott A. Specht, Esq.
Email: saspecht@jonesday.com

If to Buyer: 1140 N. Williamson Boulevard, Suite 140
Daytona Beach, Florida 32114
Attn: Steven R. Greathouse
Email:sgreathouse@ctlc.com

With a copy to: King & Spalding, LLP
1180 Peachtree Street, N.E. Suite 1600
Atlanta, Georgia 30309
Attn: Timothy J. Goodwin
Email: tgoodwin@kslaw.com

If to Escrow Agent: Fidelity National Title Insurance Company
c/o National Commercial Services – Atlanta
3301 Windy Ridge Parkway, Suite 300
Atlanta, Georgia 30339
Attn: Leslie Flowers
Email: leslie.flowers@fntg.com

15.8 Section Headings. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

15.9 Severability. If one or more of the provisions of this Agreement or the application thereof shall be invoked, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or any other application thereof shall in no way be affected or impaired.

15.10 Time of the Essence. The parties agree that time is of the essence and that the failure of a party hereto to perform any act on or before the date specified herein for performance thereof shall be deemed cause for the termination hereof by the other party, without prejudice to other remedies available for default hereunder.

15.11 Confidentiality. Subject to Section 15.18, without the prior written consent of the other party, neither Seller nor Buyer will disclose to any unaffiliated person, other than their legal counsel, consultants, other professional advisors and proposed lenders and equity partners, either the fact that this Agreement has been entered into or any of the terms, conditions or other facts with respect thereto, including the status thereof; provided, that either party hereto may make such disclosure if compelled by court order or to comply with the requirements of any law, governmental order or regulation. Notwithstanding anything in this Agreement to the contrary, Buyer or its affiliates may make any public statement, filing or other disclosure which it reasonably believes to be required under applicable law, rule or regulation.

15.12 Further Action. The parties hereto shall at any time, and from time to time on and after the Closing Date, upon the request of either, do, execute, acknowledge and deliver all such further acts, deeds, assignments and other instruments as may be reasonably required for the consummation of this transaction. This Section 15.12 shall survive the Closing.

15.13 Construction. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties hereto, it being recognized that both Seller and Buyer have contributed substantially and materially to the preparation of this Agreement. This Section 15.13 shall survive termination and the Closing.

15.14 No Recording. Neither this Agreement nor any memorandum or short form thereof may be recorded by Buyer.

15.15 Third Party Beneficiary. The provisions of this Agreement are not intended to benefit any parties other than Seller and Buyer. This Section 15.15 shall survive termination and the Closing.

15.16 1031 Exchange. If so requested by either party, the other party will cooperate in structuring and completing this transaction for the requesting party so as to effect a like kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. In particular, such other party will consent to the assignment by the requesting party prior to the Closing hereunder of its rights hereunder to a “**qualified intermediary**” or other third party for such purposes. The foregoing notwithstanding, in connection with any such exchange, neither party shall have any obligation to acquire title to any real property nor to enter into any contract: (i) that may create or impose upon such party any non-monetary obligation or negative covenant; (ii) that does not provide that the sole and exclusive remedy of any seller for a breach shall be to retain as liquidated damages the deposit paid to said seller; or (iii) that requires such party to execute any mortgage, deed of trust or similar financing instrument. It is further agreed that: (1) neither party shall assume any responsibility for the tax consequences to any other party arising out of any exchange effected pursuant to this Section; (2) the requesting party shall reimburse the other party for all additional costs and expenses (including reasonable attorney’s fees) incurred by such other party in connection with any such exchange; and (3) the requesting party shall indemnify and hold the other party harmless from and against any and all loss, cost, damage, expense or other liability (including reasonable attorneys’ fees) that such other party may incur or suffer in the performance of its obligations under this Section.

15.17 Business Day. As used herein, a “business day” shall mean any day other than Saturday, Sunday or other day that commercial banks in the State in which the Property is located are authorized or required to close under applicable law. In the event that the expiration of any time period hereunder shall expire on a Saturday, Sunday or legal holiday, then such time period shall be extended until the close of business on the next following business day. The provisions of this Section 15.17 shall survive the Closing.

15.18 Public Disclosure. Without the prior written consent of Seller, Buyer will not make any public disclosure or issue any press release pertaining to the existence of this Agreement, or to the acquisition of the Property. The provisions of this Section 15.18 shall survive closing.

15.19 Counterparts and Electronic Signatures. This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement. Hand signatures transmitted by fax or electronic mail are also permitted as binding signatures to this Agreement and shall be deemed to constitute original signatures.

15.20 IRS Real Estate Sales Reporting. Buyer and Seller hereby agree that the Escrow Agent shall act as “the person responsible for closing” the transaction which is the subject of this Agreement pursuant to Section 6045(e) of the Code and shall prepare and file all informational returns, including IRS Form 1099-S, and shall otherwise comply with the provisions of Section 6045(e) of the Code. The provisions of this Section 15.20 shall survive the Closing.

15.21 Holdback Escrow.

(a) At Closing Seller shall deposit into escrow with the Escrow Agent (the “**Holdback Escrow**”) a portion of the sales proceeds in an amount equal to the Cap to cover post-closing obligations of Seller under this Agreement, if any, to reimburse Buyer for its actual damages arising out of any untruth, inaccuracy or breach of any surviving warranty, representation or agreement hereunder and under any Closing Documents. Buyer shall deliver to Seller prior to the expiration of the Survival Period, a written notice (a “**Claim Notice**”) alleging the untruth, inaccuracy or breach of any such warranties, representations and/or agreements of which Buyer first became aware following Closing and that expressly survive Closing as provided for herein (a “**Claim**”), which Claim Notice shall expressly set forth the reasonably anticipated amount necessary to satisfy such Claim (the “**Claim Amount**”).

(b) If prior to the expiration of the Survival Period no Claim Notice is delivered to Seller or the aggregate Claim Amounts of all Claim Notices delivered to Seller do not exceed the Floor, all funds in the Holdback Escrow shall be returned to Seller promptly following the expiration of the Survival Period. If the sum of the Claim Amounts for all Claims for which a Claim Notice has been timely delivered to Seller exceeds the Floor but is less than the Cap, the funds remaining in the Holdback Escrow which exceed the sum of the Claim Amounts for such Claims shall be returned to Seller promptly following the expiration of the Survival Period, and the remaining funds in the Holdback Escrow, or applicable portions thereof, shall be retained in the Holdback Escrow and applied in accordance with clause (c) below.

(c) Notwithstanding the delivery of timely Claims by Buyer, if , within thirty (30) days following the expiration of the Survival Period (the “**Claims Deadline**”), Buyer has not instituted a legal action or proceeding with respect to any Claim, or to Claims whose aggregate Claim Amounts exceed the Floor, all funds in the Holdback Escrow withheld for such Claims shall be returned to Seller. Any Claim for which Buyer has instituted an action or proceeding on or prior to the Claims Deadline shall be referred to as a “Timely Buyer Claim.” If the sum of the Claim Amounts for all Timely Buyer Claims is less than the Cap, the funds remaining in the Holdback Escrow which exceed the sum of the Claim Amounts for the unresolved Timely Buyer Claims shall be returned to Seller

promptly following the Claims Deadline, and the remaining funds in the Holdback Escrow, or applicable portions thereof, shall be retained in the Holdback Escrow until such Timely Buyer Claims shall have been resolved by settlement of the parties or by a final, non-appealable judgment by a court having jurisdiction over such matter.

(d) The Holdback Escrow shall be governed by a Holdback Escrow and Indemnity Agreement signed by Buyer, Seller and the Escrow Agent in the form attached hereto as Exhibit "P" (the "**Holdback Escrow Agreement**").]

[Signatures Appear on Following Pages]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date.

GLL PERIMETER PLACE, L.P.,
a Delaware limited partnership

By: GLL US Retail Corp.,
a Delaware corporation,
its general partner

By: /s/ Brandon E. Benson
Name: Brandon E. Benson
Title: President

By: /s/ Hugh McWhinnie
Name: Hugh McWhinnie
Title: Senior Vice President

[Signature Page for Purchase and Sale Agreement]

CTO20 PERIMETER LLC, a Delaware limited liability company

By: /s/ Steven R. Greathouse,
Name: Steven R. Greathouse
Title: Senior Vice President – Investments

[Signature Page for Purchase and Sale Agreement]

GUARANTY

In recognition that until Closing, Buyer will not own any material assets other than its interest in this Agreement and the Earnest Money, the undersigned, **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation ("**Guarantor**"), agrees to guarantee for the benefit of Seller the payment and performance of all liabilities, obligations and duties imposed upon Buyer by the terms of this Agreement (collectively, "**Buyer's Obligations**"). While this Guaranty is in effect, Buyer and Guarantor shall be jointly and severally liable for Buyer's Obligations and this Guaranty shall be construed as a guaranty of payment and not of collection. This Guaranty shall survive the termination of this Agreement. This Guaranty and Guarantor's obligations under this Guaranty shall automatically terminate and be of no further force or effect upon the consummation of the Closing, and from and after the Closing Date Seller will look solely to Buyer for satisfaction of Buyer's Obligations.

CONSOLIDATED-TOMOKA LAND CO., a Florida corporation

By: /s/ Steven R. Greathouse
Name: Steven R. Greathouse
Title: Senior Vice President – Investments

[Signature Page for Guaranty in Purchase and Sale Agreement]

ESCROW AGENT CONSENT AND ACKNOWLEDGMENT

The undersigned agrees to act as the Escrow Agent for the transaction described in the above Agreement as provided herein. The undersigned agrees to accept receipt, confirm to Seller and Buyer receipt promptly upon receipt, hold and deliver the Earnest Money in accordance with the terms of this Agreement.

FIDELITY NATIONAL TITLE INSURANCE COMPANY

Escrow No. 200121ATL

Date: February 6, 2020

By: /s/ Leslie Flowers
Leslie Flowers (Print Name)
Authorized Representative

[Signature Page for Escrow Agent in Purchase and Sale Agreement]

SCHEDULE 8.1

DUE DILIGENCE MATERIAL

FILE PATH	FILE NAME
01. Investment Brochure/	Perimeter Place - Investment Brochure.pdf
02. Cash Flows and MLAs/	ES - Perimeter Place - Cash Flows & Assumptions.pdf
03. Argus Model (With Underwriting Considerations)/	ES - Perimeter Place - Argus Model.avux
03. Argus Model (With Underwriting Considerations)/	ES - Perimeter Place - Underwriting Considerations.pdf
04. Real Estate Tax Bills/	Tax Bill - 18 349 05 002.pdf
04. Real Estate Tax Bills/	Tax Bill - 18 349 05 024.pdf
04. Real Estate Tax Bills/	Tax Bill - 18 349 05 033.pdf
04. Real Estate Tax Bills/	Tax Bill - 18 349 05 036.pdf
05. Rent Roll/	Perimeter Place - Rent Roll.pdf
06. Detailed Tenant Underwriting/	ES - Perimeter Place - Detailed Tenant Underwriting.xlsx
07. REA/	REA Recorded Copy - PP 4.30.04.pdf
08. Target OEA/	Perimeter Place - OEA Target & Sembler II 02.07.09.pdf
08. Target OEA/	Target - First Amendment to Declaration of Restrictions and Easement 12-16-04.pdf
08. Target OEA/	Target - OEA Final Recorded Copy - PP 4.30.04.pdf
09. Condo Declaration/	Declaration of Condominium.pdf
10. Other Documents (Title Insurance, Survey, Roof Warranties)/	2006.5.16- Perimeter Place- ALTA ACSM Land Title Survey.pdf
10. Other Documents (Title Insurance, Survey, Roof Warranties)/	Perimeter Place Construction Survey - 2006.pdf
10. Other Documents (Title Insurance, Survey, Roof Warranties)/	Perimeter Place- Owner_s Title Policy No. FA-33-550657.pdf
10. Other Documents (Title Insurance, Survey, Roof Warranties)/	Perimeter Roof Warranties.pdf
11. DD Materials/01. Property & Financial/CAM Rec/	2018 Reconciliation.xlsx
11. DD Materials/01. Property & Financial/Operating Statements/	2019.1.9 - 12_Month_Statement_1peri_Accrual - 2016.xlsx
11. DD Materials/01. Property & Financial/Operating Statements/	2019.1.9 - 12_Month_Statement_1peri_Accrual - 2019.xlsx
11. DD Materials/01. Property & Financial/Operating Statements/	Perimeter 2017 Statement.xlsx
11. DD Materials/01. Property & Financial/Operating Statements/	Perimeter 2018 Statement.xlsx
11. DD Materials/01. Property & Financial/Real Estate Taxes/2018/	18 349 05 002.pdf
11. DD Materials/01. Property & Financial/Real Estate Taxes/2018/	18 349 05 024.pdf
11. DD Materials/01. Property & Financial/Real Estate Taxes/2018/	18 349 05 033.pdf
11. DD Materials/01. Property & Financial/Real Estate Taxes/2019/	Tax Bill - 18 349 05 002.pdf
11. DD Materials/01. Property & Financial/Real Estate Taxes/2019/	Tax Bill - 18 349 05 024.pdf
11. DD Materials/01. Property & Financial/Real Estate Taxes/2019/	Tax Bill - 18 349 05 033.pdf
11. DD Materials/01. Property & Financial/Real Estate Taxes/2019/	Tax Bill - 18 349 05 036.pdf
11. DD Materials/01. Property & Financial/Rent Roll/	2020.1.9 - Perimeter Place - Rent Roll.pdf

Schedule 8.1-1

NAI-1510716910v10

11. DD Materials/02. Lease Review/	2020.1.13 - Perimeter Place - Outstanding Leasing Costs.xlsx
11. DD Materials/02. Lease Review/Existing Leases/Abishay Enterprises - (Ali_s Cookies)/	2012 Jan 10 Possession Letter Ali_s Cookies.pdf
11. DD Materials/02. Lease Review/Existing Leases/Abishay Enterprises - (Ali_s Cookies)/	Abishay (Ali_s Cookies) First Amendment 2.7.2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/Abishay Enterprises - (Ali_s Cookies)/	Ashibay - orig lease 12-23-11 Ali_s Cookies.pdf
11. DD Materials/02. Lease Review/Existing Leases/Abishay Enterprises - (Ali_s Cookies)/	Ashibay - RCL letter.pdf
11. DD Materials/02. Lease Review/Existing Leases/Advanced Dermal Sciences (Spa Sydell)/	Advanced Dermal Sciences Lease 11.1.2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Advanced Dermal Sciences (Spa Sydell)/	Advanced Dermal Sciences 2nd Amendment 21 Aug 2019.pdf
11. DD Materials/02. Lease Review/Existing Leases/Advanced Dermal Sciences (Spa Sydell)/	Advanced Dermal Sciences First Amendment 4.26.2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/Akber Ali A. Rajwani (Unique Threading)/	Akber (Unique) - rent commence letter 1.6.2012.pdf
11. DD Materials/02. Lease Review/Existing Leases/Akber Ali A. Rajwani (Unique Threading)/	Akber (Unique) Threading-Lease-10.14.11.pdf
11. DD Materials/02. Lease Review/Existing Leases/Akber Ali A. Rajwani (Unique Threading)/	Akber (Unique) Threading-Lease-10.14.2011.pdf
11. DD Materials/02. Lease Review/Existing Leases/Akber Ali A. Rajwani (Unique Threading)/	Unique Threading Renewal Acknowledgment 18 Apr 2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Akber Ali A. Rajwani (Unique Threading)/	Unique Threading Renewal Letter Dec 2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/ALMI & Manhattan Condos/	Perimeter Place Declaration of Restrictions&Easements,recorded.pdf
11. DD Materials/02. Lease Review/Existing Leases/Amazing Lash (Springwood Holdings)/	Amazing Lash Exhibit C Letter 8.25.2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Amazing Lash (Springwood Holdings)/	Amazing Lash Lease 8.16.2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Amazing Lash (Springwood Holdings)/	Amazing Lash Lien Subordination Agreement 25 Oct 2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Amazing Lash (Springwood Holdings)/	Amazing Lash Signed Guaranty.pdf
11. DD Materials/02. Lease Review/Existing Leases/Amazing Lash (Springwood Holdings)/	Perimeter Place - Amazing Lash - Update Notice Information - 10-30-19.pdf
11. DD Materials/02. Lease Review/Existing Leases/Amazing Lash (Springwood Holdings)/	Perimeter Place - Amazing Lash Studio - Commencement Date Letter (Executed) - 1-20-17
11. DD Materials/02. Lease Review/Existing Leases/Beal Bank/	Beal - assignment,assumption - (tenant sign only) 1-22-2014.pdf
11. DD Materials/02. Lease Review/Existing Leases/Beal Bank/	Beal - Lease (DRAFT 20080624131832).pdf
11. DD Materials/02. Lease Review/Existing Leases/Beal Bank/	Beal - Original Lease 6.25.08.pdf
11. DD Materials/02. Lease Review/Existing Leases/Beal Bank/	Beal - Renewal Amendment Jan 27, 2014.pdf
11. DD Materials/02. Lease Review/Existing Leases/Beal Bank/	Beal - Rent Commencement Letter 2.14.09.pdf
11. DD Materials/02. Lease Review/Existing Leases/Beal Bank/	Beal Bank Second Amendment 9.26.2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - 1st Lease Amendment 7.27.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - 2nd Lease Amendment 8.3.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - 3rd Lease Amendment 9.10.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - 4th Lease Amendment 10.21.04.pdf

