UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

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

For the fiscal year ended December 31, 2019

☐ **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 001-11350

CONSOLIDATED-TOMOKA LAND CO.
(Exact name of registrant as specified in its charter)

Florida **(State or other jurisdiction of incorporation or organization)**	**59-0483700** **(I.R.S. Employer Identification No.)**
1140 N. Williamson Blvd., Suite 140 **Daytona Beach, Florida** **(Address of principal executive offices)**	**32114** **(Zip Code)**

Registrant's Telephone Number, including area code
(386) 274-2202

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**

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
NONE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐ Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

At June 30, 2019, the aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant was $282,627,143 based upon the last reported sale price on the NYSE American on June 28, 2019, the last business day of the registrant's most recently completed second fiscal quarter. The determination of affiliate status is solely for the purpose of this report and shall not be construed as an admission for the purposes of determining affiliate status.

The number of shares of the registrant's Common Stock outstanding on February 28, 2020 was 4,794,923.

Registrant incorporates by reference into Part III (Items 10, 11, 12, 13 and 14) of this Annual Report on Form 10-K portions of Consolidated- Tomoka Land Co.'s definitive Proxy Statement for the 2020 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission (the "Commission") pursuant to Regulation 14A. The definitive Proxy Statement will be filed with the Commission not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

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PART I

When we refer to "we," "us," "our," or "the Company," we mean Consolidated-Tomoka Land Co. and its consolidated subsidiaries. References to "Notes to Financial Statements" refer to the Notes to the Consolidated Financial Statements of Consolidated-Tomoka Land Co. included in Item 8 of this Annual Report on Form 10-K. Statements contained in this Annual Report on Form 10-K, 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 Alpine Income Property Trust, Inc. ("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 in Crisp39 SPV LLC (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; and*
- *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.*

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 Annual Report on Form 10-K), "Quantitative and Qualitative Disclosures about Market Risk" (Part II, Item 7A), and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" (Part II, Item 7).

ITEM 1. BUSINESS

Recent Developments Impacting our Business

During the fourth quarter of 2019, the Company, a Florida corporation, completed the following transactions that were transformational to the Company and its operating results for the year ended December 31, 2019 and meaningful to its ongoing operations in the periods subsequent to December 31, 2019:

- **Land JV Transaction**

  On October 16, 2019, the Company completed the sale of a controlling interest in its wholly-owned subsidiary, Crisp39 SPV LLC to affiliates of Magnetar Capital LLC (the "Magnetar Land Sale"); (i) Flacto, LLC ("Flacto"); (ii) Magnetar Longhorn Fund LP ("Longhorn"); and (iii) Magnetar Structured Credit Fund, LP ("Magnetar SCF" and collectively with Flacto and Longhorn, the "Magnetar Investors") pursuant to an Interest Purchase Agreement (the "Purchase Agreement"), for $97 million. Crisp39 SPV LLC holds the approximately 5,300 acres of undeveloped land in Daytona Beach, Florida (the "Land JV"). Following the closing of the Purchase Agreement, the Magnetar Investors collectively own a notional 66.50% equity interest in the Land JV, and the Company owns a notional 33.50% equity interest in the Land JV (collectively, the Company and the Magnetar Investors are herein referred to as the "JV Partners"). The transaction resulted in a gain of approximately $78.6 million, or approximately $12.21 per share, after tax, on the sale of the 66.50% equity interest in the Land JV, and a non-cash gain of approximately $48.9 million on the Company's retained interest in the Land JV, or approximately $7.59 per share, after tax.

  The Company serves as the manager (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 must be approved by the unanimous consent of the JV Partners (the "Unanimous Actions"). Unanimous Actions include 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 Limited Liability Company of the Land JV will pay the Manager a management fee in the initial amount of $20,000 per month, which amount will be evaluated on a quarterly basis and reduced based on the value of real property that remains in the Land JV.

  As a result of the Magnetar Land Sale, the Company has effectively divested all of its land holdings and as such the impact of the occurrence of land sales, which had been a primary element of the Company's business for virtually its entire history, has been essentially eliminated. Consequently, the operations associated with our land holdings were treated as discontinued operations and accordingly the revenues and expenses that had been presented within the Company's real estate operations segment in prior periods were reclassified in the statement of operations for the year ended December 31, 2019 and all prior periods presented. In addition, the need for utilizing the 1031 like-kind exchange structure to deploy proceeds from land sales into replacement assets, primarily income properties, has also been reduced substantially.

- **Alpine Income Property Trust, Inc. (NYSE: PINE)**

  On November 26, 2019, as part of the initial public offering (the "IPO") of Alpine Income Property Trust, Inc. ("PINE") on the New York Stock Exchange, the Company and certain of its affiliates entered into purchase and sale agreements with PINE and Alpine Income Property OP, LP (the "PINE OP"), pursuant to which the Company and such affiliates sold, and PINE or the PINE OP purchased, 15 properties for aggregate cash consideration of $125.9 million (collectively, the "Purchase and Sale Transaction"). In addition, the Company and certain of its affiliates entered into contribution agreements with the PINE OP, pursuant to which the Company and such affiliates contributed to the PINE OP five properties (the "Contributed Properties") for an aggregate of 1,223,854 OP units of the PINE OP (the "OP Units"), which have an initial value of approximately $23.3 million (the "Contribution Transaction"), and collectively with the Purchase and Sale Transaction, (the "PINE Income Property Sale Transactions"). The PINE Income Property Sale Transactions resulted in a gain of approximately $1.0 million, or approximately $0.16 per share, after tax.

  Concurrently with the PINE Income Property Sale Transactions, the Company purchased 394,737 shares of PINE common stock for a total purchase price of $7.5 million (the "Private Placement"). 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 (the "IPO Purchase" and together with the Private Placement, the "Equity Transactions"). Including the Company's investment in PINE as a result of receiving 1,223,854 OP Units, the Company owns, in the aggregate, approximately 2.04 million shares of PINE common stock, or approximately 22.3% of PINE's total shares outstanding.

In addition to the PINE Income Property Sale Transactions, the PINE IPO was significant for the Company and our business because concurrent with the PINE IPO, the Company entered into a management agreement with PINE (the "Management Agreement") pursuant to which the Company is responsible for managing, operating, and administering the day-to-day operations, business and affairs of PINE, subject to the direction and supervision of PINE's board of directors (the "PINE Board") and in accordance with the investment guidelines approved and monitored by the PINE Board. Pursuant to the Management Agreement, PINE agreed to pay the Company a base management fee equal to 0.375% per quarter (or 1.5% annually) of PINE's "total equity" (as defined in the Management Agreement) calculated and payable in cash, quarterly in arrears. Based on the equity raised in PINE's IPO and the Private Placement, the initial base management fee would approximate $2.6 million. In addition, we have the ability to earn an incentive fee based on PINE's shareholders achieving an annual return that exceeds an 8% annual hurdle, subject to a high-water mark price. The amount of the incentive fee would equal 15% of the amount by which the PINE shareholders annual return exceeds 8% in any given year. The initial term of the Management Agreement is five (5) years and the Management Agreement cannot be terminated by either party during the initial term except for certain definitive events which pertain primarily to our default or lack of performance. We also entered into an exclusivity and right of first offer agreement (the "Exclusivity and ROFO Agreement") with PINE at the date of its IPO. Pursuant to the Exclusivity and ROFO Agreement, the Company agreed not to invest in single-tenant net lease income properties, with limited exceptions. Further, the Company agreed to provide PINE with a right of first offer should the Company decided to sell any of its remaining portfolio of single-tenant net leased income properties in the future.

- **<u>Golf Operations</u>**

  On October 17, 2019, the Company sold its interest in the golf operations for $3.45 million (the "Golf Sale"), resulting in no gain on the transaction. The Company provided the buyer with financing in the form of an approximately $2.1 million first mortgage loan with a term of one year. As a result of the sale of the golf operations, the Company is no longer engaged in the ownership and operation of LPGA or any other golf club business.

Our Business

We are a diversified real estate operating company that was founded in 1910. As of December 31, 2019, we own and manage, sometimes utilizing third-party property management companies, thirty-four commercial real estate properties in eleven states in the United States, with approximately 1.8 million square feet of gross leasable space. These thirty-four properties in our portfolio comprise our income property operations segment.

In addition to our income property portfolio, as of December 31, 2019, or business included the following:

<u>Management Services:</u>

- A fee-based management business that is engaged in managing PINE and the Land JV, see Note 5, "Related Party Management Services Business".

<u>Commercial Loan Investments:</u>

- A portfolio of commercial loan investments.

<u>Real Estate Operations:</u>

- 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 5,300 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, our investment in PINE of approximately $38.8 million resulting from the Equity Transactions, or approximately 22.3% of the PINE's outstanding equity, including the OP Units which are exchangeable into common stock of PINE on a one-for-one basis, at PINE's election. Our investment in PINE should generate 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 Income on the accompanying statement of operations.

Prior to 2019, the Company operated in four primary business segments: income properties, commercial loan investments, real estate operations, and golf operations. During the fourth quarter of 2018, the Company commenced efforts to monetize the golf operations and accordingly, as of December 31, 2018, the golf assets and liabilities related to the golf operations were classified as held for sale in the accompanying consolidated balance sheets and the results of golf operations were classified as discontinued operations in the accompanying consolidated statements of income for all years presented. The golf operations segment, although discontinued in 2018, held assets as of December 31, 2018. Accordingly, the identifiable assets and liabilities have been disclosed separately as discontinued golf operations for the years presented.

As a result of the significant transactions during the fourth quarter of 2019, including the Land JV transaction, the PINE Income Property Sale Transactions, and the Golf Sale, the Company's segment structure has been modified to more closely align with the continuing operations of the Company. The Company now operates in four primary business segments: income properties, management services, commercial loan investments, and real estate operations. The new management services segment consists of the revenue generated from managing PINE and the Land JV. The management services segment had no assets as of December 31, 2019, 2018, or 2017. 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 years ended December 31, 2019, 2018, and 2017 and the continuing 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 years presented.

The following is a summary of financial information regarding the Company's business segments (amounts in thousands) for the years ended December 31:

	2019	2018	2017
Revenues of each segment are as follows:			
Income Properties	$ 41,956	$ 40,076	$ 31,407
Management Services	304	—	—
Commercial Loan Investments	1,829	616	2,053
Real Estate Operations	852	2,966	5,191
Total Revenues	$ 44,941	$ 43,658	$ 38,651
Operating income from Continuing Operations before income tax for each segment is as follows:			
Income Properties	$ 34,956	$ 31,906	$ 24,489
Management Services	304	—	—
Commercial Loan Investments	1,829	616	2,053
Real Estate Operations	748	2,375	3,770
General and Corporate Expense	(9,818)	(9,785)	(10,253)
Depreciation and Amortization	(15,797)	(15,762)	(12,314)
Gain on Disposition of Assets	21,977	22,035	—
Total Operating Income	$ 34,199	$ 31,385	$ 7,745
Identifiable assets of each segment are as follows:			
Income Properties	$ 464,285	$ 492,094	$ 388,603
Commercial Loan Investments	35,742	—	11,964
Real Estate Operations	65,555	14,316	4,416
Discontinued Real Estate Operations	833	20,972	38,880
Discontinued Golf Operations	—	4,462	6,262
Corporate and Other [(1)]	136,871	24,486	16,005
Total Assets	$ 703,286	$ 556,330	$ 466,130

(1) Corporate and Other assets includes all other corporate assets, including cash, restricted cash, and investment securities.

BUSINESS PLAN

Our business plan going forward is primarily focused on investing in income-producing real estate, primarily multi-tenant commercial retail properties occupied by retail or office tenants. We may also self-develop multi-tenant income properties, as we have done in the past. We may also invest in commercial loans or similar financings secured by commercial real estate. Our investment in multi-tenant income properties, and possibly single-tenant net lease assets that fall outside our Exclusivity and ROFO agreement with PINE, may utilize proceeds from the sale of an income property currently in our portfolio and because our tax basis in property likely carries a tax basis from the low-basis land parcel we sold to by the existing property, we may seek to have the sale of the existing income property qualify for income tax deferral through the like-kind exchange provisions under Section 1031 of the Internal Revenue Code. The low tax basis in our income property portfolio is the result of us having acquired the original land primarily in the early part of our 100 plus year history. Utilizing the like-kind exchange structure allows us to continue to defer the related income taxes on the original gains from the land sales and possibly the gains achieved on the sale of the original replacement property or properties. Generally, in order to utilize the like-kind exchange structure, we are prohibited from engaging in activities that are typically indicative of the developer of an income property or a dealer in income property sales. Our approach in investing in income-producing real estate is to use leverage, when appropriate or necessary, to fund our acquisitions and to help achieve our business objectives. Our use of leverage in acquiring income-producing real estate is intended to provide positive returns relative to our borrowing costs. We believe this enhances our Company's income-generating real estate asset base while keeping us cash flow positive.

Our investment strategy seeks to acquire income properties, primarily multi-tenants, which will continue to broaden the credit base of our lease tenants, diversify our income property portfolio geographically, with an emphasis on major markets and growth markets in the U.S., and diversify the type of income-producing property. We may selectively choose to complete the development of an income property investment.

Proceeds from completed sales of income properties supply us with investible capital. Our access to sources of debt financing, particularly our borrowing capacity under our Credit Facility, also provide a source of capital for our investment strategy. Our strategy is to utilize leverage, when appropriate and necessary, and potentially proceeds from sales of income properties, the disposition or payoffs of our commercial loan investments, and certain transactions involving 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 comprised of select retail and office;
- Joint venture development using land owned by the Land JV;
- 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.

INCOME PROPERTIES

We have pursued a strategy of investing in income-producing properties, when possible, by utilizing the proceeds from real estate transactions, including the disposition of income properties and transactions involving our Subsurface Interests.

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.

During the year ended December 31, 2019, the Company acquired ten single-tenant income properties and one multi-tenant income property, for an aggregate purchase price of approximately $164.7 million as described below:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Feet	Property Acres	Purchase Price	Percentage Leased	Remaining Lease Term at Acquisition Date (in years)
Hobby Lobby Stores, Inc.	Single-Tenant	Winston-Salem, NC	05/16/19	55,000	7.6	$ 8,075,000	100%	10.9
24 Hour Fitness USA, Inc.	Single-Tenant	Falls Church, VA	05/23/19	46,000	3.1	21,250,000	100%	8.6
Walgreen Co.	Single-Tenant	Birmingham, AL	06/05/19	14,516	2.1	5,500,000	100%	9.8
Family Dollar Stores of Massachusetts, Inc.	Single-Tenant	Lynn, MA	06/07/19	9,228	0.7	2,100,000	100%	4.8
Walgreen Co.	Single-Tenant	Albany, GA	06/21/19	14,770	3.6	3,634,000	100%	13.6
Carpenter Hotel [1]	Single-Tenant	Austin, TX	07/05/19	N/A	1.4	16,250,000	100%	99.1
General Dynamics Corporation	Single-Tenant	Reston, VA	07/12/19	64,319	3.0	18,600,000	100%	9.9
Live Nation Entertainment, Inc.	Single-Tenant	East Troy, WI	08/30/19	N/A	158.3	7,500,000	100%	10.6
Party City Corporation	Single-Tenant	Oceanside, NY	09/24/19	15,500	1.2	7,120,000	100%	10.2
Burlington Stores, Inc.	Single-Tenant	N. Richland Hills, TX	10/28/19	70,891	5.3	11,940,000	100%	9.3
The Strand	Multi-Tenant	Jacksonville, FL	12/09/19	212,402	52.0	62,701,000	95%	9.5
	Total / Weighted Average			502,626		$ 164,670,000		18.4

[1] The ground lease with The Carpenter Hotel includes two tenant repurchase options. Pursuant to FASB ASC Topic 842, Leases, the $16.25 million investment has been recorded in the accompanying consolidated balance sheet as of December 31, 2019 as a commercial loan investment. See Note 4, "Commercial Loan Investments".

In addition to the 20 single-tenant net lease properties sold to PINE in November 2019, the Company completed the sale of four other income properties during the year ended December 31, 2019. In February 2019, the Company sold its approximately 59,000 square foot multi-tenant retail property located in Sarasota, Florida that was anchored by a Whole Foods Market grocery store, for approximately $24.6 million. In May 2019, the Company sold its approximately 112,000 square foot retail strip center, anchored by a 24-Hour Fitness, for approximately $18.3 million. In June 2019, the Company sold its approximately 76,000 square foot multi-tenant office property in Santa Clara, California for approximately $37.0 million. And finally, in August of 2019, the Company sold its property that was subject to a ground lease with WaWa for approximately $2.8 million. In aggregate, the four dispositions generated approximately $82.6 million in proceeds with gains recognized of approximately $20.8 million, or approximately $3.06 per share, after tax.

Our current portfolio of twenty-nine (29) single-tenant income properties generates approximately $20.4 million of revenues from straight-line base lease payments on an annualized basis and had a weighted average remaining lease term of 9.1 years as of December 31, 2019. Our current portfolio of five (5) multi-tenant properties generates approximately $8.9 million of revenue from straight-line base lease payments on an annualized basis and had a weighted average remaining lease term of 6.5 years as of December 31, 2019.

As part of our overall strategy for investing in income-producing properties, we have self-developed properties, including five multi-tenant office properties, all of which are located in Daytona Beach, Florida. We sold one these properties in 2016 and the four other properties on March 26, 2018.

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 December 31, 2019, we invested approximately $5.2 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. In the recent past, the Company was pursuing an effort to the monetize certain of our multi-tenant income properties with the Company intending to reinvest the potential proceeds from these dispositions into single-tenant net lease income properties. As a result of that strategy, we sold three multi-tenant income properties during the year ended December 31, 2019. In part, as a result of entering into the Exclusivity and ROFO Agreement, 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.

As of December 31, 2019, the Company owned twenty-nine single-tenant and five multi-tenant income properties in eleven states. Following is a summary of these properties:

Tenant	**City**	**State**	**Area (Square Feet)**	**Year Built**
24 Hour Fitness USA, Inc.	Falls Church	VA	46,000	2012
Aspen Development	Aspen	CO	19,596	2015
Bank of America	Monterey	CA	32,692	1982
Wawa (formerly Barnes & Noble)	Daytona Beach	FL	—	Under Construction
Big Lots	Phoenix	AZ	34,512	2000
Big Lots	Germantown	MD	25,589	2000
Burlington Stores, Inc.	N. Richland Hills	TX	70,891	1993
Carpenter Hotel	Austin	TX	—	1949/2018
Carrabba's Italian Grill	Austin	TX	6,528	1994
Chase Bank	Jacksonville	FL	3,614	2017
Chuy's Restaurant & Bar	Jacksonville	FL	7,950	2017
Crabby's Restaurant (formerly Cocina 214)	Daytona Beach	FL	5,780	2018
CVS	Dallas	TX	10,340	2016
Fidelity Investments (affiliate of)	Albuquerque	NM	210,067	2009
Firebirds Wood Fired Grill	Jacksonville	FL	6,948	2017
General Dynamics Corporation	Reston	VA	64,319	1984/2018
Harris Teeter	Charlotte	NC	45,089	1993
LandShark Bar & Grill	Daytona Beach	FL	6,264	2018
Lowe’s Corporation	Katy	TX	131,644	1997
Macaroni Grill	Arlington	TX	8,123	1993
Moe's Southwest Grill	Jacksonville	FL	3,111	2017
Outback Steakhouse	Austin	TX	6,176	1994
PDQ	Jacksonville	FL	3,366	2017
Party City Corporation	Oceanside	NY	15,500	1999/2014
Rite Aid Corp.	Renton	WA	16,280	2006
Staples	Sarasota	FL	18,120	2012
Walgreens	Clermont	FL	13,650	2003
Wawa	Jacksonville	FL	6,267	2017
Wells Fargo	Raleigh	NC	450,393	1996/1997
29 Single-Tenant Properties			**1,268,809**	
7-Eleven	Dallas	TX	4,685	1973
World of Beer/Fuzzy's Taco Shop	Brandon	FL	6,715	2006
Riverside Avenue	Jacksonville	FL	136,856	2003
Westcliff Shopping Center	Fort Worth	TX	136,185	1954
The Strand	Jacksonville	FL	212,402	2017/2018
5 Multi-Tenant Properties			**496,843**	
Total 34 Properties			**1,765,652**	

The weighted average economical and physical occupancy rates of our income properties for each of the last three years on a portfolio basis are as follows:

Year	Single-Tenant Economic / Physical Occupancy	Multi-Tenant Economic / Physical Occupancy
2017	100% / 100%	85% / 85%
2018	100% / 100%	86% / 85%
2019	100% / 100%	82% / 82%

The information on lease expirations of our total income property portfolio for each of the ten years starting with 2020 is as follows:

Year	# of Tenant Leases Expiring	Total Square Feet of Leases Expiring	Annual Rents Expiring [(1)]	Percentage of Gross Annual Rents Expiring [(1)]
2020	4	63,150	$ 1,018,402	3.6 %
2021	9	84,261	$ 1,173,945	4.2 %
2022	6	47,430	$ 1,808,497	6.4 %
2023	6	60,211	$ 966,982	3.4 %
2024	4	479,262	$ 3,192,015	11.4 %
2025	1	5,393	$ 127,055	0.5 %
2026	3	22,417	$ 632,603	2.3 %
2027	6	213,853	$ 3,131,301	11.1 %
2028	12	372,570	$ 7,046,298	25.1 %
2029	12	190,916	$ 4,055,564	14.4 %

(1) Annual Rents consist of the base rent to be received pursuant to each lease agreement, i.e. not on a straight-line basis.

The majority of leases have additional option periods beyond the original term of the lease, which typically are exercisable at the tenant's option.

We had one tenant that accounted for more than 10% of our consolidated income property revenue during the year ended December 31, 2019. Wells Fargo, who occupied two single-tenant office properties located in Hillsboro, Oregon and Raleigh, North Carolina, accounted for approximately 12.5% of our consolidated revenues during the year ended December 31, 2019. The office property leased to Wells Fargo located in Hillsboro, Oregon was sold as a part of the PINE Income Property Sale Transactions on November 26, 2019. The office property leased to Wells Fargo located in Raleigh, North Carolina also represented 26% of the total square footage of our income property portfolio as of December 31, 2019. A default by this tenant would have a material adverse effect on the Company's income properties segment and its overall results of operations. We have one other tenant, Fidelity Investments, who represented over 5% of our consolidated revenues during the year ended December 31, 2019, and a large percentage of the square footage of our income property portfolio, but not in excess of 10%.

MANAGEMENT SERVICES

Our business plans also include generating revenue from managing PINE and the Land JV. Pursuant to the Management Agreement, 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 terms of the incentive fee.

The Company also generates management fees as the Land JV Manager. 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.

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 generally 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.

2019 Commercial Loan Investment Portfolio. During the year ended December 31, 2019, the Company invested approximately $18.3 million on three commercial loans, two were mortgage notes of $8 million and $8.25 million secured by a parcel of land in Orlando, Florida and a full-service hotel in Austin, Texas, respectively. In addition, in connection with the sale of the Company's golf operations, the Company provided an approximately $2.1 million loan to the buyer, with a maturity of one year and an interest rate of 7.5%. As of December 31, 2019, the Company's commercial loan investment portfolio included the three loans with a total remaining principal balance of approximately $18.2 million, a weighted average interest rate of approximately 11.3% and a remaining duration to maturity of approximately 0.5 years.

2018 Commercial Loan Investment Portfolio. During the year ended December 31, 2018, the Company had two loan investments totaling approximately $11.9 million, that were repaid in full at maturity. As of December 31, 2018, the Company had no commercial loan investments.

2017 Commercial Loan Investment Portfolio. During the year ended December 31, 2017, the Company invested in a $3 million loan on a parcel of land in Daytona Beach that was being developed into a multi-family condominium property. As of December 31, 2017, the Company's commercial loan investment portfolio included two loans with a total remaining principal balance of approximately $11.9 million, a weighted average interest rate of 9.5% and a remaining duration to maturity of approximately 0.5 years. During the year a $10 million mezzanine loan investment secured by a hotel located at the Dallas/Fort Worth airport in Texas and a $5 million mezzanine loan investment secured by a hotel located in downtown Atlanta, Georgia, were paid off in full.

LAND and INVESTMENT IN THE LAND JV

Land JV. As noted above, the direct impact of the Magnetar Land Sale is that the Company divested itself of its land holdings, but for the 6-acre Daytona Beach development land described below, and as such the occurrence of land sales, which had been a primary element of the Company's business for virtually its entire 109-year history, has been essentially discontinued. Consequently, the operations associated with our land holdings were treated as discontinued operations and accordingly the revenues and expenses that had been presented within the Company's real estate operations segment in prior periods were reclassified in the statement of operations for the year ended December 31, 2019 and all prior periods presented.

However, the Company is continuing to pursue land sales on the approximately 5,300 acres that formerly comprised its land holdings in its role as Manager (of the Land JV) on behalf of the JV Partners. 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 March 6, 2020, the Land JV has completed approximately $22 million in land sales since its inception in mid-October 2019 and currently has a pipeline of 10 purchase and sale agreements for potential land sale transactions representing approximately $97 million of potential proceeds to the Land JV. The 4,200 acres under contract represents approximately 84% of the total remaining land in the Land JV.

Daytona Beach Development. We may selectively acquire other real estate in Daytona Beach, Florida. We may target either vacant land or land with existing structures that we would raze and develop into additional income properties. 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 December 31, 2019, 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. The combined 6 acres is located in an opportunity zone and a community redevelopment area. In addition, this property is proximate to the future headquarters of Brown & Brown Inc., the sixth largest insurance broker in the U.S. and a publicly listed company that is expected to be occupied by at least 600 of their employees. 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 December 31, 2019, we have incurred approximately $1.1 million in raze and entitlement costs related to these parcels. Our intent for investments in the Daytona Beach area is to target opportunistic acquisitions of select catalyst sites, which are typically distressed, with the objective of short-to-medium investment horizons. We may enter into joint ventures or other partnerships to develop land we have acquired or may acquire in the future in lieu of self-developing.

Revenue from Tomoka Town Center. During 2015 and 2016, the Company completed three land sales with a gross sales price totaling approximately $21.4 million, with Tanger Outlets (“Tanger”), Sam’s Club (“Sams”), and North American Development Group (“NADG”), representing the sale of approximately 235 acres of land that is now the location of a Tanger Outlet mall, a Sam’s Club retail property and a retail power center called the Tomoka Town Center. As part of the three land sale agreements and subsequent land sales with NADG, the Company performed certain infrastructure work, which began in the fourth quarter of 2015 and was completed in the fourth quarter of 2016, for which the Company would be reimbursed for the cost of the infrastructure work. The Company received NADG’s portion of the reimbursement as NADG closed on each parcel of land included in the respective land sales contracts with the Company. Tanger and Sam’s agreed to pay their reimbursement of the infrastructure costs over a ten-year period. The reimbursements applicable to and due from Tanger and Sam’s totaled approximately $2.8 million. As of December 31, 2019, the Company has received approximately $1.1 million of the Tanger and Sam’s reimbursements. These reimbursements are included in the results of the land operations which are now reflected in discontinued operations and will be through the final payment of Tanger’s and Sam’s reimbursement obligation.

Since the transition in our land operations occurred late in 2019, the impact of land sales for the periods prior to October 2019 are no longer germane to our financial condition, results of operations and cash flows. As such the following summarized information is provided regarding land sales activity prior to October 2019.

2019 Land Sales. During the year ended December 31, 2019, the Company completed five (5) land sales transactions, including: (i) the Magnetar Land Sale for approximately 5,300 acres of land, for total proceeds of approximately $97 million; (ii) two transactions with Unicorp Development representing approximately 23.6 acres and generating aggregate proceeds of approximately $7.1 million; (iii) the sale of approximately 38 acres for total proceeds of $710,000, and (iv) a land sale to NADG for approximately 13 acres generating proceeds of approximately $3 million. In total the Company, in 2019, sold approximately 5,400 acres generating proceeds of approximately $108 million. Including the approximately $48.9 million recognized on the retained interest in the Land JV, gains of approximately $133 million, or approximately $20.60 per share after tax, were recognized.

2018 Land Sales. During the year ended December 31, 2018, the Company completed land transactions representing approximately 2,697 acres including: (i) the sale of a 70% interest in the Mitigation Bank (hereinafter defined) that holds approximately 2,492 acres for proceeds of $15.3 million and (ii) twelve land sales totaling approximately 205 acres for aggregate proceeds of approximately $43.7 million. The twelve land sales generated gains of approximately $32.6 million, or approximately $4.44 per share, after tax.

2017 Land Sales. During the year ended December 31, 2017, the Company completed land transactions representing approximately 1,700 acres including: (i) the sale of nearly 1,600 acres to Minto Communities generating proceeds of approximately $27.2 million; (ii) two transactions with NADG of approximately 46 acres for total proceeds of approximately $10.6 million, and (iii) five other transactions representing approximately 73.5 acres that generated approximately $9.2 million of proceeds. The land sales in 2017 generated aggregate proceeds of approximately $45.5 million and gains of approximately $31.8 million, or approximately $3.51 per share, after tax.

Land Impairments. As more fully described in Note 11, "Impairment of Long-Lived Assets," during the years ended December 31, 2019, 2018 and 2017, the Company did not recognize any impairments on its undeveloped land holdings.

Mitigation Bank. The mitigation bank transaction consists of the sale of a 70% interest in the entity that holds approximately 2,492 acres of land that has been permitted for the creation of a wetland mitigation bank (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 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 gain on the sale of the 70% interest in the Mitigation Bank JV totaled approximately $18.4 million and is comprised of the gain on the sale of 70% interest for proceeds of $15.3 million as well as the gain on the retained 30% interest pursuant to FASB ASC Topic 610-20, *Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets*. The gain is included in the Gain on Disposition of Assets in the Company’s consolidated statements of operations. As of December 31, 2018, the approximately $6.8 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 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 as of December 31, 2018.

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 as of December 31, 2018. 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 Impact Fees and Mitigation Credits on the accompanying consolidated balance sheets as of December 31, 2019.

Other Real Estate Assets. The Company owns mitigation credits with a cost basis of approximately $2.3 million as of December 31, 2019. The increase in mitigation credits includes the 25 credits acquired from the Mitigation Bank during December 2019 as described in Note 6, Land and Investments in the Land JV. There were no mitigation credit sales during year ended December 31, 2019. During the year ended December 31, 2018, the Company transferred mitigation credits with a basis of approximately $124,000 to the land acquired by Buc-ee’s. During the year ended December 31, 2018, the Company sold mitigation credits for approximately $1.0 million, for a gain of approximately $882,000, or $0.12 per share, after tax. During the year ended December 31, 2017, the Company sold mitigation credits for approximately $1.6 million, for a gain of approximately $1.3 million, or $0.15 per share, after tax. Additionally, the Company recorded the transfer of mitigation credits with a cost basis of approximately $298,000 as a charge to direct cost of revenues of real estate operations during the year ended December 31, 2017, as more fully described in Note 21, “Commitments and Contingencies.” During the years ended December 31, 2018 and 2017, the Company received cash payments of approximately $338,000 and $519,000, respectively, for impact fees with a cost basis that was generally of equal value, with no such impact fee sales during the year ended December 31, 2019, as the balance of impact fees is only approximately $2,000. Additionally, during the year ended December 31, 2018, impact fees with a cost basis of approximately $72,000 were transferred to the beachfront restaurant leased to LandShark Bar & Grill.

Subsurface Interests. As of December 31, 2019, 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 revenues generated by the portfolio of subsurface interests includes the sale of subsurface acres, the leasing of subsurface acres for mineral exploration activities, and payments made to the Company, typically by the owner of the surface acres, to compensate us for releasing our right to enter the surface acres to access our subsurface acres.

Prior to September 2019, the Company leased certain of the Subsurface Interests to a mineral exploration organization for exploration. An eight-year oil exploration lease was executed in 2011 that covered a portion of our Subsurface Interests. On September 20, 2017, the Company amended the oil exploration lease to, among other things, extend the expiration of the original term for five additional years to the new expiration date of September 22, 2024. As a result, the lease was effectively comprised of thirteen one-year terms as the lessee had the option to terminate the lease at the end of each lease year. 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. During the eight years the lease was active the annual lease payments were recognized as revenue ratably over the respective twelve-month lease period. During the lease term a number of the renewals included the payment of a drilling penalty by the Lessee. The non-refundable drilling penalty payments were recognized as revenue when earned, i.e. when the amount agreed upon was paid. Lease income generated by the annual lease payments is recognized on a straight-line basis over the guaranteed lease term. For the years December 31, 2019, 2018, and 2017, lease income of approximately $598,000, approximately $807,000, and approximately $807,000 was recognized, respectively.