Schedule 8.1-2

NAI-1510716910v10

11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - 5th Lease Amendment 11.18.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - 6th Lease Amendment 12.10.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - 7th Lease Amendment 9.06.05.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - Crunch Use Waiver 6.30.2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - Original Lease 4.28.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas - Term Commencement & Expiration Agreement 5.2.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas LL move letter.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carrabbas/	Carrabbas Renewal Option Exercise Letter 28 May 2015.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage - 1st Lease Amendment 10.06.05.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage - 2nd Lease Amendment-Assign & Assumption of Lease - PP 10.19.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage - Original Lease 12.15.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage -3rd Amendment 02-23-11.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage Cleaners - Assignment & Fourth Amendment 3.19.2012.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage Cleaners - Commence Notice 1.09.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage Cleaners - Fifth Amendment 12.1.2015.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage Cleaners - Lease Detail.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage Cleaners - Possession Letter 8.09.05.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	Carriage renewal notice 9.30.2010.pdf
11. DD Materials/02. Lease Review/Existing Leases/Carriage Cleaners (A.J.P.N Enterprises, Inc.)/	20. Landlord's Waiver of Lien - 1260 Ashford Crossing
11. DD Materials/02. Lease Review/Existing Leases/Chipotle Mexican Grill/	Chipotle - First Amendment 2 DEC 2019.pdf
11. DD Materials/02. Lease Review/Existing Leases/Chipotle Mexican Grill/	Chipotle - Renewal Notice 5.22.2015.pdf
11. DD Materials/02. Lease Review/Existing Leases/Chipotle Mexican Grill/	Chipotle Mexican Grill - Confidentiality Agreement 12.3.03 - PP.pdf
11. DD Materials/02. Lease Review/Existing Leases/Chipotle Mexican Grill/	Chipotle Mexican Grill - Guaranty of Lease 6.24.04 - PP.pdf
11. DD Materials/02. Lease Review/Existing Leases/Chipotle Mexican Grill/	Chipotle Mexican Grill - Original Lease 6.24.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Coca-Cola/	Coca Cola Correction of Notice Address 6.20.2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/Coca-Cola/	Coca-Cola Address Change 12.21.2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Coca-Cola/	Coca-Cola Lease 1.18.2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Coca-Cola/	Coca-Cola Tenant Work Letter 1.18.2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Coca-Cola/	SNDA -Coca Cola 13 FEB 2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Cold Stone Creamery/	Cold Stone - 1st Amendment 8.12.10.pdf

Schedule 8.1-3

NAI-1510716910v10



11. DD Materials/02. Lease Review/Existing Leases/Dress Up Perimeter/	Dress Up - key handover.pdf
11. DD Materials/02. Lease Review/Existing Leases/Dress Up Perimeter/	Dress Up - original 4-5-2013.pdf
11. DD Materials/02. Lease Review/Existing Leases/Dress Up Perimeter/	Dress Up Boutique - Perimeter Place - RCL dated 10-21-13.pdf
11. DD Materials/02. Lease Review/Existing Leases/Dress Up Perimeter/	Dress Up - Guaranty of Lease - 4.5.2013
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Fleming_s - LL consent 8-29-12.pdf
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Flemings - 1st Lease Amendment 10.8.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Flemings - 2nd Lease Amendment - 5.18.05.pdf
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Flemings - Memorandum of Lease 7.28.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Flemings - Original Lease 7.27.04.pdf
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Flemings - Term Commencement & Expiration Agreement 5.02.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Flemings LL move notice.pdf
11. DD Materials/02. Lease Review/Existing Leases/Fleming_s (NK & MB Corp)/	Flemings Renewal Option Exercise Notice 28 May 2015.pdf
11. DD Materials/02. Lease Review/Existing Leases/Heights. Inc. (Savvi Formalwear)/	Heights - RCL.pdf
11. DD Materials/02. Lease Review/Existing Leases/Heights. Inc. (Savvi Formalwear)/	Heights, Inc. (Savvi Formalwear) Original Lease 09.21.10.pdf
11. DD Materials/02. Lease Review/Existing Leases/Heights. Inc. (Savvi Formalwear)/	Heights, Inc.-Change of Control LL Consent 12 MAR 2019.pdf
11. DD Materials/02. Lease Review/Existing Leases/Heights. Inc. (Savvi Formalwear)/	Heights, Inc.-Original Lease 09.21.10.pdf
11. DD Materials/02. Lease Review/Existing Leases/Heights. Inc. (Savvi Formalwear)/	Savi Updated Tenant Notice Letter 16 Dec 2019.pdf
11. DD Materials/02. Lease Review/Existing Leases/Heights. Inc. (Savvi Formalwear)/	Savvi renewal option exercise.pdf
11. DD Materials/02. Lease Review/Existing Leases/HobNob/	Comcast License Agreement HobNob Perimeter 12 NOV 2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/HobNob/	Hobnob - 1st amendment 09-21-2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/HobNob/	HobNob Lease 3.19.2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/HobNob/	HobNob Lease 3.19.2018s.pdf
11. DD Materials/02. Lease Review/Existing Leases/HobNob/	HobNob LL Lien Subordination 25 July 2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/HobNob/	HobNob LL Lien Subordination.pdf
11. DD Materials/02. Lease Review/Existing Leases/Hyderabad House/	Hyderabad House Lease 9.9.2019.pdf
11. DD Materials/02. Lease Review/Existing Leases/Hyderabad House/	Hyderabad House Lease 9.9.2019s.pdf
11. DD Materials/02. Lease Review/Existing Leases/Hyderabad House/	Hyderabad - Possession Letter - 9.11.2019
11. DD Materials/02. Lease Review/Existing Leases/Jewelry Artisans (J.A. Designs)/	J.A. Designs, LLC-2nd Amendment-04.30.11.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jewelry Artisans (J.A. Designs)/	Jewelry Artisans - 1st Amendment 5.25.06.pdf

Schedule 8.1-5

NAI-1510716910v10

11. DD Materials/02. Lease Review/Existing Leases/Jewelry Artisans (J.A. Designs)/	Jewelry Artisans - 2nd Amendment 4.30.11.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jewelry Artisans (J.A. Designs)/	Jewelry Artisans - 3rd Amendment 4.12.2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jewelry Artisans (J.A. Designs)/	Jewelry Artisans - Commence Confirm. Notice 5.16.06 .pdf
11. DD Materials/02. Lease Review/Existing Leases/Jewelry Artisans (J.A. Designs)/	Jewelry Artisans - Original Lease 12.21.05.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jewelry Artisans (J.A. Designs)/	Jewelry Artisans - Possession Letter 1.9.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jos A Bank Clothiers Inc/	Jos A Bank Renewal Notice 12.22.2015.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jos A Bank Clothiers Inc/	Jos A. Bank - Commence Letter 6.12.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jos A Bank Clothiers Inc/	Jos A. Bank Clothiers- Original Lease 3.31.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jos A Bank Clothiers Inc/	Jos A. Bank Clothiers- Original Lease 3.31.06s.pdf
11. DD Materials/02. Lease Review/Existing Leases/Jos A Bank Clothiers Inc/	JOS. A. Bank-1st Amendment - 2.11.2011.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/	LaZBoy First Amendment 3 Feb 2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/	La-Z-Boy Perimeter Lien Subordination.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/Lexington - (Furniture Galleries of Atlanta)/	Furniture Galleries - Assignment & Assumption of Lease 11.28.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/Lexington - (Furniture Galleries of Atlanta)/	Furniture Galleries - Commence Notice 3.16.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/Lexington - (Furniture Galleries of Atlanta)/	Furniture Galleries - Lease Guaranty Agreement (La-Z-Boy - Guarantor) 11.28.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/Lexington - (Furniture Galleries of Atlanta)/	Furniture Galleries - Original Lease 5.19.05.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/Lexington - (Furniture Galleries of Atlanta)/	Furniture Galleries - SNDA 6.02.05.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/Lexington - (Furniture Galleries of Atlanta)/	Furnituregalleries guaranty - 01-21-16.pdf
11. DD Materials/02. Lease Review/Existing Leases/LaZBoy/Lexington - (Furniture Galleries of Atlanta)/	LaZBoy - Landlord Consent to Indemnification and Reimb Agreement - 11.28.06.pdf
11. DD Materials/02. Lease Review/Existing Leases/Leebrant - (use OEA agreement)/	Perimeter Target OEA Final Recorded.pdf
11. DD Materials/02. Lease Review/Existing Leases/Melissa C (fab_rik)/	Melissa C - original lease 10-8-2012.pdf
11. DD Materials/02. Lease Review/Existing Leases/Melissa C (fab_rik)/	Melissa C - rent commencement letter.pdf
11. DD Materials/02. Lease Review/Existing Leases/Melissa C (fab_rik)/	Melissa C 1st Amendment 12.21.2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Melissa C (fab_rik)/	Melissa C 2nd Amendment 7.23.2019.pdf
11. DD Materials/02. Lease Review/Existing Leases/Meritage Homes/	Meritage Homes Lease 7.11.2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Meritage Homes/	Perimeter Place - Meritage Homes - Commencement Date Letter - 11-22-16
11. DD Materials/02. Lease Review/Existing Leases/Michael_s/	Landlord Letter for Rent Remittance.pdf
11. DD Materials/02. Lease Review/Existing Leases/Michael_s/	Michael_s - Memorandum of Lease 08.18.2014.pdf

Schedule 8.1-6

NAI-1510716910v10

11. DD Materials/02. Lease Review/Existing Leases/PNC Bank (formally RBC Centura Bank)/	RBC - acquisition by PNC notice 1-312012.pdf
11. DD Materials/02. Lease Review/Existing Leases/PNC Bank (formally RBC Centura Bank)/	RBC Centura Bank - Original 4-26-04 - PP.pdf
11. DD Materials/02. Lease Review/Existing Leases/PNC Bank (formally RBC Centura Bank)/	PNC - 1 Change of Address -Move To Tower
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/	Premier Fitness Source First Amendment 5 March 2014.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/	Premier Fitness Source First Amendment 8 December 2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/	Premier Fitness Source Lease 23 Jan 2014.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/	Premier Fitness Source Second Amendment 23 October 2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/Busy Body (Lark 12 LLC)/	Busy Body - 1st Amendment,License & Indemnification 8.31.11.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/Busy Body (Lark 12 LLC)/	Busy Body - License agreement 7.21.10.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/Busy Body (Lark 12 LLC)/	Busy Body - RCL Letter.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Fitness Source/Busy Body (Lark 12 LLC)/	LARK 12 - Possession Letter 7.14.10.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Pita Kings (Hummus & Pita Co)/	Premier Pita Kings (Hummus & Pita) Lease 30 Sept 2019.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Pita Kings (Hummus & Pita Co)/	Premier Pita Kings (Hummus & Pita) Lease 30 Sept 2019s.pdf
11. DD Materials/02. Lease Review/Existing Leases/Premier Pita Kings (Hummus & Pita Co)/	Premier Pita Kings - Possession Letter - 10.1.2019
11. DD Materials/02. Lease Review/Existing Leases/PT Solutions/	PT Solutions Lease 1.15.2020 reduced size.pdf
11. DD Materials/02. Lease Review/Existing Leases/PT Solutions/	PT Solutions Lease 1.15.2020.pdf
11. DD Materials/02. Lease Review/Existing Leases/PT Solutions/	PT Solutions - Possession Letter - 1.17.2020
11. DD Materials/02. Lease Review/Existing Leases/Relax the Back/	Relax the Back Address Tenant Change Notice AUG 2017.pdf
11. DD Materials/02. Lease Review/Existing Leases/Relax the Back/	Relax the Back Lease 8.12.2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Color Site Plan from Original Lease.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross at Perimeter Place Commencement Letter.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross LL Response Notice to CCTV Request 1 FEB 2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross Second Amendment 26 Oct 2016.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross Stores - Memorandum of Lease - PP.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross Stores - 1st Lease Amendment - 8-18-2004.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross Stores - CCTV Install Request 29 JAN 2018.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross Stores - Original Lease - 5-10-2004.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross Stores - Renewal Option Exercise 18 DEC 2015.pdf
11. DD Materials/02. Lease Review/Existing Leases/Ross Stores/	Ross-Waiver of Prohibited Uses-09.23.10.pdf
11. DD Materials/02. Lease Review/Existing Leases/Sembler - Mgmt Office Lease Agreement/	Perimeter - Management Office Renewal 9.15.08.pdf
11. DD Materials/02. Lease Review/Existing Leases/Sembler - Mgmt Office Lease Agreement/	Sembler - 1st amendment 9-20-2012.pdf

Schedule 8.1-8

NAI-1510716910v10

11. DD Materials/02. Lease Review/Existing Leases/Sembler - Mgmt Office Lease Agreement/
 11. DD Materials/02. Lease Review/Existing Leases/Sembler - Mgmt Office Lease Agreement/
 11. DD Materials/02. Lease Review/Existing Leases/Sembler - Mgmt Office Lease Agreement/
 11. DD Materials/02. Lease Review/Existing Leases/Sembler - Mgmt Office Lease Agreement/
 11. DD Materials/02. Lease Review/Existing Leases/Sembler - Mgmt Office Lease Agreement/
 11. DD Materials/02. Lease Review/Existing Leases/Shane_s Rib Shack (C & C Enterprises)/
 11. DD Materials/02. Lease Review/Existing Leases/Shane_s Rib Shack (C & C Enterprises)/
 11. DD Materials/02. Lease Review/Existing Leases/Shane_s Rib Shack (C & C Enterprises)/
 11. DD Materials/02. Lease Review/Existing Leases/Shane_s Rib Shack (C & C Enterprises)/
 11. DD Materials/02. Lease Review/Existing Leases/Shane_s Rib Shack (C & C Enterprises)/
 11. DD Materials/02. Lease Review/Existing Leases/Shane_s Rib Shack (C & C Enterprises)/
 11. DD Materials/02. Lease Review/Existing Leases/Shearious Salon/
 11. DD Materials/02. Lease Review/Existing Leases/Sweet Tuna (PWI)/
 11. DD Materials/02. Lease Review/Existing Leases/Sweet Tuna (PWI)/
 11. DD Materials/02. Lease Review/Existing Leases/Taco Mac - (Perimeter Mac)/
 11. DD Materials/02. Lease Review/Existing Leases/Taco Mac - (Perimeter Mac)/
 11. DD Materials/02. Lease Review/Existing Leases/Taco Mac - (Perimeter Mac)/
 11. DD Materials/02. Lease Review/Existing Leases/Taco Mac - (Perimeter Mac)/
 11. DD Materials/02. Lease Review/Existing Leases/Taco Mac - (Perimeter Mac)/
 11. DD Materials/02. Lease Review/Existing Leases/Taco Mac - (Perimeter Mac)/
 11. DD Materials/02. Lease Review/Existing Leases/Taco Mac - (Perimeter Mac)/
 11. DD Materials/02. Lease Review/Existing Leases/Target/
 11. DD Materials/02. Lease Review/Existing Leases/Target/
 11. DD Materials/02. Lease Review/Existing Leases/Target/
 11. DD Materials/02. Lease Review/Existing Leases/Tin Drum Asia Cafe - (IDC Dunwoody)/

Sembler - Renewal Notice 10.1.09.pdf
 Sembler - Renewal Notice 10.11.2011.pdf
 Sembler - Renewal Notice 10.12.10.pdf
 Sembler Mgmt Office - Original Lease 11.01.06 - Perimeter Place.pdf
 Sembler Mgmt Office - Ltr 9.14.07 - Option to Renew - Perimeter Place.pdf
 Comcast Access Agreement Shane_s 21 FEB 2019.pdf
 Moe_s - Assignment to C & C & 1st Amendment 10.10.05.pdf
 Moe_s FKS Mama Fus - Original Lease 9.21.04.pdf
 Shane_s - Commence Letter Revised 2.7.06.pdf
 Shane_s (Blue Vase Hospitality) Second Amendment 5.7.2019.pdf
 Shane_s Assignment (Blue Vase Hospitality) 3.11.2019.pdf
 Shane_s Executed Option 6.29.2015.pdf
 Shanes Assignment December 2014.pdf
 Shearious Salon 11.1.2017.pdf
 Sweet Tuna Lease 5.30.2017.pdf
 Sweet Tuna - Perimeter Place commencement letter
 Assignment 29 June 2012.pdf
 LL Subordination Lien Agreement Taco Mac 3 AUG 2018.pdf
 Taco Mac - Original Lease 12-29-04.pdf
 Taco Mac - Proposed Tenant Letter.pdf
 Taco Mac Renewal Option Exercise Letter 5-15-2015.pdf
 Taco Mac-Letter of Entertainment.pdf
 Taco Mac - Perimeter Place - Correspondence 0002
 Target - First Amendment to Declaration of Restrictions and Easement 12-16-04.pdf
 Target - Lincoln REA Recorded Copy - PP 4.30.04.pdf
 Target - OEA Final Recorded Copy - PP 4.30.04.pdf
 Tim Drum (IDC Dunwoody) - 2nd Amendment Assignment Assumption Lease 12.3.08.pdf

Schedule 8.1-9

NAI-1510716910v10

11. DD Materials/04. Management & Marketing/Management & Brokage Agreements/	2018.9.17 - GLL Sembler Leasing Term. Notice.pdf
11. DD Materials/04. Management & Marketing/Management & Brokage Agreements/	Colliers Listing Agreement Perimeter Place 16 OCT 2018.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Fire Protection Contract.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Garbage Hauling Contract.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Landscape Contract.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Otis Elevator Contract.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Pest Control Contract.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Schindler Elevator Contract.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Security Contract.pdf
11. DD Materials/04. Management & Marketing/Service Contracts/	Sweeping Contract.pdf
11. DD Materials/05. Engineering Construction/	Environmental - 2007.1.31 - CAP B Addendum - Cover Letter.pdf
11. DD Materials/05. Engineering Construction/	Environmental Binder - CAP B.zip
11. DD Materials/05. Engineering Construction/Environmental Binder - CAP B	Environmental - 2007.1.31 - CAP B Addendum - Cover Letter
11. DD Materials/05. Engineering Construction/Environmental Binder - CAP B	Environmental - 2007.1.31 - SEA- CAP-B Addendum
11. DD Materials/05. Engineering Construction/Environmental Binder - CAP B	Environmental - 2007.1.31 - Tables & Figures
11. DD Materials/05. Engineering Construction/Environmental Binder - CAP B	Environmental - 2009.4.1 - GA Dept. Natural Resources - CAP-B -NFA Letter
11. DD Materials/05. Engineering Construction/Environmental Binder - CAP B	Environmental - Non-Hazardous Waster Manifest
11. DD Materials/05. Engineering Construction/Environmental Binder - CAP B	Environmental - SEA - Contact Info
11. DD Materials/05. Engineering Construction/	Perimeter Place - CO_s.pdf
11. DD Materials/05. Engineering Construction/Environmental/	2003.9.24- Phase 1 - Part 1.pdf
11. DD Materials/05. Engineering Construction/Environmental/	2003.9.24- Phase 1 - Part 2.pdf
11. DD Materials/05. Engineering Construction/Environmental/	2004 Environmental Remediation Agreement.PDF
11. DD Materials/05. Engineering Construction/Environmental/	2006 Assignment of Environmental Remediation Agreement.pdf
11. DD Materials/05. Engineering Construction/Environmental/	2006.7.19- PerimeterPlacePhiESA.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/	1993.5.20- Taylor Mathis Access Agreement- Terraces.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/	2004.5.12- Letter from Dobbs to EPD.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/2004- ISOTEC Treatment/	DOC051.PDF
11. DD Materials/05. Engineering Construction/Environmental/Misc/2004- ISOTEC Treatment/	DOC052.PDF
11. DD Materials/05. Engineering Construction/Environmental/Misc/2006- BellSouth Interim Report to EPD/	2006-05 Interim Report.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/2006- BellSouth Interim Report to EPD/	EFR - Event _1.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/2006- BellSouth Interim Report to EPD/	EFR - Event _2.pdf

Schedule 8.1-11

NAI-1510716910v10

11. DD Materials/05. Engineering Construction/Environmental/Misc/Corrective Action Plan/	1993.7- CAPwithSoilDelineation.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/Corrective Action Plan/	2000.12- CAPBaddendumwithMaps.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/Corrective Action Plan/	2005.6- NOV&Q1MOPforPerimeterPlace.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/Vapor Barrier/	Vapor Barrier.zip
11. DD Materials/05. Engineering Construction/Environmental/Misc/Vapor Barrier/	3300
11. DD Materials/05. Engineering Construction/Environmental/Misc/Vapor Barrier/	BLDG 2500 CONCRETE POUR
11. DD Materials/05. Engineering Construction/Environmental/Misc/Vapor Barrier/	BLDG 2700 CONCRETE POUR
11. DD Materials/05. Engineering Construction/Environmental/Misc/Vapor Barrier/	FW Site Plan attached per Mike Kerman_s instructions..rtf.
11. DD Materials/05. Engineering Construction/Environmental/Misc/Vapor Barrier/	RE Perimeter Place.zip
11. DD Materials/05. Engineering Construction/Environmental/Misc/Vapor Barrier/	Well Locations
11. DD Materials/05. Engineering Construction/Environmental/Misc/Well Data/	022006 sampling.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/Well Data/	042005 sampling.pdf
11. DD Materials/05. Engineering Construction/Environmental/Misc/Well Data/	082004 sampling.pdf
11. DD Materials/05. Engineering Construction/Geotechnical Reports- 2003/	Geotechnical Documents 1.pdf
11. DD Materials/05. Engineering Construction/Geotechnical Reports- 2003/	Geotechnical Documents 2.pdf
11. DD Materials/06. Other/Condo Declaration/	Declaration of Condominium.pdf
11. DD Materials/06. Other/REA/	REA Recorded Copy - PP 4.30.04.pdf
11. DD Materials/06. Other/Target OEA/	Perimeter Place - OEA Target & Sembler II 02.07.09.pdf
11. DD Materials/06. Other/Target OEA/	Target - First Amendment to Declaration of Restrictions and Easement 12-16-04.pdf
11. DD Materials/06. Other/Target OEA/	Target - OEA Final Recorded Copy - PP 4.30.04.pdf
12. CTO Request List/	ES - Perimeter Place Cash Flows.xlsx
12. CTO Request List/Missing Documents/	Perimeter Place - Amazing Lash Studio - Commencement Date Letter (Execut....pdf
12. CTO Request List/Missing Documents/	Perimeter Place - Guard One Protective Services - Security - January 1,pdf
12. CTO Request List/Missing Documents/	Unique Threading - Guaranty of Lease - 10.14.2011.pdf
12. CTO Request List/Photos/Aerials/	Eastdil Perimeter Place 9-2-17-1.jpg
12. CTO Request List/Photos/Aerials/	Eastdil Perimeter Place 9-2-17-10.jpg
12. CTO Request List/Photos/Aerials/	Eastdil Perimeter Place 9-2-17-11.jpg
12. CTO Request List/Photos/Aerials/	Eastdil Perimeter Place 9-2-17-12.jpg
12. CTO Request List/Photos/Aerials/	Eastdil Perimeter Place 9-2-17-13.jpg
12. CTO Request List/Photos/Aerials/	Eastdil Perimeter Place 9-2-17-14.jpg
12. CTO Request List/Photos/Aerials/	Eastdil Perimeter Place 9-2-17-15.jpg

Schedule 8.1-12

NAI-1510716910v10

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

Tract 1

All that tract or parcel of land lying and being in Land Lot 349, 18th District of DeKalb County, Georgia, and being more particularly described as follows:

Commencing at a point at the intersection of the existing Northern right-of-way of Perimeter Center West (variable right-of-way) and the existing Western right-of-way of Perimeter Center Place; Thence along said existing right-of-way of Perimeter Center Place the following courses and distances: along a curve to the left, an arc length of 118.21 feet, said curve having a radius of 79.00 feet with a chord distance of 107.49 feet, at North 48 degrees 50 minutes 51 seconds East, to a point; North 06 degrees 02 minutes 35 seconds East, a distance of 217.48 feet to a point; along a curve to the right, an arc length of 178.94 feet, said curve having a radius of 1170.57 feet with a chord distance of 178.77 feet, at North 11 degrees 16 minutes 57 seconds East, to a 5/8" rebar found; along a curve to the right, an arc length of 213.67 feet, said curve having a radius of 511.35 feet with a chord distance of 212.12 feet, at North 27 degrees 48 minutes 03 seconds East, to a point; Thence leaving said right-of-way North 41 degrees 41 minutes 43 seconds West, a distance of 79.99 feet to a point; Thence along a curve to the left, an arc length of 44.14 feet, said curve having a radius of 65.00 feet with a chord distance of 43.30 feet, at North 61 degrees 09 minutes 04 seconds West, to a point, said point being the **TRUE POINT OF BEGINNING**; Thence along a curve to the left, an arc length of 7.07 feet, said curve having a radius of 65.00 feet with a chord distance of 7.07 feet, at North 83 degrees 43 minutes 23 seconds West, to a point; Thence North 86 degrees 50 minutes 22 seconds West, a distance of 368.40 feet to a PK nail set; Thence North 86 degrees 50 minutes 22 seconds West, a distance of 119.11 feet to a PK nail set; Thence South 03 degrees 09 minutes 38 seconds West, a distance of 15.00 feet to a point; Thence along a curve to the left, an arc length of 19.89 feet, said curve having a radius of 20.00 feet with a chord distance of 19.08 feet, at South 64 degrees 40 minutes 15 seconds West, to a PK nail set; Thence South 03 degrees 09 minutes 38 seconds West, a distance of 250.09 feet to a PK nail set; Thence South 86 degrees 50 minutes 22 seconds East, a distance of 136.20 feet to a 5/8" rebar set; Thence South 03 degrees 05 minutes 42 seconds West, a distance of 231.45 feet to a 1/2" rebar found; Thence North 86 degrees 50 minutes 22 seconds West, a distance of 175.00 feet to a PK nail set; Thence South 24 degrees 38 minutes 51 seconds West, a distance of 124.97 feet to a PK nail found; Thence along a curve to the left, an arc length of 38.31 feet, said curve having a radius of 50.00 feet with a chord distance of 37.38 feet, at South 06 degrees 00 minutes 38 seconds East, to a 5/8" rebar set located on the Northern right-of-way of Perimeter Center West (variable right-of-way); Thence along said right-of-way the following courses and distances: South 27 degrees 10 minutes 54 seconds West, a distance of 10.00 feet to a point; North 62 degrees 49 minutes 06 seconds West, a distance of 504.81 feet to a point; along a curve to the right with an arc length of 108.12 feet, said curve having a radius of 799.10 feet, with a chord distance of 108.04 feet, at North 58 degrees 56 minutes 31 seconds West, to a point; Thence leaving said right-of-way along a curve to the left with an arc length of 55.53 feet, said curve having a radius of 381.59 feet, with a chord distance of 55.48 feet, at North 75 degrees 45 minutes 41 seconds East, to a 5/8" rebar set; Thence North 27 degrees 02 minutes 57 seconds

East a distance of 124.61 feet to a 5/8" rebar set; Thence North 14 degrees 26 minutes 30 seconds West a distance of 121.43 feet to a 5/8" rebar set; Thence North 86 degrees 50 minutes 22 seconds West a distance of 77.05 feet to a PK nail set; Thence North 03 degrees 09 minutes 38 seconds East a distance of 5.00 feet to a PK nail set; Thence North 86 degrees 50 minutes 22 seconds West a distance of 126.36 feet to a 5/8" rebar set; Thence North 07 degrees 27 minutes 42 seconds East a distance of 335.12 feet to a 5/8" rebar set; Thence South 86 degrees 50 minutes 22 seconds East a distance of 147.22 feet to a 5/8" rebar set; Thence North 03 degrees 09 minutes 38 seconds East a distance of 298.41 feet to a 5/8" rebar set on the Southern right-of-way of Crown Pointe Parkway; Thence along said right-of-way the following courses and distances: South 86 degrees 44 minutes 31 seconds East a distance of 58.14 feet to a point; South 89 degrees 29 minutes 35 seconds East, a distance of 51.22 feet to a point; North 85 degrees 59 minutes 08 seconds East, a distance of 50.00 feet to a point; North 83 degrees 41 minutes 42 seconds East, a distance of 100.08 feet to a point; North 85 degrees 59 minutes 08 seconds East, a distance of 97.22 feet to a point; Thence North 72 degrees 15 minutes 31 seconds East a distance of 57.53 feet to a point; Thence North 52 degrees 38 minutes 01 seconds East a distance of 58.05 feet to a point; Thence South 15 degrees 53 minutes 15 seconds West a distance of 23.70 feet to a point; Thence South 39 degrees 09 minutes 32 seconds East a distance of 33.78 feet to a point; Thence South 39 degrees 09 minutes 32 seconds East a distance of 45.75 feet to a point; Thence along a curve to the left with an arc length of 18.31 feet, said curve having a radius of 22.00 feet, with a chord distance of 17.78 feet, at South 62 degrees 59 minutes 57 seconds East, to a point; Thence South 86 degrees 50 minutes 22 seconds East a distance of 187.34 feet to a point; Thence South 03 degrees 09 minutes 38 seconds West, a distance of 28.00 feet to a point; Thence South 86 degrees 50 minutes 22 seconds East, a distance of 3.33 feet to a point; Thence South 03 degrees 09 minutes 38 seconds West, a distance of 350.14 feet to a point; Thence South 86 degrees 50 minutes 22 seconds East, a distance of 31.92 feet to a point; Thence South 86 degrees 50 minutes 22 seconds East, a distance of 375.58 feet to a point; Thence South 03 degrees 09 minutes 38 seconds West, a distance of 100.44 feet to a point, said point being the **TRUE POINT OF BEGINNING**.

Said tract of land contains 18.261 Acres.

TOGETHER WITH

Tract 2

All that tract or parcel of land lying and being in Land Lot 349, 18th District of Dekalb County, Georgia, and being more particularly described as follows:

Commencing at a point at the intersection of the Western proposed right-of-way of Perimeter Center Place (proposed 70' right-of-way) and the existing Southern right-of-way of Crown Pointe Parkway a.k.a. Meadow Lane Road (variable right-of-way), said point being the **TRUE POINT OF BEGINNING**. Thence along said right-of-way of Perimeter Center Place the following courses and distances: South 02 degrees 14 minutes 12 seconds West, a distance of 192.14 feet to a PK nail set; along a curve to the right, an arc length of 415.60 feet, said curve having a radius of 537.96 feet with a chord distance of 405.34 feet, at South 24 degrees 22 minutes 05 seconds West, to a point; South 46 degrees 29 minutes 59 seconds West, a distance

of 320.86 feet to a point; Thence leaving said right-of-way North 43 degrees 30 minutes 01 seconds West, a distance of 60.19 feet to a point; Thence North 03 degrees 09 minutes 38 seconds East, a distance of 27.33 feet to a PK nail set; Thence North 46 degrees 29 minutes 59 seconds East, a distance of 78.51 feet to a PK nail set; Thence North 03 degrees 09 minutes 38 seconds East, a distance of 172.63 feet to a PK nail set; Thence North 86 degrees 50 minutes 22 seconds West a distance of 62.00 feet to a PK nail set; Thence North 03 degrees 09 minutes 38 seconds East a distance of 87.08 feet to a PK nail set; Thence North 86 degrees 50 minutes 22 seconds West a distance of 26.73 feet to a PK nail set; Thence North 03 degrees 09 minutes 38 seconds East a distance of 290.35 feet to a point; Thence South 86 degrees 50 minutes 22 seconds East a distance of 130.49 feet to a PK nail set; Thence North 03 degrees 09 minutes 38 seconds East a distance of 150.72 feet to a 5/8" rebar set on the southerly right-of-way of Crown Pointe Parkway (variable right-of-way); Thence along said right-of-way the following courses and distances: along a curve to the left, an arc length of 223.33 feet, said curve having a radius of 995.15 feet with a chord distance of 222.87 feet, at South 80 degrees 36 minutes 52 seconds East, to a point; South 87 degrees 29 minutes 44 seconds East, a distance of 90.33 feet to a point; said point being the **TRUE POINT OF BEGINNING**.

Said tract of land contains 5.535 Acres.

TOGETHER WITH

Tract 3

All that tract or parcel of land- lying and being in Land Lot 349 of the 18th District, Dekalb County, Georgia and being more particularly described as the unit identified as the "Retail Master Component" of Perimeter Place Master Condominium, a Condominium, together with an undivided interest in the common area, pursuant to that Declaration of Condominium for Perimeter Place Master Condominium, a Condominium, dated July 19, 2006, recorded at Deed Book 18944, Page 171, in the Office of the Clerk of the Superior Court of Dekalb County, Georgia, and pursuant to floor plans, filed in Condominium Floor Plan Book 169, Pages 102 through 113, aforesaid records and pursuant to that condominium plat filed at Condominium Plat Book 169, Page 114, in the aforesaid records. The land containing the "Retail Component" and the common area rights granted in the Declaration of Condominium referenced above is the property identified on the face of the Survey (defined below) as being owned by Lincoln Perimeter Center, LLC and the "Retail Component" is more particularly described as the retail space located at the street level of the building as shown thereon.

All as more particularly shown on that certain ALTA/ACSM Land Title Survey for HSH Nordbank AG, Bell Sembler II, LLC, GLL US Retail, L.P., and First American Title Insurance Company by Trenton D. Turk, G. R. L. S. # 2411 of GeoSurvey, Ltd., job # 20062802, dated May 16, 2006 and last revised July 20, 2006 (the "Survey")

TOGETHER WITH all right, title and interest to those easements granted in that certain Release and Quit-Claim of Easement and Grant of Easement, dated January 30, 1975, by and between Southern Bell Telephone and Telegraph Company and Blue Cross of Georgia/Atlanta, Inc.,

recorded at Deed Book 3291, Page 408, records of the Clerk of the Superior Court, DeKalb County, Georgia.

FURTHER TOGETHER WITH all right, title and interest to those easements granted in that certain Sidewalk Easement, dated April 30, 2004, by and between SunTrust Bank and Bell Sembler II, LLC, Inc., recorded at Deed Book 16084, Page 789, aforesaid records.

FURTHER TOGETHER WITH the easements, covenants, restrictions and other rights granted to the insured for the benefit of the fee parcel of the insured land pursuant to that certain declaration of restrictions and easements by Bell Sembler II, LLC for Perimeter Place, dated April 2004, recorded at Deed Book 16084, Page 634, aforesaid records, as re-recorded at Deed Book 16116, Page 400, aforesaid records.