Lease payments on the respective acreages and drilling penalties received through lease year eight are as follows:

Lease Year	Acreage (Approximate)	Florida County	Lease Payment [(1)]	Drilling Penalty [(1)]
Lease Year 1 - 9/23/2011 - 9/22/2012	136,000	Lee and Hendry	$ 913,657	$ —
Lease Year 2 - 9/23/2012 - 9/22/2013	136,000	Lee and Hendry	922,114	—
Lease Year 3 - 9/23/2013 - 9/22/2014	82,000	Hendry	3,293,000	1,000,000
Lease Year 4 - 9/23/2014 - 9/22/2015	42,000	Hendry	1,866,146	600,000
Lease Year 5 - 9/23/2015 - 9/22/2016	25,000	Hendry	1,218,838	175,000
Lease Year 6 - 9/23/2016 - 9/22/2017	15,000	Hendry	806,683	150,000
Lease Year 7 - 9/23/2017 - 9/22/2018	15,000	Hendry	806,683	50,000
Lease Year 8 - 9/23/2018 - 9/22/2019	15,000	Hendry	806,684	150,000
Total Payments			$ 10,633,805	$ 2,125,000

(1) Generally, cash payment for the Lease Payment and Drilling Penalty is received on or before the first day of the lease year. The Drilling Penalty, which is due within thirty days from the end of the prior lease year, is recorded as revenue when earned, i.e. when the amount is agreed upon, while the Lease Payment is recognized on a straight-line basis over the respective lease term. The oil exploration lease has not been renewed beyond September 22, 2019 and has effectively terminated.

There were no sales of subsurface acres during the years ended December 31, 2019 or 2018. During the year ended December 31, 2017, the Company sold approximately 38,750 acres of subsurface interests in Osceola County, Florida for approximately $2.1 million (the "Osceola Subsurface Sale"). The gain from the Osceola Subsurface Sale totaled approximately $2.08 million, or $0.23 per share, after tax.

During the year ended December 31, 2018, the Company completed a transaction releasing our surface entry rights on approximately 600 acres in exchange for approximately $185,000 in cash and fee title to approximately 40 additional acres in Hendry County, valued at approximately $320,000. Including the non-cash value received, the gain from the transaction totaled approximately $435,000, or $0.06 per share, after tax. Additional cash payments for the release of surface entry rights during 2018 totaled approximately $73,000. The revenue from the release of surface entry rights during the year ended December 31, 2017 totaled approximately $2.1 million.

During the years ended December 31, 2019, 2018, and 2017, the Company also received oil royalties from operating oil wells on 800 acres under a separate lease with a separate operator resulting in revenues received from oil royalties of approximately $42,000, $72,000, and $86,000, 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. During the year ended December 31, 2018, the Company completed a transaction releasing our surface entry rights on approximately 600 acres in exchange for approximately $185,000 in cash and fee title to approximately 40 additional acres in Hendry County, valued at approximately $320,000. Including the non-cash value received, the gain from the transaction totaled approximately $435,000, or $0.06 per share, after tax. Additional cash payments for the release of surface entry rights during 2018 totaled approximately $73,000. Cash payments for the release of surface entry rights totaled approximately $104,000 during the year ended December 31, 2019, while there were no releases of surface entry rights during the year ended December 31, 2017.

GOLF OPERATIONS

The Golf Sale closed in October 2019. Prior to October 2019, the Company owned the LPGA International Golf Club (the "Club"), a semi-private golf club consisting of two 18-hole championship golf courses, a three-hole practice facility, a clubhouse facility with food and beverage operations, and a fitness facility. The Club was managed by a third party.

Prior to January 2017, the Company leased from the City of Daytona Beach, Florida (the "City") a large portion of the land underlying the Club (the "Golf Course Lease"). On January 24, 2017, the Company acquired the approximately 690 acres of land and improvements covered by the Golf Course Lease, for approximately $1.5 million (the "Golf Course Land Purchase"). In conjunction with the Golf Course Land Purchase, the Golf Course Lease was terminated. Therefore, during the first quarter of 2017, the Company eliminated the remaining accrued liability of approximately $2.2 million, resulting in the recognition of approximately $0.40 per share in non-cash earnings, or $0.24 per share after tax, which comprises the Golf Course Lease termination in the consolidated statements of operations. The $2.2 million consisted of approximately $1.7 million which reflects the acceleration of the remaining amount of accrued rent that was no longer owed to the City as a result of the Lease Amendment, which prior to the Golf Course Land Purchase was being recognized into income over the remaining lease term which was originally to expire in 2022. The remaining approximately $500,000 reflects the amount of rent accrued pursuant to the Golf Course Lease, as amended, which will no longer be owed to the City due to the lease termination on January 24, 2017.

As a part of the Golf Course Land Purchase, the Company donated to the City three land parcels totaling approximately 14.3 acres located on the west side of Interstate 95. The Company had a cost basis of effectively $0 in the donated land and paid approximately $100,000 to satisfy the community development district bonds associated with the acreage. As part of the Golf Course Land Purchase the Company was obligated to pay the City additional consideration in the form of an annual surcharge of $1 per golf round played at the Club each year (the "Per-Round Surcharge") with an annual minimum Per-Round Surcharge of $70,000 and a maximum aggregate amount of the Per-Round Surcharges paid equal to $700,000. The maximum amount of $700,000 represents contingent consideration and was recorded as an increase in Golf Buildings, Improvements, and Equipment and Accrued and Other Liabilities in the accompanying consolidated balance sheets. In connection with the Golf Sale the Company paid off the remaining obligation which totaled $560,000. The Company also, as part of the Golf Course Land Purchase, was required to renovate the greens on one of the courses at the Club and such renovations were completed in the third quarter of 2017.

The Golf Course Land Purchase also required that if the Company sold the Club within six years of the closing of the Golf Course Land Purchase, the Company would be obligated to pay the City an amount equal to 10% of the difference between the sales price, less closing costs and any other costs required to be incurred in connection with the sale, and $4.0 million. Based on the sales price of the Golf Sale, the Company's obligation under this provision terminated.

During the year ended December 31, 2018, the Company wrote down the value of the golf assets comprising the Club, which resulted in a corresponding impairment charge of approximately $1.1 million, or $0.15 per share, after tax. The write-down of the golf operation assets to approximately \$3.1 million and the related \$1.1 million impairment charge were the result of the Company's assessment of certain triggering events, including activities related to a review of strategic alternatives for the golf operations, occurring during the third quarter of 2018, which required an assessment of the carrying value of the golf assets comprising the Club. In the fourth quarter of 2018, the Company commenced efforts to pursue the monetization of the golf operations and assets comprising the Club. Accordingly, as of December 31, 2018 and during 2019, prior to the date of the Golf Sale, the golf assets comprising the Club were classified as held for sale in our consolidated balance sheets and the results of golf operations were similarly reclassified as discontinued operations in our consolidated statements of income for the period presented.

COMPETITION

The real estate business generally is highly competitive. Our business plan is focused on investing in commercial real estate that produces income primarily through the leasing of assets to tenants. To identify investment opportunities in income-producing real estate assets and to achieve our investment objectives, we compete with numerous companies and organizations, both public as well as private, of varying sizes, ranging from organizations with local operations to organizations with national scale and reach, and in some cases, we compete with individual real estate investors. In all the markets in which we compete to acquire income properties, price is the principal method of competition, with transaction structure and certainty of execution also being significant considerations for potential sellers. Should we need to re-lease our single-tenant income properties or space(s) in our multi-tenant properties, we would compete with many other property owners in the local market based on, among other elements, price, location of our property, potential tenant improvements, and lease term.

Our real estate operations are comprised primarily of (i) the Subsurface Interests; (ii) mitigation credits; and (iii) a six-acre parcel of land in downtown Daytona Beach, Florida. The parties that typically may be interested in acquiring our mitigation credits are both residential and commercial developers. These interested parties typically base their decision to acquire mitigation credits on price.

Our business plan may also focus on investing in commercial real estate through the acquisition or origination of mortgage financings secured by commercial real estate. Competition for investing in commercial mortgage loans and similar financial instruments can include financial institutions such as banks, life insurance companies, institutional investors such as pension funds and other lenders including mortgage REITs, REITs, and high wealth investors. The organizations that we compete with are of varying sizes, ranging from organizations with local operations to organizations with national scale and reach. Competition from these interested parties is based on, amongst other things, pricing or rate, financing structure, and other elements of the typical terms and conditions of a real estate financing.

EMPLOYEES

At December 31, 2019, the Company had fifteen full-time employees and considers its employee relations to be satisfactory.

AVAILABLE INFORMATION

The Company's executive offices are located at 1140 N. Williamson Blvd., Suite 140 Daytona Beach, Florida, and its telephone number is (386) 274-2202.

The Company's website is www.ctlc.com. The Company intends to comply with the requirements of Item 5.05 of Form 8-K regarding amendments to and waivers under the code of business conduct and ethics applicable to its Chief Executive Officer, Principal Financial Officer and Principal Accounting Officer by providing such information on its website within four days after effecting any amendment to, or granting any waiver under, that code, and we will maintain such information on our website for at least twelve months. The information contained on the Company's website does not constitute part of this Form 10-K.

On the Company's website you can also obtain, free of charge, a copy of this Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934, as amended, as soon as reasonably practicable, after the Company files such material electronically with, or furnish it to, the Securities and Exchange Commission ("Commission" or "SEC"). The public may read and obtain a copy of any materials the Company files electronically with the Commission at www.sec.gov.

Additional information on the Company's website includes the guiding policies adopted by the Company, which include the Company's Corporate Governance Principles, Code of Business Conduct and Ethics Policy and Insider Trading Policy.

ITEM 1A. RISK FACTORS

Our business is subject to a number of significant risks. The risks described below may not be the only risks which potentially could impact our business. These additional risks include those which are unknown now or that are currently considered immaterial. If any of the circumstances, events, or developments described below actually occur to a significant degree, our business, financial condition, results of operations, and/or cash flows could be materially adversely affected, and the trading price of our common stock could decline. You should carefully consider the following risks and all the other information set forth in this Annual Report on Form 10-K, including the consolidated financial statements and the notes thereto.

Risks related to our business

Income Property Operations

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, 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; 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.

Adverse changes in U.S., global and local regions or markets that impact our tenants' businesses may materially and adversely affect us generally and the ability of our tenants to make rental payments to us pursuant to our leases.

Our results of operations, as well as the results of operations of our tenants, are sensitive to changes in U.S., global and local regions or markets that impact our tenants' businesses. Adverse changes or developments in U.S., global or regional economic conditions may impact our tenants' financial condition, which may adversely impact their ability to make rental payments to us pursuant to the leases they have with us and may also impact their current or future leasing practices. Adverse economic conditions such as high unemployment levels, rising interest rates, increased tax rates and increasing fuel and energy costs may have an impact on the results of operations and financial conditions of our tenants, which would likely adversely impact us. During periods of economic slowdown and declining demand for real estate, we may experience a general decline in rents or increased rates of default under our leases. A lack of demand for rental space could adversely affect our ability to maintain our current tenants and gain new tenants, which may affect our growth, profitability and ability to pay dividends.

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 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.

Retail properties, particularly those with multiple tenants, depend on the presence of and successful operation of an anchor tenant or tenants and the failure of such tenant's business or the loss of the anchor tenant(s) could adversely affect the overall success of our property and thereby could adversely impact our financial condition, results of operations and cash flows.

Retail properties, like other properties, are subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. A multi-tenant property is particularly sensitive to the risk that a tenant that occupies a large area of a commercial retail property (commonly referred to as an anchor tenant) is unable to make their lease payments, does not extend their lease upon its expiration, or otherwise vacates their rented space. A lease termination by an anchor tenant or tenants could impact leases of other tenants. Other tenants may be entitled to modify the terms of their existing leases in the event of a lease termination by an anchor tenant, or the closure of the business of an anchor tenant that leaves its space vacant even if the anchor tenant continues to pay rent. Any such modifications or conditions could be unfavorable to us as the property owner and could decrease rents or expense recoveries. Additionally, should an anchor tenant vacate their leased space customer traffic to the property may be decreased, which could lead to decreased sales at other stores thus adversely impacting the tenant's operations and impacting their ability to pay rent. In the event of default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

We are subject to risks that affect the general retail environment in the United States, such as weakness in the economy, the level of consumer spending, the adverse financial condition of large consumer retail companies and competition from discount and internet retailers, any of which could adversely affect market rents for retail space and the willingness or ability of retail tenant to lease space in our multi-tenant properties.

A significant portion of the properties in our income property portfolio are commercial properties that were developed to be occupied by retail tenants and thus we are subject to the risks that affect the retail sector generally, as well as the market for retail space. The business environment for retail operators and the market for retail space have previously been, and could again be, adversely affected by weakness in the national, regional and local economies, the level of consumer spending and consumer confidence, the adverse financial condition of some large retail companies, the consolidation of operators that occurs from time to time in the retail sector, any excess amount of retail space in a number of markets and increasing competition from discount retail operators, outlet malls, internet or e-commerce retail businesses and other online businesses. Increases in consumer spending through e-commerce channels may significantly affect our retail tenants' ability to generate sales in their stores and could affect the way future tenants lease space. In addition, some of our retail tenants face competition from the expanding market for digital content and hardware. New and enhanced technologies, including new digital technologies and new web services technologies, may increase competition for certain of our retail tenants. While we devote considerable effort and resources to analyze and respond to tenant trends, preferences and consumer spending patterns, we cannot predict with certainty what future tenants will require to operate their business, what demands will be made for the build out of future retail spaces and how much revenue will be generated at traditional "brick and mortar" locations. If we are unable to anticipate and respond promptly to trends in the market, our occupancy levels and rental amounts may decline.

Any of the foregoing factors could adversely affect the financial condition of our retail tenants and the willingness of retail operators to lease space at our income properties. In turn, these conditions could negatively affect market rents for retail space and could materially and adversely affect our financial condition, results of operations, cash flow and our ability to satisfy our debt service obligations and to pay distributions to the Company's stockholders.

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.

Our retail tenants face increasing competition from e-commerce businesses. E-commerce sales continue to account for an increasing percentage of retail sales in the U.S. and this trend is likely to continue. These trends may have an impact on decisions that retail businesses make regarding their utilization of "brick and mortar" stores. Changes in shopping trends as a result of the growth in e-commerce may also impact the profitability of retail operators that do not adapt to changes in market conditions. The continued growth of e-commerce sales could decrease the need for traditional retail outlets and reduce the demand for retail space and property requirements. These conditions could adversely impact our results of operations and cash flows if we are unable to meet the needs of our tenants or if our tenants encounter financial difficulties as a result of changing market conditions.

A key element of our future success will depend upon, among other things, our ability to successfully execute our strategy to invest in income-producing assets which if unsuccessful could adversely impact our financial condition, results of operations and cash flows.

There is no assurance that we will be able to continue to execute our strategy of investing in income-producing assets, including income properties and commercial loans or similar financings secured by real estate. There is no assurance that the number of properties in our income property portfolio or the number of loans in our loan investment portfolio will expand at all or, if they expand, at any specified rate or to any specified size. The growth in our portfolios of income-producing assets provide earnings and cash flow through the added rents or interest payments. If we continue to invest in diverse geographic markets other than the markets in which we currently own income properties or loan investments, we will be subject to risks associated with investing in new markets as those markets may be relatively unfamiliar to us. In addition, investments in new markets may introduce increased costs to us relating to factors including the regulatory environment and the local and state tax structure. Additionally, there is no assurance we will be able to continue to make investments in commercial loans or similar financings secured by real estate. Consequently, if we are unable to successfully execute our strategy of investing in income-producing assets or some or all of our investments, including in new markets, introduce increased operating costs our financial condition, results of operations, and cash flows may be adversely affected.

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.

A number of entities and other investors compete with us to purchase income properties. We compete with REITs, public and private real estate focused companies, high wealth individual investors, and others. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Several of our public company competitors have greater access to capital, typically by raising equity or debt financing, have significant amounts of capital available and investment objectives that overlap with ours, which often creates competition for acquisition opportunities. Some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different assessments of investment risk, which could allow them to consider a wider variety of income property acquisitions and establish more relationships than us. We cannot be assured that the competitive pressures we face will not have a material adverse effect on our business, financial condition, results of operations and therefore our cash flows. Also, because of this competition, we may not be able to take advantage of attractive acquisition opportunities from time to time, and we can offer no assurance that we will be able to identify and purchase assets that are consistent with our objectives.

The loss of revenues from our income property portfolio or certain tenants would adversely impact our results of operations and cash flows.

We had one tenant that accounted for more than 10% of our consolidated income property revenue during the year ended December 31, 2019. Wells Fargo, who occupied two single-tenant office properties located in Hillsboro, Oregon and Raleigh, North Carolina, accounted for approximately 12.5% of our consolidated revenues during the year ended December 31, 2019. The office property leased to Wells Fargo located in Raleigh, North Carolina also represented 26% of the total square footage of our income property portfolio as of December 31, 2019. We have one other tenant, Fidelity Investments, who represented over 5% of our consolidated revenues during the year ended December 31, 2019, and a large percentage of the square footage of our income property portfolio, but not in excess of 10%. The default, financial distress, or bankruptcy of one or all of these tenants could cause substantial vacancies in two of the largest properties in our income property portfolio and reduce our revenues from our income property operations significantly, thereby adversely impacting our results of operations and cash flows. Vacancies reduce our revenue until the affected properties can be re-leased and could decrease the value of each such vacant property. Upon the expiration of the leases that are currently in place, we may not be able to re-lease a vacant property at a comparable lease rate or without incurring additional expenditures in connection with such re-leasing. If, following the loss of an income property tenant, we are unable to re-lease the income property at comparable rental rates and in a timely manner, our financial condition, results of operations and cash flows could be adversely affected.

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.

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.

Certain provisions of the Company's leases may be unenforceable.

The Company's rights and obligations with respect to its leases are governed by written agreements with its tenants. A court could determine that one or more provisions of such an agreement are unenforceable, such as a particular remedy, a termination provision, or a provision governing the Company's remedies for default of the tenant. If we were unable to enforce provisions of a lease agreement or agreements, our results of operations, financial condition, and cash flows could be adversely impacted.

We may not be able to dispose of properties we target for sale to recycle our capital.

While the Company's strategy may include selectively selling non-core or other income-producing properties to recycle our capital, we may be unable to sell properties targeted for disposition due to adverse market or other conditions or not achieve the pricing or timing that is consistent with our expectations. This may adversely affect, among other things, the Company's ability to deploy capital into the acquisition of other income-producing properties, the execution of our overall operating strategy and consequently our financial condition, results of operations, and cash flows.

We may seek to conduct development activities, including the development of new income properties or the redevelopment or renovation of existing income properties, which may cause us to experience unexpected costs and have other risks that may adversely affect our financial condition, results of operations and liquidity.

We have recently and may in the future develop new income properties. In addition, we have in recent years and may in the future redevelop, significantly renovate or otherwise invest additional capital in certain of our existing income properties to improve the assets and enhance the opportunity for increased returns on our overall investment. These various development activities, particularly the development of new income properties, is subject to a number of risks, including risks associated with construction work and risks of cost overruns due to construction delays or other factors that may increase the expected costs of a project. Furthermore, the commencement of development projects is subject to other risks including the receipt of zoning or entitlements and other required governmental permits and authorizations. In addition, we may incur development costs in connection with projects that are ultimately not pursued to completion. Any of the development activities noted may be financed under our existing revolving credit facility (the "Credit Facility") or through other forms of financing. If such financing is not available on acceptable terms, our development activities may not be pursued or may be curtailed. In addition, such development activities would likely reduce the available borrowing capacity on our Credit Facility which we use for the acquisition of income properties and other operating needs. The risks associated with development activities, including but not necessarily limited to those noted, could adversely impact our financial condition, results of operations, and liquidity.

Management of and Investment in PINE

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.

The fees we earn from providing management services to PINE could become a substantial source of our revenues. The revenues we generate from managing PINE depend in large part on the ability of PINE to raise capital to invest in real estate assets and on the positive performance of their investments and shareholder returns. The performance of PINE is subject to a number of risks and uncertainties. Therefore, our operating results and our ability to maintain and grow our revenues depends upon the ability of PINE and their significant tenants to maintain and grow their respective businesses. Our operating results and our ability to maintain and grow our revenues also depend upon the ability of PINE to maintain and grow their market capitalizations and to achieve positive shareholder returns in excess of applicable total shareholder return indexes. Reduced business activities, market capitalizations or shareholder returns, sales of assets or the failure of PINE or the termination of our management agreement with PINE could materially reduce our revenues and our profitability thereby adversely impacting our cash flows and results of operations.

Our management agreement with PINE is subject to termination for events of default or non-performance, and any such termination could have a material adverse effect on our business, results of operations and financial condition.

Our management with PINE may be terminated by PINE in certain circumstances. Depending upon the circumstances of a termination, we may or may not be entitled to receive a termination fee. If our management agreement with PINE is terminated, we may be unable to replace the lost revenue. Even if we receive a termination fee upon the termination of the management agreement with PINE, we may be unable to invest the after tax proceeds from the termination fee we receive in opportunities that earn returns equal to or greater than the revenues lost as a result of the terminated management agreement. The termination of our management agreement with PINE could have a material adverse impact on our business, results of operations and financial condition.

We do not have significant experience managing a REIT.

In connection with PINE's initial public offering we entered into a management agreement with PINE pursuant to which we manage the day-to-day operations of its business. We do not have significant experience managing a REIT, and our only experience managing a REIT stems from the experience of certain of our executives who previously worked for a REIT. We will be paid a management fee to manage PINE's business and we may be paid an incentive fee which will depend on numerous factors, including our ability to make investments on behalf of PINE that generate attractive, risk-adjusted returns, and thereby result in PINE's shareholders achieving a necessary level of return. A key element of PINE's success will likely include its ability to raise additional equity capital to fund its goals for growth. Our successful performance as the manager of PINE will therefore depend, in part, our ability to assist PINE in raising equity capital in amounts sufficient to support PINE's goals and on acceptable terms. Our successful performance as the manager of PINE will also depend on our ability to access financing for PINE, and on acceptable terms. There can be no assurance that we will be successful in this business, that PINE will achieve its objectives, will invest successfully in income properties and will generally operate successfully, or that we will earn fees from PINE sufficient to recover the costs we have incurred or to provide a suitable return on our investment in PINE.

Declines in the market values of our investment in PINE may adversely affect periodic reported results.

We hold a significant equity interest, approximately 22.3% as of December 31, 2019, in PINE, including the units we hold in PINE's operating partnership. PINE is publicly traded and as such their common stock is subject to the risks associated with public equities, include, but are not limited to market risk broadly, risks associated with the REIT industry, and risks associated with the real estate industry more specifically. The public equity markets can be volatile, and the value of PINE's share may fluctuate significantly over short periods of time. A significant decrease in the trading price of PINE's shares could result in losses that have a material adverse effect on the value of our investment in PINE which could adversely impact our financial condition.

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.

We are subject to conflicts of interest that may exist or could arise in the future with PINE, including our executive officers and/or directors who are also directors or officers of PINE. Conflicts may include, without limitation: conflicts arising from the enforcement of agreements between us and PINE; conflicts in the amount of time that our officers and employees will spend on our affairs versus PINE's affairs; and conflicts in future transactions that we may pursue with PINE. Transactions between us and PINE would be subject to certain approvals of our directors; however, there can be no assurance that such approval will be successful in achieving terms and conditions as favorable to us as would be available from a third party. Our president and chief executive officer who is also one of directors also serves on PINE's board of directors.

Our directors and executive officers have duties to our company under applicable Florida law, and our executive officers and our directors who are also directors or officers of PINE also have duties to PINE under applicable Maryland law. Those duties may come in conflict from time to time. We have duties as the manager of PINE which may come in conflict with our duties to our stockholders from time to time. In addition, conflicts of interest may exist or could arise in the future with our duties to PINE as its manager in connection with future investment opportunities.

Management of the Land JV

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 in the Land JV.

The prior economic down cycle, precipitated by crises in the credit markets, included the collapse of the housing market and a recession in the local and national economy with significant levels of unemployment, shrinking gross domestic product, and drastically reduced consumer spending. During this period, potential investors in real estate, particularly residential real estate, often deferred or avoided real estate purchases due to, among other factors, a lack of liquidity, the substantial costs involved, and overall uncertainty with the economy. The real estate industry is particularly vulnerable to shifts in local, regional, and national economic conditions which are outside of our control, such as short and long-term interest rates, housing demand, population growth, and job growth and related unemployment levels. The ability of the Land JV to sell land parcels is especially sensitive to economic conditions in Florida, particularly in Daytona Beach, where all of the land in the Land JV's portfolio is located. A prolonged period of economic weakness or another downturn in the U.S. economy could have a material adverse effect on the success of the Land JV's business and thereby our business, financial condition, results of operations, and/or cash flows could also be adversely affected.

Most of the Land JV's land holdings are located in Daytona Beach, Florida and the competition in the local and regional market, the possible impact of government regulation, permitting or development limitations, and the criteria used by parties interested in acquiring land could adversely impact the Land JV and thereby our ability to attain value from our retained interest in the Land JV and thus our financial condition, results of operations and cash flows.

The parties typically interested in the land holdings of the Land JV base their decision to acquire land on, among other things, price, location, ability to rezone and entitle the land, land use or optionality of land use, and ability to obtain permitting. In some instances, the aforementioned acquisition criteria or other factors may cause an interested party to consider other land instead of ours. In addition, parties interested in acquiring the land holdings of the Land JV would likely consider the impact of governmental regulations or ordinances on their ability to entitle and develop the land for their intended use and may seek incentives or similar economic considerations from one or more governmental authorities that they may not be able to obtain. These conditions may make it difficult for the Land JV to complete land transactions on acceptable terms or at all, which could adversely impact the success of the Land JV's business and thereby our business, financial condition, results of operations, and/or cash flows could also be adversely affected.

Land use and environmental regulations could restrict, make costlier, or otherwise adversely impact our business.

We are and the Land JV is subject to a wide variety of federal, state, and local laws and regulations relating to land use, development and permitting, and environmental compliance obligations. Any failure to comply with these laws or regulations could result in capital or operating expenditures or the imposition of significant financial penalties or restrictions on the operations of the Land JV, of which we are the manager and in which we have a retained financial interest, that could adversely affect present and future operations of the Land JV and its ability to sell land, and thereby, our financial condition, results of operations, and cash flows. Municipalities may restrict or place moratoriums on the availability of utilities, such as water and sewer. Additionally, development moratoriums may be imposed due to, among other possibilities, inadequate traffic capacity provided by existing roadways. In some areas, municipalities may enact growth control initiatives, which will restrict the number of building permits available in a given year. If municipalities in which the Land JV owns land takes these or similar actions, acquirers of the Land JV's land assets may experience delays, increasing costs, or limitations in the ability to operate in those municipalities, which may have an adverse impact on the success of the Land JV's business and thereby our business, financial condition, results of operations, and/or cash flows could also be adversely affected.

Commercial Loan Investments

A part of our investment strategy is focused on investing in commercial loan investments which may involve credit risk.

As part of our business strategy, we have invested in commercial loans secured by commercial real estate and may in the future invest in other commercial loans or similar financings secured by real estate. Investments in commercial loans or similar financings of real estate involve credit risk with regard to the borrower, the borrower's operations and the real estate that secures the financing. The credit risks include, but are not limited to, the ability of the borrower to execute their business plan and strategy, the ability of the borrower to sustain and/or improve the operating results generated by the collateral property, the ability of the borrower to continue as a going concern, and the risk associated with the market or industry in which the collateral property is utilized. Our evaluation of the investment opportunity in a mortgage loan or similar financing includes these elements of credit risk as well as other underwriting criteria and factors. Further, we may rely on third party resources to assist us in our investment evaluation process and otherwise in conducting customary due diligence. Our underwriting of the investment or our estimates of credit risk may not prove to be accurate, as actual results may vary from our estimates. In the event we underestimate the performance of the borrower and/or the underlying real estate which secures our commercial loan or financing, we may experience losses or unanticipated costs regarding our investment and our financial condition, results of operations, and cash flows may be adversely impacted.

Because of competition, we may not be able to acquire commercial loans or similar financings at all or at favorable yields.

If in the future we seek to invest in commercial loans or similar financings secured by underlying real estate, we may not be able to acquire such loan investments at favorable spreads over our borrowing costs. We will compete with many other investment groups including REITs, public and private investment funds, life insurance companies, commercial and investment banks and, commercial finance companies, including some of the third parties with which we expect to have relationships. In most instances the competition has greater financial capacity, are larger organizations and has a greater operating presence in the market. As a result, we may not be able to acquire commercial loans or similar financings in the future at all or at favorable spreads over our borrowing costs, which could adversely impact our results of operations and cash flows and would likely result in the need for any growth in our portfolio of income-producing assets to be achieved through the acquisition of income properties.

Debt and preferred equity investments could cause us to incur expenses, which could adversely affect our results of operations.

We may own in the future investments in first mortgages, mezzanine loans, junior participations and preferred equity interests. Such investments may or may not be recourse obligations of the borrower and are not insured or guaranteed by governmental agencies or otherwise. In the event of a default under these obligations, we may have to take possession of the collateral securing these interests including through foreclosure proceedings. Borrowers may contest enforcement of foreclosure or our other remedies and may seek bankruptcy protection to potentially block our actions to enforce their obligations to us. Relatively high loan-to-value ratios and declines in the value of the underlying collateral property may prevent us from realizing an amount equal to our investment upon foreclosure or realization even if we make substantial improvements or repairs to the underlying real estate to maximize such property's investment potential. Although we have maintained and regularly evaluated financial reserves to properly accrue for potential future losses, our reserves would reflect management's judgment of the probability and severity of losses and the value of the underlying collateral. We cannot be certain that our judgment will prove to be correct and that our reserves, if any, will be adequate over time to protect against future losses due to unanticipated adverse changes in the economy or events adversely affecting specific properties, assets, tenants, borrowers, industries in which our tenants and borrowers operate or markets in which our tenants and borrowers, or their properties are located. If we are unable to enforce our contractual rights, including but not limited to, taking possession of the collateral property in a foreclosure circumstance, or our reserves for credit losses prove inadequate, we could suffer losses which would have a material adverse effect on our financial condition, results of operations, and cash flows.

The mezzanine loan assets that we may acquire will involve greater risks of loss than senior loans secured by income-producing properties.

We may acquire mezzanine loans, which generally take the form of subordinated loans secured by the underlying property or loans secured by a pledge of the ownership interests of either the entity owning the property or a pledge of the ownership interests of the entity that owns the interest in the entity owning the property. These types of assets involve a higher degree of risk than senior mortgage lending secured by income-producing real property, because the loan may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, we may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy our mezzanine loan. If a borrower defaults on our mezzanine loan or the debt that is senior to our loan, or in the event of a borrower bankruptcy, our mezzanine loan will only be satisfied after the senior debt has been satisfied. As a result, we may not recover some or all of our initial investment. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal. Significant losses related to our mezzanine loans would result in operating losses for us and could adversely impact our financial condition and cash flows.

We may invest in fixed-rate loan investments, and an increase in interest rates may adversely affect the value of these investments, which could adversely impact our financial condition, results of operations and cash flows.

Increases in interest rates may negatively affect the market value of our investments, particularly any fixed-rate commercial loans or other financings we have invested in. Generally, any fixed-rate commercial loans or other financings will be more negatively affected by rising interest rates than adjustable-rate assets. We are required to reduce the book value of our investments by the amount of any decrease in their fair value. Reductions in the fair value of our investments could decrease the amounts we may borrow to purchase additional commercial loan or similar financing investments, which could impact our ability to increase our operating results and cash flows. Furthermore, if our borrowing costs are rising while our interest income is fixed for the fixed-rate investments, the spread between our borrowing costs and the fixed-rate we earn on the commercial loans or similar financing investments will contract or could become negative which would adversely impact our financial condition, results of operations, and cash flows.

The commercial loans or similar financings we may acquire that are secured by commercial real estate typically depend on the ability of the property owner to generate income from operating the property. Failure to do so may result in delinquency and/or foreclosure.

Commercial loans are secured by commercial property and are subject to risks of delinquency and foreclosure and therefore risk of loss. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower’s ability to repay the loan may be impaired. In the event of any default under a commercial loan held directly by us, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the commercial loan, which could have a material adverse effect on our financial condition, operating results and cash flows. In the event of the bankruptcy of a commercial loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Foreclosure of a loan can be an expensive and lengthy process, which could have a substantial negative effect on our anticipated return on the foreclosed commercial loan. If the borrower is unable to repay a mortgage loan or similar financing our inability to foreclose on the asset in a timely manner, and/or our inability to obtain value from reselling or otherwise disposing of the asset for an amount equal to our investment basis, would adversely impact our financial condition, results of operations, and cash flows.

The activities or actions of a third-party servicer engaged to service our investment in a commercial loan or similar debt financing could adversely impact the value of our investment or our results of operations and cash flows.

Any future investments in first mortgages, mezzanine loans or other debt financings secured by real estate may require a third-party servicer to service the loan on our behalf and/or on behalf of third parties who have invested in some portion of the debt financing. An intended or unintended breach by the servicer with regard to their servicing of the debt financing or in their contractual obligations and fiduciary duties to us or the other holders of the debt financing could adversely impact the value of our investment or our results of operations and cash flows.

We may suffer losses when a borrower defaults on a loan and the value of the underlying collateral is less than the amount due.