FURTHER TOGETHER WITH the easements, covenants, restrictions and other rights granted to the insured for the benefit of the fee parcel of the insured land pursuant to that certain Operation and Easement agreement between Target Corporation and Bell Sembler II, LLC for Perimeter Place, dated April 30, 2004, recorded at Deed Book 16084, Page 688, aforesaid records.

EXHIBIT "B"

-----[SPACE ABOVE RESERVED FOR CLERK'S USE]-----

AFTER RECORDING, PLEASE RETURN TO:

Attn: _____
Telephone: (____) ____-____

LIMITED WARRANTY DEED

THIS INDENTURE is made this ____ day of _____, 20__, by and between _____, a _____ ("Grantor"), and _____, a _____ ("Grantee").

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of TEN DOLLARS (\$10.00) in hand paid to Grantor by Grantee at and before the execution, sealing and delivery hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto Grantee, and the successors, legal representatives and assigns of Grantee all those tracts or parcels of land lying and being in Land Lot ___ of the _____ District of _____ County, Georgia, more particularly described on **Exhibit "A"** attached hereto and incorporated herein by reference (the "**Property**").

TO HAVE AND TO HOLD said Property, together with any and all of the rights, members and appurtenances thereof to the same being, belonging or in anywise appertaining to the only proper use, benefit and behalf of Grantee forever, in fee simple; and

GRANTOR SHALL WARRANT and forever defend the right and title to said Property unto Grantee, and the [heirs,] successors, legal representatives and assigns of Grantee, against the claims of all persons whomsoever, claiming by, through or under Grantor, but not otherwise; provided, however, that the warranties of title made by Grantor herein shall not extend to any claims arising under those matters set forth on **Exhibit "B"** attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Grantor has executed and sealed this indenture, and delivered this indenture to Grantee, all the day and year first written above.

GRANTOR:

Signed, sealed and delivered in the presence of:

_____,
a _____ limited liability company

Unofficial Witness

By: _____ (SEAL)

Name: _____

Title: _____

Notary Public

My Commission Expires:

(NOTARIAL SEAL)



EXHIBIT "C"

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES (this "**Assignment**") is made and entered into as of this ____ day of _____, 20__, by and between _____, a(n) _____ ("**Assignor**"), and _____, a(n) _____ ("**Assignee**").

WITNESSETH:

For and in consideration of the sum of Ten and No/100 Dollars (\$10.00), the conveyance by Assignor to Assignee of all that real property and property rights particularly described on **Exhibit "A"**, attached hereto and incorporated herein by this reference (hereinafter referred to as the "**Property**"), and the mutual covenants herein contained, the receipt and sufficiency of the foregoing consideration being hereby acknowledged by the parties hereto, Assignor hereby transfers, grants, conveys, and assigns to Assignee all of Assignor's right, title, and interest in and to, all tenant leases of space or property within the Property and under any and all guaranties thereof or relating thereto, as set forth on **Exhibit "B"**, attached hereto and incorporated herein by this reference, together with all modifications, extensions and amendments thereof (collectively, the "**Leases**"), together with all security deposits currently held by Assignor under the Leases, and together with all rents, issues, and profits under the Leases relating to the period commencing with the date hereof.

Assignee, by its acceptance hereof, does hereby assume and agree to perform any and all obligations and duties of Assignor as "**landlord**" or "**lessor**" under the Leases first arising from and after the date hereof.

Assignee shall defend, indemnify, protect, and hold harmless Assignor from any liability or responsibility arising or accruing under any of the Leases from and after the date hereof. Subject to the "Floor," "Cap" and Survival Period limitations set forth in Section 9.1 of that certain Purchase and Sale Agreement between Assignor and Assignee dated _____, 2020 (the "**PSA Limitations**"), Assignor shall defend, indemnify protect, and hold harmless Assignee from any liability or responsibility arising or accruing under any Leases prior to the date hereof. The parties intend to allocate to Assignee all risks associated with the Leases, including default by or disputes with any tenants thereunder, arising on or after the date hereof, and subject to the PSA Limitations, allocates to Assignor all risks associated with the Leases arising before the date hereof. As used in herein, "arising," "accruing" and any derivation of those words means that the act or omission giving rise to the matter in question occurred during the period of responsibility allocated herein to Assignee or Assignor.

This Assignment shall inure to the benefit of, and be binding upon, the respective legal representatives, successors, and assigns of the parties hereto. This Assignment shall be governed by, and construed under, the laws of the State where the Property is located.

The parties hereto agree that this Assignment may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute a fully-executed and binding original instrument.

[remainder of page intentionally left blank; signatures to follow]

NAI-1510716910v10

C-2

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

ASSIGNOR:

_____,
a _____

By: _____
a _____
its _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ASSIGNEE:

_____,
a _____

By: _____
a _____
its _____

By: _____
Name: _____
Title: _____

EXHIBIT "D"

BILL OF SALE

This Bill of Sale (this "**Bill of Sale**") is made and entered into this ___ day of _____, 2020, by and between _____, a _____ ("**Assignor**"), and _____, a _____ ("**Assignee**").

In consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby assign, transfer, convey and deliver to Assignee, its successors and assigns, all items of personal property, if any, owned by Assignor and situated upon and used exclusively in connection with the operation, repair, or maintenance of the Real Property (as defined in the Agreement and more particularly described on **Exhibit A** attached hereto and made a part hereof for all purposes), and identified in **Exhibit B** attached hereto and made a part hereof for all purposes (the "**Personal Property**").

Assignee acknowledges and agrees that, except as expressly provided in, and subject to the limitations contained in, that certain Purchase and Sale Agreement dated as of _____, 2020, by and between Assignor and Assignee (as amended, the "**Agreement**"), Assignor has not made, does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (a) the nature, quality or conditions of the Personal Property, (b) the income to be derived from the Personal Property, (c) the suitability of the Personal Property for any and all activities and uses which Assignee may conduct thereon, (d) the compliance of or by the Personal Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, (e) the quality, habitability, merchantability or fitness for a particular purpose of any of the Personal Property, or (f) any other matter with respect to the Personal Property. Assignee further acknowledges and agrees that, having been given the opportunity to inspect the Personal Property, Assignee is relying solely on its own investigation of the Personal Property and not on any information provided or to be provided by Assignor. Assignee further acknowledges and agrees that the sale of the Personal Property as provided for herein is made on an "as is, where is" condition and basis "with all faults," and subject to the limitations contained in, the Agreement.

[remainder of page intentionally left blank; signatures to follow]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Bill of Sale to be executed on the date and year first above written.

ASSIGNOR:

_____,
a _____

By: _____,
a _____,
its _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signatures Continue on Next Page]

ASSIGNEE:

_____,
a _____

By: _____,
a _____,
its _____

By: _____
Name: _____
Title: _____

EXHIBIT "E"

ASSIGNMENT OF SERVICE CONTRACTS,
WARRANTIES AND OTHER INTANGIBLE PROPERTY

This Assignment of Leases, Service Contracts, Warranties and Other Intangible Property (this "**Assignment**") is made and entered into this ___ day of _____, 2020, by and between _____, a _____ ("**Assignor**"), and _____, a _____ ("**Assignee**").

For good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby assign, transfer, set over and deliver unto Assignee all of Assignor's right, title, and interest, if any, in and to the following (collectively, the "**Assigned Items**"): (i) those certain service contracts[, **construction contracts, equipment leases and tenant improvement agreements**] (the "**Service Contracts**") listed on **Exhibit A**, if any, attached hereto and made a part hereof for all purposes, (ii) warranties held by Assignor affecting the Property (the "**Warranties**"), including, but not limited to those listed on **Exhibit B**, if any, attached hereto and made a part hereof for all purposes, and (iii) all zoning, use, occupancy and operating permits, and other permits, licenses, approvals and certificates, maps, plans, specifications, and all other Intangible Personal Property (as defined in the Agreement) owned by Assignor and used exclusively in the use or operation of the Real Property and Personal Property (each as defined in the Agreement), including, without limitation, the right of Assignor, if any, to use the name "**Perimeter Place**" and any other agreements or rights relating to the use and operation of the Real Property and Personal Property (collectively, the "**Other Intangible Property**").

ASSIGNEE ACKNOWLEDGES AND AGREES, BY ITS ACCEPTANCE HEREOF, THAT, EXCEPT AS EXPRESSLY PROVIDED IN, AND SUBJECT TO THE LIMITATIONS CONTAINED IN, THAT CERTAIN PURCHASE AND SALE AGREEMENT, DATED AS OF _____, 2020, BY AND BETWEEN ASSIGNOR AND ASSIGNEE (AS AMENDED, THE "**AGREEMENT**"), THE ASSIGNED ITEMS ARE CONVEYED "AS IS, WHERE IS" AND IN THEIR PRESENT CONDITION "WITH ALL FAULTS," AND THAT ASSIGNOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE NATURE, QUALITY OR CONDITION OF THE ASSIGNED ITEMS, THE INCOME TO BE DERIVED THEREFROM, OR THE ENFORCEABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE ASSIGNED ITEMS.

By accepting this Assignment and by its execution hereof, Assignee assumes the payment and performance of, and agrees to pay, perform and discharge, all the debts, duties and obligations which are to be paid, performed or discharged and which first accrue from and after the Closing Date (as defined in the Agreement) (a) by the owner under the Service Contracts, the Warranties and/or the Other Intangible Property, and (b) relating to the Leasing Agreements pursuant to the provisions of **Section 8.3** of the Agreement.

Assignee agrees to indemnify, hold harmless and defend Assignor from and against any and all claims, losses, liabilities, damages, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and disbursements) resulting by reason of the failure of Assignee to pay, perform or discharge any of the debts, duties or obligations pursuant to the Assigned Items which accrue on or after (but not before) the date hereof.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

[remainder of page intentionally left blank; signatures to follow]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed on the day and year first above written.

ASSIGNOR:

_____,
a _____

By: _____,
a _____,
its _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signatures Continue on Next Page]

ASSIGNEE:

_____,
a _____

By: _____, a
_____, its

By: _____
Name: _____
Title: _____

EXHIBIT "F"

TENANT NOTICE LETTER

(Landlord)
[Seller's Name]
c/o GLL Real Estate Partners, Inc.
200 Orange Avenue, Suite 1375
Orlando, Florida 32801

Attention: _____

_____, 20__

[Tenant Name & Address]

Re: Notice to Tenants of _____ (the "**Premises**");

Dear Tenant:

Please be advised that on ___(date of sale)___, 20__ (the "**Effective Date**"), the Premises was conveyed and the landlord's interest in your lease (the "**Lease**") was assigned by _____ (the "**Landlord**") to _____ (the "**Buyer**"). The purpose of this letter is to inform you of the acquisition and to facilitate ongoing communication.

In connection with such sale, Landlord, as seller, has assigned and transferred its interest in your lease to Buyer, and Buyer has assumed and agreed to perform all of Landlord's obligations under the Lease from and after the Effective Date. Accordingly, (i) all of your obligations as tenant under the Lease from and after Effective Date (including, but not limited to, your obligations to pay rent) shall be performable to and for the benefit of Buyer, its successors and assigns, and (ii) all of the obligations of the landlord under the lease from and after Effective Date shall be binding obligations of Buyer, and its successors and assigns, and Landlord shall have no further obligations under the lease.

Until otherwise directed by Buyer, communications with Buyer with respect to the following matters should be directed as follows:

I. Rent. All rents, additional rents and other charges under the lease for periods from and after Effective Date are to be made payable to Buyer at the following address:

Attention: _____

All rental payments and other monies due under your Lease for periods prior to Effective Date, should be made payable to the Landlord in accordance with existing procedures.

II. Notices. All notices and other communications to the landlord under your Lease shall be delivered to Buyer at the following address:

Attention: _____

Please amend the insurance policies, which you are required to maintain under your lease, to delete Landlord as an additional insured thereunder and to include Buyer as an additional insured thereon.

We appreciate your patience and cooperation during this transition.

LANDLORD:

_____,
a _____

By: _____
a _____
its _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "G"

FORM OF TENANT ESTOPPEL CERTIFICATE

TENANT ESTOPPEL CERTIFICATE

To: CTO20 Perimeter LLC, a Delaware limited liability company, as buyer, and its affiliates, lenders, successors and assigns; and GLL Perimeter Place, L.P., a Delaware limited partnership ("Landlord"), as seller. (collectively, "Beneficiaries")

From: _____ ("Tenant")

Re: Lease dated _____, 20__ between Landlord (or its predecessor-in-interest), as landlord, and Tenant (or Tenant's predecessor-in-interest), as tenant, as amended by _____¹ (collectively, the "Lease"), with respect to the premises (the "Premises"), consisting of approximately _____ rentable square feet, known as Suite(s) # _____ located at Perimeter Place in the Dekalb County, Georgia (the "Real Property").

Tenant represents and warrants for the benefit of Beneficiaries that as of the Effective Date set forth below:

1. Attached hereto as Exhibit 1 is a full, true and complete description of the Lease, including all amendments, modifications, assignments, renewals, extensions, supplements, side letters, and addenda thereto, and, except as set forth in the Lease, Tenant has no other rights with respect to the Premises, the Real Property or any portion thereof; there are no other promises, agreements, understandings, or commitments between Landlord and Tenant relating to the Premises; and Tenant has not given Landlord any notice of termination thereunder.

2. The Lease is in full force and effect and has not been modified or amended (except as may be herein set forth), and, except as described in the definition of "Lease" or attached hereto as part of Exhibit 1, no option, if any, to extend the term of the Lease or to expand or contract the area of the Premises has been exercised.

3. Tenant has not assigned its interest in the Lease or sublet any of the Premises, except as follows:

(none if left blank)

4. The rent commencement date occurred on _____. Tenant acknowledges that the monthly rental payable to Landlord is currently as follows:²

Type of Rent	Amount	Paid Through
Base Rent		
Fixed CAM		

¹ List all amendments, modifications, assignments, renewals, extensions, supplements, side letters, and addenda.

² To be updated based on applicability to each lease.

Variable CAM		
Insurance		
Taxes		
Promotion Charge		
Marketing Charge		
Percentage Rent		

5. The security deposit made, if any, is \$ _____ (*none if left blank*), which is in the form of cash. No base rent, additional rent, percentage rent or other sums or charges have been paid for more than one (1) month in advance of the due date under the Lease.

6. Tenant does not claim a right to any outstanding allowances, concessions, free rent, or rental abatement other than:

if left blank).

7. The term of the Lease expires _____, and Tenant is not entitled to any renewal options except as set forth in the Lease. Tenant has no option to terminate the Lease prior to the expiration date except as set forth in the Lease.

8. Tenant is not in default under the Lease, and Tenant does not have any presently existing claims against Landlord or any offsets against rent due under the Lease. There are no (i) defaults of Landlord under the Lease to Tenant's knowledge, (ii) existing circumstances which with the passage of time, or notice, or both, would give rise to a default under the Lease, (iii) existing rights to abate, reduce or offset sums against rent or terminate this Lease because of any other condition, or (iv) existing circumstances which with the passage of time, or notice, or both, would give rise to a right to abate, reduce or offset sums against rent or terminate the Lease.

9. Tenant is in full and complete possession of and has accepted the Premises, including all work required to be performed by Landlord thereon pursuant to the terms and provisions of the Lease or otherwise; and all areas of the Premises are in compliance with the Lease and are satisfactory for Tenant's purposes. Tenant is currently occupying the Premises and Tenant is open for business.

10. Neither Tenant nor any general partners of Tenant (in the case of a partnership tenant), or any guarantor or other person or entity liable on the Lease has filed a petition in bankruptcy that has not been dismissed as of the date hereof, has been subject to an involuntary petition in bankruptcy which has not been dismissed, has made an assignment for the benefit of any creditor(s), or has been adjudged to be bankrupt or insolvent by a court of competent jurisdiction.

11. Tenant does not have any option or right of first refusal to purchase any portion of the Premises or the Real Property.

12. Any notices which may or shall be given to Tenant under the terms of the Lease are to be sent to Tenant at the following address:

[Tenant's Address]

Tenant acknowledges the right of the Beneficiaries and their respective successors and assigns to rely on the statements and representations contained in this estoppel certificate and further understands that the pending transactions involving the Real Property will be made in material reliance on this estoppel certificate. The undersigned is authorized by all necessary action of Tenant to execute this Tenant Estoppel Certificate on behalf of Tenant. Furthermore, signatures transmitted via a facsimile or other electronic means [e.g. .PDF] may be relied upon, and shall be as binding, as an original signature.