If a borrower defaults on a non-recourse loan, we will only have recourse to the real estate-related assets collateralizing the loan. If the underlying collateral value is less than the loan amount, we will suffer a loss. Conversely, commercial loans we invest in may be unsecured or be secured only by equity interests in the borrowing entities. These loans are subject to the risk that other lenders in the capital stack may be directly secured by the real estate assets of the borrower or may otherwise have a superior right to repayment. Upon a default, those collateralized lenders would have priority over us with respect to the proceeds of a sale of the underlying real estate. In such cases, we may lack control over the underlying asset collateralizing our loan or the underlying assets of the borrower before a default and, as a result, the value of the collateral may be reduced by acts or omissions by owners or managers of the assets. In addition, the value of the underlying real estate may be adversely affected by some or all of the risks referenced above that pertain to the income-producing properties that we own.

Commercial loans we may invest in may be backed by individual or corporate guarantees from borrowers or their affiliates which guarantees are not secured. If the guarantees are not fully or partially secured, we typically rely on financial covenants from borrowers and guarantors which are designed to require the borrower or guarantor to maintain certain levels of creditworthiness. Should we not have recourse to specific collateral pledged to satisfy such guarantees or recourse loans, we will have recourse as an unsecured creditor only to the general assets of the borrower or guarantor, some or all of which may be pledged as collateral for other lenders. There can be no assurance that a borrower or guarantor will comply with its financial covenants, or that sufficient assets will be available to pay amounts owed to us under our loans and guarantees. Because of these factors, we may suffer additional losses which could have a material adverse effect on our financial condition, operating results and cash flows.

Upon a borrower bankruptcy, we may not have full recourse to the assets of the borrower to satisfy our loan. Additionally, in some instances, our loans may be subordinate to other debt of certain borrowers. If a borrower defaults on our loan or on debt senior to our loan, or a borrower files for bankruptcy, our loan will be satisfied only after the senior debt receives payment. Where debt senior to our loan exists, the presence of inter-creditor arrangements may limit our ability to amend our loan documents, assign our loans, accept prepayments, exercise our remedies (through "standstill" periods), and control decisions made in bankruptcy proceedings. Bankruptcy and borrower litigation can significantly increase collection costs and the time needed for us to acquire title to the underlying collateral (if applicable), during which time the collateral and/or a borrower's financial condition may decline in value, causing us to suffer additional losses.

If the value of collateral underlying a loan declines, or interest rates increase during the term of a loan, a borrower may not be able to obtain the necessary funds to repay our loan at maturity through refinancing because the underlying property revenue cannot satisfy the debt service coverage requirements necessary to obtain new financing. If a borrower is unable to repay our loan at maturity, we could suffer additional loss which may adversely impact our financial condition, operating results and cash flows.

As a result of any of the above factors or events, the losses we may suffer could adversely impact our financial condition, results of operations and cash flows.

Other Investments

Investments in securities of companies operating in the real estate industry, including debt and equity instruments such as corporate bonds, preferred or common stock, or convertible instruments could cause us to incur losses or other expenses which could adversely affect our financial position, results of operations, and cash flows.

We currently own and may own in the future, investments in corporate securities of companies operating in the real estate industry including debt and equity instruments such as corporate bonds, preferred or common stock, or convertible instruments. Certain of these investments may be traded on an exchange or other active market whereby the price of the underlying instrument is quoted daily and those quoted prices and thus the market value of the instrument varies during a given trading day. Certain of these investments may be traded on an exchange or market that is not deemed an active market but where the price of the investment fluctuates daily or otherwise. Adverse fluctuations in the value of these investments, whether market-generated or not, are reflected as unrealized losses on our balance sheet. We may choose to or be required to liquidate these investments in whole or in part and at prices that result in realized losses on our investment. Should we incur realized losses on liquidating these investments, our financial position, results of operations and cash flows would be adversely impacted.

General

We are subject to a number of risks inherent with the real estate industry and in the ownership of real estate assets or investment in financings secured by real estate, which may adversely affect our returns from our investments, our financial condition, results of operations and cash flows.

Factors beyond our control can affect the performance and value of our real estate assets including our income properties, investments in commercial loans or similar financings secured by real estate or other investments, our Subsurface Interests, and our investment in the Land JV. Real estate assets are subject to various risks, including but not limited to the following:

- Adverse changes in national, regional, and local economic and market conditions where our properties or the properties underlying a loan investment are located;
- Competition from other real estate companies similar to ours and competition for tenants, including competition based on rental rates, age and location of the property and the quality of maintenance, insurance, and management services;
- Changes in tenant preferences that reduce the attractiveness and marketability of our income properties to tenants or decreases in market rental rates;
- Zoning or other local regulatory restrictions, or other factors pertaining to the local government institutions which inhibit interest in the markets in which our income-producing assets are located;
- Costs associated with the need to periodically repair, renovate or re-lease our income 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;
- Commodities prices;
- Illiquidity of real estate investments which may limit our ability to modify our income-producing asset portfolios promptly in response to changes in economic or other conditions;
- Acts of God, including natural disasters, which may result in uninsured losses; and
- Acts of war or terrorism, including consequences of terrorist attacks.

If any of these or similar events occurs, it may reduce our return from an affected real estate asset or investment which could adversely impact our financial condition, results of operations and cash flows.

The Company's real estate investments are generally illiquid.

Real estate investments, including investments in income properties, joint ventures and subsurface interest, are relatively illiquid; therefore, it may be difficult for us to sell such assets if the need or desire arises, and otherwise the Company's ability to make rapid adjustments in the size and content of our income property portfolio or other real estate assets in response to economic or other conditions is limited. Illiquid assets typically experience greater price volatility, as a ready market does not exist, and can be more difficult to value. In addition, validating third party pricing for illiquid assets may be more subjective than more liquid assets. As a result, if we are required to quickly liquidate all or a portion of certain of our real estate assets or income-producing assets, we may realize significantly less than the value at which we have previously recorded our assets. Further, certain expenditures necessary to operate our income property operations generally do not decrease and may in fact increase in response to weakening economic conditions or other market disruptions, which expenditures may include maintenance costs, insurance costs and, in some instances, interest expense. This relationship of revenue and expenditures may result, under certain market conditions, in declining operating results and reduced cash flows and thereby could have an adverse effect on the Company's financial condition.

We may experience a decline in the fair value of our real estate assets or investments which could result in impairments and would impact our financial condition and results of operations.

A decline in the fair market value of our long-lived assets may require us to recognize an "other-than-temporary" impairment against such assets (as defined by the Financial Accounting Standards Board ("FASB") authoritative accounting guidance) if certain conditions or circumstances related to an asset were to change and we were to determine that, with respect to any such asset, there was an unrealized loss to the fair value of the asset. The fair value of our long-lived assets depends on market conditions, including estimates of future demand for these assets, and the revenues that can be generated from such applicable assets including land or an income property. If such a determination were to be made, we would recognize the estimated unrealized losses through earnings and write down the depreciated or amortized cost of such assets to a new cost basis, based on the fair value of such assets on the date they are considered to be other-than-temporarily impaired. Such impairment charges reflect non-cash losses at the time of recognition; subsequent disposition or sale of such assets could further affect our future losses or gains, as they are based on the difference between the sales price received and the adjusted depreciated or amortized cost of such assets at the time of sale.

Downturns in the U.S. economy and real estate markets have at times caused the fair value of certain of our properties to decrease. If the real estate market were to experience another decline, we may be required to take write-downs against our earnings for other than temporary impairments in the value of our real estate assets including our income properties, commercial loan investments and similar financings or other capitalized costs. Any such non-cash charges could have an adverse effect on our financial condition and results of operations.

From time to time we make investments in companies over which we do not have control. Some of these companies may operate in industries that differ from our current operations, with different risks than investing in real estate.

From time to time we make debt or equity investments in other companies that we may not control or over which we may not have sole control. Although these businesses generally have a significant real estate component, some of them may operate in businesses that are different from our primary business segments. Consequently, investments in these businesses, among other risks, subject us to the operating and financial risks of industries other than real estate and to the risk that we do not have sole control over the operations of these businesses.

From time to time we may make additional investments in or acquire other entities that may subject us to similar risks. Investments in entities over which we do not have sole control, including joint ventures, present additional risks such as having differing objectives than our partners or the entities in which we invest, or becoming involved in disputes, or competing with those persons. In addition, we rely on the internal controls and financial reporting controls of these entities and their failure to maintain effectiveness or comply with applicable standards may adversely affect us.

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.

Our strategy of investing in income-producing properties includes the utilization, when possible, of proceeds obtained from the disposition of income properties or from prior land transactions which qualify for deferral of the applicable income tax through the like-kind exchange provisions of the Internal Revenue Code ("Section 1031"). Land sales transactions that we completed in which we applied the provisions of Section 1031 may be disqualified for such treatment if we are deemed to have conducted activities on the land or in connection with the transaction that are inconsistent with the activities of a long-term investor such as the activities of a developer or a dealer. In addition, if we fail to complete a qualifying acquisition utilizing the aforementioned proceeds or complete the intended qualifying acquisition outside the specified period of time allowed for completing such transaction the application of the Section 1031 provisions would be disqualified. If a transaction we deemed qualifying for like-kind exchange treatment is subsequently disqualified by the Internal Revenue Service, we may be subject to increased income taxes and penalties, which would adversely impact our results of operations and our cash flows.

If the provisions of Section 1031 of the Internal Revenue Code regarding the like-kind exchange structure were altered substantially or eliminated, our financial position, results of operations and cash flows could be adversely impacted.

A fundamental element of our strategy is investing in income-producing properties, in some instances utilizing, the proceeds obtained from the disposition of our income properties and previously in our land holdings, which qualify for deferral of the applicable income tax through the Section 1031 like-kind exchange provisions of the Internal Revenue Code. If the provisions of Section 1031 of the Internal Revenue Code, including the deferral of taxes on gains related to the sale of real property such as our income properties, were to be altered substantially or eliminated, we may be subject to increased income taxes, which may have a material adverse effect on our results of operations and our cash flows.

Quarterly results may fluctuate and may not be indicative of future quarterly performance.

Our quarterly operating results could fluctuate; therefore, reliance should not be placed on past quarterly results as indicative of our performance in future quarters. Factors that could cause quarterly operating results to fluctuate include, among others, variations in the performance of our income-producing assets, market values of our investment in PINE, costs associated with debt, general economic conditions, the state of the real estate and financial markets and the degree to which we encounter competition in our markets.

Risks related to our financing

General

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.

In order to further our business objectives, we may seek to obtain additional debt financing or raise equity capital and may be unable to do so on favorable terms, if at all. We may obtain unsecured debt financing in addition to our Credit Facility which could decrease our borrowing capacity under the Credit Facility. Other sources of available capital may be more expensive or available under terms that are more restrictive than the Company's existing debt capital. Any of these occurrences could adversely affect the Company's business, financial condition, results of operations, and cash flows.

An increase in our borrowing costs would adversely affect our financial condition and results of operations.

While we have no short-term maturities in our long-term debt, should we seek to incur additional debt to help finance our acquisitions, increased interest rates would reduce the difference, or spread, that we may earn between the yield on the investments we make and the cost of the leverage we employ to finance such investments. It is possible that the spread on investments could be reduced to a point at which the profitability from investments would be significantly reduced or eliminated entirely. This would adversely affect our returns on our assets, and therefore adversely impact our financial condition, our results of operations, and cash flows, and could require us to liquidate certain or all of these assets.

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 ability to make scheduled payments of the principal of, to pay interest on, to pay any cash due upon conversion of, or to refinance our indebtedness, including the Company's $75.0 million aggregate principal amount of Convertible Notes (the "Notes"), depends on our future operating and financial performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Our level of indebtedness could have significant adverse consequences and our cash flow may be insufficient to meet our debt service obligations.

Our consolidated indebtedness as of December 31, 2019 was approximately $288.7 million, representing a leverage ratio of approximately 27%, net of cash and restricted cash related to like-kind exchange transactions. This consolidated indebtedness was comprised of (i) $75.0 million principal amount Notes, (ii) $53.9 in mortgage loans on various properties, and (iii) $ 159.8 million outstanding under our Credit Facility. Our level of indebtedness could have significant adverse consequences on our business and operations, including the following:

- it may increase our vulnerability to changes in economic conditions (including increases in interest rates) and limit our flexibility in planning for, or reacting to, changes in our business and/or industry
- we may be at a disadvantage compared to our competitors with comparatively less indebtedness;
- we may be unable to hedge our debt, or such hedges may fail or expire, leaving us exposed to potentially volatile interest or currency exchange rates; and
- we may be unable to refinance our indebtedness or obtain additional financing as needed or on favorable terms.

Our ability to generate sufficient cash flow determines whether we will be able to (i) meet our existing or potential future debt service obligations; (ii) refinance our existing or potential future indebtedness; and (iii) fund our operations, working capital, acquisitions, capital expenditures, and other important business uses. Our future cash flow is subject to many factors beyond our control and we cannot assure you that our business will generate sufficient cash flow from operations, or that future sources of cash will be available to us on favorable terms, to meet all of our debt service obligations and fund our other important business uses or liquidity needs. As a result, we may be forced to take other actions to meet those obligations, such as selling properties, raising equity, or delaying capital expenditures, any of which may not be feasible or could have a material adverse effect on us.

We continue to have the ability to incur debt; if we incur substantial additional debt, the higher levels of debt may affect our ability to pay the interest and principal of our debt.

Despite our current consolidated debt levels, we and our subsidiaries may incur substantial additional debt in the future (subject to the restrictions contained in our debt instruments), some of which may be secured debt. The indenture governing our Notes does not restrict our ability to incur additional indebtedness, whether secured or unsecured, or require us to maintain financial ratios or specified levels of net worth or liquidity. If we incur substantial additional indebtedness in the future, these higher levels of indebtedness may affect our ability to pay the principal of, and interest on, our outstanding debt and our creditworthiness generally.

Declines in the value of the assets in which we invest will adversely affect our financial condition and results of operations and make it costlier to finance these assets.

Generally, we use our income property investments as collateral for our financings or as the borrowing base for our Credit Facility. Any decline in their value, a significant decrease in the rent received from the portfolio, or perceived market uncertainty about the value of our income properties, could make it difficult for us to obtain or renew financing on favorable terms or at all, or maintain our compliance with terms of any financing arrangements already in place.

Changes in the method for determining LIBOR or a replacement of LIBOR may affect the value of the financial obligations to be held or issued by us that are linked to LIBOR and could affect our results of operations or financial condition.

In July 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. We are unable to predict the effect of any changes, any establishment of alternative reference rates or any other reforms to LIBOR or any replacement of LIBOR that may be enacted in the United Kingdom or elsewhere. Such changes, reforms or replacements relating to LIBOR could have an adverse impact on the market for or value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to us or on our overall financial condition or results of operations.

We may utilize derivative instruments to hedge risk, which may adversely affect our borrowing cost and expose us to other risks.

The derivative instruments we may use could be in the form of interest rate swaps, interest rate caps and or interest rate collars. Interest rate swaps effectively change variable-rate debt obligations to fixed-rate debt obligations or fixed-rate debt obligations to variable-rate debt obligations. Interest rate caps limit our exposure to rising interest rates. Interest rate collars limit our exposure to rising interest rates while also limited our benefit from declining interest rates.

Our use of derivative instruments also involves the risk that a counterparty to a hedging arrangement could default on its obligation and the risk that we may have to pay certain costs, such as transaction fees or breakage costs, if a hedging arrangement is terminated by us. To limit the risk of counterparty default, we generally seek to enter into hedging arrangements with counterparties that are large, creditworthy financial institutions typically rated at least "A/A2" by S&P and Moody's, respectively.

Developing an effective strategy for dealing with alterations in interest rates is complex and any strategy aimed at managing exposures to changing interest rates would likely not be able to completely insulate us from risks associated with such fluctuations. There can be no assurance that any hedging activities will have the desired beneficial impact on our results of operations or financial condition.

Significant increases in interest rates could have an adverse effect on our operating results.

Our operating results depend in part on the difference between the income achieved from our income-producing assets and management fee income streams and the interest expense incurred in connection with our interest-bearing liabilities. Changes in the general level of interest rates prevailing in the financial markets will affect the spread between our income-producing assets and management fee income streams and our interest-bearing liabilities subject to the impact of interest rate floors and caps, as well as the amounts of floating rate assets and liabilities. Any significant compression of the spreads between income-producing assets and management fee income streams and interest-bearing liabilities could have a material adverse effect on us. While interest rates remain low by historical standards, rates have recently risen and are generally expected to rise in the coming years, although there is no certainty as to the amount by which they may rise. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political conditions, and other factors beyond our control. In the event of a significant rising interest rate environment, rates could create a mismatch between the income we generate from our income-producing assets and management fee income streams and the interest expense incurred on our floating rate debt that could have a significant adverse effect on our financial condition, our operating results and, our cash flows. An increase in interest rates could also, among other things, reduce the value of certain of our income-producing assets and our ability to realize gains from the sale of such assets.

Our Credit Facility

The Company’s Credit Facility and secured financings include certain financial and/or other covenants that could restrict our operating activities, and the failure to comply with such covenants could result in a default that accelerates the required payment of such debt.

As of December 31, 2019, the Company had approximately $159.8 million of outstanding indebtedness under the Credit Facility and approximately $53.9 million of secured debt. The Credit Facility contains certain financial and operating covenants, including, among other things, certain coverage ratios and limitations on our ability to incur debt and limits on the repurchase of the Company’s stock and similar restrictions. In addition, the Credit Facility contains certain covenants pertaining to maximum levels of investment in certain types of assets, the number and make-up of the properties in the borrowing base, and similar covenants typical for this type of indebtedness. The Company’s secured indebtedness generally contains covenants regarding debt service coverage ratios. The Company’s ability to meet or maintain compliance with these and other debt covenants may be dependent on the performance of the Company's tenants under their leases. The Company's failure to comply with certain of our debt covenants could result in a default that may, if not cured, accelerate our payment obligations under such debt and limit the Company's available cash flow for acquisitions, dividends, or operating costs, which would likely have a material adverse impact on the Company's financial condition, results of operations, and cash flows. In addition, these defaults could impair the Company's access to the debt and equity markets.

Our Convertible Notes

Certain investors in the convertible debt issuance may also invest in our common stock utilizing trading strategies which may increase the volatility in or adversely affect the trading price and liquidity of our common stock.

Investors in, and potential purchasers of, the Notes may employ, or seek to employ, a convertible arbitrage strategy with respect to the Notes. Investors that employ a convertible arbitrage strategy with respect to our convertible debt instruments typically implement that strategy by selling short the common stock underlying the Notes and dynamically adjusting their short position while they hold the Notes. Investors may also implement this strategy by entering into swaps on our common stock in lieu of or in addition to short selling our common stock. These strategies, particularly the effect short sales or equity swaps with respect to our common stock, could increase the volatility of our stock price or otherwise adversely affect the trading price of our common stock.

We may not have the liquidity or ability to raise the funds necessary to settle conversions of the Notes or purchase the Notes as required upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon a purchase or conversion of the Notes.

Following certain potential events qualifying as a fundamental change under the indenture governing the Notes, including a change in control, holders of Notes will have the right to require us to purchase their Notes for cash. A fundamental change may also constitute an event of default or a prepayment event under, and result in the acceleration of the maturity of, our then-existing indebtedness. In addition, upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. There is no assurance that we will have sufficient financial resources, or will be able to arrange financing, to pay the fundamental change purchase price or make cash payments upon conversion. In addition, restrictions in our then existing credit facilities or other indebtedness, if any, may not allow us to purchase the Notes upon a fundamental change or make cash payments upon conversion. Our failure to purchase the Notes upon a fundamental change or make cash payments upon conversion thereof when required would result in an event of default with respect to the Notes which could, in turn, constitute a default under the terms of our other indebtedness, if any. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and purchase the Notes or make cash payments upon conversions thereof.

To the extent we issue shares of our common stock to satisfy all or a portion of the settlement of our Notes, conversions of the Notes will dilute the ownership interest of our existing shareholders, including holders who had previously converted their Notes into common stock.

To the extent we issue shares of our common stock to satisfy all or a portion of our conversion obligation pursuant to the Notes, the conversion of some or all of the Notes into common stock will dilute the ownership interests of our existing shareholders. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could depress the price of our common stock.

The fundamental change purchase feature of our Notes may delay or prevent an otherwise beneficial attempt to take over our company.

The terms of the Notes require us to offer to purchase the Notes for cash in the event of a fundamental change, as defined in the indenture agreement of the Notes. A non-stock takeover of the Company may trigger the requirement that we purchase the Notes. This feature may have the effect of delaying or preventing a takeover of the Company that would otherwise be beneficial to investors.

The accounting method for our Notes, which may be settled in cash, may have a material effect on our reported financial results.

Under Accounting Standards Codification ("ASC") 470-20, *Debt with Conversion and Other Options*, which we refer to as ASC 470-20, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC 470-20 on the accounting for the Notes is that the equity component is required to be included in the additional paid-in capital section of shareholders' equity on our consolidated balance sheet, and the value of the equity component would be treated as original issue discount for purposes of accounting for the debt component of the Notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented because of the amortization of the discounted carrying value of the Notes to their face amount over the term of the Notes. We will report lower net income (or greater net loss) in our financial results because ASC 470-20 requires interest to include both the current period's amortization of the debt discount and the instrument's coupon interest, which could adversely affect our reported or future financial results, and/or the market price of our common stock.

Convertible debt instruments (such as the Notes) that may be settled entirely or partly in cash are currently accounted for utilizing the treasury stock method if we have the ability and intent to settle in cash, the effect of which is that the shares issuable upon conversion of the Notes are not included in the calculation of diluted earnings per share except to the extent that the conversion value of the Notes exceeds their principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of common stock that would be necessary to settle such excess, if we elected to settle such excess in shares, are issued. We cannot be sure that we will be able to continue to demonstrate the ability or intent to settle in cash or that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable to use the treasury stock method in accounting for the shares issuable upon conversion of the Notes, then our diluted earnings per share would be adversely affected.

Risks Associated with Certain Events, Environmental Issues and, Climate Change

Our operations and properties could be adversely affected in the event of natural disasters, pandemics, or other significant disruptions.

Our corporate headquarters and many of our properties are located in Florida, where major hurricanes have occurred. We have income properties in California where earthquakes have occurred. We have income properties in other states or regions that experience similar or other natural disasters. Depending on where any hurricane makes landfall, our properties in Florida could experience significant damage. Similarly, should an earthquake occur in California, our properties there could incur significant damage. In addition, the occurrence and frequency of hurricanes in Florida could also negatively impact demand for our real estate assets because of consumer perceptions of hurricane risks. In addition to hurricanes, the occurrence of other natural disasters and climate conditions in Florida and other states, such as tornadoes, floods, fires, unusually heavy or prolonged rain, droughts, and heat waves, could have an adverse effect on our ability to develop properties or realize income from our properties. In addition to the various forms of natural disasters that could impact our operations and the performance of our income producing assets, pandemics occurring throughout the world could lead to disruptions in the global economy or significant economies throughout the world which could adversely impact our tenant's operations, their ability to pay rent and consequently our financial condition, results of operations and cash flows may be adversely impacted. If a hurricane, earthquake, natural disaster, health pandemic or other similar significant disruption occurs, we may experience disruptions to our operations and damage to our properties, which could have an adverse effect on our business, our financing condition, our results of operations, and our cash flows.

Acts of violence, terrorist attacks or war may affect the markets in which the Company operates and adversely affect the Company's results of operations and cash flows.

Terrorist attacks or other acts of violence may negatively affect the Company's operations. There can be no assurance that there will not be terrorist attacks against businesses within the United States. These attacks may directly impact the Company's physical assets or business operations or the financial condition of its tenants, lenders or other institutions with which the Company has a relationship. The United States may be engaged in armed conflict, which could have an impact on these parties. The consequences of armed conflict are unpredictable, and the Company may not be able to foresee events that could have an adverse effect on its business. More generally, the occurrence of any of these events or the threat of these events, could cause consumer confidence and spending to decrease or result in increased volatility in the United States and worldwide financial markets and economies. They also could result in or cause an economic recession in the

United States or abroad. Any of these occurrences could have an adverse impact on the Company's financial condition, results of operations or cash flows.

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.

Under various federal, state and local laws, ordinances and regulations, we may be required to investigate and clean up certain hazardous or toxic substances released on or in properties we own or operate or that we previously owned or operated, and we may be required to pay other costs relating to hazardous or toxic substances or incur costs or obligations associated with wetland areas on our land holdings. Any such liability may be imposed without regard to whether the Company's management had knowledge, were notified or were otherwise aware of the origination of the environmental or wetland issues or were responsible for their occurrence. The presence of environmental issues or the failure to remediate properly any such losses at any of our properties may adversely affect our ability to sell or lease those properties, or to borrow using those properties as collateral. The costs or liabilities could exceed the value of the affected real estate. The costs or liabilities associated with resolving environmental issues could be significant.

The uses of any of our income properties prior to our acquisition, and the building materials used in the construction of the property are among the property-specific factors that will affect how the environmental laws are applied to our properties. In general, before we acquire our income properties, independent environmental consultants are engaged to conduct Phase I environmental assessments, which generally do not involve invasive techniques such as soil or groundwater sampling. Depending on the Phase I results, we may elect to obtain Phase II environmental assessments which do involve this type of sampling. There can be no assurance that environmental liabilities have not developed since these environmental assessments were performed or that future uses or conditions (including changes in applicable environmental laws and regulations) or new information about previously unidentified historical conditions will not result in the imposition of environmental liabilities.

If we are subject to any material costs or liabilities associated with environmental, our financial condition, results of operations and our cash flows could be adversely affected.

We are subject to certain risks associated with investing in real estate, including potential liabilities under environmental laws and risks of loss from weather conditions, man-made or natural disasters, climate change and terrorism.

Under various U.S. federal, state and local environmental laws, ordinances and regulations, a current or previous owner of real estate (including, in certain circumstances, a secured lender that succeeds to ownership or control of a property) may become liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under or in its property. Those laws typically impose cleanup responsibility and liability without regard to whether the owner or control party knew of or was responsible for the release or presence of such hazardous or toxic substances. The costs of investigation, remediation or removal of those substances may be substantial. The owner or control party of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Certain environmental laws also impose liability in connection with the handling of or exposure to asbestos-containing materials, pursuant to which third parties may seek recovery from owners of real properties for personal injuries associated with asbestos-containing materials. While a secured lender is not likely to be subject to these forms of environmental liability, when we foreclose on real property, we become an owner and are subject to the risks of environmental liability. Additionally, our net lease assets require our tenants to undertake the obligation for environmental compliance and indemnify us from liability with respect thereto. There can be no assurance that our tenants will have sufficient resources to satisfy their obligations to us.

Weather conditions and man-made or natural disasters such as hurricanes, tornadoes, earthquakes, floods, droughts, fires and other environmental conditions can damage properties we own. As of December 31, 2018, approximately 16% of the carrying value of our assets was located in the western and northwestern United States, geographic areas at higher risk for earthquakes. Additionally, we own properties located near the coastline and the value of our properties will potentially be subject to the risks associated with long-term effects of climate change. A significant number of our properties are located in major urban areas which, in recent years, have been high risk geographical areas for terrorism and threats of terrorism. Certain forms of terrorism including, but not limited to, nuclear, biological and chemical terrorism, political risks, environmental hazards and/or Acts of God may be deemed to fall completely outside the general coverage limits of our insurance policies or may be uninsurable or cost prohibitive to justify insuring against. Furthermore, if the U.S. Terrorism Risk Insurance Program Reauthorization Act is repealed or not extended or renewed upon its expiration, the cost for terrorism insurance coverage may increase and/or the terms, conditions, exclusions, retentions, limits and sub-limits of such insurance may be materially amended, and may effectively decrease the scope and availability of such insurance to the point where it is effectively unavailable. Future weather conditions, man-made or natural disasters, effects of climate change or acts of terrorism could adversely impact the demand for, and value of, our assets and could also directly impact the value of our assets through damage, destruction or loss, and could thereafter materially impact the availability or cost of insurance to protect against these events. Although we believe our owned real estate and the properties collateralizing our loan assets are adequately covered by insurance, we cannot predict at this time if we or our borrowers will be able to obtain appropriate coverage at a reasonable cost in the future, or if we will be able to continue to pass along all of the costs of insurance to our tenants. Any weather conditions, man-made or natural disasters, terrorist attack or effect of climate change, whether or not insured, could have a material adverse effect on our financial performance, liquidity and the market price of our common stock. In addition, there is a risk that one or more of our property insurers may not be able to fulfill their obligations with respect to claims payments due to a deterioration in its financial condition.

The Company's operations and financial condition may be adversely affected by climate change, including possible changes in weather patterns, weather-related events, government policy, laws, regulations, and economic conditions.

In recent years, the assessment of the potential impact of climate change has begun to impact the activities of government authorities, the pattern of consumer behavior, and other areas that impact the business environment in the United States including, but not limited to, energy-efficiency measures, water use measures, and land-use practices. The promulgation of policies, laws or regulations relating to climate change by governmental authorities in the U.S. and the markets in which the Company owns real estate may require the Company to invest additional capital in our income properties. In addition, the impact of climate change on businesses to whom the Company seeks to lease its income properties, or that may acquire land in the Land JV, is not reasonably determinable at this time. While not generally known at this time, climate change may impact weather patterns or the occurrence of significant weather events which could impact economic activity or the value of real estate in specific markets in which the Company owns its assets. The occurrence of any of these events or conditions may adversely impact the Company's ability to lease its income properties or the Land JV's ability to complete land transactions with potential buyers, which would adversely impact the Company's financial condition, results of operations, and cash flows.

Risks Associated with our Common Stock

The Company has several shareholders that beneficially own more than 5% of the Company's outstanding common stock and exercise the related voting rights of those shares. Actions by these shareholders, including trading activity, could have a material adverse impact on the trading price of our stock.

Certain of our shareholders, specifically several institutional investment funds, each beneficially own more than 5% of the outstanding common stock of the Company. The daily trading activity in our stock is substantially lower, on average, than the total amount of shares owned by these shareholders. Any substantial trading activity executed by these large shareholders could have an adverse impact on the trading price of the Company's stock which may impact our ability to raise capital through equity financing, which may adversely impact our ability to execute our business plan.

The market value of the Company's common stock is subject to various factors that may cause significant fluctuations or volatility.

As with other publicly-traded securities, the market price of the Company's common stock and convertible notes depends on various factors, which may change from time to time and/or may be unrelated to the Company's financial condition, results of operations, or cash flows and such factors may cause significant fluctuations or volatility in the market price of the Company's common stock. These factors include, but are likely not limited to, the following:

- General economic and financial market conditions including a weak economic environment;
- Level and trend of interest rates;
- The Company's ability to access the capital markets to raise additional debt or equity capital;
- Changes in the Company's cash flows or results of operations;
- The Company's financial condition and performance;
- Market perception of the Company compared to other real estate companies;
- Market perception of the real estate sector compared to other investment sectors; and
- Volume of average daily trading and the amount of the Company's common stock available to be traded.

Other Operational Risks

Our operations could be negatively impacted by the loss of key management personnel.

We believe our future success depends, to a significant extent, on the efforts of each member of the Company's senior management and our ability to attract and retain key personnel. The loss of, or our inability to replace, any member of senior management could adversely affect our operations and our ability to execute our business strategies and thereby our financial condition, results of operations and cash flows. We maintain key man life insurance on our Chief Executive Officer, but we do not have key man life insurance policies on the other members of our senior management.

Uninsured losses may adversely affect the Company's ability to pay outstanding indebtedness.

The Company's income-producing properties are generally covered by comprehensive liability, fire, and extended insurance coverage, typically paid by the tenant under the triple-net and double-net lease structure. The Company believes that the insurance carried on our properties is adequate and in accordance with industry standards. There are, however, types of losses (such as from hurricanes, earthquakes, floods or other types of natural disasters, or wars, terrorism, or other acts of violence) which may be uninsurable or the cost of insuring against these losses may not be economically justifiable. If an uninsured loss occurs or a loss exceeds policy limits, the Company could lose both its invested capital and anticipated revenues from the property, thereby reducing the Company's cash flow, impairing the value of the impacted income properties and adversely impacting the Company's financial condition and results of operations.

We are highly dependent on information systems and certain third-party technology service providers, and systems failures not related to cyber-attacks or similar external attacks could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and adversely impact our results of operations and cash flows.

Our business is highly dependent on communications and information systems. Any failure or interruption of our systems or our networks could cause delays or other problems in our operations and communications. We rely heavily on our financial, accounting and other data processing systems. In addition, much of our information technology infrastructure is or may be managed by third parties and as such we also face the risk of operational failure, termination, or capacity constraints by any of these third parties with which we do business or that facilitate our business activities. It is difficult to determine what, if any, negative impact may directly result from any specific interruption or disruption of our networks or systems or any failure to maintain performance, reliability and security of our technological infrastructure, but significant events impacting our systems or networks could have a material adverse effect on our operating results and cash flows and negatively affect the market price of our common stock.

Cybersecurity risks and cyber incidents could adversely affect the Company's business and disrupt operations.

Cyber incidents can result from deliberate attacks or unintentional events. These incidents can include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. The result of these incidents could include, but are not limited to, disrupted operations, misstated financial data, liability for stolen assets or information, increased cybersecurity protection costs, litigation, and reputational damage adversely affecting customer or investor confidence. Should any such cyber incidents or similar events occur, the Company's assets, particularly cash, could be lost and, as a result, the Company's ability to execute its business and strategy could be impaired, thereby adversely affecting its financial condition, results of operations, and cash flows.

We are required to make a number of judgments in applying accounting policies, and different estimates and assumptions could result in changes to our financial condition and results of operations.

Material estimates that are particularly susceptible to significant change underlie our determination of the reserve for loan losses, which is based primarily on the estimated fair value of loan collateral, as well as the valuation of real estate assets and deferred tax assets. While we have identified those accounting policies that are considered critical and have procedures in place to facilitate the associated judgments, different assumptions in the application of these policies could have a material adverse effect on our financial performance and results of operations and actual results may differ materially from our estimates.

Changes in accounting rules will affect our financial reporting.

The Financial Accounting Standards Board ("FASB") has issued new accounting standards that will affect our financial reporting.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13") which was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments held by a reporting entity. This amendment replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is effective for interim and annual reporting periods beginning after December 15, 2019. The Company adopted the changes to ASC 326, Financial Instruments-Credit Losses on January 1, 2020 and there was no material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases ("ASU 2016-02"), and in July 2018, the FASB issued ASU 2018-11, Leases ("ASU 2018-11"), to address two requirements of ASU 2016-02. ASU 2016-02 and ASU 2018-11 are effective for interim and annual reporting periods beginning after December 15, 2018. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating or finance leases. For operating and finance leases, a lessee will be required to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its statement of financial position. Lessees under operating leases will be required to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term generally on a straight-line basis, and classify all cash payments within operating activities in its statement of cash flows. Lessees under finance leases will be required to recognize interest expense on the lease liability (under the effective interest method) and amortization expense of the right-of-use asset (generally on a straight-line basis), each reflected separately in its statement of operations. 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.

Management has decided to elect the practical expedient package that allows us: (a) to not reassess whether any expired or existing contracts entered into prior to January 1, 2019 are or contain leases; (b) to not reassess the lease classification for any expired or existing leases entered into prior to January 1, 2019; and (c) to not reassess initial direct costs for any expired or existing leases entered into prior to January 1, 2019. In addition, we will elect to not record on our consolidated balance sheets leases whose term is less than 12 months at lease inception.

ASU 2018-11 amends ASU 2016-02 so that: (a) entities may elect to not recast the comparative periods presented when transitioning to ASC 842 by allowing entities to change their initial application to the beginning of the period of adoption; and (b) provides lessors with a practical expedient to not separate non-lease components from the associated lease component of the contractual payments if certain conditions are met. Management has decided to elect both of these provisions.

Changes in accounting standards could affect the comparability of our reported results with prior periods and our ability to comply with financial covenants under our debt instruments. We may also need to change our accounting systems and processes to enable us to comply with the new standards, which may be costly.

For additional information regarding new accounting standards, refer to Item 7 to our consolidated financial statements under the heading "New Accounting Pronouncements.”

Actions of the U.S. government, including the U.S. Congress, Federal Reserve, U.S. Treasury and other governmental and regulatory bodies, to stabilize or reform the financial markets, or market responses to those actions, may not achieve the intended effect and may adversely affect our business.

The U.S government, including the U.S. Congress, the Federal Reserve, the U.S Treasury and other governmental and regulatory bodies have increased their focus on the regulation of the financial industry in recent years. New or modified regulations and related regulatory guidance may have unforeseen or unintended adverse effects on the financial industry. Laws, regulations or policies, including tax laws and accounting standards and interpretations, currently affecting us may change at any time. Regulatory authorities may also change their interpretation of these statutes and regulations. Therefore, our business may also be adversely affected by future changes in laws, regulations, policies or interpretations or regulatory approaches to compliance and enforcement.

Various legislative bodies have also considered altering the existing framework governing creditors' rights and mortgage products including legislation that would result in or allow loan modifications of various sorts. Such legislation may change the operating environment in substantial and unpredictable ways. We cannot predict whether new legislation will be enacted, and if enacted, the effect that it or any regulations would have on our activities, financial condition, or results of operations.

Under the Americans with Disabilities Act of 1990, all public accommodations and commercial facilities must meet certain federal requirements related to access and use by disabled persons, compliance with which may be costly.

Compliance with the ADA requirements could involve modifications to our income properties or the Club or golf assets. Other federal, state and local laws may require modifications to or restrict further renovations of our income properties. Although we believe that our income properties are sufficiently in compliance with current requirements, noncompliance with the ADA or related laws or regulations could result in the imposition of governmental fines or in the award to private litigants of damages against us. Costs such as these, as well as the general costs of compliance with these laws or regulations, may adversely affect our financial condition, results of operations, and cash flows.

The impact of financial reform legislation and legislation promulgated thereunder on us is uncertain.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), enacted in 2010, instituted a wide range of reforms that will have an impact on all financial institutions. Many of the requirements called for in the Dodd-Frank Act will be implemented over time, most of which will be subject to implementing regulations over the course of several years. Many of these regulations have yet to be promulgated or are only recently promulgated. In addition, President Donald J. Trump has promised and issued several executive orders intended to relieve the financial burden created by the Dodd-Frank Act, although these executive orders only set forth several general principles to be followed by the federal agencies and do not mandate the wholesale repeal of the Dodd-Frank Act. Given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies and through regulations, the full impact such requirements will have on our business, results of operations or financial condition is unclear. The changes resulting from the Dodd-Frank Act may require us to invest significant management attention and resources to evaluate and make necessary changes in order to comply with new statutory and regulatory requirements. Failure to comply with any such laws, regulations or principles, or changes thereto, may negatively impact our business, results of operations and financial condition. While we cannot predict what effect any changes in the laws or regulations or their interpretations would have on us, these changes could be materially adverse to us and our unitholders.

The Company’s failure to maintain effective internal control over financial reporting could have a material adverse effect on its business, operating results, and price of our common stock.

Section 404 of the Sarbanes-Oxley Act of 2002 (“SOX”) as amended or modified from time to time, requires annual management assessments of the effectiveness of the Company’s internal control over financial reporting. If the Company fails to maintain the adequacy of its internal control over financial reporting, the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal control over financial reporting and therefore would likely not be in compliance with SOX. An effective system of internal controls over financial reporting, particularly those related to revenue recognition, are necessary for the Company to prepare and produce reliable financial reports and to maintain its qualification as a public company and are important in reducing the risk of financial fraud. If the Company cannot provide reliable financial reports or prevent fraud, its business and operating results could be harmed, qualification as a public company listed on the NYSE American stock exchange could be jeopardized, investors could lose confidence in the Company’s reported financial information, and the market price of the Company’s common stock could drop significantly.

If we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act or our internal control over financial reporting is not effective, the reliability of our financial statements may be questioned, and the market price of our common stock may suffer.

Section 404 of the Sarbanes-Oxley Act requires any company subject to the reporting requirements of the U.S. securities laws to do a comprehensive evaluation of its and its consolidated subsidiaries’ internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, our management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act. If our management cannot favorably assess the effectiveness of our internal control over financial reporting or our auditors identify material weaknesses in our internal controls, investors may lose confidence in our reported financial results and the market price of our common stock may decline.

We are subject to substantial regulation and numerous contractual obligations and internal policies, and failure to comply with these provisions could have a material adverse effect on our business, financial condition and results of operations.

We are subject to substantial regulation and numerous contractual obligations and internal policies. We are subject to regulation by the SEC, the NYSE, and other federal, state and local or international governmental bodies and agencies or self-regulatory organizations. Moreover, we are also responsible for managing or assisting with the regulatory aspects of PINE's compliance with applicable REIT rules. The level of regulation and supervision to which we and PINE are subject varies from jurisdiction to jurisdiction and is based on the type of business activity involved. The regulations to which we and PINE are subject are extensive, complex and require substantial management time and attention. Our failure or PINE's failure to comply with any of the regulations, contractual obligations or policies applicable to it may subject us to extensive investigations, as well as substantial penalties and reputational risk, and our business and operations could be materially adversely affected. Our lack of compliance with applicable law could result in, among other things, our inability to enforce contracts, our default under contracts (including our management agreements with PINE) and our ineligibility to contract with and receive revenue from PINE. We have numerous contractual obligations with which we must comply on a continuous basis to operate our business, the default of which could have a material adverse effect on our business and financial condition. We have established internal policies designed to ensure that we manage our business in accordance with applicable law and regulation and in accordance with our contractual obligations. These internal policies may not be effective in all regards; and, if we fail to comply with our internal policies, we could be subjected to additional risk and liability.

Employee misconduct could harm us by subjecting us to significant legal liability, reputational harm and loss of business.

There is a risk that our employees could engage in misconduct that adversely affects our business. We are subject to a number of obligations and standards arising from our business and our authority over PINE or the ventures we manage. The violation of these obligations and standards by any of our employees may adversely affect PINE or the ventures we manage and us. Our business often requires that we deal with confidential matters of great significance to PINE and the ventures we manage. If our employees improperly use or disclose confidential information, we and PINE or the ventures we manage could suffer serious harm to our and its reputation, financial position and current and future business relationships and face potentially significant litigation. It is not always possible to detect or deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in all cases. If any of our employees were to engage in or be accused of misconduct, our business and our reputation could be adversely affected. Misconduct by an employee might rise to the level of a default that would permit PINE or the ventures we manage to terminate the management agreements with us for cause and without paying a termination fee, which could materially adversely affect our business, results of operations and financial condition.

Significant legal proceedings may adversely affect our results of operations or financial condition.

We are subject to the risk of litigation, derivative claims, securities class actions, regulatory and governmental investigations and other litigation including proceedings arising from investor dissatisfaction with our operating performance. If any claims were brought against us and resulted in a finding of substantial legal liability, the finding could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us, which could significantly adversely impact our business. Allegations of improper conduct by private litigants or regulators, regardless of veracity, may harm our reputation, and adversely impact our ability to grow our business or maintain our management of PINE or the ventures in which we have a financial interest.

The Company's ability to pay dividends in the future is subject to many factors.

The Company has consistently paid a dividend since 1976. Payment of the Company's dividend depends upon the Company's financial condition, results of operations, and cash flows. The Company's ability to continue to pay dividends may be adversely impacted if any of the events or conditions associated with the risks described in this section were to occur.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2019, the Company owns the following properties: (i) twenty-nine buildings occupied by single-tenants located in Arizona, California, Colorado, Florida, Maryland, New Mexico, New York, North Carolina, Texas, Virginia, and Washington; (ii) five multi-tenant properties located in Florida and Texas; (iii) full or fractional subsurface oil, gas, and mineral interests underlying approximately 455,000 “surface acres” in 20 counties in Florida; and (iv) a six-acre parcel of land in downtown Daytona Beach, Florida. Please refer to Item 1. “Business” for a more detailed discussion of our properties.

ITEM 3. LEGAL PROCEEDINGS

From time to time, the Company may be a party to certain legal proceedings, incidental to the normal course of our 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 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER REPURCHASES OF EQUITY SECURITIES

COMMON STOCK PRICES AND DIVIDENDS

The Company's common stock trades on the NYSE American stock exchange under the symbol "CTO". The Company has paid dividends on a continuous basis since 1976, the year in which its initial dividends were paid. The following table summarizes aggregate annual dividends, which were paid quarterly, per share during the years ended December 31, 2019 and 2018:

2019	$ 0.44
2018	$ 0.27

The level of future dividends will be subject to an ongoing review of the Company's operating results and financial position and, among other factors, the overall economy, with an emphasis on our local real estate market and our capital needs.

Indicated below are high and low sales prices of our stock for each full quarter within the last two fiscal years. All quotations represent actual transactions.

	2019		2018	
	High	**Low**	**High**	**Low**
	$	**$**	**$**	**$**
First Quarter	63.55	51.40	67.97	59.75
Second Quarter	63.74	57.33	65.87	57.81
Third Quarter	68.64	59.00	67.02	57.39
Fourth Quarter	68.40	58.56	62.90	49.23

The number of shareholders of record as of February 28, 2020 (without regard to shares held in nominee or street name) was 291. Many of the Company's shares of common stock are held by brokers and institutions on behalf of stockholders, the Company is unable to estimate the total number of stockholders represented by these record holders.

Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities during the year ended December 31, 2019 which were not previously reported.

Issuer Purchases of Equity Securities

The following share repurchases were made during the year ended December 31, 2019:

	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)
1/1/2019 - 1/31/2019	46,136	$ 57.82	46,136	$ 10,000,060
2/1/2019 - 2/28/2019	1,900	59.94	1,900	9,886,169
3/1/2019 - 3/31/2019	22,672	59.56	22,672	8,535,987 (2)
4/1/2019 - 4/30/2019	381,650	57.68	381,650	4,800,969
5/1/2019 - 5/31/2019	55,951	59.81	55,951	1,455,186
6/1/2019 - 6/30/2019	24,168	59.92	24,168	7,127
7/1/2019 - 7/31/2019	—	—	—	7,127
8/1/2019 - 8/31/2019	—	—	—	7,127
9/1/2019 - 9/30/2019	—	—	—	7,127
10/1/2019 - 10/31/2019	—	—	—	7,127 (3)
11/1/2019 - 11/30/2019	78,125	64.00	78,125	5,007,127
12/1/2019 - 12/31/2019	80,500	62.10	80,500	8,077
Total	691,102	$ 59.46	691,102	

(1) In January of 2019, the Company's Board of Directors approved an increase of $10 million to the stock repurchase program, refreshing the total program to an aggregate of $10 million. That buyback program was substantially complete as of June 30, 2019.

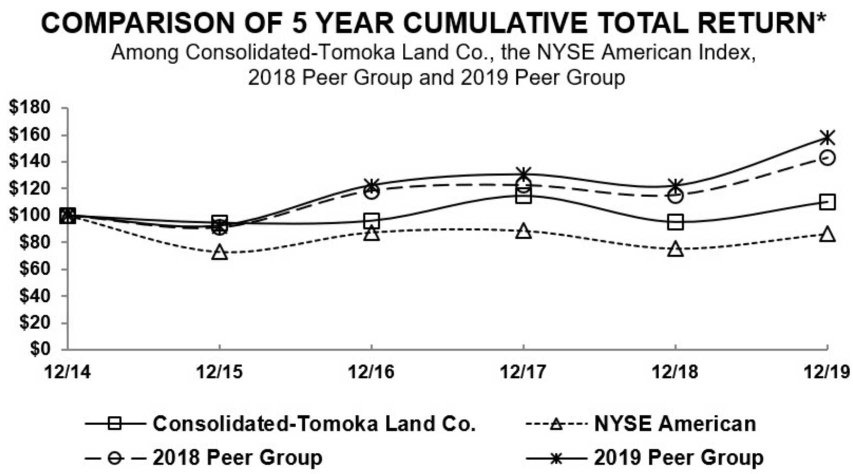
(2) In April of 2019, the Company acquired 320,741 shares for approximately $18.4 million outside the Company's $10 million buyback program. The transaction is more fully described in Note 14, "Treasury Stock."

(3) In November 2019, the Company's Board of Directors approved an increase of $10 million to the stock repurchase program, refreshing the total program to an aggregate of $10 million. The current buyback program does not have an expiration date and was substantially complete as of December 31, 2019.

STOCK PERFORMANCE GRAPH

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN*
Among Consolidated-Tomoka Land Co., the NYSE American Composite Index, and Two Peer Groups

The following performance graph shows a comparison of cumulative total shareholder return from a $100 investment in stock of the Company over the five-year period ending December 31, 2019, with the cumulative shareholder return of the following: (i) the NYSE American Composite Index, a real estate industry index provided by Research Data Group; (ii) a peer group of companies that consists of Agree Realty, Cedar Realty Trust, Five Point Holdings, Four Corners Property Trust Inc., Getty Realty Corp., Lexington Realty Trust, One Liberty Properties, Rexford Industrial Realty, Inc., The St. Joe Company, Stratus Properties Inc., Tejon Ranch Company, Trinity Place Holdings, Urstadt Biddle Properties, and Whitestone REIT (collectively the "2019 Peer Group"); and (iii) a peer group of companies that consists of Agree Realty, Cedar Realty Trust, Four Corners Property Trust Inc., Farmland Partners, Getty Realty Corp., HomeFed Corporation, Lexington Realty Trust, One Liberty Properties, Stratus Properties Inc., Tejon Ranch Company, The St. Joe Company, Urstadt Biddle Properties, Wheeler REIT, and Whitestone REIT (collectively the "2018 Peer Group"). The Company adjusted its peer group in 2019, and therefore the performance graph disclosures, because the Company believes the 2019 Peer Group better reflects a mix of public companies that is reasonably comparable to the businesses of the Company, including the investment in and operation of income-producing properties and real estate operations, including land ownership.



*$100 invested on 12/31/14 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

	12/14	12/15	12/16	12/17	12/18	12/19
Consolidated-Tomoka Land Co.	**100.00**	**94.60**	**96.11**	**114.62**	**95.17**	**110.13**
NYSE American	**100.00**	**73.22**	**87.67**	**88.81**	**75.61**	**86.47**
2018 Peer Group	**100.00**	**91.02**	**118.32**	**122.46**	**115.13**	**142.79**
2019 Peer Group	**100.00**	**92.21**	**122.29**	**130.48**	**122.02**	**157.85**

ISSUER REPURCHASES OF EQUITY SECURITIES

In early 2017, the Company established a new $10 million stock repurchase program (the "$10 Million Repurchase Program"), in addition to the remaining approved repurchases under a prior plan totaling approximately $2.6 million. The Company completed repurchases totaling approximately $7.2 million during the year ended December 31, 2017. On July 18, 2018, the Company's Board of Directors approved an increase of approximately $7.1 million to the stock repurchase program, refreshing the total program to an aggregate of $10 million (the "2018 Increase"), as the Company had completed repurchases prior the 2018 Increase. Including repurchases under the 2018 Increase, the Company repurchased a total of 168,602 shares of its common stock on the open market for a total cost of approximately $9.8 million, or an average price per share of $58.35, during the year ended December 31, 2018. In January 2019, the Company's Board of Directors approved an increase of $10.0 million to the stock repurchase program, refreshing the total program to an aggregate of $10 million. As of the quarter ended September 30, 2019 the Company had repurchased 211,736 shares for approximately $12.7 million. In April 2019 the Company's Board approved the repurchase of a block of shares from the Company's largest shareholder whereby the Company repurchased 320,741 shares for approximately $18.4 million, or $57.50 per share. In November 2019 the Company's Board approved a new $10 million buyback program. During the fourth quarter of 2019 the Company repurchased 158,625 shares for approximately $10 million, or $63.04 per share. The shares of the Company's common stock repurchased during each of the aforementioned years through the year ended December 31, 2019 were returned to the Company's treasury.

ITEM 6. SELECTED FINANCIAL DATA

The following table summarizes our selected historical financial information for each of the last five fiscal years. The selected financial information has been derived from our audited Consolidated Financial Statements. Additional data for fiscal years 2019, 2018, and 2017 is included elsewhere in this report.

The following selected financial data should be read in conjunction with the Company's Consolidated Financial Statements and Notes along with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this report.

	Fiscal Years Ended				
	2019	2018	2017	2016	2015
	(In thousands except per share amounts)				
Summary of Operations:					
Total Revenues	$ 44,941	$ 43,658	$ 38,651	$ 31,415	$ 25,199
Total Direct Cost of Revenues	(7,105)	(8,761)	(8,338)	(7,765)	(4,416)
General and Administrative	(9,818)	(9,785)	(10,253)	(10,298)	(8,754)
Impairment Charges	—	—	—	(2,181)	(510)
Depreciation and Amortization	(15,797)	(15,762)	(12,315)	(7,929)	(4,950)
Gain on Disposition of Assets	21,977	22,035	—	12,759	5,517
Operating Income	34,198	31,385	7,745	16,001	12,086
Interest Expense, Net of Investment Income	(12,121)	(10,371)	(8,485)	(9,284)	(6,712)
Income Tax Benefit (Expense) from Continuing Operations	(5,472)	(6,025)	22,481	(3,613)	(2,114)
Income from Continuing Operations	16,605	14,989	21,741	3,104	3,260
Income from Discontinued Operations (Net of Income Tax)	98,368	22,179	19,978	13,095	5,028
Net Income	114,973	37,168	41,719	16,199	8,288
Less: Net Loss Attributable to Noncontrolling Interest in Consolidated VIE	—	—	—	52	58
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 114,973	$ 37,168	$ 41,719	$ 16,251	$ 8,346
Basic:					
Net Income from Continuing Operations Attributable to Consolidated-Tomoka Land Co.	$ 3.32	$ 2.72	$ 3.92	$ 0.56	$ 0.57
Net Income from Discontinued Operations Attributable to Consolidated-Tomoka Land Co. (Net of Income Tax)	19.71	4.04	3.61	2.30	0.87
Basic Net Income per Share	$ 23.03	$ 6.76	$ 7.53	$ 2.86	$ 1.44
Diluted:					
Net Income from Continuing Operations Attributable to Consolidated-Tomoka Land Co.	$ 3.32	$ 2.71	$ 3.90	$ 0.55	$ 0.57
Net Income from Discontinued Operations Attributable to Consolidated-Tomoka Land Co. (Net of Income Tax)	19.68	4.01	3.58	2.30	0.86
Basic Net Income per Share	$ 23.00	$ 6.72	$ 7.48	$ 2.85	$ 1.43
Dividends Paid Per Share	$ 0.44	$ 0.27	$ 0.18	$ 0.12	$ 0.08
Summary of Financial Position:					
Property, Plant, and Equipment - Net	$ 370,591	$ 368,751	$ 342,628	$ 267,611	$ 257,256
Total Assets	$ 703,286	$ 556,330	$ 466,130	$ 408,623	$ 404,354
Shareholders' Equity	$ 285,413	$ 211,761	$ 184,178	$ 148,276	$ 134,781
Long-Term Debt	$ 287,218	$ 247,625	$ 195,816	$ 166,245	$ 166,797

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OVERVIEW

Forward-Looking Statements

When the Company uses any words such as "anticipate," "assume," "believe," "estimate," "expect," "intend," or similar expressions, the Company is making forward-looking statements. Although management believes that the expectations reflected in such forward-looking statements are based upon current expectations and reasonable assumptions, the Company's actual results could differ materially from those set forth in the forward-looking statements. Certain factors or risks that could cause actual results or events to differ materially from those the Company anticipates or projects are described in "Item 1A. Risk Factors" of this Annual Report on Form 10-K. Given these uncertainties, readers are cautioned not to place undue reliance on such statements, which speak only as of the date of this Annual Report on Form 10-K or any document incorporated herein by reference. The Company undertakes no obligation to publicly release any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this Annual Report on Form 10-K.

Recent Developments Impacting our Business

During the fourth quarter of 2019, the Company completed the following transactions that were transformational to the Company and its operating results for the year ended December 31, 2019 and meaningful to its ongoing operations in the periods subsequent to December 31, 2019:

- **Land JV Transaction**

  On October 16, 2019, the Company completed the sale of a controlling interest in its wholly-owned subsidiary, Crisp39 SPV LLC to affiliates of Magnetar Capital LLC (the "Magnetar Land Sale"); (i) Flacto, LLC ("Flacto"); (ii) Magnetar Longhorn Fund LP ("Longhorn"); and (iii) Magnetar Structured Credit Fund, LP ("Magnetar SCF" and collectively with Flacto and Longhorn, the "Magnetar Investors") pursuant to an Interest Purchase Agreement (the "Purchase Agreement"), for $97 million. Crisp39 SPV LLC holds the approximately 5,300 acres of undeveloped land in Daytona Beach, Florida (the "Land JV"). Following the closing of the Purchase Agreement, the Magnetar Investors collectively own a notional 66.50% equity interest in the Land JV, and the Company owns a notional 33.50% equity interest in the Land JV (collectively, the Company and the Magnetar Investors are herein referred to as the "JV Partners"). The transaction resulted in a gain of approximately $78.6 million, or approximately $12.21 per share, after tax, on the sale of the 66.50% equity interest in the Land JV and a non-cash gain of approximately $48.9 million on the Company's retained interest in the Land JV, or approximately $7.59 per share, after tax.

  The Company serves as the manager (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 must be approved by the unanimous consent of the JV Partners (the "Unanimous Actions"). Unanimous Actions include 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 Limited Liability Agreement of the Land JV will pay the Manager a management fee in the initial amount of $20,000 per month, which amount will be evaluated on a quarterly basis and reduced based on the value of real property that remains in the Land JV.

  As a result of the Magnetar Land Sale, the Company has effectively divested all of its land holdings and as such the impact of the occurrence of land sales, which had been a primary element of the Company's business for virtually its entire history, has been essentially eliminated. In addition, the need for utilizing the 1031 like-kind exchange structure to deploy proceeds from land sales into replacement assets, primarily income properties, has also been reduced substantially.

- **Alpine Income Property Trust, Inc. (NYSE: PINE)**

  On November 26, 2019, as part of the initial public offering (the "IPO") of Alpine Income Property Trust, Inc. ("PINE") on the New York Stock Exchange, the Company and certain of its affiliates entered into purchase and sale agreements with PINE and Alpine Income Property OP, LP (the "PINE OP"), pursuant to which the Company and such affiliates sold, and PINE or the PINE OP purchased, 15 properties for aggregate cash consideration of $125.9 million (collectively, the "Purchase and Sale Transaction"). In addition, the Company and certain of its affiliates entered into contribution agreements with the PINE OP, pursuant to which the Company and such affiliates contributed to the PINE OP five properties (the "Contributed Properties") for an aggregate of 1,223,854 OP units of the PINE OP (the "OP Units"), which have an initial value of approximately $23.3 million (the "Contribution Transaction"), and collectively with the Purchase and Sale Transaction, (the "PINE Income Property Sale Transactions"). The PINE Income Property Sale Transactions resulted in a gain of approximately $1.0 million, or approximately $0.16 per share, after tax.

  Concurrently with the PINE Income Property Sale Transactions, the Company purchased 394,737 shares of PINE common stock for a total purchase price of $7.5 million (the "Private Placement"). 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 (the "IPO Purchase" and together with the Private Placement, the "Equity Transactions"). Including the Company's investment in PINE as a result of receiving 1,223,854 OP Units, the Company owns, in the aggregate, approximately 2.04 million shares of PINE common stock, or approximately 22.3% of PINE's total shares outstanding.

  In addition to the PINE Income Property Sale Transactions, the PINE IPO was significant for the Company and our business because concurrent with the PINE IPO, the Company entered into a management agreement with PINE (the "Management Agreement") pursuant to which the Company is responsible for managing, operating, and administering the day-to-day operations, business and affairs of PINE, subject to the direction and supervision of PINE's board of directors (the "PINE Board") and in accordance with the investment guidelines approved and monitored by the PINE Board. Pursuant to the Management Agreement, PINE agreed to pay the Company a base management fee equal to 0.375% per quarter (or 1.5% annually) of PINE's "total equity" (as defined in the Management Agreement) calculated and payable in cash, quarterly in arrears. Based on the equity raised in PINE's IPO and the Private Placement, the initial base management fee would approximate $2.6 million. In addition, we have the ability to earn an incentive fee based on PINE's shareholders achieving an annual return that exceeds an 8% annual hurdle, subject to a high-water mark price. The amount of the incentive fee would equal 15% of the amount by which the PINE shareholders annual return exceeds 8% in any given year. The initial term of the Management Agreement is five (5) years and the Management Agreement cannot be terminated by either party during the initial term except for certain definitive events which pertain primarily to our default or lack of performance. We also entered into an exclusivity and right of first offer agreement (the "Exclusivity and ROFO Agreement") with PINE at the date of its IPO. Pursuant to the Exclusivity and ROFO Agreement the Company agreed not to invest in single-tenant net lease income properties, with limited exceptions. Further, the Company agreed to provide PINE with a right of first offer should the Company decided to sell any of its remaining portfolio of single-tenant net leased income properties in the future.

- **Golf Operations**

  On October 17, 2019, the Company sold its interest in the golf operations for $3.45 million (the "Golf Sale"), resulting in no gain on the transaction. The Company provided the buyer with financing in the form of an approximately $2.1 million first mortgage loan with a term of one year. As a result of the sale of the golf operations, the Company is no longer engaged in the ownership and operation of LPGA or any other golf club business.

Our Business

We are a diversified real estate operating company that was founded in 1910. As of December 31, 2019, we own and manage, sometimes utilizing third-party property management companies, thirty-four commercial real estate properties in eleven states in the United States, with approximately 1.8 million square feet of gross leasable space. These thirty-four properties in our portfolio comprise our income property operations segment.

In addition to our income property portfolio, as of December 31, 2019, or business included the following:

Management Services:

- A fee-based management business that is engaged in managing PINE and the Land JV, see Note 5, “Related Party Management Services Business”.

Commercial Loan Investments:

- A portfolio of commercial loan investments.

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 5,300 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, our investment in PINE of approximately $38.8 million resulting from the Equity Transactions, or approximately 22.3% of the PINE’s outstanding equity, including the OP Units which are exchangeable into common stock of PINE on a one-for-one basis, at PINE’s election. Our investment in PINE should generate 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 Income on the accompanying statement of operations.

Prior to 2019, the Company operated in four primary business segments: income properties, commercial loan investments, real estate operations, and golf operations. During the fourth quarter of 2018, the Company commenced efforts to monetize the golf operations and accordingly, as of December 31, 2018, the golf assets and liabilities related to the golf operations were classified as held for sale in the accompanying consolidated balance sheets and the results of golf operations were classified as discontinued operations in the accompanying consolidated statements of income for all years presented. The golf operations segment, although discontinued in 2018, held assets as of December 31, 2018. Accordingly, the identifiable assets and liabilities have been disclosed separately as discontinued golf operations for the years presented.

As a result of the significant transactions during the fourth quarter of 2019, including the Land JV transaction, the PINE Income Property Sale Transactions, and the Golf Sale, the Company’s segment structure has been modified to more closely align with the continuing operations of the Company. The Company now operates in four primary business segments: income properties, management services, commercial loan investments, and real estate operations. The new management services segment consists of the revenue generated from managing PINE and the Land JV. The management services segment had no assets as of December 31, 2019, 2018, or 2017. 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 years ended December 31, 2019, 2018, and 2017 and the continuing 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 years presented.

The following is a summary of financial information regarding the Company's business segments (amounts in thousands) for the years ended December 31:

	2019	2018	2017
Revenues of each segment are as follows:			
Income Properties	$ 41,956	$ 40,076	$ 31,407
Management Services	304	—	—
Commercial Loan Investments	1,829	616	2,053
Real Estate Operations	852	2,966	5,191
Total Revenues	$ 44,941	$ 43,658	$ 38,651
Operating income from Continuing Operations before income tax for each segment is as follows:			
Income Properties	$ 34,956	$ 31,906	$ 24,489
Management Services	304	—	—
Commercial Loan Investments	1,829	616	2,053
Real Estate Operations	748	2,375	3,770
General and Corporate Expense	(9,818)	(9,785)	(10,253)
Depreciation and Amortization	(15,797)	(15,762)	(12,314)
Gain on Disposition of Assets	21,977	22,035	—
Total Operating Income	$ 34,199	$ 31,385	$ 7,745
Identifiable assets of each segment are as follows:			
Income Properties	$ 464,285	$ 492,094	$ 388,603
Commercial Loan Investments	35,742	—	11,964
Real Estate Operations	65,555	14,316	4,416
Discontinued Real Estate Operations	833	20,972	38,880
Discontinued Golf Operations	—	4,462	6,262
Corporate and Other (1)	136,871	24,486	16,005
Total Assets	$ 703,286	$ 556,330	$ 466,130

(1) Corporate and Other assets includes all other corporate assets, including cash, restricted cash, and investment securities.

BUSINESS PLAN

Our business plan going forward is primarily focused on investing in income-producing real estate, primarily multi-tenant commercial retail properties occupied by retail or office tenants. We may also self-develop multi-tenant income properties, as we have done in the past. We may also invest in commercial loans or similar financings secured by commercial real estate. Our investment in multi-tenant income properties, and possibly single-tenant net lease assets that fall outside our Exclusivity and ROFO agreement with PINE, may utilize proceeds from the sale of an income property currently in our portfolio and because our tax basis in property likely carries a tax basis from the low-basis land parcel we sold to by the existing property, we may seek to have the sale of the existing income property qualify for income tax deferral through the like-kind exchange provisions under Section 1031 of the Internal Revenue Code. The low tax basis in our income property portfolio is the result of us having acquired the original land primarily in the early part of our 100 plus year history. Utilizing the like-kind exchange structure allows us to continue to defer the related income taxes on the original gains from the land sales and possibly the gains achieved on the sale of the original replacement property or properties. Generally, in order to utilize the like-kind exchange structure, we are prohibited from engaging in activities that are typically indicative of the developer of an income property or a dealer in income property sales. Our approach in investing in income-producing real estate is to use leverage, when appropriate or necessary, to fund our acquisitions and to help achieve our business objectives. Our use of leverage in acquiring income-producing real estate is intended to provide positive returns relative to our borrowing costs. We believe this enhances our Company's income-generating real estate asset base while keeping us cash flow positive.