Tenant:

[TENANT NAME AND ENTITY INFORMATION]

By _____
Name _____
Title _____

Effective Date: _____

GUARANTOR CERTIFICATIONS ATTACHED TO ESTOPPEL CERTIFICATE

_____, a _____ (“Guarantor”), as the guarantor of Tenant’s obligations under the Lease pursuant to that certain Guaranty, dated _____, 20____, as amended by _____³ in favor of Landlord (collectively, the “Guaranty”), hereby certifies, as of the date of execution hereof, set forth below to the Beneficiaries, as follows:

- i. The Guaranty, all amendments thereto and all Guarantor consents attached to other Lease documents are described on Exhibit 1.
- ii. The Guaranty constitutes the entire agreement between Landlord and Guarantor with respect to Guarantor’s obligations relating to Tenant and the Lease.
- iii. The Guaranty is in full force and effect and has not been amended, modified, supplemented or terminated, except as may be herein set forth.
- iv. To Guarantor’s knowledge, Landlord is not in default in the performance of any covenant, agreement or condition contained in the Lease and there exists no fact or circumstance as of the date of this certification which, either alone or taken together with other facts and circumstances, creates for Guarantor as of the date of execution set forth below any defense, counterclaim, lien or claim of offset or credit by Guarantor under the Guaranty or any other claim by Guarantor against Landlord.
- v. Guarantor hereby consents to Tenant’s execution and delivery of this Estoppel Certificate.
- vi. The person executing this certification on behalf of Guarantor is duly authorized to execute and deliver this certification. Guarantor acknowledges and agrees that the Beneficiaries shall be entitled to rely on each of Tenant’s and Guarantor’s respective certifications set forth in this certification, and all such persons shall be entitled to rely on and to have the benefit of the assurances to matters set forth in such certifications. This certification shall be binding upon Guarantor and its legal representatives, successors and assigns. Furthermore, signatures transmitted via a facsimile or other electronic means [e.g. .PDF] may be relied upon, and shall be as binding, as an original signature.

[GUARANTOR NAME]:

By _____
Name _____
Title _____

³ List all amendments, modifications, assignments, renewals, extensions, supplements, side letters, and addenda.

EXHIBIT 1 TO ESTOPPEL CERTIFICATE

LEASE DESCRIPTION

NAI-1510716910v10

G-5

EXHIBIT "H"

Description of:

Leases, Lease Amendments and Lease Guaranties
Securities Deposits [Amounts & Form]
Outstanding Leasing Costs
Disclosures

Leases, Lease Amendments and Lease Guaranties

Abishay Enterprises, LLC (Ali's Cookies)

- Lease Agreement dated as of December 23, 2011
- Guaranty of Lease dated December, 2011
- Possession Letter dated as of January 6, 2012
- Confirmation of Commencement Date dated June 11, 2012
- First Amendment to Lease Agreement as of February 7, 2018

Advanced Dermal Sciences, LLC (Spa Sydell)

- Guaranty Agreement dated as of October 27, 2017
- Guaranty Agreement dated as of October 27, 2017
- Lease Agreement dated as of November 1, 2017
- First Amendment to Lease Agreement as of April 26, 2018
- Second Amendment to Lease Agreement as of August 21, 2019

Akber Ali A. Rajwani (Unique Threading & Waxing)

- Lease Agreement dated October 14, 2011
- Guaranty of Lease dated October 14, 2011
- Confirmation of Commencement Date dated January 6, 2012
- Renewal Letter dated December 16, 2016
- Acknowledgement of Exercise of Renewal Option dated April 12, 2017

Springwood Holdings, LLC (Amazing Lash Studio)

- Guaranty of Lease dated August 11, 2016
- Guaranty of Lease dated August 11, 2016
- Lease Agreement dated as of August 16, 2016
- Guaranty of Lease dated August 16, 2016
- Guaranty of Lease dated August 16, 2016
- Exhibit C Sign Criteria dated August 25, 2016

- Landlord's Lien Subordination Agreement dated October 25, 2016
- Confirmation of Commencement Date dated January 20, 2017
- Update Notice Information Letter dated October 30, 2019

Beal Nevada Service Corporation (Beal Bank)

- Lease Agreement dated June 25, 2008
- Confirmation of Commencement Date dated February 18, 2009
- Assignment and Assumption of Lease dated January 22, 2014
- Consent to Assignment and Amendment to Lease Agreement dated January 27, 2014
- Second Amendment to Lease Agreement dated September 26, 2018

Carrabba's / Georgia-I, Limited Partnership (Carrabba's Italian Grill)

- Lease Agreement dated April 28, 2004
- Guaranty of Lease dated April 28, 2004
- Guaranty of Completion Improvements dated April 28, 2004
- Guaranty of Lease dated April 28, 2004
- Amendment to Lease dated July 27, 2004
- Second Amendment to Lease dated August 3, 2004
- Third Amendment to Lease dated September 10, 2004
- Fourth Amendment to Lease dated October 21, 2004
- Fifth Amendment to Lease dated November 18, 2004
- Sixth Amendment to Lease dated December 10, 2004
- Seventh Amendment to Lease dated September 6, 2005
- Term Commencement and Expiration Agreement dated May 2, 2006
- Notice of Landlord Move dated April 24, 2015
- Renewal Option Exercise Letter dated May 26, 2015
- Crunch Use Waiver dated as of June 30, 2016

A.J.P.N. Enterprises, Inc. (Carriage Cleaners)

- Lease Agreement dated December 15, 2004
- Possession Letter dated August 9, 2005
- First Amendment to Lease dated October 6, 2005
- Confirmation of Commencement dated January 9, 2006
- Assignment and Assumption of Lease and Second Amendment to Lease Agreement dated October 19, 2006
- Guaranty of Lease executed October 13, 2006
- Lease Renewal Letter dated September 30, 2010
- Third Amendment to Lease Agreement dated February 23, 2011

- Assignment and Assumption of Lease and Fourth Amendment to Lease Agreement dated March 19, 2012
- Guaranty of Lease dated March 16, 2012
- Fifth Amendment to Lease Agreement dated December 1, 2015

Chipotle Mexican Grill of Colorado, LLC

- Guaranty of Lease dated June 24, 2004
- Lease Agreement dated June 24, 2004
- Exercise of Renewal Option dated May 22, 2015
- First Amendment of Lease Agreement dated December 2, 2019

The Coca-Cola Company (Q Research Solutions)

- Lease Agreement dated January 18, 2017
- Letter Regarding Plans for Tenant's Work dated January 18, 2017
- Subordination, Non-Disturbance, and Attornment Agreement dated February 13, 2017
- Tenant Notice Address Update and Authorization for The Coca Cola Company dated December 21, 2017
- Correction of Notice Address dated June 20, 2018

Cold Stone Creamery, Inc.

- Lease Agreement dated as of June 7, 2005
- Possession Letter dated as of August 9, 2005
- Confirmation of Commencement Date dated January 13, 2006
- First Amendment to Lease Agreement dated August 12, 2010
- Lease Renewal Pertaining to Lease dated as of June 25, 2015
- Renewal Response Letter dated as of June 26, 2015
- Letter Agreement Regarding Extension of Term dated as of August 4, 2015

Sublease Documents - Prime Financial Investments, LLC:

- Sublease Pre-Notice dated March 15, 2016
- Sublease Agreement dated July 26, 2017
- Guaranty of Sublease dated July 26, 2017

R.F. Huntleigh, LLC (Contender eSports)

- Lease Agreement dated January 15, 2020
- Guaranty of Lease executed January 13, 2020
- Possession Letter dated January 17, 2020

JVT Perimeter, LLC (Crunch Fitness)

- Lease Agreement dated August 3, 2016
- Guaranty Agreement by VRJ Holdings, LLC dated August 3, 2016
- Guaranty Agreement by TVJ Holdings, LLC dated August 3, 2016
- Guaranty Agreement by Vince Julien and Geoff Dyer dated August 3, 2016
- Letter Agreement Re: Possession Date and the Permit Period Deadline dated December 6, 2016 and acknowledged December 7, 2016
- Landlord's Lien Subordination Agreement dated June 5, 2017
- Rent Commencement Date dated May 3, 2017 and acknowledged May 9, 2017
- Tenant Notice of JVT Ownership Change dated March 15, 2018
- First Amendment to Lease Agreement dated May 17, 2019
- Reaffirmation of Guaranty dated as of May 17, 2019 by VRJ Holdings, LLC.
- Reaffirmation of Guaranty dated as of May 17, 2019 by TVJ Holdings, LLC.
- Reaffirmation of Guaranty dated as of May 17, 2019 by Vince Julien.
- Reaffirmation of Guaranty dated as of May 21, 2019 by Geoff Dyer.

DentFirst, PC

- Lease Agreement dated October 17, 2012
- Possession Letter dated as of October 25, 2012
- Confirmation of Commencement Date dated April 16, 2013

Dress Up Perimeter, LLC (Dress Up Boutique)

- Lease Agreement dated April 5, 2013
- Guaranty of Lease dated April 5, 2013
- Confirmation of Commencement Date dated October 21, 2013
- Key Handover Letter dated April 12, 2014
- Building Access Agreement – Comcast Cable Communications Management, LLC dated January 8, 2019
- Building Access Agreement – Comcast Cable Communications Management, LLC dated June 10, 2019

Fleming's / Southeast-I, Limited Partnership

- Guaranty of Lease dated July 27, 2004
- Guaranty of Lease dated July 27, 2004
- Guaranty of Completion of Improvements dated July 15, 2004
- Lease Agreement dated as of July 27, 2004
- Memorandum of Lease dated July 28, 2004

- First Amendment to Lease Agreement dated October 8, 2004
- Second Amendment to Lease Agreement dated May 18, 2005
- Term Commencement and Expiration Agreement dated May 2, 2006
- Landlord's Consent Fleming's Digital Menu Board dated August 30, 2012
- Notice of Landlord Move dated as of April 24, 2015 from GLL Perimeter Place, L.P., a Delaware limited partnership
- Renewal Option Exercise Notice dated May 26, 2015

Heights Inc., d/b/a Savvi Formalwear

- Lease Agreement dated September 21, 2010
- Guaranty of Lease dated September 21, 2010
- Confirmation of Commencement Date dated February 24, 2011
- Renewal Option Exercise dated March 19, 2015
- Transfer of the Premises Pursuant – Change of Control – Landlord Consent dated March 12, 2019
- Updated Tenant Notice Letter dated December 3, 2019

HobNob Perimeter, Inc.

- Guaranty Agreement dated March 14, 2018
- Lease Agreement dated March 19, 2018
- Landlord's Lien Subordination Agreement dated June 21, 2018
- First Amendment to Lease Agreement dated September 21, 2018
- Building Access Agreement – Comcast Cable Communications Management, LLC dated November 12, 2018

Hyderabad House Atlanta, LLC

- Guaranty Agreement dated September 5, 2019
- Guaranty Agreement dated September 5, 2019
- Lease Agreement dated September 9, 2019
- Possession Letter dated September 11, 2019

J.A. Designs, LLC (Jewelry Artisans)

- Guaranty of Lease dated December 21, 2005
- Lease Agreement dated December 21, 2005
- Possession Letter dated as of January 9, 2006
- Commencement Confirmation Notice dated May 16, 2006
- First Amendment to Lease Agreement dated May 25, 2006

- Second Amendment to Lease Agreement dated April 30, 2011
- Third Amendment to Lease Agreement dated April 12, 2017

Jos A. Bank Clothiers Inc.

- Lease Agreement dated March 31, 2006
- Confirmation of Commencement Date dated June 12, 2006
- The First Amendment to Lease dated February 14, 2011
- Renewal Option Notice dated December 16, 2015

Furniture Galleries of Atlanta, LLC (La-Z-Boy)

- Lease Agreement dated May 19, 2005
- Guaranty of Lease dated May 19, 2005
- Subordination, Non-Disturbance, and Attornment Agreement dated as of June 2, 2005
- Confirmation of Commencement Date dated March 16, 2006
- Assignment and Assumption of Lease dated November 28, 2006
- Consent of Landlord dated November 28, 2006
- Lease Guaranty Agreement dated as of November 28, 2006
- Landlord Consent to Indemnification and Reimbursement Agreement dated as of November 28, 2006
- Unconditional Guaranty Agreement dated January 21, 2016
- First Amendment to Lease Agreement dated February 3, 2016
- Landlord's Lien Subordination Agreement dated April 11, 2017

Melissa C, LLC (fab'rik)

- Lease Agreement dated October 8, 2012
- Guaranty of Lease dated October 8, 2012
- Confirmation of Commencement Date dated December 26, 2012
- First Amendment to Lease Agreement dated December 21, 2017
- Reaffirmation of Guaranty dated as of December 15, 2017
- Reaffirmation of Guaranty dated as of December 15, 2017
- Second Amendment to Lease Agreement dated July 22, 2019
- Reaffirmation of Guaranty dated as of July 16, 2019
- Reaffirmation of Guaranty dated as of July 16, 2019

Meritage Homes of Georgia, Inc.

- Lease of Agreement dated as of July 11, 2016
- Confirmation of Commencement Letter dated November 22, 2016

Michaels Stores, Inc.

- Shopping Center Lease dated August 18, 2014
- Memorandum of Shopping Center Lease dated August 18, 2014
- Landlord Notice Change Letter date December 2, 2014
- Waiver and release of Lien Upon Final Payment dated March 5, 2015
- Notice of Lease dated March 30, 2015
- Parking Request Letter dated November 21, 2017

Loc Van Nguyen and H. T. Tran (Nail Talk)

- Lease Agreement dated September 20, 2004
- First Amendment to Lease Agreement dated April 23, 2007
- Second Amendment to Lease Agreement dated March 31, 2011
- Renewal Option Exercise Notice dated March 2, 2017

Outback/Southwest Georgia, L.P.

- Guaranty of Lease dated April 27, 2004
- Guaranty of Lease dated April 27, 2004
- Guaranty of Completion of Improvements dated April 27, 2004
- Lease dated April 28, 2004
- Amendment to Lease dated July 27, 2004
- Second Amendment to Lease dated August 3, 2004
- Third Amendment to Lease dated September 10, 2004
- Fourth Amendment to Lease dated October 21, 2004
- Fifth Amendment to Lease dated November 18, 2004
- Sixth Amendment to Lease dated December 10, 2004
- Assignment and Assumption of Lease dated June 22, 2005
- Seventh Amendment to Lease dated July 8, 2005
- Renewal Option Exercise Letter dated April 23, 2015
- Landlord Move Notice dated as of April 24, 2015
- Waiver (Crunch Use Waiver) dated June 30, 2016

Panera, LLC

- Memorandum of Lease dated July 13, 2004
- Lease Agreement dated July 13, 2004
- Subordination, Non-Disturbance and Attornment Agreement dated September 30, 2004
- Possession letter dated as of September 16, 2005
- First Amendment to Lease dated May 22, 2012

- Confirmation of Commencement Date dated January 13, 2006

PNC Bank, National Association

- Lease Agreement dated April 26, 2004
- Development Agreement dated April 26, 2004
- Acquisition by PNC Notice dated January 31, 2012

Premier Fitness Source, LLC

- Lease Agreement dated January 23, 2014
- First Amendment to Lease dated March 5, 2014
- First Amendment to Lease dated December 8, 2016
- Second Amendment to Lease dated October 23, 2017

Premier Pita Kings, LLC (The Hummus & Pita Co.)

- Lease Agreement dated September 30, 2019
- Guaranty Agreement dated September 23, 2019
- Possession Letter dated October 1, 2019

PT Solutions Holdings, LLC

- Lease Agreement dated as of January 15, 2020
- Possession Letter dated January 17, 2020

Relax the Back 234, LLC

- Lease Agreement dated August 12, 2016
- Guaranty Agreement dated August 12, 2016
- Tenant Notice Address Change Letter dated August 2, 2017

Ross Stores, Inc.