Our investment strategy seeks to acquire income properties, primarily multi-tenants, which will continue to broaden the credit base of our lease tenants, diversify our income property portfolio geographically, with an emphasis on major markets and growth markets in the U.S., and diversify the type of income-producing property. We may selectively choose to complete the development of an income property investment.

Proceeds from completed sales of income properties supply us with investible capital. Our access to sources of debt financing, particularly our borrowing capacity under our Credit Facility, also provide a source of capital for our investment strategy. Our strategy is to utilize leverage, when appropriate and necessary, and potentially proceeds from sales of income properties, the disposition or payoffs of our commercial loan investments, and certain transactions involving 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 comprised of select office, flex, industrial, and retail;
- Joint venture development using land owned by the Land JV;
- 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.

INCOME PROPERTIES

We have pursued a strategy of investing in income-producing properties, when possible, by utilizing the proceeds from real estate transactions, including the disposition of income properties and transactions involving our Subsurface Interests.

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.

During the year ended December 31, 2019, the Company acquired ten single-tenant income properties and one multi-tenant income property, for an aggregate purchase price of approximately $164.7 million as described below:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Feet	Property Acres	Purchase Price	Percentage Leased	Remaining Lease Term at Acquisition Date (in years)
Hobby Lobby Stores, Inc.	Single-Tenant	Winston-Salem, NC	05/16/19	55,000	7.6	$ 8,075,000	100%	10.9
24 Hour Fitness USA, Inc.	Single-Tenant	Falls Church, VA	05/23/19	46,000	3.1	21,250,000	100%	8.6
Walgreen Co.	Single-Tenant	Birmingham, AL	06/05/19	14,516	2.1	5,500,000	100%	9.8
Family Dollar Stores of Massachusetts, Inc.	Single-Tenant	Lynn, MA	06/07/19	9,228	0.7	2,100,000	100%	4.8
Walgreen Co.	Single-Tenant	Albany, GA	06/21/19	14,770	3.6	3,634,000	100%	13.6
Carpenter Hotel [(1)]	Single-Tenant	Austin, TX	07/05/19	N/A	1.4	16,250,000	100%	99.1
General Dynamics Corporation	Single-Tenant	Reston, VA	07/12/19	64,319	3.0	18,600,000	100%	9.9
Live Nation Entertainment, Inc.	Single-Tenant	East Troy, WI	08/30/19	N/A	158.3	7,500,000	100%	10.6
Party City Corporation	Single-Tenant	Oceanside, NY	09/24/19	15,500	1.2	7,120,000	100%	10.2
Burlington Stores, Inc.	Single-Tenant	N. Richland Hills, TX	10/28/19	70,891	5.3	11,940,000	100%	9.3
The Strand	Multi-Tenant	Jacksonville, FL	12/09/19	212,402	52.0	62,701,000	95%	9.5
	Total / Weighted Average			502,626		$ 164,670,000		18.4

(1) The ground lease with The Carpenter Hotel includes two tenant repurchase options. Pursuant to FASB ASC Topic 842, Leases, the $16.25 million investment has been recorded in the accompanying consolidated balance sheet as of December 31, 2019 as a commercial loan investment. See Note 4, "Commercial Loan Investments".

In addition to the 20 single-tenant net lease properties sold to PINE in November 2019, the Company completed the sale of four other income properties during the year ended December 31, 2019. In February 2019, the Company sold its approximately 59,000 square foot multi-tenant retail property located in Sarasota, Florida that was anchored by a Whole Foods Market grocery store, for approximately $24.6 million. In May 2019, the Company sold its approximately 112,000 square foot retail strip center, anchored by a 24-Hour Fitness, for approximately $18.3 million. In June 2019, the Company sold its approximately 76,000 square foot multi-tenant office property in Santa Clara, California for approximately $37 million. And finally, in August of 2019, the Company sold its property that was subject to a ground lease with WaWa for approximately $2.8 million. In aggregate, the four dispositions generated approximately $82.6 million in proceeds with gains recognized of approximately $20.8 million, or approximately $3.06 per share, after tax.

Our current portfolio of twenty-nine (29) single-tenant income properties generates approximately $20.4 million of revenues from straight-line base lease payments on an annualized basis and had a weighted average remaining lease term of 9.1 years as of December 31, 2019. Our current portfolio of five (5) multi-tenant properties generates approximately $8.9 million of revenue from straight-line base lease payments on an annualized basis and had a weighted average remaining lease term of 6.5 years as of December 31, 2019.

As part of our overall strategy for investing in income-producing properties, we have self-developed properties, including five multi-tenant office properties, all of which are located in Daytona Beach, Florida. We sold one these properties in 2016 and the four other properties on March 26, 2018.

We also 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 December 31, 2019, we invested approximately $5.2 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. In the recent past, the Company was pursuing an effort to the monetize certain of our multi-tenant income properties with the Company intending to reinvest the potential proceeds from these dispositions into single-tenant net lease income properties. As a result of that strategy, we sold three multi-tenant income properties during the year ended December 31, 2019. In part, as a result of entering into the Exclusivity and ROFO Agreement, 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.

As of December 31, 2019, the Company owned twenty-nine single-tenant and five multi-tenant income properties in eleven states. Following is a summary of these properties:

Tenant	City	State	Area (Square Feet)	Year Built
24 Hour Fitness USA, Inc.	Falls Church	VA	46,000	2012
Aspen Development	Aspen	CO	19,596	2015
Bank of America	Monterey	CA	32,692	1982
Wawa (formerly Barnes & Noble)	Daytona Beach	FL	—	Under Construction
Big Lots	Phoenix	AZ	34,512	2000
Big Lots	Germantown	MD	25,589	2000
Burlington Stores, Inc.	N. Richland Hills	TX	70,891	1993
Carpenter Hotel	Austin	TX	—	1949/2018
Carrabba's Italian Grill	Austin	TX	6,528	1994
Chase Bank	Jacksonville	FL	3,614	2017
Chuy's Restaurant & Bar	Jacksonville	FL	7,950	2017
Crabby's Restaurant (formerly Cocina 214)	Daytona Beach	FL	5,780	2018
CVS	Dallas	TX	10,340	2016
Fidelity Investments (affiliate of)	Albuquerque	NM	210,067	2009
Firebirds Wood Fired Grill	Jacksonville	FL	6,948	2017
General Dynamics Corporation	Reston	VA	64,319	1984/2018
Harris Teeter	Charlotte	NC	45,089	1993
LandShark Bar & Grill	Daytona Beach	FL	6,264	2018
Lowe’s Corporation	Katy	TX	131,644	1997
Macaroni Grill	Arlington	TX	8,123	1993
Moe's Southwest Grill	Jacksonville	FL	3,111	2017
Outback Steakhouse	Austin	TX	6,176	1994
PDQ	Jacksonville	FL	3,366	2017
Party City Corporation	Oceanside	NY	15,500	1999/2014
Rite Aid Corp.	Renton	WA	16,280	2006
Staples	Sarasota	FL	18,120	2012
Walgreens	Clermont	FL	13,650	2003
Wawa	Jacksonville	FL	6,267	2017
Wells Fargo	Raleigh	NC	450,393	1996/1997
29 Single-Tenant Properties			**1,268,809**	
7-Eleven	Dallas	TX	4,685	1973
World of Beer/Fuzzy's Taco Shop	Brandon	FL	6,715	2006
Riverside Avenue	Jacksonville	FL	136,856	2003
Westcliff Shopping Center	Fort Worth	TX	136,185	1954
The Strand	Jacksonville	FL	212,402	2017/2018
5 Multi-Tenant Properties			**496,843**	
Total 34 Properties			**1,765,652**	

The weighted average economical and physical occupancy rates of our income properties for each of the last three years on a portfolio basis are as follows:

Year	Single-Tenant Economic / Physical Occupancy	Multi-Tenant Economic / Physical Occupancy
2017	100% / 100%	85% / 85%
2018	100% / 100%	86% / 85%
2019	100% / 100%	82% / 82%

The information on lease expirations of our total income property portfolio for each of the ten years starting with 2020 is as follows:

Year	# of Tenant Leases Expiring	Total Square Feet of Leases Expiring	Annual Rents Expiring [(1)]	Percentage of Gross Annual Rents Expiring [(1)]
2020	4	63,150	$ 1,018,402	3.6 %
2021	9	84,261	$ 1,173,945	4.2 %
2022	6	47,430	$ 1,808,497	6.4 %
2023	6	60,211	$ 966,982	3.4 %
2024	4	479,262	$ 3,192,015	11.4 %
2025	1	5,393	$ 127,055	0.5 %
2026	3	22,417	$ 632,603	2.3 %
2027	6	213,853	$ 3,131,301	11.1 %
2028	12	372,570	$ 7,046,298	25.1 %
2029	12	190,916	$ 4,055,564	14.4 %

(1) Annual Rents consist of the base rent to be received pursuant to each lease agreement, i.e. not on a straight-line basis.

The majority of leases have additional option periods beyond the original term of the lease, which typically are exercisable at the tenant's option.

We had one tenant that accounted for more than 10% of our consolidated income property revenue during the year ended December 31, 2019. Wells Fargo, who occupied two single-tenant office properties located in Hillsboro, Oregon and Raleigh, North Carolina, accounted for approximately 12.5% of our consolidated revenues during the year ended December 31, 2019. The office property leased to Wells Fargo located in Hillsboro, Oregon was sold as a part of the PINE Income Property Sale Transactions on November 26, 2019. The office property leased to Wells Fargo located in Raleigh, North Carolina also represented 26% of the total square footage of our income property portfolio as of December 31, 2019. A default by this tenant would have a material adverse effect on the Company's income properties segment and its overall results of operations. We have one other tenant, Fidelity Investments, who represented over 5% of our consolidated revenues during the year ended December 31, 2019, and a large percentage of the square footage of our income property portfolio, but not in excess of 10%.

MANAGEMENT SERVICES BUSINESS

Our business plans also include generating revenue from managing PINE and the Land JV. Pursuant to the Management Agreement, 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 terms of the incentive fee.

The Company also generates management fees as the Land JV Manager. 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.

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 generally 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.

2019 Commercial Loan Investment Portfolio. During the year ended December 31, 2019, the Company invested approximately $18.3 million on three commercial loans, two were mortgage notes of $8 million and $8.25 million secured by a parcel of land in Orlando, Florida and a full-service hotel in Austin, Texas, respectively. In addition, in connection with the sale of the Company's golf operations, the Company provided an approximately $2.1 million loan to the buyer, with a maturity of one year and an interest rate of 7.5%. As of December 31, 2019, the Company's commercial loan investment portfolio included the three loans with a total remaining principal balance of approximately $18.2 million, a weighted average interest rate of approximately 11.3% and a remaining duration to maturity of approximately 0.5 years.

2018 Commercial Loan Investment Portfolio. During the year ended December 31, 2018, the Company had two loan investments totaling approximately $11.9 million, that were repaid in full at maturity. As of December 31, 2018, the Company had no commercial loan investments.

2017 Commercial Loan Investment Portfolio. During the year ended December 31, 2017, the Company invested in a $3 million loan on a parcel of land in Daytona Beach that was being developed into a multi-family condominium property. As of December 31, 2017, the Company's commercial loan investment portfolio included two loans with a total remaining principal balance of approximately $11.9 million, a weighted average interest rate of 9.5% and a remaining duration to maturity of approximately 0.5 years. During the year a $10 million mezzanine loan investment secured by a hotel located at the Dallas/Fort Worth airport in Texas and a $5 million mezzanine loan investment secured by a hotel located in downtown Atlanta, Georgia, were paid off in full.

LAND and INVESTMENT IN THE LAND JV

Land JV. As noted above, the direct impact of the Magnetar Land Sale is that the Company divested itself of its land holdings, but for the 6-acre Daytona Beach development land described below, and as such the occurrence of land sales, which had been a primary element of the Company's business for virtually its entire 109-year history, has been essentially discontinued. Consequently, the operations associated with our land holdings were treated as discontinued operations and accordingly the revenues and expenses that had been presented within the Company's real estate operations segment in prior periods were reclassified in the statement of operations for the year ended December 31, 2019 and all prior periods presented.

However, the Company is continuing to pursue land sales on the approximately 5,300 acres that formerly comprised its land holdings in its role as Manager (of the Land JV) on behalf of the JV Partners. 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 March 6, 2020, the Land JV has completed approximately $22 million in land sales since its inception in mid-October 2019 and currently has a pipeline of 10 purchase and sale agreements for potential land sale transactions representing approximately $97 million of potential proceeds to the Land JV. The 4,200 acres under contract represents approximately 84% of the total remaining land in the Land JV.

Daytona Beach Development. We may selectively acquire other real estate in Daytona Beach, Florida. We may target either vacant land or land with existing structures that we would raze and develop into additional income properties. 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 December 31, 2019, 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. The combined 6 acres is located in an opportunity zone and a community redevelopment area. In addition, this property is proximate to the future headquarters of Brown & Brown Inc., the sixth largest insurance broker in the U.S. and a publicly listed company that is expected to be occupied by at least 600 of their employees. 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 December 31, 2019, we have incurred approximately $1.1 million in raze and entitlement costs related to these parcels. Our intent for investments in the Daytona Beach area is to target opportunistic acquisitions of select catalyst sites, which are typically distressed, with the objective of short-to-medium investment horizons. We may enter into joint ventures or other partnerships to develop land we have acquired or may acquire in the future in lieu of self-developing.

Revenue from Tomoka Town Center. During 2015 and 2016, the Company completed three land sales with a gross sales price totaling approximately $21.4 million, with Tanger Outlets (“Tanger”), Sam’s Club (“Sams”), and North American Development Group (“NADG”), representing the sale of approximately 235 acres of land that is now the location of a Tanger Outlet mall, a Sam’s Club retail property and a retail power center called the Tomoka Town Center. As part of the three land sale agreements and subsequent land sales with NADG, the Company performed certain infrastructure work, which began in the fourth quarter of 2015 and was completed in the fourth quarter of 2016, for which the Company would be reimbursed for the cost of the infrastructure work. The Company received NADG’s portion of the reimbursement as NADG closed on each parcel of land included in the respective land sales contracts with the Company. Tanger and Sam’s agreed to pay their reimbursement of the infrastructure costs over a ten-year period. The reimbursements applicable to and due from Tanger and Sam’s totaled approximately $2.8 million. As of December 31, 2019, the Company has received approximately $1.1 million of the Tanger and Sam’s reimbursements. These reimbursements are included in the results of the land operations which are now reflected in discontinued operations and will be through the final payment of Tanger’s and Sam’s reimbursement obligation.

Since the transition in our land operations occurred late in 2019, the impact of land sales for the periods prior to October 2019 are no longer germane to our financial condition, results of operations and cash flows. As such the following summarized information is provided regarding land sales activity prior to October 2019.

2019 Land Sales. During the year ended December 31, 2019, the Company completed five (5) land sales transactions, including: (i) the Magnetar Land Sale for approximately 5,300 acres of land, for total proceeds of approximately $97 million; (ii) two transactions with Unicorp Development representing approximately 23.6 acres and generating aggregate proceeds of approximately $7.1 million; (iii) the sale of approximately 38 acres for total proceeds of $710,000, and (iv) a land sale to NADG for approximately 13 acres generating proceeds of approximately $3 million. In total the Company, in 2019, sold approximately 5,400 acres generating proceeds of approximately $108 million. Including the approximately $48.9 million recognized on the retained interest in the Land JV, gains of approximately $133 million, or approximately $20.60 per share after tax, were recognized.

2018 Land Sales. During the year ended December 31, 2018, the Company completed land transactions representing approximately 2,697 acres including: (i) the sale of a 70% interest in the Mitigation Bank (hereinafter defined) that holds approximately 2,492 acres for proceeds of $15.3 million and (ii) twelve land sales totaling approximately 205 acres for aggregate proceeds of approximately $43.7 million. The twelve land sales generated gains of approximately $32.6 million, or approximately $4.44 per share, after tax.

2017 Land Sales. During the year ended December 31, 2017, the Company completed land transactions representing approximately 1,700 acres including: (i) the sale of nearly 1,600 acres to Minto Communities generating proceeds of approximately $27.2 million; (ii) two transactions with NADG of approximately 46 acres for total proceeds of approximately $10.6 million, and (iii) five other transactions representing approximately 73.5 acres that generated approximately $9.2 million of proceeds. The land sales in 2017 generated aggregate proceeds of approximately $45.5 million and gains of approximately $31.8 million, or approximately $3.51 per share, after tax.

Land Impairments. As more fully described in Note 11, "Impairment of Long-Lived Assets," during the years ended December 31, 2019, 2018 and 2017, the Company did not recognize any impairments on its undeveloped land holdings.

Mitigation Bank. The mitigation bank transaction consists of the sale of a 70% interest in the entity that holds approximately 2,492 acres of land that has been permitted for the creation of a wetland mitigation bank (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 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 gain on the sale of the 70% interest in the Mitigation Bank totaled approximately $18.4 million and is comprised of the gain on the sale of 70% interest for proceeds of $15.3 million as well as the gain on the retained 30% interest pursuant to FASB ASC Topic 610-20, *Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets*. The gain is included in the Gain on Disposition of Assets in the Company’s consolidated statements of operations. As of December 31, 2018, the approximately $6.8 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 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 as of December 31, 2018.

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 as of December 31, 2018. 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 Impact Fees and Mitigation Credits on the accompanying consolidated balance sheets as of December 31, 2019.

Other Real Estate Assets. The Company owns mitigation credits with a cost basis of approximately $2.3 million as of December 31, 2019. The increase in mitigation credits includes the 25 credits acquired from the Mitigation Bank during December 2019 as described in Note 6, Land and Investments in the Land JV. There were no mitigation credit sales during the year ended December 31, 2019. During the year ended December 31, 2018, the Company transferred mitigation credits with a basis of approximately $124,000 to the land acquired by Buc-ee’s. During the year ended December 31, 2018, the Company sold mitigation credits for approximately $1.0 million, for a gain of approximately $882,000, or $0.12 per share, after tax. During the year ended December 31, 2017, the Company sold mitigation credits for approximately $1.6 million, for a gain of approximately $1.3 million, or $0.15 per share, after tax. Additionally, the Company recorded the transfer of mitigation credits with a cost basis of approximately $298,000 as a charge to direct cost of revenues of real estate operations during the year ended December 31, 2017, as more fully described in Note 21, “Commitments and Contingencies.” During the years ended December 31, 2018 and 2017, the Company received cash payments of approximately $338,000 and $519,000, respectively, for impact fees with a cost basis that was generally of equal value, with no such impact fee sales during the year ended December 31, 2019, as the balance of impact fees is only approximately $2,000. Additionally, during the year ended December 31, 2018, impact fees with a cost basis of approximately $72,000 were transferred to the beachfront restaurant leased to LandShark Bar & Grill.

Subsurface Interests. As of December 31, 2019, 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 revenues generated by the portfolio of subsurface interests includes the sale of subsurface acres, the leasing of subsurface acres for mineral exploration activities, and payments made to the Company, typically by the owner of the surface acres, to compensate us for releasing our right to enter the surface acres to access our subsurface acres.

Prior to September 2019, the Company leased certain of the Subsurface Interests to a mineral exploration organization for exploration. An eight-year oil exploration lease was executed in 2011 that covered a portion of our Subsurface Interests. On September 20, 2017, the Company amended the oil exploration lease to, among other things, extend the expiration of the original term for five additional years to the new expiration date of September 22, 2024. As a result, the lease was effectively comprised of thirteen one-year terms as the lessee had the option to terminate the lease at the end of each lease year. 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. During the eight years the lease was active the annual lease payments were recognized as revenue ratably over the respective twelve-month lease period. During the lease term a number of the renewals included the payment of a drilling penalty by the Lessee. The non-refundable drilling penalty payments were recognized as revenue when earned, i.e. when the amount agreed upon was paid. Lease income generated by the annual lease payments is recognized on a straight-line basis over the guaranteed lease term. For the years December 31, 2019, 2018, and 2017, lease income of approximately $598,000, approximately $807,000, and approximately $807,000 was recognized, respectively.

Lease payments on the respective acreages and drilling penalties received through lease year eight are as follows:

Lease Year	**Acreage (Approximate)**	**Florida County**	**Lease Payment** [(1)]	**Drilling Penalty** [(1)]
Lease Year 1 - 9/23/2011 - 9/22/2012	136,000	Lee and Hendry	$ 913,657	$ —
Lease Year 2 - 9/23/2012 - 9/22/2013	136,000	Lee and Hendry	922,114	—
Lease Year 3 - 9/23/2013 - 9/22/2014	82,000	Hendry	3,293,000	1,000,000
Lease Year 4 - 9/23/2014 - 9/22/2015	42,000	Hendry	1,866,146	600,000
Lease Year 5 - 9/23/2015 - 9/22/2016	25,000	Hendry	1,218,838	175,000
Lease Year 6 - 9/23/2016 - 9/22/2017	15,000	Hendry	806,683	150,000
Lease Year 7 - 9/23/2017 - 9/22/2018	15,000	Hendry	806,683	50,000
Lease Year 8 - 9/23/2018 - 9/22/2019	15,000	Hendry	806,684	150,000
Total Payments			$ 10,633,805	$ 2,125,000

(1) Generally, cash payment for the Lease Payment and Drilling Penalty is received on or before the first day of the lease year. The Drilling Penalty, which is due within thirty days from the end of the prior lease year, is recorded as revenue when earned, i.e. when the amount is agreed upon, while the Lease Payment is recognized on a straight-line basis over the respective lease term. The oil exploration lease has not been renewed beyond September 22, 2019 and has effectively terminated.

There were no sales of subsurface acres during the years ended December 31, 2019 or 2018. During the year ended December 31, 2017, the Company sold approximately 38,750 acres of subsurface interests in Osceola County, Florida for approximately $2.1 million (the "Osceola Subsurface Sale"). The gain from the Osceola Subsurface Sale totaled approximately $2.08 million, or $0.23 per share, after tax.

During the year ended December 31, 2018, the Company completed a transaction releasing our surface entry rights on approximately 600 acres in exchange for approximately $185,000 in cash and fee title to approximately 40 additional acres in Hendry County, valued at approximately $320,000. Including the non-cash value received, the gain from the transaction totaled approximately $435,000, or $0.06 per share, after tax. Additional cash payments for the release of surface entry rights during 2018 totaled approximately $73,000. The revenue from the release of surface entry rights during the year ended December 31, 2017 totaled approximately $2.1 million.

During the years ended December 31, 2019, 2018, and 2017, the Company also received oil royalties from operating oil wells on 800 acres under a separate lease with a separate operator resulting in revenues received from oil royalties of approximately $42,000, $72,000, and $86,000, 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. During the year ended December 31, 2018, the Company completed a transaction releasing our surface entry rights on approximately 600 acres in exchange for approximately $185,000 in cash and fee title to approximately 40 additional acres in Hendry County, valued at approximately $320,000. Including the non-cash value received, the gain from the transaction totaled approximately $435,000, or $0.06 per share, after tax. Additional cash payments for the release of surface entry rights during 2018 totaled approximately $73,000. Cash payments for the release of surface entry rights totaled approximately $104,000 during the year ended December 31, 2019, while there were no releases of surface entry rights during the year ended December 31, 2017.

GOLF OPERATIONS

The Golf Sale closed in October 2019. Prior to October 2019, the Company owned the LPGA International Golf Club (the “Club”), a semi-private golf club consisting of two 18-hole championship golf courses, a three-hole practice facility, a clubhouse facility with food and beverage operations, and a fitness facility. The Club was managed by a third party.

Prior to January 2017, the Company leased from the City of Daytona Beach, FL (the “City”) a large portion of the land underlying the Club (the “Golf Course Lease”). On January 24, 2017, the Company acquired the approximately 690 acres of land and improvements covered by the Golf Course Lease, for approximately $1.5 million (the “Golf Course Land Purchase”). In conjunction with the Golf Course Land Purchase, the Golf Course Lease was terminated. Therefore, during the first quarter of 2017, the Company eliminated the remaining accrued liability of approximately $2.2 million, resulting in the recognition of approximately $0.40 per share in non-cash earnings, or $0.24 per share after tax, which comprises the Golf Course Lease termination in the consolidated statements of operations. The $2.2 million consisted of approximately $1.7 million which reflects the acceleration of the remaining amount of accrued rent that was no longer owed to the City as a result of the Lease Amendment, which prior to the Golf Course Land Purchase was being recognized into income over the remaining lease term which was originally to expire in 2022. The remaining approximately $500,000 reflects the amount of rent accrued pursuant to the Golf Course Lease, as amended, which will no longer be owed to the City due to the lease termination on January 24, 2017.

As a part of the Golf Course Land Purchase, the Company donated to the City three land parcels totaling approximately 14.3 acres located on the west side of Interstate 95. The Company had a cost basis of effectively $0 in the donated land and paid approximately $100,000 to satisfy the community development district bonds associated with the acreage. As part of the Golf Course Land Purchase the Company was obligated to pay the City additional consideration in the form of an annual surcharge of $1 per golf round played at the Club each year (the “Per-Round Surcharge”) with an annual minimum Per-Round Surcharge of $70,000 and a maximum aggregate amount of the Per-Round Surcharges paid equal to $700,000. The maximum amount of $700,000 represents contingent consideration and was recorded as an increase in Golf Buildings, Improvements, and Equipment and Accrued and Other Liabilities in the accompanying consolidated balance sheets. In connection with the Golf Sale the Company paid off the remaining obligation which totaled $560,000. The Company also, as part of the Golf Course Land Purchase, was required to renovate the greens on one of the courses at the Club and such renovations were completed in the third quarter of 2017.

The Golf Course Land Purchase also required that if the Company sold the Club within six years of the closing of the Golf Course Land Purchase, the Company would be obligated to pay the City an amount equal to 10% of the difference between the sales price, less closing costs and any other costs required to be incurred in connection with the sale, and $4.0 million. Based on the sales price of the Golf Sale, the Company’s obligation under this provision terminated.

During the year ended December 31, 2018, the Company wrote down the value of the golf assets comprising the Club, which resulted in a corresponding impairment charge of approximately $1.1 million, or $0.15 per share, after tax. The write-down of the golf operation assets to approximately $3.1 million and the related $1.1 million impairment charge were the result of the Company’s assessment of certain triggering events, including activities related to a review of strategic alternatives for the golf operations, occurring during the third quarter of 2018, which required an assessment of the carrying value of the golf assets comprising the Club. In the fourth quarter of 2018, the Company commenced efforts to pursue the monetization of the golf operations and assets comprising the Club. Accordingly, as of December 31, 2018 and during 2019, prior to the date of the Golf Sale, the golf assets comprising the Club were classified as held for sale in our consolidated balance sheets and the results of golf operations were similarly reclassified as discontinued operations in our consolidated statements of income for the period presented.

SUMMARY OF OPERATING RESULTS FOR YEAR ENDED DECEMBER 31, 2019 COMPARED TO DECEMBER 31, 2018

REVENUE

Total revenue for the year ended December 31, 2019 is presented in the following summary and indicates the changes as compared to the year ended December 31, 2018:

Operating Segment	Revenue for the Year Ended 12/31/2019 ($000's)	Increase (Decrease) Vs. Same Period in 2018 ($000's)	Increase (Decrease) Vs. Same Period in 2018 (%)
Income Properties	$ 41,956	$ 1,880	5%
Management Services	304	304	100%
Commercial Loan Investments	1,829	1,213	197%
Real Estate Operations	852	(2,114)	-71%
Total Revenue	$ 44,941	$ 1,283	3%

Total revenue for the year ended December 31, 2019 increased to approximately $44.9 million, compared to approximately $43.7 million during the same period in 2018. The slight increase in total revenue reflects the net impact of an increase in revenue from our income property operations of approximately $1.88 million, which is the result of an increase in revenue of approximately $8.5 million from acquisitions during the year and a decrease relating to our dispositions of income properties during the year ended December 31, 2019 which totaled approximately $5.3 million. In addition, our revenues increased by approximately $300,000 in connection with the management fees we earned from PINE during its initial stub period of operations (from November 26, 2019 through December 31, 2019) and total revenues increased by approximately $1.2 million based on the increase in revenue generated by our commercial loan portfolio. These increases were offset by a decrease of approximately $2.1 million in the revenue we generated from our real estate operations segment, which does not include any results of the land sales we achieved in 2019, which pertains to the termination of the subsurface lease as well as a decrease of approximately $1.3 million in impact fee and mitigation credit sales.

Income Property Operations Revenue	Revenue for the Year Ended 12/31/2019 ($000's)	Increase (Decrease) Vs. Same Period in 2018 ($000's)
Revenue from Recent Acquisitions	$ 11,124	$ 8,529
Revenue from Recent Dispositions	9,138	(5,260)
Revenue from Remaining Portfolio	19,311	(1,433)
Accretion of Above Market/Below Market Intangibles	2,383	44
Total Income Property Operations Revenue	$ 41,956	$ 1,880

Real Estate Operations Revenue	Revenue for the Year Ended 12/31/2019 ($000's)	Increase (Decrease) Vs. Same Period in 2018 ($000's)
Impact Fee and Mitigation Credit Sales	$ —	$ (1,338)
Subsurface Revenue	748	(877)
Other Revenue	104	101
Total Real Estate Operations Revenue	$ 852	$ (2,114)

NET INCOME

Net income and basic net income per share for the years ended December 31, 2019 and 2018, and as compared to the same period in 2018, was as follows:

	Year Ended 12/31/2019	Year Ended 12/31/2018	Increase (Decrease) Vs. Same Period in 2018	Increase (Decrease) Vs. Same Period in 2018
Net Income from Continuing Operations ($000's)	$ 16,605	$ 14,989	$ 1,616	11%
Income from Discontinued Operations (Net of Income Tax) ($000's)	$ 98,368	$ 22,179	$ 76,189	344%
Net Income ($000's)	$ 114,973	$ 37,168	$ 77,805	209%
Basic Net Income from Continuing Operations Per Share	$ 3.32	$ 2.72	$ 0.60	22%
Basic Net Income from Discontinued Operations Per Share	$ 19.71	$ 4.04	$ 15.67	388%
Basic Net Income Per Share	$ 23.03	$ 6.76	$ 16.27	241%

Our above results for the year ended December 31, 2019, as compared to the same period in 2018, reflected the following significant operating elements in addition to the impacts on revenues described above:

- The approximately $127.5 million gain on the sale of the controlling interest in the wholly-owned subsidiary that held the Company’s land holdings of approximately 5,300 acres, for $97 million which resulted in a gain of approximately $78.6 million, or approximately $12.21 per share, after tax, on the land sale and a non-cash gain of approximately $48.9 million on the Company’s retained interest in the Land JV, or approximately $7.59 per share, after tax;
- A decrease in direct cost of revenues of approximately $1.7 million primarily reflecting the decrease of approximately $1.2 million in the direct cost of revenues of the income property operations segment reflecting the income property disposition during 2019; and
- Increased interest expense of approximately $2.0 million resulting from increased borrowings under our credit facility.

INCOME PROPERTIES

Revenues and operating income from our income property operations totaled approximately $42.0 million and $35.0 million, respectively, during the year ended December 31, 2019, compared to total revenue and operating income of approximately $40.1 million and $31.9 million, respectively, for the year ended December 31, 2018. The direct costs of revenues for our income property operations totaled approximately $7.0 million and $8.2 million for the years ended December 31, 2019 and 2018, respectively. The increase in revenues of approximately $1.9 million, or 5%, during the year ended December 31, 2019 reflects our expanded portfolio of income properties including increases of approximately $8.5 million due to recent acquisitions, offset by the decrease of approximately $5.3 million related to properties we sold during 2019. Revenue from our income properties during years ended December 31, 2019 and 2018 also includes approximately $2.4 million in revenue from the accretion of the below-market lease intangible, of which a significant portion is attributable to the property located in Raleigh, North Carolina, leased to Wells Fargo (“Wells Fargo Raleigh”). Our increased operating income from our income property operations reflects increased rent revenues and a decrease of approximately $1.2 million in our direct costs of revenues which was primarily comprised of approximately $215,000 in increased operating expenses related to our recent acquisitions, offset by the reduction in operating expenses related to the recent PINE Income Property Sale Transactions and Multi-Tenant Dispositions.

MANAGEMENT SERVICES

Revenue from our management services totaled approximately $0.3 million during the year ended December 31, 2019 with none recognized during the year ended December 31, 2018. During the year ended December 31, 2019, the Company earned management services revenue from PINE of approximately $254,000 which represents the initial stub period of PINE’s operations from November 26, 2019 to December 31, 2019 and approximately $50,000 from the Land JV which represents the initial stub period of the Land JV’s operations from October 16, 2019 to December 31, 2019.

COMMERCIAL LOAN INVESTMENTS

Interest income from our commercial loan investments totaled approximately $1.8 million and $616,000 during the years ended December 31, 2019 and 2018, respectively. The increase is primarily attributable to investment in three commercial loans during 2019 totaling approximately $18.3 million and with a weighted-average interest rate of 11.3%.