- Lease Agreement dated May 10, 2004
- Memorandum of Lease dated May 10, 2004
- First Amendment to Lease dated August 18, 2004
- Acknowledgement of Commencement dated March 28, 2006
- Acknowledgement of Commencement – Corrected dated May 18, 2006
- Waiver of Prohibited Uses dated September 23, 2010
- Legal Notification Renewal Option (1st Option) dated December 15, 2015
- Second Amendment to Lease dated October 26, 2016
- CCTV Install Request dated January 25, 2018

- Response Notice to CCTV Request dated February 1, 2018

The Sembler Company

- Lease Agreement dated November 1, 2006
- Option to Renew dated September 14, 2007
- Management Office Renewal dated September 15, 2008
- Option to Renew dated October 1, 2009
- Option to Renew dated October 12, 2010
- Option to Renew dated October 11, 2011
- First Amendment to Lease Agreement dated September 20, 2012

Blue Vase Hospitality, LLC (Shane's Rib Shack)

- Lease Agreement dated September 21, 2004
- Guaranty of Lease dated September 21, 2004
- Assignment and Assumption of Lease and First Amendment to Lease Agreement dated October 10, 2005
- Guaranty of Lease dated October 10, 2005
- Confirmation of Commencement Date dated February 7, 2006
- Landlord's Consent to Assignment Agreement dated December 8, 2014
- Exercise Option to Extend Lease dated June 29, 2015
- Assignment and Assumption of Lease Agreement dated December 31, 2018
- Building Access Agreement – Comcast Cable Communications Management, LLC –dated February 21, 2019
- Landlord Consent to Assignment and Assumption of Lease Agreement dated as of March 11, 2019
- Second Amendment to Lease Agreement dated May 7, 2019

Shearious Salon, LLC

- Lease Agreement dated November 1, 2017
- Guaranty Agreement dated October 30, 2017

PWI Partners, Inc. (Sweet Tuna)

- Lease Agreement dated as of May 30, 2017
- Guaranty Agreement dated May 26, 2017
- Confirmation of Commencement Date dated October 11, 2017

Perimeter Mac, LLC (Taco Mac)

- Lease Agreement dated December 29, 2004
- Guaranty of Lease dated January 12, 2005
- Rent Commencement Letter dated as of February 15, 2006
- Letter of Entertainment dated February 22, 2011
- Notice and Request for Consent to Change of Control dated June 26, 2012
- Renewal Option Exercise Letter dated May 15, 2015
- Landlord's Lien Subordination Agreement dated August 3, 2018

IDC Dunwoody, LLC (Tin Drum Asia Café)

- Lease Agreement dated April 9, 2004
- Guaranty of Lease dated April 7, 2004
- Assignment and Assumption of Lease and First Amendment to Lease Agreement dated January 30, 2006
- Guaranty of Lease dated January 30, 2006
- Rent Commencement Letter dated February 7, 2006
- Assignment and Assumption of Lease and Second Amendment to Lease Agreement dated December 3, 2008
- Guaranty of Lease dated December 3, 2008
- Third Amendment to Lease Agreement dated December 2, 2015
- Fourth Amendment to Lease Agreement dated September 23, 2019

Verizon Wireless (VAW) LLC

- Lease Agreement dated December 28, 2004
- Possession Letter dated as of August 8, 2005
- Improvement Consent Request dated as of November 11, 2013
- First Amendment to Lease Agreement dated May 12, 2014

Weeryoung Enterprises, Inc. (Vitality Bowls)

- Lease Agreement dated as of March 26, 2018
- Guaranty Agreement dated March 15, 2018
- Rent Commencement Date Letter dated October 2, 2018

Weight Loss Enterprises, Inc. (Quick Weight Loss Centers)

- Lease Agreement dated October 7, 2010
- Guaranty of Lease dated October 7, 2010
- Possession Letter dated October 19, 2010

- First Amendment to Lease Agreement dated January 27, 2016
- Building Access Agreement – Comcast Cable Communications Management, LLC – dated January 8, 2019

MV Foods 1, LLC (Which Wich Superior Sandwiches)

- Guaranty Agreement dated July 27, 2017
- Lease Agreement dated July 31, 2017
- Letter Agreement dated as of January 8, 2018

Securities Deposits [Amounts & Form]

Tenant	Letter of Credit	Cash
Abishay Enterprises, LLC (Ali's Cookies)		\$4,181.51
Advanced Dermal Sciences, LLC (Spa Sydell)		\$8,543.46
A.J.P.N. Enterprises, Inc. (Carriage Cleaners)		\$10,630.00
Akber Ali A. Rajwani (Unique Threading & Waxing)		\$7,113.18
DentFirst, P.C.		\$10,333.33
Furniture Galleries of Atlanta, LLC (La-Z-Boy)		\$86,416.00
HobNob Perimeter, Inc.		\$22,266.34
Hyderabad House Atlanta, LLC		\$16,671.17
J.A. Designs, LLC (Jewelry Artisans)		\$8,830.00
Loc Van Nguyen and H. T. Tran (Nail Talk)		\$8,230.00
MV Foods 1, LLC (Which Wich Superior Sandwiches)		\$3,963.00
Premier Fitness Source, LLC		\$5,995.87
Premier Pita Kings, LLC (The Hummus & Pita Co.)		\$10,987.67
PT Solutions Holdings, LLC		\$7,791.20
PWI Partners, Inc. (Sweet Tuna)		\$26,349.93
R.F. Huntleigh LLC (Contender eSports)		\$6,758.38
Shearious Salon, LLC		\$4,744.67
Springwood Holdings, LLC (Amazing Lash Studio)		\$5,381.25
Weeryoung Enterprises, Inc. (Vitality Bowls)		\$4,406.67
Total		\$259,593.63

Outstanding Leasing Costs*

*As of February 4, 2020 – to be updated prior to PSA execution

Tenant	TI Allowance	Leasing Commission	Free Rent	Total
PT Solutions	\$89,920.00	\$33,073.92	\$0.00	\$122,993.92
Contender eSports	\$39,000.00	\$19,484.01	\$0.00	\$58,484.01
Premier Pita Kings	\$70,000.00	\$35,296.80	\$0.00	\$105,296.80
Verizon Wireless (<i>Pending</i>)	\$0.00	\$93,150.00	\$0.00	\$93,150.00
Chipotle	\$36,000.00	\$0.00	\$0.00	\$36,000.00
Hyderbad	\$159,660.00	\$0.00	\$12,418.00	\$172,078.00
Tin Drum	\$17,600.00	\$0.00	\$0.00	\$17,600.00
		*Total Outstanding Leasing Costs		\$605,602.73

H-13

NAI-1510716910v10

EXHIBIT "I"

LIST OF SERVICE CONTRACTS

Vendor	Service Relates To	Date of Contract
Advanced Enviro Systems	Waste and Recycling Program	06/27/2019
Guard One Protective Service	Security Services	08/01/2017 New Contract – 3/15/2019
Litter Control	Sweeping	12/01/2018
Live Oak Landscape Services, Inc.	Landscaping	09/01/2019
Otis Elevator Company	Elevator	07/2015
Rentokil	Pest Control	12/16/2005
Schindler Elevator Corporation	Elevator	08/09/2006
Wiginton Fire Systems	Fire Alarm Monitoring, Test & Inspections	07/01/2018
The Sembler Company	Property Management	10/06/2006 – Property Management and Leasing Agreement 9/17/2018 – Leasing Services Termination Notice 10/10/2018 – First Amendment to Property Management and Leasing Agreement
Colliers International – Atlanta, LLC	Leasing	10/16/2018 - Exclusive Marketing and Leasing Agreement

* Indicates Service Contracts that Buyer is required to assume in accordance with Section 8.3 of this Agreement.

EXHIBIT "J"

FORM OF TITLE AFFIDAVIT

SELLER'S AFFIDAVIT

STATE OF _____)
) SS.
COUNTY OF _____)

The undersigned, _____, a(n) _____ (referred to herein as "**Seller**"), being duly sworn according to law, deposes and states that:

1. Reference is hereby made to the real property located in City of _____, County of _____, State of _____ commonly known as _____ (the "**Property**") and which is more particularly described in Exhibit A to _____ Title Insurance Company (the "**Title Company**") Commitment No. _____ (the "**Commitment**").

2. Seller is authorized to execute this affidavit and has the ability to execute all instruments necessary to convey the Property pursuant to authority under the applicable organizational and governance documents of Seller.

3. To Seller's actual knowledge, without investigation or inquiry, there are no unrecorded documents affecting title to the Property entered into by Seller and no other person or entity that has a legal or equitable right to the Property, in each case other than (a) any matters contained in the real property records of the county in which the Property is located, (b) any matters set forth in the leases or other occupancy agreements with the parties identified on the Rent Roll for the Property dated _____, which has been disclosed to the Title Company, and (c) _____ [**list any other unrecorded documents**].

4. To Seller's actual knowledge, without investigation or inquiry, Seller has received no actual, written notice of any taxes and/or special assessments affecting the Property other than those shown on the title commitment and as disclosed in the tax assessor's records.

5. To Seller's actual knowledge, there has been no work performed upon or materials delivered to the Property by or at the request of the Seller for the construction or improvement of said property during the past ninety-five (95) days for which payment has not been made in full.

6. To Seller's actual knowledge, without investigation or inquiry, there is no action or proceeding asserted against Seller affecting title to the Property in any state or federal court in the United States.

7. To Seller's actual knowledge, all water and sewer charges for the Property that are currently due and payable have been paid in full.

8. This affidavit is given to induce the Title Company to issue that certain title policy in favor of _____, pursuant to the Commitment, with full knowledge that it will be relying upon the accuracy of same.

Seller:

_____,
a _____

By: _____
a _____
its _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Sworn to and subscribed before me this _____, day of _____, 20__.

Notary Public

My Commission Expires: _____
(NOTARIAL SEAL)

EXHIBIT "K"

FORM OF REA DEVELOPER ASSIGNMENT

Space Above This Line for Recorder's Use

Please cross-reference: Declaration of Restrictions and Easements recorded in Deed Book 16116, Page 400, DeKalb County, Georgia and First Amendment to Declaration of Restrictions and Easements recorded in Deed Book 16917, Page 85, DeKalb County, Georgia.

**ASSIGNMENT OF DEVELOPER'S RIGHTS,
POWERS AND RESERVATIONS**

This ASSIGNMENT OF DEVELOPER'S RIGHTS, POWERS AND RESERVATIONS (this "**Assignment**") is made and entered into this ____ day of _____, 2020, by and between **GLL PERIMETER PLACE, L.P.**, a Delaware limited partnership ("**Assignor**"), and **CTO20 PERIMETER LLC**, a Delaware limited liability Company ("**Assignee**").

R E C I T A L S:

A. Assignor and Assignee have entered into that certain Purchase and Sale Agreement dated as of _____, 2020 (the "**Purchase Agreement**") relating to the sale of that certain tract of land together with the improvements thereon (the "**Property**") commonly known as Perimeter Place Shopping Center, Atlanta, Georgia, DeKalb County, as more particularly described in the Purchase Agreement.

B. The Property is encumbered by that certain Declaration of Restrictions and Easements by Bell Sembler II, LLC for Perimeter Place, Atlanta, Georgia dated April 30, 2004, and recorded on May 3, 2004 in the office of the Clerk of Superior Court of DeKalb County, Georgia in Deed Book 16084, Page 634, as re-recorded on May 10, 2004 in Deed Book 16116, Page 400, aforesaid records, as affected by that Joinder by Target Corporation, recorded on June 15, 2004 in Deed Book 16261, Page 307, aforesaid records, as affected by that Joinder by Neuse, Incorporated, recorded on June 15, 2004 in Deed Book 16261, Page 308, aforesaid records, as further affected by that Consent by Wachovia Bank, National Association, recorded on June 15, 2004 in Deed Book 16261, Page 309, aforesaid records, and as amended by that certain First Amendment to Declaration of Restrictions and Easements by Bell Sembler II, LLC, Target Corporation, Lincoln Perimeter Center, LLC and Wachovia Bank, dated December 16, 2004 and recorded on December 17, 2004, aforesaid records (collectively, the "REA"). Initially capitalized terms used but not defined in this Assignment, but defined in the REA, shall have the meanings ascribed thereto in the REA.

C. Assignor is the Developer under the REA.

D. In connection with the conveyance of the Property to Assignee, Assignor and Assignee desire to execute and deliver this Assignment assigning to Assignee all of Assignor's position as the Developer under the REA.

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and agreed by Assignor, the parties hereby agree as follows:

1. Recitals; Defined Terms. The foregoing recitals are acknowledged to be accurate and are incorporated herein by reference.
2. Assignment by Assignor. Assignor represents and warrants to Assignee that Assignor currently is the Developer under the REA. Consistent with Section 6.11 of the REA, Assignor hereby transfers and assigns to Assignee, from and after the date hereof, all of Assignor's position as the Developer under the REA, including, without limitation, all rights, powers and reservations held by Assignor under the REA. Assignee hereby accepts the foregoing assignment, including, without limitation, all rights, powers and reservations held by Assignor under the REA from and after the date hereof.
3. Counterparts. This Assignment may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all parties hereto have executed at least one counterpart.
4. Successors. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

[Signatures begin on the following page]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR:

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

[NOTARIAL SEAL]

GLL PERIMETER PLACE, L.P.,
a Delaware limited partnership

By: GLL US Retail Corp.,
a Delaware corporation,
its general partner

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

[NOTARIAL SEAL]

ASSIGNEE:

CTO20 PERIMETER LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____



EXHIBIT "L"

FORM OF OEA APPROVING PARTY ASSIGNMENT

Space Above This Line for Recorder's Use

Please cross-reference: Operation and Easement Agreement recorded in Deed Book 16084, Page 688, DeKalb County, Georgia

ASSIGNMENT OF APPROVING PARTY STATUS

This ASSIGNMENT OF APPROVING PARTY AND DEVELOPER POSITION (this "**Assignment**") is made and entered into this ____ day of _____, 2020, by and between **GLL PERIMETER PLACE, L.P.**, a Delaware limited partnership ("**Assignor**"), and **CTO20 PERIMETER LLC**, a Delaware limited liability Company ("**Assignee**").

RECITALS:

A. Assignor and Assignee have entered into that certain Purchase and Sale Agreement dated as of _____, 2020 (the "**Purchase Agreement**") relating to the sale of that certain tract of land together with the improvements thereon (the "**Property**") commonly known as Perimeter Place Shopping Center, Atlanta, Georgia, DeKalb County, as more particularly described in the Purchase Agreement.

B. The Property is encumbered by that certain Operation and Easement Agreement, dated April 30, 2004, and recorded on May 3, 2004 in the office of the Clerk of Superior Court of DeKalb County, Georgia in Deed Book 16084, Page 688, (the "**OEA**"). Initially capitalized terms

used but not defined in this Assignment, but defined in the OEA, shall have the meanings ascribed thereto in the OEA.

- C. Assignor is the Approving Party for the Developer Tract under the OEA.
- D. Upon Assignee's acquisition of the Property from Assignor, Assignee will succeed to Assignor as the Developer in the OEA.
- E. In connection with the conveyance of the Property to Assignee, Assignor and Assignee desire to execute and deliver this Assignment assigning to Assignee all of Assignor's position as the Approving Party for the Developer Tract under the OEA.

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and agreed by Assignor, the parties hereby agree as follows:

1. Recitals; Defined Terms. The foregoing recitals are acknowledged to be accurate and are incorporated herein by reference.
2. Assignment by Assignor. Assignor represents and warrants to Assignee that Assignor currently is the Approving Party for the Developer Tract under the OEA. Assignor hereby transfers and assigns to Assignee, as the successor Developer under the OEA, all of Assignor's position as the Approving Party for the Developer Tract under the OEA from and after the date hereof. Assignee hereby accepts the foregoing assignment from and after the date hereof.
3. Counterparts. This Assignment may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all parties hereto have executed at least one counterpart.
4. Successors. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

[Signatures begin on the following page]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR:

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

[NOTARIAL SEAL]

GLL PERIMETER PLACE, L.P.,
a Delaware limited partnership

By: GLL US Retail Corp.,
a Delaware corporation,
its general partner

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

[NOTARIAL SEAL]

ASSIGNEE:

CTO20 PERIMETER LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____



EXHIBIT "M"

FORM OF REA ESTOPPELS

ESTOPPEL CERTIFICATE

CTO20 Perimeter LLC
1140 N. Williamson Boulevard, Suite 140
Daytona Beach, Florida, 32114
Attn: Steven R. Greathouse

Re: Perimeter Place Shopping Center, DeKalb County, Atlanta, Georgia;
GLL Perimeter Place, L.P. ("**Seller**")

Ladies and Gentlemen:

Reference is made to:

Declaration of Restrictions and Easements by Bell Sembler II, LLC, a Georgia limited liability company ("**Bell Sembler**"), dated as of April 30, 2004, filed May 3, 2004, and recorded in **Deed Book 10084, page 634**, DeKalb County, Georgia records, as re-recorded in **Deed Book 16116, page 400**, aforesaid records; as affected by Joinder by Target Corporation, filed June 15, 2004, and recorded in **Deed Book 16261, page 307**, aforesaid records; as further affected by Joinder by Neuse, Incorporated, filed June 15, 2004, recorded in **Deed Book 16261, page 308**, aforesaid records; as further affected by Consent by Wachovia Bank, National Association, filed June 15, 2004, and recorded in **Deed Book 16261, page 309**, aforesaid records; as further affected by First Amendment to Declaration of Restrictions and Easements entered into by and among Bell Sembler, Target Corporation, a Delaware corporation, and Lincoln Perimeter Center LLC, a Georgia limited liability company with a joinder by Wachovia Bank, National Association dated as of December 16, 2004, and recorded in **Deed Book 16917, page 85**, aforesaid records (hereinafter collectively referred to as the "**REA**").

As of the date hereof, the undersigned is currently an "Owner" (as defined in the REA), and pursuant to Section 6.1 of the REA hereby states to the best of its knowledge as follows:

1. The undersigned knows of no default under the REA by Seller.
2. The REA has not been assigned, modified or amended in any way by the undersigned, except as described above.
3. The REA is in full force and effect.

M-1

NAI-1510716910v10

[OWNER]

By: _____, A _____

By: _____

Name: _____

Title: _____

EXHIBIT "N"

FORM OF OEA ESTOPPEL

ESTOPPEL CERTIFICATE

CTO20 Perimeter LLC
1140 N. Williamson Boulevard, Suite 140
Daytona Beach, Florida, 32114
Attn: Steven R. Greathouse

Re: Perimeter Place Shopping Center, DeKalb County, Atlanta, Georgia;
GLL Perimeter Place, L.P. ("**Seller**")

Ladies and Gentlemen:

Reference is made to:

Operation and Easement Agreement executed by Target Corporation, a Delaware corporation, and Bell Sembler II, LLC, a Georgia limited liability company ("**Bell Sembler**"), dated as of April 30, 2004, filed May 3, 2004, and recorded in **Deed Book 10084, page 688**, DeKalb County, Georgia records (hereafter referred to as the "**OEA**").

As of the date hereof, the undersigned is currently a "Party" (as defined in the OEA), and pursuant to Section 6.3 of the OEA, hereby states to the best of its knowledge as follows:

1. The undersigned knows of no default under the OEA by Seller.
2. The OEA has not been assigned, modified or amended in any way by the undersigned, except as described above.
3. The OEA is in full force and effect.