REAL ESTATE OPERATIONS

During the year ended December 31, 2019, operating income from real estate operations was approximately $748,000 on revenues totaling approximately $852,000. During the year ended December 31, 2018, operating income was approximately $2.4 million on revenues totaling approximately $3.0 million. The decrease in revenue of approximately $2.1 million and operating income of approximately $1.6 million is primarily attributable to the decrease in the subsurface revenue and impact fee and mitigation credit sales revenue of approximately $877,000 and $1.3 million, respectively. The decrease of approximately $486,000 in direct costs of real estate operations is primarily the result of the reduction of cost basis in the impact fees and the mitigation credits sold in December 31, 2018.

GENERAL AND ADMINISTRATIVE AND OTHER CORPORATE EXPENSES

Total general and administrative expenses for the year ended December 31, 2019 is presented in the following summary and indicates the changes as compared to the year ended December 31, 2018:

General and Administrative Expenses	G&A Expense Year Ended 12/31/2019 ($000's)	(Increase) Decrease Vs. Same Period in 2018 ($000's)	(Increase) Decrease Vs. Same Period in 2018 (%)
Recurring General and Administrative Expenses	$ 6,668	$ (149)	-2%
Non-Cash Stock Compensation	2,688	(765)	-40%
Shareholder, Proxy Matter and Alpine Costs	462	881	65%
Total General and Administrative Expenses	$ 9,818	$ (33)	0%

General and administrative expenses totaled approximately $9.8 million for the years ended December 31, 2019 and 2018, respectively. While total general and administrative expenses for the year in 2019 were relatively flat compared to the same period in 2018, recurring general and administrative expense increased approximately $149,000 while the costs associated with certain shareholder matters was down approximately $881,000. Non-cash stock compensation increased by approximately $765,000 which was due to the Company's third year of performance share awards and a grant of stock to our directors in January of 2019.

GAINS ON DISPOSITION OF ASSETS AND IMPAIRMENT CHARGES

We recognized gains on dispositions of approximately $22 million for the year ended December 31, 2019 which was approximately the same amount we recognized on gains from dispositions in the same period of 2018.

The gains recognized for the year ended December 31, 2019 included the gain of approximately $1.0 million we recognized from the sale of 20 single-tenant net lease properties to PINE in November 2019. In addition, the Company completed the sale of four other income properties during the year ended December 31, 2019. In February 2019, the Company sold its approximately 59,000 square foot multi-tenant retail property located in Sarasota, Florida that was anchored by a Whole Foods Market grocery store, for approximately $24.6 million. In May 2019, the Company sold its approximately 112,000 square foot retail strip center, anchored by a 24-Hour Fitness, for approximately $18.3 million. In June 2019 the Company sold its approximately 76,000 square foot two-tenant office property in Santa Clara, California for approximately $37 million. And finally, in August of 2019, the Company sold its property that was subject to a ground lease with WaWa for approximately $2.8 million. In aggregate, the four dispositions generated approximately $82.6 million in proceeds with gains recognized of approximately $20.8 million, or approximately $3.06 per share, after tax.

DISCONTINUED REAL ESTATE OPERATIONS

Real Estate Operations Revenue	Revenue for the Year Ended 12/31/2019 ($000's)		Increase (Decrease) Vs. Same Period in 2018 ($000's)		Increase (Decrease) Vs. Same Period in 2018 (%)
Land Sales Revenue	$	10,975	$	(30,477)	-74%
Revenue from Reimbursement of Infrastructure Costs		—		(1,556)	-100%
Agriculture		68		45	196%
Total Real Estate Operations Revenue	$	11,043	$	(31,988)	-74%

On October 16, 2019, the Company completed the Magnetar Land Sale, pursuant to the Purchase Agreement, for $97 million. The transaction resulted in a gain of approximately $127.5 million, which was comprised of a gain of approximately $78.6 million, or approximately $12.21 per share, after tax, on the land sale and a non-cash gain of approximately $48.9 million on the Company's retained interest in the Land JV, or approximately $7.59 per share, after tax. The Magnetar Land Sale resulted in the Company effectively exiting the business of selling land, a major component of its business, and accordingly the Company determined that the portion of its real estate operations segment pertaining to land sales should be classified as a discontinued operation and therefore all components of the real estate operations associated with land sales should be appropriately reclassified in the statement of operations for all periods presented.

With regard to the revenue and direct cost of revenues for the year ended December 31, 2019 as compared to the same period in 2018 the decreases are attributable to the land sales transactions completed in 2019. In the year ended December 31, 2019 we closed five (5) land sales transactions, excluding the Magnetar Land Sale, generating proceeds of approximately $11.0 million and the recognition of the cost basis in the land plus closing costs of approximately $5.3 million. In the year ended December 31, 2018 we closed twelve (12) land sales transactions, excluding the Mitigation Bank transaction, generating proceeds of approximately $42.9 million and the recognition of the cost basis in the land plus closing costs of approximately $8.1 million

DISCONTINUED GOLF OPERATIONS

Revenues from golf operations totaled approximately $4.1 million and $4.9 million for the years ended December 31, 2019 and 2018, respectively. The total direct cost of golf operations revenues totaled approximately $5.3 million and $5.8 million for the years ended December 31, 2019 and 2018, respectively. As a result of treating the golf operations as a discontinued operation as of December 31, 2018, the Company did not recognize any deprecation or amortization expense for the year ended December 31, 2019. The Company's golf operations had a net operating loss of approximately $1.2 million and approximately $906,000 during the years ended December 31, 2019 and 2018, respectively, an increase in operating results of approximately $260,000.

INTEREST EXPENSE

Interest expense totaled approximately $12.5 million and $10.4 million for the years ended December 31, 2019 and 2018, respectively. The increase of approximately $2.0 million is primarily the result of increased borrowings under the Company's Credit Facility generally for income property acquisitions and our stock buyback program.

SUMMARY OF OPERATING RESULTS FOR YEAR ENDED DECEMBER 31, 2018 COMPARED TO DECEMBER 31, 2017

REVENUE

Total revenue for the year ended December 31, 2018 is presented in the following summary and indicates the changes as compared to the year ended December 31, 2017:

Operating Segment	Revenue for the Year Ended 12/31/2018 ($000's)	Increase (Decrease) Vs. Same Period in 2017 ($000's)	Increase (Decrease) Vs. Same Period in 2017 (%)
Income Properties	$ 40,076	$ 8,669	28%
Management Services	—	—	0%
Commercial Loan Investments	616	(1,437)	-70%
Real Estate Operations	2,966	(2,225)	-43%
Total Revenue	$ 43,658	$ 5,007	13%

Total revenue for the year ended December 31, 2018 increased to approximately $43.7 million, compared to approximately $38.7 million during the same period in 2017. The year-over-year revenue increased by approximately $5.0 million which was primarily the result of the increases from our income property operations revenue offset by the decreases in our real estate operations revenue as outlined in the following tables, as well as a decrease in commercial loan investment revenue:

Income Property Operations Revenue	Revenue for the Year Ended 12/31/2018 ($000's)	Increase (Decrease) Vs. Same Period in 2017 ($000's)
Revenue from Recent Acquisitions	$ 12,211	$ 9,021
Revenue from Recent Dispositions	350	(920)
Revenue from Remaining Portfolio	25,176	423
Accretion of Above Market/Below Market Intangibles	2,339	145
Total Income Property Operations Revenue	$ 40,076	$ 8,669

Real Estate Operations Revenue	Revenue for the Year Ended 12/31/2018 ($000's)	Increase (Decrease) Vs. Same Period in 2017 ($000's)
Impact Fee and Mitigation Credit Sales	$ 1,338	$ (788)
Subsurface Revenue	1,625	(1,423)
Other Revenue	3	(14)
Total Real Estate Operations Revenue	$ 2,966	$ (2,225)

NET INCOME

Net income and basic net income per share for the years ended December 31, 2018 and 2017, and as compared to the same period in 2017, was as follows:

	Year Ended 12/31/2018	Year Ended 12/31/2017	Increase (Decrease) Vs. Same Period in 2017	Increase (Decrease) Vs. Same Period in 2017
Net Income from Continuing Operations ($000's)	$ 14,989	$ 21,741	$ (6,752)	-31%
Income from Discontinued Operations (Net of Income Tax) ($000's)	$ 22,179	$ 19,978	$ 2,201	11%
Net Income ($000's)	$ 37,168	$ 41,719	$ (4,551)	-11%
Basic Net Income from Continuing Operations Per Share	$ 2.72	$ 3.92	$ (1.20)	-31%
Basic Net Income from Discontinued Operations Per Share	$ 4.04	$ 3.61	$ 0.43	12%
Basic Net Income Per Share	$ 6.76	$ 7.53	$ (0.77)	-10%

Our above results for the year ended December 31, 2018, as compared to the same period in 2017, reflected the following significant operating elements in addition to the impacts on revenues described above:

- An increase in direct cost of revenues of approximately $423,000 primarily reflecting the impact of the larger impact and mitigation credit sales during the year ended December 31, 2017, for a decrease of approximately $829,000 in the direct cost of revenues of real estate operations, partially offset by an increase of approximately $1.3 million in the operating costs of the income property operations segment reflecting the larger income property portfolio;
- The impairment charge on the golf assets comprising the Club, which is included in income from discontinued operations, during the year ended December 31, 2018 of approximately $1.1 million, or $0.15 per share, after tax, based on the Company's estimated fair market value of the property of approximately $3.1 million;
- The approximately $22.0 million gain on disposition of assets recognized during the year ended December 31, 2018, consisting of (i) the approximately $18.4 million gain on the Mitigation Bank transaction, comprised of (a) the gain on the sale of the 70% interest for proceeds of $15.3 million and (b) the gain on the 30% retained interest, and (ii) the approximately $3.7 million gain on the Self-Developed Properties Sale, with no such gains on disposition of assets recognized during the same period in 2017;
- Income of approximately $2.2 million, which is included in income from discontinued operations, recognized during the year ended December 31, 2017 in connection with the Company's purchase from the City of the fee interest in the 690 acres comprising the golf courses at the Club, which purchase resulted in the termination of the Golf Course Lease affiliated with the golf operations and triggered an elimination of the previously recognized straight-line rent under the Golf Course Lease;
- Increased interest expense of approximately $1.9 million resulting from increased borrowings under our credit facility; and
- An increase in depreciation and amortization of approximately $3.4 million resulting from the growth in our income property portfolio.

INCOME PROPERTIES

Revenues and operating income from our income property operations totaled approximately $40.1 million and $31.9 million, respectively, during the year ended December 31, 2018, compared to total revenue and operating income of approximately $31.4 million and $24.5 million, respectively, for the year ended December 31, 2017. The direct costs of revenues for our income property operations totaled approximately $8.2 million and $6.9 million for the years ended December 31, 2018 and 2017, respectively. The increase in revenues of approximately $8.7 million, or 28%, during the year ended December 31, 2018 reflects our expanded portfolio of income properties including increases of approximately $7.1 million due to recent acquisitions, and an increase of approximately $2.0 million in revenue generated by the lease-up of The Grove and the rent from our two self-developed single-tenant beachfront restaurant properties that opened in January 2018 (the "Beachfront Restaurants"), offset by the decrease of approximately $920,000 related to the recent Self-

Developed Properties Sale. Revenue from our income properties during years ended December 31, 2018 and 2017 also includes approximately $2.4 million and $2.2 million, respectively, in revenue from the accretion of the below-market lease intangible, of which a significant portion is attributable to the property located in Raleigh, North Carolina, leased to Wells Fargo ("Wells Fargo Raleigh"). Our increased operating income from our income property operations reflects increased rent revenues offset by an increase of approximately $1.3 million in our direct costs of revenues which was primarily comprised of approximately $769,000 in increased operating expenses related to our recent acquisitions and increased costs associated with The Grove and the Beachfront Restaurants, offset by the reduction in operating expenses related to the recent Self-Developed Properties Sale.

MANAGEMENT SERVICES

During the year ended December 31, 2018 and 2017, the Company did not have management services arrangements and did not generate management services income.

COMMERCIAL LOAN INVESTMENTS

Interest income from our commercial loan investments totaled approximately $616,000 and $2.1 million during the years ended December 31, 2018 and 2017, respectively. The decrease is primarily attributable to the sale of the Company's two mezzanine loans in October 2017. With the payoff of the approximately $9.0 million B-Note at its maturity in June 2018 and the payoff of the $3.0 million fixed rate first mortgage loan at its maturity in August 2018, no interest income was earned during the fourth quarter of 2018 as the Company holds no commercial loan investments as of December 31, 2018.

REAL ESTATE OPERATIONS

During the year ended December 31, 2018, operating income from real estate operations was approximately $2.4 million on revenues totaling approximately $3.0 million. During the year ended December 31, 2017, operating income was approximately $3.8 million on revenues totaling approximately $5.2 million. The decrease in revenue of approximately $2.2 million is primarily attributable to a decrease in surface entry releases of approximately $1.5 million as well as decreases in mitigation credit and impact fee sales of a combined approximately $0.8 million. The decrease in operating income of approximately $1.4 million is attributable to the aforementioned decrease in revenues offset by a decrease in direct costs of revenues of approximately $0.8 million which is primarily the result of the decrease in mitigation credit and impact fee cost basis due to the decrease in those sales.

GENERAL AND ADMINISTRATIVE AND OTHER CORPORATE EXPENSES

Total general and administrative expenses for the year ended December 31, 2018 is presented in the following summary and indicates the changes as compared to the year ended December 31, 2017:

General and Administrative Expenses	**G&A Expense Year Ended 12/31/2018 ($000's)**	**(Increase) Decrease Vs. Same Period in 2017 ($000's)**	**(Increase) Decrease Vs. Same Period in 2017 (%)**
Recurring General and Administrative Expenses	$ 6,898	$ 395	5%
Non-Cash Stock Compensation	1,684	(247)	-17%
Shareholder and Proxy Matter Legal and Related Costs	1,203	320	21%
Total General and Administrative Expenses	$ 9,785	$ 468	5%

General and administrative expenses totaled approximately $9.8 million and $10.3 million for the years ended December 31, 2018 and 2017, respectively. The net decrease is primarily related to the decrease in shareholder related costs as well as recurring costs, offset by an increase in non-cash stock compensation costs.

GAINS ON DISPOSITION OF ASSETS AND IMPAIRMENT CHARGES

During the year ended December 31, 2018, the Company completed the sale of a 70% interest in the Mitigation Bank that holds approximately 2,492 acres of land for proceeds of $15.3 million. The gain on the sale totaled approximately $18.4 million and is comprised of the gain on the sale of the 70% interest for proceeds of $15.3 million as well as the gain on the 30% interest retained.

Four income properties were disposed of during the year ended December 31, 2018. On March 26, 2018, the Company sold its four self-developed, multi-tenant office properties located in Daytona Beach, Florida, for approximately $11.4 million (the “Self-Developed Properties Sale”). The sale included the 22,012 square-foot Concierge office building, the 30,720 square-foot Mason Commerce Center comprised of two office buildings, and the 15,360 square-foot Williamson Business Park office building. The gain on the sale totaled approximately $3.7 million, or approximately $0.49 per share, after tax. The Company utilized the proceeds to fund a portion of the previously acquired income property located near Portland, Oregon, leased to Wells Fargo, through a reverse 1031 like-kind exchange structure. No income properties were disposed of during the year ended December 31, 2017.

There were no impairment charges included in continuing operations during the years ended December 31, 2018 or 2017.

DISCONTINUED REAL ESTATE OPERATIONS

Real Estate Operations Revenue	Revenue for the Year Ended 12/31/2018 ($000's)	Increase (Decrease) Vs. Same Period in 2017 ($000's)	Increase (Decrease) Vs. Same Period in 2017 (%)
Land Sales Revenue	$ 41,452	$ (4,019)	-9%
Revenue from Reimbursement of Infrastructure Costs	1,556	(304)	-16%
Agriculture	23	(312)	-93%
Total Real Estate Operations Revenue	$ 43,031	$ (4,635)	-10%

DISCONTINUED GOLF OPERATIONS

During the year ended December 31, 2018, the Company wrote down the value of the golf assets comprising the Club, which resulted in a corresponding impairment charge of approximately $1.1 million, or $0.15 per share, after tax. The write-down of the golf operation assets to approximately $3.1 million and the related $1.1 million impairment charge were the result of the Company’s assessment of certain triggering events, including activities related to a review of strategic alternatives for the golf operations, occurring during the third quarter of 2018, which required an assessment of the carrying value of the golf assets comprising the Club. In the fourth quarter of 2018, the Company commenced efforts to pursue the monetization of the golf operations and assets comprising the Club. Accordingly, as of December 31, 2018 and 2017, the golf assets comprising the Club have been classified as held for sale in the accompanying consolidated balance sheets and the results of golf operations have been classified as discontinued operations in the accompanying consolidated statements of income for the years ended December 31, 2018, 2017, and 2016. During the year ended December 31, 2018, the loss from golf operations, excluding capital expenditures, totaled approximately $906,000. Should the Company complete the sale of the golf operations, it could favorably impact cash flows.

Revenues from golf operations totaled approximately $4.9 million and $5.1 million for the years ended December 31, 2018 and 2017, respectively. The total direct cost of golf operations revenues totaled approximately $5.8 million and $6.0 million for the years ended December 31, 2018 and 2017, respectively. The Company’s golf operations had a net operating loss of approximately $906,000 and approximately $864,000 during the years ended December 31, 2018 and 2017, respectively, a decrease in operating results of approximately $43,000.

INTEREST EXPENSE

Interest expense totaled approximately $10.4 million and $8.5 million for the years ended December 31, 2018 and 2017, respectively. The increase of approximately $1.9 million is primarily the result of increased borrowings under the Company’s Credit Facility for recent acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

Cash totaled approximately $6.5 million at December 31, 2019. Restricted cash totaled approximately $128.4 million at December 31, 2019 of which approximately $125.7 million of cash is being held in multiple separate escrow accounts to be reinvested through the like-kind exchange structure into other income properties; approximately $746,000 is being held in an entitlement and interest reserve for the $8.0 million first mortgage loan originated in June 2019, approximately $275,000 is being held in an interest and real estate tax reserve for the $8.3 million first mortgage originated in July 2019, approximately $156,000 is being held in an escrow account related to a land transaction which closed in February 2017; approximately $261,000 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”); and approximately $1.3 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.

Our total cash balance at December 31, 2019, reflected cash flows provided by our operating activities totaling approximately $16.4 million during the year ended December 31, 2019, compared to the prior year’s cash flows provided by operating activities totaling approximately $47.8 million in the same period in 2018, a decrease of approximately $31.4 million. The decrease is primarily the result of a decrease in the volume of land sales during 2019 prior to the Land JV as compared to 2018. Cash proceeds from land sales totaled approximately $10.6 million during the year ended December 31, 2019 compared to approximately $40.8 million during the year ended December 31, 2018, a decrease of approximately $30.2 million.

Our cash flows provided by investing activities totaled approximately $103.1 million for the year ended December 31, 2019, compared to cash flows used in investing activities of approximately $77.9 million for the year ended December 31, 2018, an increase of approximately $181.0 million. The increase is primarily the result of an increase in cash provided by the sale of income properties and the sale of equity interests in joint ventures, totaling approximately $196.5 million and $80.8 million, respectively. These increases were partially offset by the increase in cash outflows for income property acquisitions, commercial loan investments, and the acquisition of investment securities, totaling approximately $41.3 million, $34.3 million, and $15.5 million, respectively.

Our cash flows used in financing activities totaled approximately $5.8 million for the year ended December 31, 2019, compared to cash flows provided by financing activities of approximately $38.7 million for the year ended December 31, 2018, a decrease of approximately $44.5 million. The decrease in cash provided by financing activities is primarily related to the increased level of stock buybacks during 2019 which totaled approximately $41.1 million, an increase of approximately $31.3 million from the same period in 2018. Additionally, net borrowings on the Credit Facility totaled approximately $38.4 million during 2019, which was a decrease of approximately $11.9 million from the same period in 2018 when we had net borrowings of approximately $50.3 million.

Long-term debt, at face value, totaled approximately $288.7 million at December 31, 2019, representing an increase of approximately $38.4 million from the balance of approximately $250.3 million at December 31, 2018. The increase in the long-term debt was due primarily to the net draws on our credit facility of approximately $39.1 million.

As of December 31, 2018, the Company's outstanding indebtedness, at face value, was as follows:

	Face Value Debt	Maturity Date	Interest Rate
Credit Facility	$ 159,845,349	May 2023	30 -day LIBOR plus 1.35% -1.95%
Mortgage Note Payable (originated with Wells Fargo) (1)	30,000,000	October 2034	4.330%
Mortgage Note Payable (originated with Wells Fargo) (2)	23,884,373	April 2021	30 -day LIBOR plus 1.90%
4.50% Convertible Senior Notes due 2020, net of discount	75,000,000	March 2020	4.500%
Total Long-Term Face Value Debt	$ 288,729,722		

(1) 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.

(2) Secured by the Company's income property leased to Wells Fargo located in Raleigh, North Carolina. 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 "Third Revolver Amendment"), which further amends the 2017 Amended Credit Facility. The Third 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 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.

At December 31, 2019, the current commitment level under the Credit Facility was $200.0 million. The available borrowing capacity under the Credit Facility was approximately $40.2 million, based on the level of borrowing base assets. As of December 31, 2019, the Credit Facility had a $159.8 million balance outstanding.

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. Based on multiple increases in the Company's quarterly dividends since the 2020 Notes were issued in March 2015, the conversion rate was equal to 14.6813 shares of common stock for each $1,000 principal amount of Notes, which represented an adjusted conversion price of approximately $68.11 per share of common stock.

On February 3, 2020, the Company closed privately negotiated exchange agreements with certain holders of its outstanding 2020 Notes pursuant to which the Company issued $57.4 million principal amount of 3.875% Convertible Senior Notes due 2025 (the "2025 Notes") in exchange for $57.4 million principal amount of the 2020 Notes (collectively the "Private Exchanges"). In addition, the Company closed a privately negotiated purchase agreement with an investor and issued approximately $17.6 million principal amount of the 2025 Notes (the "Private Placement," and together with the Private Exchanges, the "Transactions"). The Company used approximately $5.9 million of the proceeds from the Private Placement to repurchase approximately $5.9 million of the 2020 Notes. As a result of the Transactions there is a total of $75 million of outstanding 2025 Notes.

In exchange for issuing the 2025 Notes pursuant to the Private Exchanges, the Company received and cancelled the exchanged 2020 Notes. The $11.7 million of net proceeds from the Private Placement will be used to redeem at maturity on March 15, 2020 approximately $11.7 million of the aggregate principal amount of the 2020 Notes that remain 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. 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 December 15, 2024 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 will be accounted for as a liability with a separate equity component recorded for the conversion option. A liability will be 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 will result in a debt discount, with an offset recorded to additional paid-in capital representing the equity component.

Acquisitions and Investments. As noted previously, the Company acquired ten single-tenant income properties and one multi-tenant income property, for an aggregate purchase price of approximately $164.7 million. These acquisitions included the following:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Feet	Property Acres	Purchase Price	Percentage Leased	Remaining Lease Term at Acquisition Date (in years)
Hobby Lobby Stores, Inc.	Single-Tenant	Winston-Salem, NC	05/16/19	55,000	7.6	$ 8,075,000	100%	10.9
24 Hour Fitness USA, Inc.	Single-Tenant	Falls Church, VA	05/23/19	46,000	3.1	21,250,000	100%	8.6
Walgreen Co.	Single-Tenant	Birmingham, AL	06/05/19	14,516	2.1	5,500,000	100%	9.8
Family Dollar Stores of Massachusetts, Inc.	Single-Tenant	Lynn, MA	06/07/19	9,228	0.7	2,100,000	100%	4.8
Walgreen Co.	Single-Tenant	Albany, GA	06/21/19	14,770	3.6	3,634,000	100%	13.6
Carpenter Hotel [(1)]	Single-Tenant	Austin, TX	07/05/19	N/A	1.4	16,250,000	100%	99.1
General Dynamics Corporation	Single-Tenant	Reston, VA	07/12/19	64,319	3.0	18,600,000	100%	9.9
Live Nation Entertainment, Inc.	Single-Tenant	East Troy, WI	08/30/19	N/A	158.3	7,500,000	100%	10.6
Party City Corporation	Single-Tenant	Oceanside, NY	09/24/19	15,500	1.2	7,120,000	100%	10.2
Burlington Stores, Inc.	Single-Tenant	N. Richland Hills, TX	10/28/19	70,891	5.3	11,940,000	100%	9.3
The Strand	Multi-Tenant	Jacksonville, FL	12/09/19	212,402	52.0	62,701,000	95%	9.5
	Total / Weighted Average			502,626		$ 164,670,000		18.4

(1) In conjunction with the acquisition of the property in Aspen, Colorado, the master tenant contributed approximately $1.5 million of the purchase price, resulting in a net cash investment by the Company of approximately $26.5 million. The $1.5 million purchase price contribution is reflected as deferred revenue and will be accreted into income property rental revenue over the term of the lease.

We are targeting investments between approximately $160.0 million to $210.0 million in income-producing properties during 2019. We expect to fund our acquisitions utilizing available capacity under our credit facility, cash from operations, proceeds from the dispositions of income properties, and potentially the sale of all or a portion of our Subsurface Interests. We expect dispositions of income properties and subsurface interests will qualify under the like-kind exchange deferred-tax structure, and additional financing sources.

Dispositions. In addition to the 20 single-tenant net lease properties sold to PINE in November 2019, the Company completed the sale of four other income properties during the year ended December 31, 2019. In February 2019, the Company sold its approximately 59,000 square foot multi-tenant retail property located in Sarasota, Florida that was anchored by a Whole Foods Market grocery store, for approximately $24.6 million. In May 2019, the Company sold its approximately 112,000 square foot retail strip center, anchored by a 24-Hour Fitness, for approximately $18.3 million. In June 2019 the Company sold its approximately 76,000 square foot two-tenant office property in Santa Clara, California for approximately $37 million. And finally, in August of 2019, the Company sold its property that was subject to a ground lease with WaWa for approximately $2.8 million. In aggregate, the four dispositions generated approximately $82.6 million in proceeds with gains recognized of approximately $20.8 million, or approximately $3.06 per share, after tax.

Contractual Commitments. 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. Subsequent to December 31, 2019, the improvements were completed by the tenant and the Company funded the $450,000.

In connection with the Daytona Beach Development, the Company has executed agreements for the demolition of certain existing structures, which commitments totaled approximately $316,000 as of December 31, 2019.

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 December 31, 2019, leaving a remaining accrual of approximately $121,000. The Company believes there is at least a reasonable possibility that the estimated remaining liability of approximately $121,000 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. 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. In addition, in connection with other land sale contracts to which the Company is or may become a party, the pursuit of customary development entitlements by the potential purchasers may require the Company to utilize or acquire mitigation credits for the purpose of obtaining certain permits from the applicable federal or state regulatory agencies. Any costs incurred in connection with utilizing or acquiring such credits would be incorporated into the basis of the land under contract. No amounts related to such potential future costs have been accrued as of December 31, 2019.

As of December 31, 2019, 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 $40.1 million of available capacity on the existing $200.0 million Credit Facility, based on our current borrowing base of income properties, as of December 31, 2019.

In early 2017, the Company established a new $10 million stock repurchase program (the "$10 Million Repurchase Program"), in addition to the remaining approved repurchases under a prior plan totaling approximately $2.6 million. The Company completed repurchases totaling approximately $7.2 million during the year ended December 31, 2017. On July 18, 2018, the Company's Board of Directors approved an increase of approximately $7.1 million to the stock repurchase program, refreshing the total program to an aggregate of $10 million (the "2018 Increase"), as the Company had completed repurchases prior the 2018 Increase. Including repurchases under the 2018 Increase, the Company repurchased a total of 168,602 shares of its common stock on the open market for a total cost of approximately $9.8 million, or an average price per share of $58.35, during the year ended December 31, 2018. In January 2019, the Company's Board of Directors approved an increase of $10.0 million to the stock repurchase program, refreshing the total program to an aggregate of $10 million. As of the quarter ended September 30, 2019 the Company had repurchased 211,736 shares for approximately $12.7 million. In April 2019 the Company's Board approved the repurchase of a block of shares from the Company's largest shareholder whereby the Company repurchased 320,741 shares for approximately $18.4 million, or $57.50 per share. In November 2019 the Company's Board approved a new $10 million buyback program. During the fourth quarter of 2019 the Company repurchased 158,625 shares for approximately $10 million, or $63.04 per share. The shares of the Company's common stock repurchased during each of the aforementioned years through the year ended December 31, 2019 were returned to the Company's treasury.

Our Board of Directors 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.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

We have various contractual obligations, which are recorded as liabilities in our consolidated financial statements. Other items, such as certain development obligations, are not recognized as liabilities in our consolidated financial statements, but are required to be disclosed.

The following table summarizes our significant contractual obligations and commercial commitments on an undiscounted basis at December 31, 2019, and the future periods in which such obligations are expected to be settled in cash. In addition, the table reflects the timing of principal and interest payments on outstanding borrowings.

PAYMENT DUE BY PERIOD

Contractual Obligations	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	$	$	$	$	$
Long-Term Debt Obligations	288,729,722	75,000,000	23,884,373	159,845,349	30,000,000
Operating Leases Obligations	400,610	126,540	241,332	32,738	—
Construction and Other Commitments	205,774	102,887	102,887	—	—
Total	289,336,106	75,229,427	24,228,592	159,878,087	30,000,000

CRITICAL ACCOUNTING POLICIES

The consolidated condensed financial statements included in this Annual Report are prepared in conformity with U.S. generally accepted accounting principles ("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. The development and selection of these critical accounting policies have been determined by management and the related disclosures have been reviewed with the Audit Committee of the Board of Directors of the Company. Actual results could differ from those estimates.

Our significant accounting policies are more fully described in Note 1 "Summary of Significant Accounting Policies" to the consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K; however, the most critical accounting policies, which involve the use of estimates and assumptions as to future uncertainties and, therefore, may result in actual amounts that differ from estimates, are as follows:

Use of Estimates in the Preparation of Financial Statements. 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, 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 variability in market conditions that have occurred in the 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 and commercial loans, 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.

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.

Income Property Leases. The rental of the Company’s income properties are classified as operating leases. The Company recognizes lease income on these properties on a straight-line basis over the term of the lease.

Land and Development Costs. The carrying value of land and development includes the initial acquisition costs of land, improvements thereto, and other costs incidental to the acquisition or development of land. Subsurface Interests (hereinafter defined) and capitalized costs relating to timber and hay operations are also included in land and development costs. These costs are allocated to properties on a relative sales value basis and are charged to costs of sales as specific properties are sold. Due to the nature of the business, land and development costs have been classified as an operating activity on the consolidated statements of cash flows.

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.

Long-Lived Assets. The Company follows FASB ASC Topic 360-10, *Property, Plant, and Equipment* in conducting its impairment analyses. The Company reviews the recoverability of long-lived assets, including land and development costs, real estate held for sale, and property, plant, and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Examples of situations considered to be triggering events include: a substantial decline in operating cash flows during the period, a current or projected loss from operations, an income property not fully leased or leased at rates that are less than current market rates, and any other quantitative or qualitative events deemed significant by our management. Long-lived assets are evaluated for impairment by using an undiscounted cash flow approach, which considers future estimated capital expenditures. Impairment of long-lived assets is measured at fair value less cost to sell.

Stock-Based Compensation. Prior to 2010, the Company maintained a stock option plan (the “2001 Plan”) pursuant to which 500,000 shares of the Company’s common stock were available to be issued. The 2001 Plan was approved at the April 25, 2001 shareholders’ meeting and expired in April 2011, with no new option shares issued after that date.

At the Annual Meeting of Shareholders of the Company held on April 28, 2010, the Company’s shareholders approved the Consolidated-Tomoka Land Co. 2010 Equity Incentive Plan (the “Original 2010 Plan”). The Original 2010 Plan replaced the Company’s 2001 Plan. At the Annual Meeting of Shareholders of the Company held on April 24, 2013, the Company’s shareholders approved an amendment and restatement of the entire Original 2010 Plan, which among other things, incorporated claw back provisions and clarified language regarding the shares available subsequent to forfeiture of any awards of restricted shares. At the Annual Meeting of Shareholders of the Company held on April 23, 2014, the Company’s shareholders approved an amendment to the Original 2010 Plan increasing the number of shares authorized for issuance by 240,000 shares, bringing the total number of shares authorized for issuance to 450,000. At the Annual Meeting of Shareholders of the Company held on April 25, 2018, the Company’s shareholders approved the Second Amended and Restated 2010 Equity Incentive Plan (the “2010 Plan”) which, among other things, increased the number of shares available thereunder to 720,000. Awards under the 2010 Plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted share units, performance shares, and performance units. Employees of the Company and its subsidiaries and non-employee directors may be selected by the Compensation Committee to receive awards under the 2010 Plan. The maximum number of shares of which stock awards may be granted under the 2010 Plan is 702,000 shares. No participant may receive awards during any one calendar year representing more than 50,000 shares of common stock. In no event will the number of shares of common stock issued under the plan upon the exercise of incentive stock options exceed 720,000 shares. These limits are subject to adjustments by the Compensation Committee as provided in the 2010 Plan for stock splits, stock dividends, recapitalizations, and other similar transactions or events. The 2010 Plan currently provides that it will expire on the tenth anniversary of the date that it was adopted by the Board, and that no awards will be granted under the plan after that date.