TARGET CORPORATION

By: _____

Name: _____

Title: _____

EXHIBIT "O"

FORM OF CONDO ESTOPPEL

ASSOCIATION ESTOPPEL CERTIFICATE

Date: _____, 2020

To: CTO20 Perimeter LLC, a Delaware limited liability company ("**Buyer**")
Fidelity National Title Insurance Company ("**Title Company**")
GLL Perimeter Place, L.P., a Delaware limited partnership ("**Owner**")

Property: 70 Perimeter Center Place, Atlanta, DeKalb County, Georgia;
110 Perimeter Center Place, Atlanta, DeKalb County, Georgia;
1290 Ashford Crossing, Atlanta, DeKalb County, Georgia; and
1291 Crown Point Parkway, Atlanta, DeKalb County, Georgia;

(collectively, the "**Property**").

Ladies and Gentlemen:

The Property is subject to the terms and conditions as set forth in that certain Declaration of Condominium for Perimeter Place Master Condominium by Lincoln Perimeter Center, LLC, a Georgia limited liability company (the "**Declarant**"), dated as of July 19, 2006, and recorded on July 19, 2006 as Deed Book 18944, Page 171 in the Clerk of Superior Court of DeKalb County, Georgia (the "**Declaration**"). The undersigned, Perimeter Place Master Condominium Association, Inc., a Georgia non-profit corporation ("**Association**"), hereby states and certifies to Owner, Title Company, Buyer and any lender of Buyer and its successors and/or assigns, that to the best of Association's knowledge, the following information with respect to the Property and the Declaration:

1. The Declaration is in full force and effect and except as described herein, has not been further amended, modified, supplemented or superseded.
2. As of the date hereof, neither the Owner nor the Property are in violation of any rules, regulations or requirements under the Declaration.
3. There are no past due fees, expenses, assessments or any other charges due and owing by Owner under the Declaration and no liens outstanding under the Declaration against the Property, nor are there any actions against the Owner for any outstanding fees, expenses, assessments or any other charges due under the Declaration that would become liens and/or judgments against the Property.
4. All current board members and officers of the Association are listed on Exhibit A.

5. The undersigned is duly authorized to execute this Estoppel Certificate.
6. In the event that the signature page to this Estoppel Certificate is delivered by facsimile transmission or by electronic mail (e-mail) as a portable data format (.pdf) file or image file attachment, such signature shall have the same force and effect as if such signature were an original thereof.
7. Any incorrect or untrue statement in this Estoppel Certificate shall not give rise to any liability of the undersigned in favor of the Title Company, Buyer, Buyer's lender or otherwise, but the undersigned shall be estopped from asserting any matter to the contrary as against the Title Company, Buyer, Buyer's lender and the Property. This Estoppel Certificate shall be binding upon the undersigned and shall inure to the benefit of and may be relied upon by the Title Company, Buyer and Buyer's lender, and their respective successors and/or assigns.

(Signature Page Follows)

O-2

NAI-1510716910v10

ASSOCIATION:

PERIMETER PLACE MASTER CONDOMINIUM ASSOCIATION, INC., a Georgia
non-profit corporation

By: _____

Name: _____

Title: _____

(Signature Page to Association Estoppel Certificate)

NAI-1510716910v10

EXHIBIT A

Board Members and Officers

Board Members:

NAME

Officers:

NAME	POSITION
	President
	Vice President ("None" if left blank)
	Secretary
	Treasurer

Exhibit A to Association Estoppel Certificate

NAI-1510716910v10

EXHIBIT "P"

FORM OF HOLDBACK ESCROW AGREEMENT

HOLDBACK ESCROW AND INDEMNITY AGREEMENT

THIS ESCROW AND INDEMNITY AGREEMENT ("**Agreement**") is entered into this ____ day of _____, 20__ ("**Effective Date**"), by and between _____, a _____ ("**Seller**"), _____ an _____ ("**Buyer**"), and [FIDELITY NATIONAL TITLE INSURANCE COMPANY] ("**Escrow Agent**").

WHEREAS, pursuant to Section 15.21 of that certain Purchase and Sale Agreement dated _____, 20__ ("**Purchase Contract**") between Seller and Buyer regarding that certain land located in _____ County, _____, more particularly described on Exhibit A, attached hereto and incorporated herein ("**Property**"), Seller has, simultaneously with the consummation of the Closing under the Purchase Contract, deposited into escrow (the "**Escrow**") with Escrow Agent an amount equal to One Million Two Hundred Thousand and No/100ths Dollars (\$1,200,000.00) (the "**Escrow Sum**");

WHEREAS, the Escrow has been established in order to ensure that sufficient funds exist to cover Seller's liability to Buyer for actual damages incurred by Buyer as a result of any untruth, inaccuracy or breach of any surviving warranties, representations or agreements under the Purchase Contract and the Closing Documents (the "**Surviving Warranties**") which in the aggregate exceed Twenty-Five Thousand and No/100ths Dollars (\$25,000.00) (the "**Floor**");

NOW, THEREFORE, for TEN DOLLARS and other good and sufficient consideration, the receipt and sufficiency of such consideration is hereby acknowledged, the parties agree as follows:

1. The above recitals are true, correct and incorporated herein by this reference.
2. Capitalized terms appearing herein but not specifically defined herein shall have the meanings ascribed thereto in the Purchase Contract.
3. Seller, contemporaneously with the execution of this Agreement, hereby deposits the Escrow Sum with Escrow Agent. Said Escrow Sum is to be held in an interest bearing account and will be disbursed only as herein provided. Interest earned on the Escrow Sum shall be disbursed to Seller promptly upon written request from Seller and without any confirmation required from Buyer. Seller's FEIN number is _____ and Seller shall be responsible for all taxes payable with respect to the interest.
4. Seller and Buyer agree that the terms and conditions of this Agreement shall govern the manner under which Escrow Agent shall perform and shall control with respect to the rights, duties, liabilities, privileges and immunities of Escrow Agent.
5. The Escrow Sum shall be disbursed by Escrow Agent as follows:

5.1 If (a) Buyer has not delivered to Escrow Agent and Seller prior to 5:00 p.m. Eastern Standard Time on [_____], 201_ [9 months from Closing Date], the last day of the Survival Period, a written notice (a "Claim Notice") alleging the untruth, inaccuracy or breach of any Surviving Warranties of which Buyer first became aware following Closing and that expressly survive Closing as provided for in the Purchase Contract (a "Claim"), which Claim Notice shall expressly set forth the amount that is reasonably anticipated to be necessary to satisfy such Claim (the "Claim Amount"), or (b) the aggregate Claim Amounts for all Claims submitted by Buyer on or prior to the last day of the Survival Period do not exceed the Floor, the entire Escrow Sum shall be disbursed to Seller in accordance with Section 6 below.

5.2 If the sum of the Claim Amounts for all Claims for which a Claim Notice has been timely delivered to Seller is greater than the Floor but less than the amount then remaining in Escrow (the "Escrow Funds Balance"), the amount by which the Escrow Balance Funds exceed the sum of the Claim Amounts for such Claims shall be disbursed to Seller in accordance with Section 6 below promptly following the expiration of the Survival Period, and the remaining Escrow Funds Balance, or applicable portions thereof, shall be retained in accordance with Sections 5.3-5.4 below.

5.3 Notwithstanding the delivery of timely Claims by Buyer, if prior to date thirty (30) days following the expiration of the Survival Period (the "Claims Deadline"), Buyer has not initiated an action or proceeding in accordance with Section 16 of this Agreement with respect to any Claims or to Claims whose aggregate Claim Amounts together with the final agreed amount of any Claims resolved prior to or on the Claims Deadline exceed the Floor, the entire remaining Escrow Funds Balance shall be promptly disbursed to Seller in accordance with Section 6. Any Claim for which Buyer has initiated an action or proceeding on or prior to the Claims Deadline shall be referred to as a "Timely Buyer Claim." If the Escrow Funds Balance exceeds the sum of the Claim Amounts for the unresolved Timely Buyer Claims, such excess amount shall be promptly disbursed to Seller in accordance with Section 6 below promptly following the Claims Deadline, and any remaining undisbursed Escrow Funds Balance shall be retained until all Timely Buyer Claims shall have been resolved by settlement of the parties or by non-appealable judgment by a court having jurisdiction over such matter ("Resolution").

5.4 Upon a Resolution of any Claims, any amounts due Buyer (or Seller, if applicable) as a result of a Resolution of a Claim shall be disbursed to Buyer in accordance with Section 6 below.

6. Prior to each disbursement of any portion of the Escrow Sum, the party requesting disbursement shall deliver, not less than five (5) business days prior to the anticipated disbursement date, a written request to Escrow Agent and the other party for a disbursement of Escrow Funds based on the satisfaction of conditions for disbursement set forth in Section 5 above (the "Disbursement Conditions"). Any written request must be accompanied by reasonable evidence of the satisfaction of the Applicable Disbursement Conditions. Provided that the party not seeking disbursement does not object to the requested disbursement by written notice to the Escrow Agent and the party requesting disbursement within such five (5) business day period, Escrow Agent shall effect, and notify both parties of, the disbursement to the requesting party.

7. Escrow Agent shall not be responsible, or liable, in any manner whatever, for the sufficiency, correctness, genuineness or validity of any instrument deposited with Escrow Agent, or in the form of execution of any such instrument, or for the identity, authority or rights of any party executed or depositing the same. Escrow Agent shall have no responsibility or obligation to see to the application of, or use to, which the Escrow Sum is put, following the withdrawal from such account. No party to this Agreement shall have the right to mortgage, pledge, or assign its interest in the Escrow Sum and any attempt to do so shall be null and void. In no event shall Escrow Agent incur any liability for levies by taxing authorities based upon the taxpayer identification number provided to Escrow Agent and used to establish the escrow account in which the Escrow Sum is held. Buyer consents to the selection of _____ as the "**Depository**" and has made an independent inquiry of the Depository. Escrow Agent shall have no liability in the event of failure, insolvency or inability of the Depository to pay such funds, or accrued interest upon demand or withdrawal.

8. Escrow Agent shall incur no liability upon acting upon such notice, signature, request, waiver, consent, receipt of other paper or document believed in good faith and with reasonable inquiry by Escrow Agent to be genuine, and Escrow Agent may assume that a duly appointed officer of a party who provided Escrow Agent any notice or advice, in accordance with the provisions hereof, has been duly authorized to do so. In determining the occurrence of any event or contingency, Escrow Agent may request from the other parties hereto such reasonable additional information as Escrow Agent, in its sole discretion, may deem necessary, and in this connection, may consult with representatives of the Parties hereto. Escrow Agent shall not be liable for any damages resulting from any delay in acting hereunder, pending its examination of the additional information requested.

9. In the event of any disagreement resulting in adverse claims or demands being made in connection with the Escrow Sum, and which cannot in Escrow Agent's reasonable judgment be resolved, Escrow Agent, at its option, shall be entitled:

(a) To refuse to comply with any claim or demand on Escrow Agent, as long as this disagreement shall continue, and in so doing, Escrow Agent shall make no delivery or disposition of any Escrow Funds being held by Escrow Agent pursuant to the terms of this Agreement, and Escrow Agent shall not be, or become liable in any way, or to any person, for its failure to comply with such conflicting or adverse claim or demand;

(b) To refrain from acting, and so to refuse to act, until (i) the right of any adverse claim shall have been finally adjudicated in a court assuming and having jurisdiction of the remaining amount of the Escrow Sum involved herein, or affected hereby, or (ii) all differences shall have been adjusted by agreement and Escrow Agent shall have been notified in writing, signed by Buyer and Seller;

(c) To interplead the Escrow Sum into a court of competent jurisdiction located in the county and state in which the Property is located. All costs and expenses, including reasonable attorney's fees are to be reimbursed to Escrow Agent by the non-prevailing party.

(d) To take any other action permitted hereunder.

10. Except as otherwise provided herein, all notices hereunder shall be delivered by messenger or commercial overnight delivery (such as FedEx or UPS), or electronic mail (as long as such electronic mail is followed the next day with personal delivery or next business day delivery by a nationally recognized overnight courier) to the parties at their addresses set forth on the signature pages hereto. Such notices shall be deemed to be delivered upon the actual receipt thereof.

11. The terms and conditions contained herein shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

12. Escrow Agent shall be under no obligation to take any legal action in connection with this Agreement or enforcement thereof, or to appear in, prosecute or defend any action or legal proceeding, which, in Escrow Agent's opinion, would or might involve Escrow Agent in any costs, expense, loss or liability, unless, and as often as required by Escrow Agent.

13. Escrow Agent is not obligated to render any statements or notices to the parties. Except as is specifically stated herein, Escrow Agent may, but is not obligated to, inform any party hereto of any matters pertaining to this Agreement.

14. THE UNDERSIGNED HEREBY AGREES TO INDEMNIFY, PROTECT, SAVE AND HOLD HARMLESS ESCROW AGENT, ITS SUCCESSORS, ASSIGNS, AND AGENTS, FROM AND AGAINST, ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, CLAIMS, ACTIONS, SUITS, COSTS, OR EXPENSES, (INCLUDING ATTORNEYS' FEES) OF WHATSOEVER KIND OR NATURE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST ESCROW AGENT WHICH IN ANY WAY RELATE TO, OR ARISE OUT OF, EXECUTION AND DELIVERY OF THIS AGREEMENT AND ANY ACTION TAKEN THEREUNDER, PROVIDED, HOWEVER, THE UNDERSIGNED SHALL HAVE NO OBLIGATION TO INDEMNIFY, SAVE AND HOLD HARMLESS ESCROW AGENT, ITS SUCCESSORS, ASSIGNS AND AGENTS FROM ANY LIABILITY INFERRED BY, IMPOSED UPON OR ASSERTED AGAINST IT FOR ITS OWN WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. THE UNDERSIGNED ALSO INDEMNIFY AND HOLD ESCROW AGENT HARMLESS FROM THE EFFECT OF ANY BANKRUPTCY STAY AND/OR THE DECISION OF ANY BANKRUPTCY COURT REGARDING THE DISPOSITION OR OWNERSHIP OF THE ESCROW SUM.

15. This Agreement cannot be amended or modified without the written approval of the undersigned. There are no prior or oral agreements or understandings other than as stated herein. This Agreement states the full and complete understanding and agreement of the parties hereto related to, or regarding, the Escrow Sum.

16. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by, and construed in accordance with, the laws of the state in which the Property is located; and the payment of all sums, and the performance of all obligations, shall be in the county and state in which the Property is located. Any action or proceeding brought by either party in connection with this Agreement shall be brought in any Georgia state court located in Dekalb County or in the United States District Court for the Northern District of Georgia.

17. The parties hereto agree that this Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute a fully-executed and binding original instrument. Hand signatures transmitted by fax or electronic mail are also permitted as binding signatures to this Agreement and shall be deemed to constitute original signatures.

[Signature Pages Follow]

SELLER:

_____,
a _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address:

c/o GLL Real Estate Partners
200 South Orange Avenue, Suite 1375
Orlando, Florida 32801
Attention: Hugh McWhinnie
Email: Hugh.McWhinnie@gll-partners.com

with a copy to:

Jones Day
1420 Peachtree Street, N.E. Suite 800
Atlanta, Georgia 30309
Attn: Scott A. Specht, Esq.
Email: saspecht@jonesday.com

BUYER:

_____,
an _____

By: _____
Name: _____
Title: _____

Address:

c/o _____

Attn: _____
Email: _____

With a copy to:

Attn: _____
Email: _____

ESCROW AGENT:

[FIDELITY NATIONAL TITLE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Address:

Fidelity National Title Insurance Company
c/o National Commercial Services – Atlanta
3301 Windy Ridge Parkway, Suite 300
Atlanta, Georgia 30339
Attn: Leslie Flowers
Email: leslie.flowers@fntg.com]

Exhibit A

Property Description

[]

NAI- 1510716910v10

P-9

FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This Fourth Amendment to Second Amended and Restated Credit Agreement (herein, this “*Fourth Amendment*”) is entered into as of July 1, 2020, among CTO Realty Growth, Inc., a Florida corporation (formerly known as Consolidated-Tomoka Land Co., the “*Borrower*”), the Guarantors party hereto, the Lenders party hereto and Bank of Montreal, as Administrative Agent (the “*Administrative Agent*”).

PRELIMINARY STATEMENTS

A. The Borrower, the Guarantors party thereto (the “*Guarantors*”), the financial institutions party thereto (the “*Lenders*”), and the Administrative Agent entered into that certain Second Amended and Restated Credit Agreement, dated as of September 7, 2017, as amended by the First Amendment to Second Amended and Restated Credit Agreement dated as of May 14, 2018, as amended by the Second Amendment to Amended and Restated Credit Agreement dated as of May 24, 2019, and as amended by the Third Amendment to Amended and Restated Credit Agreement dated as of November 26, 2019 (such Second Amended and Restated Credit Agreement, as heretofore amended, being referred to herein as the “*Credit Agreement*”). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

B. The Borrower has requested that the Administrative Agent and Lenders agree to, among other things, to (i) amend the definition of Tangible Net Worth, (ii) amend the minimum Tangible Net Worth covenant set forth in Section 8.20 of the Credit Agreement and (iii) make certain other revisions to the Credit Agreement, and the Administrative Agent and the Lenders are willing to do so on the terms and conditions set forth herein.

Now, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. AMENDMENTS.

Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Credit Agreement will be amended, effective as of March 31, 2020, as follows:

1.1. The definition of “*Tangible Net Worth*” in Section 5.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“*Tangible Net Worth*” means for each applicable period, total shareholder’s equity on the Borrower’s consolidated balance sheet as reported in its Form 10-K or 10-Q for such period, plus (i) accumulated depreciation and amortization and (ii) unrealized losses related to marketable securities, minus, to the extent included when determining stockholders’ equity, (x) all unrealized gains related to marketable securities and (y) all amounts appearing on the assets side of the Borrower’s consolidated balance sheet representing an intangible asset under GAAP (other than lease intangibles, net of lease liabilities) net of all

amounts appearing on the liabilities side of its consolidated balance sheet representing an intangible liability under GAAP, in each case as determined on a consolidated basis in accordance with GAAP.

1.2. Clause (e) of Section 8.20 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(e) *Maintenance of Net Worth.* The Borrower shall, as of the last day of each Fiscal Quarter, maintain a Tangible Net Worth of not less than the sum of (a) \$263,312,927, plus (b) 75% of the aggregate net proceeds received by the Borrower or any of its Subsidiaries after March 31, 2020 in connection with any offering of Stock or Stock Equivalents of the Borrower or the Subsidiaries.

1.3. Exhibit E (Compliance Certificate) to the Credit Agreement is hereby amended and restated in its entirety to read as set forth on Exhibit E attached hereto.

SECTION 2. CONDITIONS PRECEDENT.

The effectiveness of this Fourth Amendment is subject to the satisfaction of all of the following conditions precedent:

2.1. The Borrower, the Guarantors, the Lenders and the Administrative Agent shall have executed and delivered to the Administrative Agent this Fourth Amendment.

2.2. Legal matters incident to the execution and delivery of this Fourth Amendment shall be reasonably satisfactory to the Administrative Agent and its counsel.

SECTION 3. REPRESENTATIONS.

In order to induce the Administrative Agent and the Lenders to execute and deliver this Fourth Amendment, the Borrower hereby represents to the Administrative Agent and the Lenders that (a) after giving effect to this Fourth Amendment, the representations and warranties set forth in Section 6 of the Credit Agreement are and shall be and remain true and correct in all material respects (except in the case of a representation or warranty qualified by materiality in which case such representation or warranty shall be true and correct in all respects) as of the date hereof (or, if any such representation and warranty is expressly stated to have been made as of a specific date, as of such specific date) and (b) no Default or Event of Default has occurred and is continuing under the Credit Agreement or shall result after giving effect to this Fourth Amendment.

SECTION 4. MISCELLANEOUS.

4.1. Except as specifically amended herein, the Credit Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Fourth Amendment need not be made in the Credit Agreement, the Notes, the other Loan Documents, or any other instrument or document executed in connection therewith, or in any certificate, letter or

communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby.

4.2. The Borrower agrees to pay on demand all reasonable costs and out-of-pocket expenses of or incurred by the Administrative Agent in connection with the negotiation, preparation, execution and delivery of this Fourth Amendment, including the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent.

4.3. Each Guarantor consents to the amendments and modifications to the Credit Agreement as set forth herein and confirms all of its obligations under its Guaranty remain in full force and effect. Furthermore, each Guarantor acknowledges and agrees that the consent of the Guarantors, or any of them, to any further amendments to the Credit Agreement shall not be required as a result of this consent having been obtained.

4.4. This Fourth Amendment is a Loan Document. This Fourth Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Fourth Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. Delivery of executed counterparts of this Fourth Amendment by Adobe portable document format (a "PDF") via e-mail or by facsimile shall be effective as an original. This Fourth Amendment, and the rights and the duties of the parties hereto, shall be construed and determined in accordance with the internal laws of the State of New York.

[Signature Pages Follow]

This Fourth Amendment to Second Amended and Restated Credit Agreement is entered into as of the date and year first above written

“BORROWER”

CTO REALTY GROWTH, INC., a Florida corporation

By/s/ Mark E. Patten_____

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

“GUARANTORS”

INDIGO DEVELOPMENT LLC, a Florida limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its sole member

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

LHC15 RIVERSIDE FL LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its sole manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO16 MONTEREY LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its sole member

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

CTO16 AUSTIN LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its sole manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO16 OSI LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its sole manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO17 SARASOTA LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

CTO17 WESTCLIFF TX LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its sole member

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

INDIGO GROUP INC., a Florida corporation

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

company

CTO18 ASPEN LLC, a Delaware limited liability

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO18 JACKSONVILLE FL LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

CTO18 ALBUQUERQUE NM LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

IGI19 FC VA LLC, a Delaware limited liability company

By: Indigo Group, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

CTO19 NRH TX LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO19 OCEANSIDE NY LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO19 RESTON VA LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

CTO19 CARPENTER AUSTIN LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten
Name: Mark E. Patten
Title: Senior Vice President and Chief Financial Officer

INDIGO GROUP LTD., a Florida limited partnership

By: Indigo Group, Inc., a Florida corporation, its General Partner

By: /s/ Mark E. Patten
Name: Mark E. Patten
Title: Senior Vice President and Chief Financial Officer

CTO17 ARUBA LAND LLC, a Delaware limited liability company, as an Issuer

By: Consolidated -Tomoka Land Co., a Florida corporation, its Member

By: /s/ Mark E. Patten
Name: Mark E. Patten
Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

CTO19 STRAND JAX LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten
Name: Mark E. Patten
Title: Senior Vice President and Chief
Financial Officer

DAYTONA JV LLC, a Florida limited liability company

By: LHC15 Atlantic DB JV LLC, a Delaware limited liability company, its sole manager

By: CTO Realty Growth, Inc., a Florida corporation, its sole member

By: /s/ Mark E. Patten
Name: Mark E. Patten
Title: Senior Vice President and Chief Financial
Officer

CTO20 CROSSROADS AZ LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten
Name: Mark E. Patten
Title: Senior Vice President and Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

IGI20 CROSSROADS AZ LLC, a Delaware limited liability company

By: Indigo Group Inc., a Florida corporation, its manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO20 PERIMETER LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc.,
a Florida corporation, its sole manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

CTO20 PERIMETER II LLC, a Delaware limited liability company

By: CTO Realty Growth, Inc., a Florida corporation, its sole manager

By: /s/ Mark E. Patten

Name: Mark E. Patten

Title: Senior Vice President and Chief Financial Officer

Accepted and Agreed to.

"ADMINISTRATIVE AGENT AND L/C ISSUER"

BANK OF MONTREAL, as L/C Issuer and as Administrative Agent

By /s/Gwendolyn Gatz

Name: Gwendolyn Gatz

Title: Director

"LENDERS"

BANK OF MONTREAL, as a Lender and Swing Line Lender

By /s/Gwendolyn Gatz

Name: Gwendolyn Gatz

Title: Director

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

BRANCH BANKING AND TRUST COMPANY

By: /s/Karen Cadiante
Name: Karen Cadiante
Title: Assistance Vice President

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/Patrick T. Ramge
Name: Patrick T. Ramge
Title: Senior Vice President

[SIGNATURE PAGE TO FOURTH AMENDMENT TO CTO REALTY GROWTH, INC. –
SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

EXHIBIT E

COMPLIANCE CERTIFICATE

To: Bank of Montreal, as Administrative Agent under, and the Lenders party to, the Credit Agreement described below

This Compliance Certificate is furnished to the Administrative Agent and the Lenders pursuant to that certain Second Amended and Restated Credit Agreement dated as of September 7, 2017, as amended, among CTO Realty Growth, Inc. (formerly known as Consolidated-Tomoka Land Co., the "*Borrower*"), the Guarantors signatory thereto, the Administrative Agent and the Lenders party thereto (the "*Credit Agreement*"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of CTO Realty Growth, Inc.;
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;
4. The financial statements required by Section 8.5 of the Credit Agreement and being furnished to you concurrently with this Compliance Certificate are true, correct and complete as of the date and for the periods covered thereby; and
5. The Schedule I hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____ 20__.

CTO REALTY GROWTH, INC.

By: _____
Name: _____
Title: _____

SCHEDULE I
TO COMPLIANCE CERTIFICATE

COMPLIANCE CALCULATIONS
FOR SECOND AMENDED AND RESTATED CREDIT AGREEMENT
DATED AS OF SEPTEMBER 7, 2017, AS AMENDED

CALCULATIONS AS OF _____, _____

A. <u>Maximum Total Indebtedness to Total Asset Value Ratio (Section 8.20(a))</u>	
1. Total Indebtedness	\$ _____
2. Total Asset Value as calculated on Exhibit A hereto	_____
3. Ratio of Line A1 to A2	_____:1.0
4. Line A3 must not exceed	0.60:1.0
5. The Borrower is in compliance (circle yes or no)	yes/no
B. <u>Maximum Secured Indebtedness to Total Asset Value Ratio (Section 8.20(b))</u>	
1. Secured Indebtedness	\$ _____
2. Total Asset Value as calculated on Exhibit A hereto	_____
3. Ratio of Line B1 to B2	_____:1.0
4. Line B3 must not exceed	0.40:1.0
5. The Borrower is in compliance (circle yes or no)	yes/no
C. <u>Minimum Adjusted EBITDA to Fixed Charges Ratio (Section 8.20(c))</u>	
1. Net Income	\$ _____
2. Depreciation and amortization expense	_____

3.	Interest Expense	_____
4.	Income tax expense	_____
5.	Extraordinary, unrealized or non-recurring losses	_____
6.	Non-Cash Compensation Paid in Equity Securities	_____
7.	Extraordinary, unrealized or non-recurring gains	_____
8.	Income tax benefits	_____
9.	Sum of Lines C2, C3, C4, C5 and C6	_____
10.	Sum of Lines C7 and C8	_____
11.	Line C1 plus Line C9 minus Line C10 (“ <i>EBITDA</i> ”)	_____
12.	Annual Capital Expenditure Reserve	_____
13.	Line C11 minus Line C12 (“ <i>Adjusted EBITDA</i> ”)	_____
14.	Interest Expense	_____
15.	Principal Amortization Payments	_____
16.	Dividends	_____
17.	Income Taxes Paid	_____
18.	Sum of Lines C14, C15, C16 and C17 (“ <i>Fixed Charges</i> ”)	_____
19.	Ratio of Line C13 to Line C18	_____:1.0
20.	Line C19 shall not be less than	1.50:1.0
		[1.25: 1.0]¹
21.	The Borrower is in compliance (circle yes or no)	yes/no
D.	<u>Maximum Secured Recourse Indebtedness to Total Asset Value Ratio (Section 8.20(d)).</u>	
1.	Secured Recourse Indebtedness	\$ _____

¹ Fiscal Quarter ending 12/31/19

- | | | |
|----|---|-----------|
| 2. | Total Asset Value as calculated on Exhibit A hereto | _____ |
| 3. | Ratio of Line D1 to Line D2 | _____:1.0 |
| 4. | Line D3 shall not exceed | 0.05:1.0 |
| 5. | The Borrower is in compliance (circle yes or no) | yes/no |

E. Tangible Net Worth (Section 8.20(e))

- | | | |
|----|---|----------|
| 1. | Tangible Net Worth | \$ _____ |
| 2. | Aggregate net proceeds of Stock and Stock Equivalent offerings after March 31, 2020 | _____ |
| 3. | 75% of Line E2 | _____ |
| 4. | \$263,312,927 plus Line E3 | _____ |
| 5. | Line E1 shall not be less than Line E4 | |
| 6. | The Borrower is in compliance (circle yes or no) | yes/no |
-

F. Investments (Corporate Debt, Stock to Stock Equivalents in REC/REITS/Alpine)
(Section 8.8(f))

1. Investments in debt, Stock or Stock Equivalents of listed real estate companies and real estate investment trusts \$ _____
2. Investments in Stock of Alpine \$ _____
3. Sum of Line F1 and Line F2 \$ _____
4. Line F3 shall not exceed \$15,000,000
5. The Borrower is in compliance (circle yes or no) yes/no
6. Investments in Stock Equivalents of Alpine \$ _____

G. Investments (Joint Ventures), (Section 8.8(j))

1. Cash Investments in Joint Ventures \$ _____
2. Total Asset Value _____
3. Line G1 divided by Line G2 _____
4. Line G3 shall not exceed 10% of Total Asset Value
5. The Borrower is in compliance (circle yes or no) yes/no

H. Investments (Assets Under Development), (Section 8.8(k))

1. Assets Under Development \$ _____
 2. Total Asset Value _____
 3. Line H1 divided by Line H2 _____
 4. Line H3 shall not exceed 7.5% of Total Asset Value
 5. The Borrower is in compliance (circle yes or no) yes/no
-

I. <u>Investments (Mortgage Loans, Mezzanine Loans and Notes Receivable)</u> (Section 8.8(l))		
1.	Mortgage Loans, Mezzanine Loans and Notes Receivable	\$ _____
2.	Total Asset Value	_____
3.	Line I1 divided by Line I2	_____
4.	Line I3 shall not exceed 25% of Total Asset Value	
5.	The Borrower is in compliance (circle yes or no)	yes/no
J. <u>Investments (Ground Leases)</u> (Section 8.8(m))		
1.	Investments in Ground Leases other than Permitted Ground Lease Investments	\$ _____
2.	Total Asset Value	_____
3.	Line J1 divided by Line J2	_____
4.	Line J3 shall not exceed 20% of Total Asset Value	
5.	The Borrower is in compliance (circle yes or no)	yes/no
K. <u>Investments (Stock Repurchases)</u> (Section 8.8(n))		
1.	Stock Repurchases	\$ _____
2.	Investment Net Sales Proceeds	\$ _____
3.	Line K1 minus Line K2	_____
4.	Adjusted EBITDA (from Line C13) ²	\$ _____
5.	Fixed Charges (from Line C18)	\$ _____
6.	Sum of lines K3 and K5	\$ _____
7.	Ratio of Line K4 to Line K6	_____:1.0
8.	Line K7 shall not be less than	1.50:1.0
9.	The Borrower is in compliance (circle yes or no)	yes/no

² Remainder to be completed if Line K5 is greater than \$0.

L. Investments (Land Assets) (Section 8.8(o))

1. Land Assets \$ _____
2. Total Asset Value _____
3. Line L1 divided by Line L2 _____
4. Line L3 shall not exceed 10% of Total Asset Value
5. The Borrower is in compliance (circle yes or no) yes/no

M. Aggregate Investment Limitation to Total Asset Value (Section 8.8)

1. Sum of Lines F3, F6, G1, H1, I1, J1 and K3 \$ _____
 2. Total Asset Value _____
 3. Line M1 divided by Line M2 _____
 4. Line M3 shall not exceed 30% of Total Asset Value
 5. The Borrower is in compliance (circle yes or no) yes/no
-

**EXHIBIT A TO SCHEDULE I
TO COMPLIANCE CERTIFICATE
OF CTO REALTY GROWTH, INC.**

This Exhibit A, with a calculation date of _____, _____, is attached to Schedule I to the Compliance Certificate of CTO Realty Growth, Inc. dated _____, 20____, as amended, and delivered to Bank of Montreal, as Administrative Agent, and the Lenders party to the Credit Agreement, as amended, referred to therein. The undersigned hereby certifies that the following is a true, correct and complete calculation of Total Asset Value for Rolling Period most recently ended:

[Insert Calculation]

CTO REALTY GROWTH, INC.

By: _____
Name: _____
Title: _____

**EXHIBIT B TO SCHEDULE I
TO COMPLIANCE CERTIFICATE
OF CTO REALTY GROWTH, INC.**

This Exhibit B, with a calculation date of _____, 20__, is attached to Schedule I to the Compliance Certificate of CTO Realty Growth, Inc. dated _____, 20__, as amended, and delivered to Bank of Montreal, as Administrative Agent, and the Lenders party to the Credit Agreement, as amended, referred to therein. The undersigned hereby certifies that the following is a true, correct and complete calculation of Property NOI for all Properties for Rolling Period most recently ended:

<u>PROPERTY</u>	<u>PROPERTY INCOME</u>	<u>MINUS</u>	<u>PROPERTY EXPENSES</u> <small>(WITHOUT CAP. EX. RESERVE OR MANAGEMENT FEES)</small>	<u>MINUS</u>	<u>ANNUAL CAPITAL</u> <u>EXPENDITURE RESERVE</u>	<u>MINUS</u>	<u>GREATER OF 3% OF RENTS OR</u> <u>ACTUAL MANAGEMENT FEES</u>	<u>EQUALS</u>	<u>PROPERTY NOI</u>
	\$ _____	-	\$ _____					=	\$ _____
	\$ _____	-	\$ _____					=	\$ _____
	\$ _____	-	\$ _____					=	\$ _____
	\$ _____	-	\$ _____					=	\$ _____

TOTAL PROPERTY NOI FOR ALL PROPERTIES: \$ _____

CTO REALTY GROWTH, INC.

By: _____
Name: _____
Title: _____

CERTIFICATIONS

I, John P. Albright, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CTO Realty Growth, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2020

By: /s/ John P. Albright
John P. Albright
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Mark E. Patten, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CTO Realty Growth, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2020

By: /s/ Mark E. Patten
Mark E. Patten
Senior Vice President Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CTO Realty Growth, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. Albright, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2020

By: /s/ John P. Albright
John P. Albright
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CTO Realty Growth, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark E. Patten, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2020

By: /s/ Mark E. Patten
Mark E. Patten
Senior Vice President Chief Financial Officer
(Principal Financial and Accounting Officer)