All non-qualified stock option awards, restricted share awards, and performance share awards granted under the 2010 Plan were determined to be equity-based awards under FASB ASC Topic, *Share-Based Payments*.

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.

The Company used a Monte Carlo simulation pricing model to determine the fair value and vesting period of the restricted share awards. The determination of the fair value of market condition-based 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 requisite performance term of awards, the performance of the Company’s stock price, 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.

New Accounting Pronouncements. Refer to Note 1, “Summary of Significant Accounting Policies” to the consolidated financial statements included in Item 8, “Financial Statements and Supplementary Data” in this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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 .35 basis points and 195 basis points based on our level of borrowing as a percentage of our total asset value. As of December 31, 2019, the outstanding balance on our credit facility was approximately $159.8 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 $23.9 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's Consolidated Financial Statements appear beginning on page F-1 of this report. See Item 15 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no disagreements with our accountants on accounting and financial disclosures.

ITEM 9A. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation, as required by rules 13(a)-15 and 15(d)-15 of 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 the 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) of the Exchange Act). Based on that evaluation, the CEO and CFO have concluded that the design and operation of the Company's disclosure controls and procedures are effective 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 Securities and Exchange Commission 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 its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's executive offices are located at 1140 N. Williamson Blvd., Suite 140 Daytona Beach, Florida, and its telephone number is (386) 274-2202.

The Company's website is located at www.ctlc.com. The Company intends to comply with the requirements of Item 5.05 of Form 8-K regarding amendments to and waivers under the code of business conduct and ethics applicable to its Chief Executive Officer, Principal Financial Officer and Principal Accounting Officer by providing such information on its website within four days after effecting any amendment to, or granting any waiver under, that code, and we will maintain such information on our website for at least twelve months. The information contained on the Company's website does not constitute part of this Form 10-K.

On the Company's website you can also obtain, free of charge, a copy of this Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934, as amended, as soon as reasonably practicable, after the Company files such material electronically with, or furnish it to, the Securities and Exchange Commission ("Commission" or "SEC"). The public may read and obtain a copy of any materials the Company files electronically with the Commission at *www.sec.gov*.

Additional information on the Company's website includes the guiding policies adopted by the Company, which include the Company's Corporate Governance Principles, Code of Business Conduct and Ethics Policy and Insider Trading Policy.

In May 2013, the Internal Control – Integrated Framework (the "2013 Framework") was released by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The 2013 Framework updates and formalizes the principles embedded in the original Internal Control-Integrated Framework issued in 1992 (the "1992 Framework"), incorporates business and operating environment changes over the past two decades, and improves the original 1992 Framework's ease of use and application.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In conducting this assessment, it used the criteria set forth by COSO in the 2013 Framework. Based on management's assessment and those criteria, management believes that the Company has maintained effective internal control over financial reporting as of December 31, 2019. The audit report, of Grant Thornton LLP, the Company's independent registered public accounting firm, on the effectiveness of our internal control over financial reporting as of December 31, 2019, is included in this Annual Report on Form 10-K and is incorporated herein as Item 15.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during the fourth fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information required to be set forth herein, except for the information included under the heading "Executive Officers of the Registrant" below, will be included in the Company's definitive proxy statement for its 2020 annual shareholders' meeting to be filed with the SEC within 120 days after the end of the registrant's fiscal year ended December 31, 2019 (the "Proxy Statement"), which sections are incorporated herein by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of the Company, their ages at December 31, 2019, their business experience during the past five years, and the year first elected as an executive officer of the Company are as follows:

John P. Albright, 54, president and chief executive officer of the Company since August 1, 2011. Prior to joining the Company, Mr. Albright was the Co-Head and Managing Director of Archon Capital, a Goldman Sachs Company located in Irving, Texas. Prior to that, he was the Executive Director, Merchant Banking-Investment Management for Morgan Stanley. Prior to Morgan Stanley, Mr. Albright was Managing Director and Officer of Crescent Real Estate Equities, a publicly traded REIT, based in Fort Worth, Texas. His experience involves various aspects of investment, lending, and development of commercial properties, as well as real estate investment banking.

Mark E. Patten, 56, senior vice president and chief financial officer of the Company since April 16, 2012. Prior to joining the Company, Mr. Patten served as the executive vice president and chief financial officer of SolarBlue LLC, a developer of alternative energy solutions located in Orlando, Florida. Prior to that, he was executive vice president and chief financial officer of Legacy Healthcare Properties Trust Inc. in 2010 and held the same positions with Simply Self Storage from August 2007 to May 2010. Prior to those positions, he served as senior vice president and chief accounting officer of CNL Hotels & Resorts, Inc., a public non-traded lodging REIT, from January 2004 until the sale of the company in April 2007. Mr. Patten began his career at KPMG where he spent twelve years and was named a partner in 1997.

Daniel E. Smith, 54, senior vice president, general counsel and corporate secretary of the Company since October 22, 2014. Mr. Smith most recently served as Vice President-Hospitality and Vice President and Associate General Counsel at Goldman Sachs & Co. Prior to that, he spent ten years at Crescent Real Estate Equities, a publicly traded REIT, based in Fort Worth, Texas, where he held several positions in the legal department, most recently Senior Vice President and General Counsel.

Steven R. Greathouse, 41, senior vice president, investments of the Company since January 3, 2012. Mr. Greathouse most recently served as the Director of Finance at N3 Real Estate, a single-tenant triple net property developer. Prior to that, he was a Senior Associate, Merchant Banking-Investment Management for Morgan Stanley and Crescent Real Estate Equities, a publicly traded REIT, based in Fort Worth, Texas.

Each of our executive officers are elected annually as provided in the Company's Bylaws.

ITEM 11. EXECUTIVE COMPENSATION

The information required to be set forth herein will be included in the Proxy Statement, which sections are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required to be set forth herein will be included in the Proxy Statement, which sections are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required to be set forth herein will be included in the Proxy Statement, which sections are incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required to be set forth herein will be included in the Proxy Statement, which section is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

1. FINANCIAL STATEMENTS

The following financial statements are filed as part of this report:

2. FINANCIAL STATEMENT SCHEDULES

Included in Part IV on Form 10-K:

Schedule III—Real Estate and Accumulated Depreciation

Schedule IV – Mortgage Loans on Real Estate

Other schedules are omitted because of the absence of conditions under which they are required, materiality, or because the required information is given in the financial statements or notes thereof.

3. EXHIBITS

See Exhibit Index on page 77 of this Annual Report on Form 10-K.

ITEM 16. FORM 10-K SUMMARY

Not applicable

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

EXHIBITS

TO

FORM 10-K

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

FOR THE FISCAL YEAR ENDED December 31, 2019
COMMISSION FILE NO. 001-11350

CONSOLIDATED-TOMOKA LAND CO.

(Exact name of registrant as specified in the charter)

EXHIBIT INDEX

(3.1)	Amended and Restated Articles of Incorporation of Consolidated-Tomoka Land Co., dated October 26,2011, filed as Exhibit 3.1 to the registrant's current report on Form 8-K filed October 28, 2011, and incorporated herein by reference.
(3.2)	Amended and Restated Bylaws of Consolidated-Tomoka Land Co., dated April 26, 2016, filed as Exhibit 3.2 to the registrant's quarterly report on Form 10-Q filed May 3, 2016, and incorporated herein by reference.
(4.1)	Indenture related to the 4.50% Convertible Senior Notes due 2020, dated as of March 11, 2015, among Consolidated-Tomoka Land Co. and U.S. Bank National Association as trustee, filed as Exhibit 4.1 with the registrant's current report on Form 8-K on March 12, 2015, and incorporated herein by reference.
(4.2)	Form of 4.50% Convertible Senior Notes due 2020, included with Exhibit 4.1 with the registrant's current report on Form 8-K on March 12, 2015, and incorporated herein by reference.
(4.3)	Registration Rights Agreement between Alpine Income Property Trust, Inc. and Consolidated-Tomoka Land Co. filed as Exhibit 4.21 to the registrant's Current Report on Form 8-K as filed on November 27, 2019, and incorporated herein by reference.
(4.4)	Indenture related to the 3.875% Convertible Senior Notes due 2025, dated as of February 3, 2020, among Consolidated-Tomoka Land Co. and U.S. Bank National Association as trustee, filed as Exhibit 4.1 with the registrant's current report on Form 8-K on February 6, 2020, and incorporated herein by reference.
(4.5)	Form of 3.875% Convertible Senior Notes due 2025, included with Exhibit 4.3 with the registrant's current report on Form 8-K on February 6, 2020, and incorporated herein by reference.
*(4.6)	Description of the Registrant's Securities (filed herewith).
	Material Contracts:
(10.1)	Lease Agreement dated August 28, 1997, between the City of Daytona Beach and Indigo International Inc., a wholly owned subsidiary of Consolidated-Tomoka Land Co., filed with the registrant's Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference.
(10.2)	Lease Amendment dated July 25, 2012, between the City of Daytona Beach and Indigo International LLC, a wholly owned subsidiary of Consolidated-Tomoka Land Co., filed as Exhibit 10.1 to this registrant's current report on Form 8-K filed July 26, 2012, and incorporated by reference.
(10.3)	Development Agreement dated August 18, 1997, between the City of Daytona Beach and Indigo International Inc., a wholly owned subsidiary of Consolidated-Tomoka Land Co., filed with the registrant's Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference.
*(10.4)	Consolidated-Tomoka Land Co. Amended and Restated 2010 Equity Incentive Plan, filed as Appendix A to the registrant's Proxy Statement for the 2013 Annual Meeting of Shareholders, filed March 22, 2013, and incorporated herein by reference.
*(10.5)	Form of Restricted Share Award Agreement under the Consolidated-Tomoka Land Co. 2010 Equity Incentive Plan, filed with the registrant's Annual Report on Form 10-K for the year ended December 31, 2010, and incorporated herein by reference.
*(10.6)	Consolidated-Tomoka Land Co. Annual Cash Bonus Plan, amended and adopted July 22, 2015, filed as Exhibit 10.1 to the registrant's current report on Form 8-K on July 28, 2015, and incorporated herein by reference.

*(10.7)	Employment Agreement between Consolidated-Tomoka Land Co. and John P. Albright entered into June 30, 2011, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed July 6, 2011, and incorporated herein by reference.
*(10.8)	Nonqualified Stock Option Award Agreement between Consolidated-Tomoka Land Co. and John P. Albright, dated August 1, 2011, filed as Exhibit 10.2 to the registrant's Current report on Form 8-K filed July 6, 2011, and incorporated herein by reference.
*(10.9)	Restricted Share Award Agreement between Consolidated-Tomoka Land Co. and John P. Albright, dated August 1, 2011, filed as Exhibit 10.3 to the registrant's current report Form 8-K filed July 6, 2011, and incorporated herein by reference.
*(10.10)	Employment Agreement between Consolidated-Tomoka Land Co. and Mark E. Patten entered into April 16, 2012, filed at Exhibit 10.1 to the registrant's current report on Form 8-K filed April 16, 2012, and incorporated herein by reference.
*(10.11)	Nonqualified Stock Option Award Agreement between Consolidated-Tomoka Land Co. and Mark E. Patten, dated April 16, 2012, filed as Exhibit 10.2 to the registrant's current report on Form 8-K filed April 16, 2012, and incorporated by reference.
*(10.12)	Restricted Share Award Agreement between Consolidated-Tomoka Land Co. and Mark E. Patten, dated April 16, 2012, filed as Exhibit 10.3 to registrant's current report Form 8-K filed April 16, 2012, and incorporated herein by reference.
(10.13)	Amendment to the Credit Agreement between Consolidated-Tomoka Land Co. and Bank of Montreal dated March 29, 2013, filed with the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, and incorporated herein by reference.
(10.14)	Amendment to the Credit Agreement between Consolidated-Tomoka Land Co. and Bank of Montreal dated August 1, 2014, filed with the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, and incorporated herein by reference.
(10.15)	Loan Agreement between the Company and the affiliates of the Company set forth therein, as borrowers, and Wells Fargo Bank, National Association dated September 30, 2014, filed with the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, and incorporated herein by reference.
*(10.16)	Employment Agreement between Consolidated-Tomoka Land Co. and Daniel E. Smith entered into October 22, 2014, filed with the registrant's Annual Report on Form 10-K for the year ended December 31, 2014, and incorporated herein by reference.
(10.17)	Amended and Restated Credit Agreement by and among Consolidated-Tomoka Land Co., as Borrower, the subsidiaries of Consolidated-Tomoka Land Co. party thereto, as Guarantors, the financial institutions party thereto, as Lenders, Bank of Montreal, as Administrative Agent, Swing Line Lender and L/C Issuer, Wells Fargo Bank, National Association as Syndication Agent, and Branch Banking and Trust Company, as Documentation Agent, dated April 20, 2015, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed May 15, 2015, and incorporated herein by reference.
(10.18)	Consent and First Amendment to Amended and Restated Credit Agreement by and among Consolidated-Tomoka Land Co., as Borrower, the subsidiaries of Consolidated-Tomoka Land Co. party thereto, as Guarantors, the financial institutions party thereto, as Lenders, Bank of Montreal, as Administrative Agent, Wells Fargo Bank, National Association as Syndication Agent, and Branch Banking and Trust Company, as Documentation Agent, dated March 21, 2016, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed March 28, 2016, and incorporated herein by reference.

(10.19)	Second Amendment to the Amended and Restated Credit Agreement with Bank of Montreal and the other lenders thereunder, with Bank of Montreal acting as Administrative Agent, dated April 13, 2016, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed April 19, 2016, and incorporated herein by reference.
*(10.20)	Consolidated-Tomoka Land Co. 2017 Executive Annual Cash Incentive Plan, dated February 22, 2017, filed with the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, and incorporated herein by reference.
*(10.21)	Form of February 27, 2019 Non-Employee Director Stock Award Agreement, filed as Exhibit 10.31 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2018, and incorporated herein by reference.
*(10.22)	Form of February 3, 2017 Performance Share Award Agreement, filed as Exhibit 10.29 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017, and incorporated herein by reference.
*(10.23)	Form of February 24, 2020 Performance Share Award Agreement (filed herewith).
(10.24)	Second Amended and Restated Credit Agreement, which supersedes the Company's existing Amended and Restated Credit Agreement, with Bank of Montreal ("BMO") and the other lenders thereunder, with BMO acting as Administrative Agent, dated September 7, 2017, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K as filed on September 13, 2017, and incorporated herein by reference.
(10.25)	Second Amendment to Second Amended and Restated Credit Agreement Dated May 24, 2019, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K as filed on June 3, 2019, and incorporated herein by reference.
(10.26)	Third Amendment to Second Amended and Restated Credit Agreement Dated November 26, 2019 filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K as filed on November 27, 2019, and incorporated herein by reference.
(10.27)	Management Agreement among Alpine Income Property Trust, Inc., Alpine Income Property OP, LP and Alpine Income Property Manager, LLC filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K as filed on November 27, 2019, and incorporated herein by reference.
(10.28)	Exclusivity and Right of First Offer Agreement between Alpine Income Property Trust, Inc. and Consolidated-Tomoka Land Co. filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K as filed on November 27, 2019, and incorporated herein by reference.
(10.29)	Tax Protection Agreement among Alpine Income Property Trust, Inc., Alpine Income Property Trust OP, LP, Consolidated-Tomoka Land Co. and Indigo Group Ltd. filed as Exhibit 10.4 to the registrant's Current Report on Form 8-K as filed on November 27, 2019, and incorporated herein by reference.
(10.30)	Interest Purchase Agreement, dated as of October 15, 2019, by and among Consolidated-Tomoka Land Co., Flacto, LLC, Magnetar Longhorn Fund LP and Magnetar Structured Credit Fund, LP. filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K/A as filed on October 22, 2019, and incorporated herein by reference.
(10.31)	Amended and Restated Limited Liability Company Agreement of Crisp39 SPV LLC, dated as of October 15, 2019, by and among Consolidated-Tomoka Land Co., Flacto, LLC, Magnetar Longhorn Fund LP and Magnetar Structured Credit Fund, LP. filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K/A as filed on October 22, 2019, and incorporated herein by reference.
***(10.32)	Purchase and Sale Agreement, dated October 29, 2019 by and between Consolidated-Tomoka Land Co. and PGP Jacksonville TC, LLC for the purchase of the property known as The Strand located in Jacksonville, Florida (filed herewith).

***(10.33)	Purchase and Sale Agreement, dated December 23, 2019 by and between Consolidated-Tomoka Land Co., Vestar CTC Chandler, L.L.C. and Vestar CTC Chandler Phase 2, L.L.C. for the purchase of the property known as the Crossroads Towne Center located in Chandler, Arizona (filed herewith).
(21)	Subsidiaries of the Registrant.
(23.1)	Consent of Independent Registered Public Accounting Firm.
** (31.1)	Certification furnished pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
** (31.2)	Certification furnished pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
** (32.1)	Certification pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
** (32.2)	Certification pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101.1)	The following materials from Consolidated-Tomoka Land Co. Annual Report on Form 10-K for the period ended December 31, 2019, are formatted in Extensible Business Reporting Language: (i) consolidated balance sheets, (ii) consolidated statements of comprehensive income, (iii) consolidated statements of stockholders' equity (iv) consolidated statements of cash flows, and (v) notes to consolidated financial statements.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* - Management Contract or Compensatory Plan or Arrangement

** - 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.

*** - 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.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

CONSOLIDATED-TOMOKA LAND CO. (Registrant)

March 6, 2020

By: /S/ JOHN P. ALBRIGHT

John P. Albright
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

March 6, 2020	President and Chief Executive Officer (Principal Executive Officer), and Director	/S/ JOHN P. ALBRIGHT
March 6, 2020	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	/S/ MARK E. PATTEN
March 6, 2020	Chairman of the Board, Director	/S/ LAURA M. FRANKLIN
March 6, 2020	Director	/S/ GEORGE R. BROKAW
March 6, 2020	Director	/S/ R. BLAKESLEE GABLE
March 6, 2020	Director	/S/ CHRISTOPHER W. HAGA
March 6, 2020	Director	/S/ WILLIAM L. OLIVARI
March 6, 2020	Director	/S/ HOWARD C. SERKIN
March 6, 2020	Director	/S/ THOMAS P. WARLOW, III
March 6, 2020	Director	/S/ CASEY R. WOLD

CONSOLIDATED-TOMOKA LAND CO.
INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Consolidated-Tomoka Land Co.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Consolidated-Tomoka Land Co. (a Florida corporation) and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedules included under Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 6, 2020 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion

/s/ Grant Thornton LLP

We have served as the Company's auditor since 2012.

Jacksonville, Florida
March 6, 2020

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Consolidated-Tomoka Land Co.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Consolidated-Tomoka Land Company (a Florida corporation) and subsidiaries (the "Company") as of December 31, 2019, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2019, and our report dated March 6, 2020 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Grant Thornton LLP

Jacksonville, Florida
March 6, 2020

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED BALANCE SHEETS

	December 31, 2019	December 31, 2018
ASSETS		
Property, Plant, and Equipment:		
Income Properties, Land, Buildings, and Improvements	$ 392,841,899	$ 392,520,783
Other Furnishings and Equipment	733,165	728,817
Construction in Progress	24,788	19,384
Total Property, Plant, and Equipment	393,599,852	393,268,984
Less, Accumulated Depreciation and Amortization	(23,008,382)	(24,518,215)
Property, Plant, and Equipment—Net	370,591,470	368,750,769
Land and Development Costs	6,732,291	5,624,845
Intangible Lease Assets—Net	49,022,178	43,555,445
Assets Held for Sale—See Note 23	833,167	96,838,264
Investment in Joint Ventures	55,736,668	6,788,034
Investment in Alpine Income Property Trust Inc.	38,814,425	—
Mitigation Credits	2,322,596	462,040
Commercial Loan Investments	34,625,173	—
Cash and Cash Equivalents	6,474,637	2,310,489
Restricted Cash	128,430,049	18,889,509
Refundable Income Taxes	—	225,024
Other Assets—See Note 12	9,703,549	12,885,453
Total Assets	$ 703,286,203	$ 556,329,872
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts Payable	$ 1,385,739	$ 1,036,547
Accrued and Other Liabilities—See Note 17	5,687,192	5,197,884
Deferred Revenue—See Note 18	5,830,720	6,370,284
Intangible Lease Liabilities—Net	26,198,248	27,390,350
Liabilities Held for Sale—See Note 23	831,320	2,178,616
Income Taxes Payable	439,086	—
Deferred Income Taxes—Net	90,282,173	54,769,907
Long-Term Debt	287,218,303	247,624,811
Total Liabilities	417,872,781	344,568,399
Commitments and Contingencies—See Note 21		
Shareholders' Equity:		
Shareholders' Equity:		
Common Stock – 25,000,000 shares authorized; $1 par value, 6,076,813 shares issued and 4,770,454 shares outstanding at December 31, 2019; 6,052,209 shares issued and 5,436,952 shares outstanding at December 31, 2018	6,017,218	5,995,257
Treasury Stock – 1,306,359 shares at December 31, 2019 and 615,257 shares at December 31, 2018	(73,440,714)	(32,345,002)
Additional Paid-In Capital	26,689,795	24,326,778
Retained Earnings	326,073,199	213,297,897
Accumulated Other Comprehensive Income	73,924	486,543
Total Shareholders' Equity	285,413,422	211,761,473
Total Liabilities and Shareholders' Equity	$ 703,286,203	$ 556,329,872

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

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended		
	December 31, 2019	December 31, 2018	December 31, 2017
Revenues			
Income Properties	$ 41,955,414	$ 40,075,731	$ 31,406,930
Management Services	304,553	—	—
Commercial Loan Investments	1,829,015	615,728	2,052,689
Real Estate Operations	852,264	2,966,429	5,190,951
Total Revenues	44,941,246	43,657,888	38,650,570
Direct Cost of Revenues			
Income Properties	(7,000,001)	(8,170,083)	(6,917,743)
Real Estate Operations	(104,666)	(591,380)	(1,420,562)
Total Direct Cost of Revenues	(7,104,667)	(8,761,463)	(8,338,305)
General and Administrative Expenses	(9,818,075)	(9,785,370)	(10,252,610)
Depreciation and Amortization	(15,797,278)	(15,761,523)	(12,314,700)
Total Operating Expenses	(32,720,020)	(34,308,356)	(30,905,615)
Gain on Disposition of Assets	21,977,465	22,035,666	38
Total Operating Income	34,198,691	31,385,198	7,744,993
Investment Income	344,843	52,221	37,985
Interest Expense	(12,466,062)	(10,423,286)	(8,523,136)
Income (Loss) from Continuing Operations Before Income Tax Expense	22,077,472	21,014,133	(740,158)
Income Tax Benefit (Expense) from Continuing Operations	(5,472,178)	(6,025,148)	22,481,523
Net Income from Continuing Operations	16,605,294	14,988,985	21,741,365
Income from Discontinued Operations (Net of Income Tax)—See Note 23	98,367,564	22,178,805	19,978,059
Net Income	$ 114,972,858	$ 37,167,790	$ 41,719,424
Per Share Information—See Note 13:			
Basic			
Net Income from Continuing Operations	$ 3.32	$ 2.72	$ 3.92
Net Income from Discontinued Operations (Net of Income Tax)	19.71	4.04	3.61
Basic Net Income per Share	$ 23.03	$ 6.76	$ 7.53
Diluted			
Net Income from Continuing Operations	$ 3.32	$ 2.71	$ 3.90
Net Income from Discontinued Operations (Net of Income Tax)	19.68	4.01	3.58
Diluted Net Income per Share	$ 23.00	$ 6.72	$ 7.48
Dividends Declared and Paid	$ 0.44	$ 0.27	$ 0.18

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

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended		
	December 31, 2019	December 31, 2018	December 31, 2017
Net Income	$ 114,972,858	$ 37,167,790	$ 41,719,424
Other Comprehensive Income (Loss)			
Cash Flow Hedging Derivative - Interest Rate Swap (Net of Tax of $(140,082), $11,431 and $73,304, respectively)	(412,619)	113,927	116,727
Total Other Comprehensive Income (Loss), Net of Income Tax	(412,619)	113,927	116,727
Total Comprehensive Income	$ 114,560,239	$ 37,281,717	$ 41,836,151

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

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity
Balance January 1, 2017	$ 5,914,560	$ (15,298,306)	$ 20,511,388	$ 136,892,311	$ 255,889	$ 148,275,842
Net Income	—	—	—	41,719,424	—	41,719,424
Stock Repurchase	—	(7,209,454)	—	—	—	(7,209,454)
Exercise of Stock Options	28,527	—	1,056,406	—	—	1,084,933
Vested Restricted Stock	18,930	—	(413,184)	—	—	(394,254)
Stock Issuance	1,833	—	101,303	—	—	103,136
Stock Compensation Expense from Restricted Stock Grants and Equity Classified Stock Options	—	—	1,479,315	—	—	1,479,315
Cash Dividends ($0.18 per share)	—	—	—	(997,461)	—	(997,461)
Other Comprehensive Income, Net of Income Tax	—	—	—	—	116,727	116,727
Balance December 31, 2017	5,963,850	(22,507,760)	22,735,228	177,614,274	372,616	184,178,208
Net Income	—	—	—	37,167,790	—	37,167,790
Stock Repurchase	—	(9,837,242)	—	—	—	(9,837,242)
Exercise of Stock Options	8,520	—	189,849	—	—	198,369
Vested Restricted Stock	19,065	—	(517,439)	—	—	(498,374)
Stock Issuance	3,822	—	234,890	—	—	238,712
Stock Compensation Expense from Restricted Stock Grants and Equity Classified Stock Options	—	—	1,684,250	—	—	1,684,250
Cash Dividends ($0.27 per share)	—	—	—	(1,484,167)	—	(1,484,167)
Other Comprehensive Income, Net of Income Tax	—	—	—	—	113,927	113,927
Balance December 31, 2018	5,995,257	(32,345,002)	24,326,778	213,297,897	486,543	211,761,473
Net Income	—	—	—	114,972,858	—	114,972,858
Stock Repurchase	—	(41,095,712)	—	—	—	(41,095,712)
Vested Restricted Stock	12,957	—	(316,272)	—	—	(303,315)
Stock Issuance	9,004	—	522,910	—	—	531,914
Stock Compensation Expense from Restricted Stock Grants and Equity Classified Stock Options	—	—	2,156,379	—	—	2,156,379
Cash Dividends ($0.44 per share)	—	—	—	(2,197,556)	—	(2,197,556)
Other Comprehensive Loss, Net of Income Tax	—	—	—	—	(412,619)	(412,619)
Balance December 31, 2019	$ 6,017,218	$ (73,440,714)	$ 26,689,795	$ 326,073,199	$ 73,924	$ 285,413,422

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

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended		
	December 31, 2019	December 31, 2018	December 31, 2017
Cash Flow from Operating Activities:			
Net Income	$ 114,972,858	$ 37,167,790	$ 41,719,424
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	15,797,278	16,135,502	12,663,959
Amortization of Intangible Liabilities to Income Property Revenue	(2,382,874)	(2,338,531)	(2,193,957)
Loan Cost Amortization	443,902	495,438	509,263
Amortization of Discount on Convertible Debt	1,357,347	1,273,436	1,194,714
Gain on Disposition of Property, Plant, and Equipment and Intangible Assets	(3,295,601)	(3,650,858)	(38)
Gain on Disposition of Assets Held for Sale	(18,696,914)	—	—
Gain on Sale of Equity Interest in Joint Ventures	(127,518,231)	(18,384,808)	—
Impairment Charge	—	1,119,362	—
Discount Accretion on Commercial Loan Investments	—	(34,768)	—
Accretion of Commercial Loan Origination Fees	(134,780)	—	(25,232)
Non-Cash Imputed Interest on Commercial Loan Investment	(193,943)	—	—
Deferred Income Taxes	35,099,647	12,589,970	(8,953,981)
Unrealized Gain on Investment Securities	(61,195)	—	—
Non-Cash Compensation	2,688,292	1,684,250	1,437,223
Decrease (Increase) in Assets:			
Refundable Income Taxes	225,024	891,556	(172,589)
Assets Held for Sale	3,892,476	—	—
Land and Development Costs	(1,107,446)	5,477,221	12,477,581
Impact Fees and Mitigation Credits	(1,860,556)	663,229	1,197,637
Other Assets	(3,503,744)	(522,436)	(3,502,041)
Increase (Decrease) in Liabilities:			
Accounts Payable	349,192	(630,667)	362,411
Accrued and Other Liabilities	489,308	(4,357,411)	792,629
Deferred Revenue	(539,564)	245,219	38,793
Liabilities Held for Sale	(49,470)	—	—
Income Taxes Payable	439,086	—	—
Net Cash Provided By Operating Activities	16,410,092	47,823,494	57,545,796
Cash Flow from Investing Activities:			
Acquisition of Property, Plant, and Equipment and Intangible Lease Assets and Liabilities	(150,704,654)	(109,394,481)	(94,627,373)
Acquisition of Commercial Loan Investments	(34,296,450)	—	(2,940,000)
Acquisition of Land	—	(4,702,243)	—
Cash Contribution for Interest in Joint Venture	(83,972)	(2,137,018)	—
Proceeds from Disposition of Property, Plant, and Equipment, Net, and Assets Held for Sale	207,551,807	11,077,525	—
Proceeds from Sale of Equity Interests in Joint Ventures	96,132,204	15,300,000	—
Principal Payments Received on Commercial Loan Investments	—	11,960,467	15,000,000
Acquisition of Investment Securities	(15,500,000)	—	—
Net Cash Provided By (Used In) Investing Activities	103,098,935	(77,895,750)	(82,567,373)
Cash Flow from Financing Activities:			
Proceeds from Long-Term Debt	141,500,000	106,300,000	63,500,000
Payments on Long-Term Debt	(103,073,325)	(55,996,954)	(35,100,000)
Cash Paid for Loan Fees	(634,431)	(263,473)	(532,814)
Cash Proceeds from Exercise of Stock Options and Stock Issuance	—	437,081	1,188,069
Cash Used to Purchase Common Stock	(41,095,712)	(9,837,242)	(7,209,454)
Cash Paid for Vesting of Restricted Stock	(303,315)	(498,374)	(394,254)
Dividends Paid	(2,197,556)	(1,484,167)	(997,461)
Net Cash Provided By (Used In) Financing Activities	(5,804,339)	38,656,871	20,454,086
Net Increase (Decrease) in Cash	113,704,688	8,584,615	(4,567,491)
Cash, Beginning of Year	21,199,998	12,615,383	17,182,874
Cash, End of Period	$ 134,904,686	$ 21,199,998	$ 12,615,383

Reconciliation of Cash to the Consolidated Balance Sheets:			
Cash and Cash Equivalents	$ 6,474,637	$ 2,310,489	$ 6,107,252
Restricted Cash	128,430,049	18,889,509	6,508,131
Total Cash as of December 31, 2019, 2018, and 2017, respectively	$ 134,904,686	$ 21,199,998	$ 12,615,383

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

Supplemental Disclosure of Cash Flows:

Total interest paid during the years ended December 31, 2019, 2018, and 2017 was approximately $10.8 million, $8.4 million, and $7.1 million respectively. Interest paid included capitalized interest of approximately $215,000 during the year ended December 31, 2017, with no interest capitalized during the years ended December 31, 2019 or 2018.

Income taxes totaling approximately $2.5 million, $323,000, and $334,000 were paid during the years ended December 31, 2019, 2018, and 2017, respectively. Additionally, income taxes totaling approximately $687,000, $204,000 and $958,000 were refunded during the years ended December 31, 2019, 2018, and 2017, respectively.

During the year ended December 31, 2019, in connection with the Land JV transaction (hereinafter defined in Note 6, "Land and Investments in the Land JV"), the Company recognized a gain totaling approximately $127.5 million. The non-cash components of the gain totaled approximately $48.9 million and were reflected as an increase in the Investment in Joint Ventures of approximately $48.9 million on the accompanying consolidated balance sheets as of December 31, 2019.

During the year ended December 31, 2019, the Company contributed five single tenant properties to Alpine Income Property Trust, Inc. (NYSE: PINE) in exchange for 1,223,854 operating units ("OP Units") in PINE's partnership. The OP Units had an initial value of approximately $23.3 million based on PINE's public offering price of $19.00 per share. This non-cash transaction was reflected as an increase in Investment in Alpine Income Property Trust, Inc. of approximately $23.3 million with decreases in Intangible Assets, Property Plant and Equipment, and Intangible Liabilities of approximately $3.1 million, $20.8 million, and $452,000, respectively, on the accompanying consolidated balance sheets as of December 31, 2019.

During the year ended December 31, 2018, in connection with the Mitigation Bank transaction (hereinafter defined in Note 6, "Land and Investments in the Land JV"), the Company recognized a gain totaling approximately $18.4 million. The non-cash components of the gain totaled approximately $5.1 million and were reflected as an increase in the Investment in Joint Ventures of approximately $6.8 million, an increase in Accrued and Other Liabilities of approximately $300,000, and a decrease in Land and Development Costs of approximately $1.3 million on the accompanying consolidated balance sheets as of December 31, 2018.

During the year ended December 31, 2018, in connection with the acquisition of the property in Aspen, Colorado, the tenant contributed $1.5 million of the $28.0 million purchase price at closing on February 21, 2018. The $1.5 million purchase contribution was reflected as an increase in Income Property, Land, Buildings, and Improvements and Deferred Revenue on the accompanying consolidated balance sheets as of December 31, 2018.

During the year ended December 31, 2018, in connection with the construction of the beachfront restaurant leased to Cocina 214 Restaurant & Bar in Daytona Beach, Florida, the tenant contributed approximately $1.9 million of the building and tenant improvements owned by the Company through direct payments to various third-party construction vendors. The approximately $1.9 million asset contribution was reflected as an increase in Income Property, Land, Buildings, and Improvements and Deferred Revenue on the accompanying consolidated balance sheets as of December 31, 2018.

During the year ended December 31, 2017, in connection with the Golf Course Land Purchase (hereinafter defined), each year the Company is obligated to pay the City of Daytona Beach, Florida (the "City") an annual surcharge of $1 per golf round played (the "Per-Round Surcharge") with an annual minimum Per-Round Surcharge of $70,000 and a maximum aggregate amount of the Per-Round Surcharge paid equal to $700,000. The maximum amount of $700,000 represents contingent consideration and was reflected as an increase in Golf Buildings, Improvements, and Equipment and also as an increase in Accrued and Other Liabilities on the accompanying consolidated balance sheets as of December 31, 2017. In connection with LPGA Golf Course Sale (hereinafter defined), the Company repaid the City the amount that was due of approximately $560,000, therefore, there is no remaining liability as of December 31, 2019.

Discontinued operations provided approximately $6.5 million, $36.8 million, and $43.3 million of the net cash provided by operating activities for the years ended December 31, 2019, 2018, and 2017, respectively. Additionally, discontinued operations accounted for approximately $98.4 million of the net cash provided by investing activities for the year ended December 31, 2019, while there were no cash flows from investing activities related to discontinued operations for the years ended December 31, 2018 and 2017, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019, 2018, and 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The terms "us," "we," "our," and "the Company" as used in this report refer to Consolidated-Tomoka Land Co. together with our consolidated subsidiaries.

We are a diversified real estate operating company. As of December 31, 2019, we own and manage, sometimes utilizing third-party property management companies, thirty-four commercial real estate properties in eleven states in the United States, with approximately 1.8 million square feet of gross leasable space. These thirty-four properties in our portfolio comprise our income property operations segment.

In addition to our income property portfolio, as of December 31, 2019, or 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 holds the approximately 5,300 acres of undeveloped land in Daytona Beach, Florida (the "Land JV"), see Note 5, "Related Party Management Services Business".

Commercial Loan Investments:

- A portfolio of commercial loan investments.

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 5,300 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, our investment in PINE of approximately $38.8 million, or approximately 22.3% of the PINE's outstanding equity, including the OP Units which are exchangeable into common stock of PINE on a one-for-one basis, at PINE's election. Our investment in PINE should generate 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 Income 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 all periods presented herein, 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). The cash flows related to discontinued operations have been disclosed.

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 significant 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 THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("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

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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 Accounting Standards Codification ("ASC") 326, Financial Instruments-Credit Losses on January 1, 2020 and there was no material impact on the consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, which amends its guidance on the recognition and reporting of revenue from contracts with customers. In April 2016, the FASB ASC issued Topic 606, Revenue from Contracts with Customers. The amendments in this update are effective for annual reporting periods beginning after December 15, 2017. The Company completed its evaluation of the provisions during the year ended December 31, 2017 and determined there was no impact on the Company's revenue recognition within the consolidated financial statements. All required disclosures relating to FASB ASC Topic 606 have been implemented herein as required by the standard. The Company adopted FASB ASC Topic 606 effective January 1, 2018 utilizing the modified retrospective method.

In January 2016, the FASB issued ASU 2016-01, relating to the recognition and measurement of financial assets and financial liabilities. The amendments in this update are effective for annual reporting periods beginning after December 15, 2017. The Company adopted ASU 2016-01 effective January 1, 2018 and determined there was no material impact on its consolidated financial statements.

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 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. 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.

In August 2016, the FASB issued ASU 2016-15, which clarifies the appropriate classification of certain cash receipts and payments in the statement of cash flows. The amendments in this update are effective for annual reporting periods beginning after December 15, 2017. The Company adopted ASU 2016-15 effective January 1, 2018 and determined there was no material impact on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, which addresses diversity in the classification and presentation of changes in restricted cash in the statement of cash flows as operating, investing, or financing activities. The Company adopted ASU 2016-18 effective January 1, 2018 and has classified the changes in restricted cash between operating, investing, and financing in the consolidated statements of cash flows as applicable per the new guidance.

In February 2018, the FASB issued 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.

RECLASSIFICATIONS

Certain items in the prior period’s consolidated statements of operations have been reclassified to conform to the presentation as of and for the year ended December 31, 2019. Specifically, in the fourth quarter of 2019, the Company completed the sale of its remaining land holdings through the Land JV transaction. Accordingly, the results of the real estate operations related to land sales have been classified as discontinued operations in the accompanying consolidated statements of income for the years ended December 31, 2019, 2018, and 2017. Additionally, the identifiable assets and liabilities related to the discontinued real estate operations were reclassified as assets and liabilities held for sale as of December 31, 2019 and 2018.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes 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 December 31, 2019 include certain amounts over the Federal Deposit Insurance Corporation limits.

RESTRICTED CASH

Restricted cash totaled approximately $128.4 million at December 31, 2019 of which approximately $125.7 million of cash is being held in multiple separate escrow accounts to be reinvested through the like-kind exchange structure into other income properties; approximately $746,000 is being held in an entitlement and interest reserve for the $8.0 million first mortgage loan originated in June 2019, approximately $275,000 is being held in an interest and real estate tax reserve for the $8.3 million first mortgage originated in July 2019, approximately $156,000 is being held in an escrow account related to a separate land transaction which closed in February 2017; approximately $261,000 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"); and approximately $1.3 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.

INVESTMENT SECURITIES

In accordance with FASB ASC Topic 320, *Investments – Debt and Equity Securities* and pursuant to ASU 2016-01, effective January 1, 2018, the Company's investments in equity securities ("Investment Securities") are carried at fair value in the consolidated balance sheets, with the unrealized gains and losses recognized in net income. The unrealized gains and losses are included in investment income in the consolidated statements of operations.

The cost of Investment Securities sold, if any, is based on the specific identification method. Interest and dividends on Investment Securities are included in investment income in the consolidated statements of operations.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITY

Interest Rate Swap. During the year ended December 31, 2016, in conjunction with the variable-rate mortgage loan secured by our property located in Raleigh, North Carolina leased to Wells Fargo, the Company entered into an interest rate swap to fix the interest rate (the "Interest Rate Swap"). The Company accounts for its cash flow hedging derivative in accordance with FASB ASC Topic 815-20, *Derivatives and Hedging*. Depending upon the hedge's value at each balance sheet date, the derivative is 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 derivative as a hedge of the variability of cash flows to be paid related to the recognized long-term debt liability.

The Company formally documented the relationship between the hedging instrument and the hedged item, as well as its risk-management objective and strategy for undertaking the hedge transaction. At the hedge's inception, the Company formally assessed whether the derivative that is used in hedging the transaction is highly effective in offsetting changes in cash flows of the hedged item. As the terms of the Interest Rate Swap and the associated debt are identical, the Interest Rate Swap qualifies for the shortcut method, therefore, it is assumed that there is no hedge ineffectiveness throughout the entire term of the Interest Rate Swap.

Changes in fair value of the Interest Rate Swap that are highly effective and designated and qualified as a cash-flow hedge are recorded in other comprehensive income and loss, until earnings are affected by the variability in cash flows of the designated hedged item.

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 December 31, 2019 and 2018, approximate fair value because of the short maturity of these instruments. The carrying value of the Company's credit facility 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 December 31, 2019 and the mortgage notes and convertible debt held as of December 31, 2019 and 2018 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 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 consists of tenant reimbursable expenses. Receivables related to the tenant reimbursable expenses totaled approximately $533,000 and $628,000 as of December 31, 2019 and 2018, respectively.

Accounts receivable related to real estate operations, which are classified in Other Assets on the consolidated balance sheets, totaled approximately $1.6 million and $1.8 million as of December 31, 2019 and 2018, respectively. The accounts receivable as of December 31, 2019 and 2018 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. Trade accounts receivable related to golf operations, which primarily consists of membership and event receivables, totaled approximately $290,000 as of December 31, 2018. As of December 31, 2019, approximately $549,000 is due from the buyer of the golf operations for the rounds surcharge the Company paid to the City, as further described in Note 23, “Assets Held for Sale and Discontinued Operations.”

The collectability of the aforementioned receivables is determined based on a review of specifically identified accounts using judgments. As of December 31, 2019 and 2018, the Company recorded an allowance for doubtful accounts of approximately $14,000 and $185,000, respectively. During the third quarter of 2019, approximately $250,000 of previously recorded allowance for doubtful accounts related to a single income property; Cocina 214 Restaurant & Bar (“Cocina 214”), located in Daytona Beach, Florida, was reversed as the previously uncollected rent totaling approximately $0.3 million was paid in accordance with the termination agreement executed in July 2019. The termination payment is more fully described in Note 3, “Income Properties.”

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 does not qualify as a business combination, but rather is an asset acquisition. Accordingly, the Company capitalizes acquisition costs for income property acquisitions.

LAND AND DEVELOPMENT COSTS

The carrying value of land and development includes the initial acquisition costs of land, improvements thereto, and other costs incidental to the acquisition or development of land. Subsurface Interests (hereinafter defined) and capitalized costs relating to timber and hay operations are also included in land and development costs. These costs are allocated to properties on a relative sales value basis and are charged to costs of sales as specific properties are sold. Due to the nature of the business, land and development costs have been classified as an operating activity on the consolidated statements of cash flows.

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.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are stated at cost, less accumulated depreciation and amortization. Such properties are depreciated on a straight-line basis over their estimated useful lives. Renewals and betterments are capitalized to property accounts. The cost of maintenance and repairs is expensed as incurred. The cost of property retired or otherwise disposed of, and the related accumulated depreciation or amortization, are removed from the accounts, and any resulting gain or loss is recorded in the consolidated statement of operations. The amount of depreciation of property, plant, and equipment, exclusive of amortization related to intangible assets, recognized for the years ended December 31, 2019, 2018, and 2017, was approximately $9.9 million, $10.3 million, and $7.9 million respectively. Interest of approximately $215,000 was capitalized to construction in progress during 2017, respectively with no interest capitalized in 2019 or 2018.

The range of estimated useful lives for property, plant, and equipment is as follows:

Golf Buildings and Improvements	10	-	43	Years
Golf Equipment	3	-	10	Years
Income Properties Buildings and Improvements	5	-	55	Years
Other Furnishings and Equipment	3	-	20	Years

LONG-LIVED ASSETS

The Company follows FASB ASC Topic 360-10, *Property, Plant, and Equipment* in conducting its impairment analyses. The Company reviews the recoverability of long-lived assets, including land and development costs, real estate held for sale, and property, plant, and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Examples of situations considered to be triggering events include: a substantial decline in operating cash flows during the period, a current or projected loss from operations, an income property not fully leased or leased at rates that are less than current market rates, and any other quantitative or qualitative events deemed significant by our management. Long-lived assets are evaluated for impairment by using an undiscounted cash flow approach, which considers future estimated capital expenditures. Impairment of long-lived assets is measured at fair value less cost to sell.

INCOME PROPERTY LEASES

The rental of the Company's income properties are classified as operating leases. The Company recognizes lease income on these properties on a straight-line basis over the term of the lease.

OPERATING LEASE EXPENSE

The Company leases property and equipment, which are classified as operating leases. The Company recognizes lease expense on a straight-line basis over the term of the lease.

GOLF OPERATIONS

The Company previously owned the LPGA International Golf Club (the "Club"), which consists of two 18-hole golf courses and a 3-hole practice facility, a clubhouse facility, including food and beverage operations, and a fitness center. Revenues from this operation, including greens fees, cart rentals, merchandise, and food and beverage sales, are recognized at the time of sale pursuant to FASB ASC Topic 606, *Revenue from Contracts with Customers*. Initiation fees and membership dues are recognized over the life of the membership, pursuant to FASB ASC Topic 606, *Revenue from Contracts with Customers*, which is generally twelve months.

OTHER REAL ESTATE INTERESTS

From time to time, the Company will release surface entry rights related to subsurface acres owned by the Company upon request of the surface owner. The Company recognizes revenue from the release at the time the transaction is consummated, unless the right is released under a deferred payment plan and the initial payment does not meet the criteria established under FASB ASC Topic 606, *Revenue from Contracts with Customers*.

STOCK-BASED COMPENSATION

Prior to 2010, the Company maintained a stock option plan (the "2001 Plan") pursuant to which 500,000 shares of the Company's common stock were available to be issued. The 2001 Plan was approved at the April 25, 2001 shareholders' meeting and expired in April 2011, with no new option shares issued after that date.

At the Annual Meeting of Shareholders of the Company held on April 28, 2010, the Company's shareholders approved the Consolidated-Tomoka Land Co. 2010 Equity Incentive Plan (the "Original 2010 Plan"). The Original 2010 Plan replaced the Company's 2001 Plan. At the Annual Meeting of Shareholders of the Company held on April 24, 2013, the Company's shareholders approved an amendment and restatement of the entire Original 2010 Plan, which among other things, incorporated claw back provisions and clarified language regarding the shares available subsequent to forfeiture of any awards of restricted shares. At the Annual Meeting of Shareholders of the Company held on April 23, 2014, the Company's shareholders approved an amendment to the Original 2010 Plan increasing the number of shares authorized for issuance by 240,000 shares, bringing the total number of shares authorized for issuance to 450,000. At the Annual Meeting of Shareholders of the Company held on April 25, 2018, the Company's shareholders approved the Second Amended and Restated 2010 Equity Incentive Plan (the "2010 Plan") which, among other things, increased the number of shares available thereunder to 720,000. Awards under the 2010 Plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted share units, performance shares, and performance units. Employees of the Company and its subsidiaries and non-employee directors may be selected by the Compensation Committee to receive awards under the

2010 Plan. The maximum number of shares of which stock awards may be granted under the 2010 Plan is 702,000 shares. No participant may receive awards during any one calendar year representing more than 50,000 shares of common stock. In no event will the number of shares of common stock issued under the plan upon the exercise of incentive stock options exceed 720,000 shares. These limits are subject to adjustments by the Compensation Committee as provided in the 2010 Plan for stock splits, stock dividends, recapitalizations, and other similar transactions or events. The 2010 Plan currently provides that it will expire on the tenth anniversary of the date that it was adopted by the Board, and that no awards will be granted under the plan after that date.

All non-qualified stock option awards, restricted share awards, and performance share awards granted under the 2010 Plan were determined to be equity-based awards under FASB ASC Topic, *Share-Based Payments*.

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.

The Company used a Monte Carlo simulation pricing model to determine the fair value and vesting period of the restricted share awards. The determination of the fair value of market condition-based 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 requisite performance term of awards, the performance of the Company's stock price, 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.

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, 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.

EARNINGS PER COMMON SHARE

Basic earnings per common share is computed by dividing net income by the weighted average number of shares outstanding. Diluted earnings per common share are based on the assumption of the conversion of stock options using the treasury stock method at average cost for the year, see Note 13, "Common Stock and Earnings Per Share."

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents.

Approximately 24% of the Company's income property portfolio, based on square footage, and prior to December 31, 2019, all of the Company's land holdings, golf operations, agriculture operations, and Subsurface Interests (hereinafter defined) are in the State of Florida. During the year ended December 31, 2019, the Company's remaining land holdings, and its golf operations were sold, thereby significantly reducing the concentration of assets in the State of Florida. Uncertainty of the duration of a prolonged real estate and economic downturn could have an adverse impact on the Company's real estate values.

We had one tenant that accounted for more than 10% of our consolidated income property revenue during the years ended December 31, 2019 and 2018. Wells Fargo, who occupied two single-tenant office properties located in Hillsboro, Oregon and Raleigh, North Carolina, accounted for approximately 12.5%, 13.5%, and 15.3% of our consolidated revenues during the years ended December 31, 2019, 2018, and 2017, respectively.

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 year ended December 31, 2019:

	Income Properties ($000's)	Management Fee Income ($000's)	Commercial Loan Investments ($000's)	Real Estate Operations ($000's)	Total Revenues ($000's)
Major Good / Service:					
Lease Revenue - Base Rent	$ 35,109	$ —	$ —	$ —	$ 35,109
Lease Revenue - CAM	1,422	—	—	—	1,422
Lease Revenue - Reimbursements	2,759	—	—	—	2,759
Lease Revenue - Billboards	243	—	—	—	243
Above / Below Market Lease Accretion	2,382	—	—	—	2,382
Contributed Leased Assets Accretion	217	—	—	—	217
Lease Incentive Amortization	(277)	—	—	—	(277)
Management Fee Income	—	304	—	—	304
Commercial Loan Investments	—	—	1,829	—	1,829
Impact Fee and Mitigation Credit Sales	—	—	—	—	—
Subsurface Lease Revenue	—	—	—	598	598
Subsurface Revenue - Other	—	—	—	150	150
Fill Dirt and Other Revenue	—	—	—	104	104
Timber Sales Revenue	—	—	—	—	—
Interest and Other Revenue	101	—	—	—	101
Total Revenues	$ 41,956	$ 304	$ 1,829	$ 852	$ 44,941
Timing of Revenue Recognition:					
Asset/Good Transferred at a Point in Time	$ —	$ —	$ —	$ 254	$ 254
Services Transferred Over Time	101	304	—	—	405
Over Lease Term	41,855	—	—	598	42,453
Commercial Loan Investment Related Revenue	—	—	1,829	—	1,829
Total Revenues	$ 41,956	$ 304	$ 1,829	$ 852	$ 44,941

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 year ended December 31, 2018:

	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	$ 31,587	$ —	$ —	$ 31,587
Lease Revenue - CAM	2,905	—	—	2,905
Lease Revenue - Reimbursements	2,934	—	—	2,934
Lease Revenue - Billboards	250	—	—	250
Above / Below Market Lease Accretion	2,339	—	—	2,339
Contributed Leased Assets Accretion	218	—	—	218
Lease Incentive Amortization	(302)	—	—	(302)
Commercial Loan Investments	—	616	—	616
Impact Fee and Mitigation Credit Sales	—	—	1,338	1,338
Subsurface Lease Revenue	—	—	957	957
Subsurface Revenue - Other	—	—	668	668
Fill Dirt and Other Revenue	—	—	3	3
Interest and Other Revenue	145	—	—	145
Total Revenues	$ 40,076	$ 616	$ 2,966	$ 43,658
Timing of Revenue Recognition:				
Asset/Good Transferred at a Point in Time	$ —	$ —	$ 2,009	$ 2,009
Services Transferred Over Time	145	—	—	145
Over Lease Term	39,931	—	957	40,888
Commercial Loan Investment Related Revenue	—	616	—	616
Total Revenues	$ 40,076	$ 616	$ 2,966	$ 43,658

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 year ended December 31, 2017:

	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	$ 24,650	$ —	$ —	$ 24,650
Lease Revenue - CAM	2,208	—	—	2,208
Lease Revenue - Reimbursements	2,125	—	—	2,125
Lease Revenue - Billboards	251	—	—	251
Above / Below Market Lease Accretion	2,194	—	—	2,194
Lease Incentive Amortization	(50)	—	—	(50)
Commercial Loan Investments	—	2,053	—	2,053
Impact Fee and Mitigation Credit Sales	—	—	2,126	2,126
Subsurface Lease Revenue	—	—	856	856
Subsurface Revenue - Other	—	—	2,192	2,192
Fill Dirt and Other Revenue	—	—	17	17
Interest and Other Revenue	29	—	—	29
Total Revenues	$ 31,407	$ 2,053	$ 5,191	$ 38,651
Timing of Revenue Recognition:				
Asset/Good Transferred at a Point in Time	$ —	$ —	$ 4,335	$ 4,335
Services Transferred Over Time	29	—	—	29
Over Lease Term	31,378	—	856	32,234
Commercial Loan Investment Related Revenue	—	2,053	—	2,053
Total Revenues	$ 31,407	$ 2,053	$ 5,191	$ 38,651

NOTE 3. INCOME PROPERTIES

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:

	Year Ended December 31,		
	2019 ($000's)	2018 ($000's)	2017 ($000's)
Leasing Revenue			
Lease Payments	$ 37,431	$ 33,842	$ 26,794
Variable Lease Payments	4,525	6,234	4,613
Total Leasing Revenue	$ 41,956	$ 40,076	$ 31,407

Minimum future base rental revenue on non-cancelable leases subsequent to December 31, 2019, for the next five years ended December 31 are summarized as follows:

Year Ending December 31,	Amounts ($000's)
2020	$ 25,698
2021	24,979
2022	24,074
2023	23,343
2024	23,069
2025 and thereafter (cumulative)	174,852
Total	$ 296,015

2019 Activity. During the year ended December 31, 2019, the Company acquired ten single-tenant income properties and one multi-tenant income property, for an aggregate purchase price of approximately $164.7 million, or an aggregate acquisition cost of approximately $165.7 million including capitalized acquisition costs. Based on independent third-party purchase price allocation valuations, of the total acquisition cost, approximately $45.6 million was allocated to land, approximately $83.5 million was allocated to buildings and improvements, approximately $23.4 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees and above market lease value, and approximately $3.1 million was allocated to intangible liabilities for the below market lease value. The remaining approximately $16.3 million was classified as a commercial loan investment as described below and in Note 4, "Commercial Loan Investments." The weighted average amortization period for the intangible assets and liabilities was approximately 9.7 years at acquisition. The properties acquired during the year ended December 31, 2019 are described below:

Tenant Description	Tenant Type	Property Location	Date of Acquisition	Property Square-Feet	Property Acres	Purchase Price	Percentage Leased	Remaining Lease Term at Acquisition Date (in years)
Hobby Lobby Stores, Inc.	Single-Tenant	Winston-Salem, NC	05/16/19	55,000	7.6	$ 8,075,000	100%	10.9
24 Hour Fitness USA, Inc.	Single-Tenant	Falls Church, VA	05/23/19	46,000	3.1	21,250,000	100%	8.6
Walgreen Co.	Single-Tenant	Birmingham, AL	06/05/19	14,516	2.1	5,500,000	100%	9.8
Family Dollar Stores of Massachusetts, Inc.	Single-Tenant	Lynn, MA	06/07/19	9,228	0.7	2,100,000	100%	4.8
Walgreen Co.	Single-Tenant	Albany, GA	06/21/19	14,770	3.6	3,634,000	100%	13.6
Carpenter Hotel [(1)]	Single-Tenant	Austin, TX	07/05/19	N/A	1.4	16,250,000	100%	99.1
General Dynamics Corporation	Single-Tenant	Reston, VA	07/12/19	64,319	3.0	18,600,000	100%	9.9
Live Nation Entertainment, Inc.	Single-Tenant	East Troy, WI	08/30/19	N/A	158.3	7,500,000	100%	10.6
Party City Corporation	Single-Tenant	Oceanside, NY	09/24/19	15,500	1.2	7,120,000	100%	10.2
Burlington Stores, Inc.	Single-Tenant	N. Richland Hills, TX	10/28/19	70,891	5.3	11,940,000	100%	9.3
The Strand	Multi-Tenant	Jacksonville, FL	12/09/19	212,402	52.0	62,701,000	95%	9.5
	Total / Weighted Average			502,626		$ 164,670,000		18.4

(1) The ground lease with The Carpenter Hotel includes two tenant repurchase options. Pursuant to FASB ASC Topic 842, Leases, the $16.25 million investment has been recorded in the accompanying consolidated balance sheet as of December 31, 2019 as a commercial loan investment. See Note 4, "Commercial Loan Investments".

2019 Dispositions. Twenty-one single-tenant income properties were disposed of during the year ended December 31, 2019 as follows:

- On November 26, 2019, as part of the initial public offering (the "IPO") of PINE, the Company sold or contributed 20 single-tenant net-leased income properties to Alpine and its operating partnership (the "Alpine OP") for aggregate cash consideration of approximately $125.9 million for 15 of the properties and an aggregate of 1,223,854 units of the Alpine OP ("OP Units") for 5 of the properties, with the OP Units having an initial value of approximately $23.3 million, based on Alpine's IPO price, resulting in a gain of approximately $1.0 million, or approximately $0.16 per share after tax (the "PINE Income Property Sale Transactions").

  In addition to investing in Alpine by way of receipt of the OP Units, the Company invested $15.5 million of cash in Alpine at its IPO, receiving 815,790 shares of Alpine's common stock. In aggregate, the Company owns approximately 2.04 million shares of Alpine, or approximately 22.3% of its total shares outstanding.

- On August 7, 2019, the Company sold its 1.56-acre outparcel subject to a ground lease with Wawa located in Winter Park, Florida for approximately $2.8 million (the "Wawa Sale"). The property is an outparcel to the Grove at Winter Park which the Company sold in May 2019. The gain on the Wawa Sale totaled approximately $2.1 million, or approximately $0.33 per share, after tax.

Additionally, three multi-tenant income properties, which were classified in Assets Held for Sale as of December 31, 2018, were disposed of during the year ended December 31, 2019 (the "Multi-Tenant Dispositions") as described below. The Multi-Tenant Dispositions continue the Company's objective of transitioning the income property portfolio to primarily single-tenant net lease properties.

- On June 24, 2019, the Company sold its approximately 76,000 square foot multi-tenant retail property located in Santa Clara, California for approximately $37.0 million (the "Peterson Sale"). The gain on the Peterson Sale totaled approximately $9.0 million, or approximately $1.36 per share, after tax.

- On May 23, 2019, the Company sold its approximately 112,000 square foot multi-tenant retail property, anchored by a 24 Hour Fitness, located in Winter Park, Florida for approximately $18.3 million (the "Grove Sale"). The gain on the Grove Sale totaled approximately $2.8 million, or approximately $0.42 per share, after tax.

- On February 21, 2019, the Company sold its approximately 59,000 square foot multi-tenant retail property, anchored by a Whole Foods Market retail store, located in Sarasota, Florida for approximately $24.6 million (the "Whole Foods Sale"). The gain on the Whole Foods Sale totaled approximately $6.9 million, or approximately $0.96 per share, after tax.

2019 Leasing Activity. On July 16, 2019, the Company entered into a lease termination agreement (the “Termination Agreement”) with Cocina 214, the tenant of one of the Company’s beachfront restaurant properties located in Daytona Beach, Florida. Pursuant to the Termination Agreement, the Company agreed to fund Cocina 214 approximately $1.0 million of their original contribution towards the completion of the building and tenant improvements and other personal property as described in Note 18, “Deferred Revenue.” Additionally, pursuant to the Termination Agreement, the Company collected the balance of unpaid rent of approximately $0.3 million that was due through the date Cocina 214 vacated the property. Accordingly, the Company made a net payment to Cocina 214 of approximately $693,000 in August 2019 (the “Termination Payment”).

On July 18, 2019, the Company entered into a lease agreement with Broken Hook, LLC to operate the beachfront restaurant as Crabby’s Oceanside Daytona Beach (the “Crabby’s Lease”). The Crabby’s Lease commenced on August 4, 2019 with rent commencing on August 26, 2019 and has an original lease term of ten years with four five-year renewal options.

2018 Activity. During the year ended December 31, 2018, the Company acquired eleven single-tenant income properties, for an aggregate purchase price of approximately $106.6 million, or an aggregate acquisition cost of approximately $107.8 million including capitalized acquisition costs. Based on independent third-party purchase price allocation valuations, of the total acquisition cost, approximately $47.9 million was allocated to land, approximately $45.6 million was allocated to buildings and improvements, approximately $15.6 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees and above market lease value, and approximately $1.3 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 13.2 years at acquisition.

Four income properties were disposed of during the year ended December 31, 2018. On March 26, 2018, the Company sold its four self-developed, multi-tenant office properties located in Daytona Beach, Florida, for approximately $11.4 million (the “Self-Developed Properties Sale”). The sale included the 22,012 square-foot Concierge office building, the 30,720 square-foot Mason Commerce Center comprised of two office buildings, and the 15,360 square-foot Williamson Business Park office building. The gain on the sale totaled approximately $3.7 million, or approximately $0.49 per share, after tax. The Company utilized the proceeds to fund a portion of the previously acquired income property located near Portland, Oregon, leased to Wells Fargo, through a reverse 1031 like-kind exchange structure. As part of the transaction, the Company entered into a lease of its approximately 7,600 square-foot office space in Williamson Business Park for approximately 5 years at a market rental rate.

2017 Activity. During the year ended December 31, 2017, the Company acquired four single-tenant income properties and two multi-tenant income properties, for an aggregate purchase price of approximately $79.8 million, or an aggregate acquisition cost of approximately $80.6 million including capitalized acquisition costs. Based on independent third-party purchase price allocation valuations, of the total acquisition cost, approximately $28.0 million was allocated to land, approximately $45.2 million was allocated to buildings and improvements, approximately $9.3 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees and above market lease value, and approximately $1.9 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 8.9 years at acquisition.

No income properties were disposed of during the year ended December 31, 2017.

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 generally 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.

On July 5, 2019, the Company originated an approximately $8.3 million first mortgage loan secured by the leasehold interest in the Carpenter Hotel in Austin, Texas. The loan is interest-only with a term of one-year with a fixed interest rate of 11.50%. The Company received an origination fee of 1%, or $82,500.

On July 5, 2019, the Company acquired approximately 1.4 acres of land under the Carpenter Hotel in Austin, Texas (the "Carpenter Purchase"), for approximately $16.25 million. Separately, the Company entered into a new 99-year ground lease (the "Ground Lease") whereby the Company leased back the land to the seller. The Ground Lease includes annual escalations and certain future repurchase rights. Pursuant to FASB ASC Topic 842, Leases, due to the future repurchase rights, the Ground Lease does not qualify for treatment as a property purchase and has been accounted for on the consolidated balance sheets as a commercial loan investment (the "Ground Lease Loan"). The Company has imputed interest on the Ground Lease Loan which is being recognized as interest income on commercial loan investments in the Company's consolidated statements of operations.

On June 14, 2019, the Company originated an $8.0 million first mortgage bridge loan secured by 72 acres of land in Orlando, Florida. The loan is interest-only with a term of one-year with two 1-year extensions with a fixed interest rate of 12.00%. The Company received an origination fee of 2%, or $160,000.

On October 17, 2019, the Company originated an approximately $2.1 million first mortgage loan secured by the LPGA golf assets which were sold on October 17, 2019. The loan is interest-only with a term of one-year with two six-month extensions with a fixed interest rate of 7.50%. The Company received an origination fee of 1.5%, or approximately $31,000.

The Company's commercial loan investment portfolio was comprised of the following at December 31, 2019:

Description	Date of Investment	Maturity Date	Original Face Amount	Current Face Amount	Carrying Value	Coupon Rate
First Mortgage – 72-Acre Land Parcel, Orlando, FL	June 2019	June 2020	$ 8,000,000	$ 8,000,000	$ 7,927,869	12.00%
Mortgage Note – 400 Josephine Street, Austin, TX	July 2019	July 2020	8,250,000	8,250,000	8,207,964	11.50%
Ground Lease Loan – 400 Josephine Street, Austin, TX	July 2019	N/A	16,250,000	16,250,000	16,443,942	N/A
LPGA Buyer Loan – Daytona Beach, FL	Oct 2019	Oct 2020	2,070,000	2,070,000	2,045,398	7.50%
			$ 34,570,000	$ 34,570,000	$ 34,625,173	

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

	Total
Current Face Amount	$ 34,570,000
Imputed Interest over Rent Payments Received on Ground Lease Loan	193,943
Unaccreted Origination Fees	(138,770)
Total Commercial Loan Investments	$ 34,625,173

As of December 31, 2018, the Company had no commercial loan investments.

NOTE 5. RELATED PARTY MANAGEMENT SERVICES BUSINESS

PINE. Pursuant to the Company's management agreement with PINE, (the "Management Agreement"), 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 terms of the incentive fee.

During the year ended December 31, 2019, the Company earned management fee revenue from PINE of approximately $254,000 which represents the initial stub period of PINE’s operations from November 26, 2019 to December 31, 2019 and is included in management services in the accompanying consolidated statements of operations. Dividends received totaled approximately $118,000 for the year ended December 31, 2019 and are included in investment income in the accompanying consolidated statements of operations.

The following table represents amounts due from PINE to the Company as of December 31, 2019:

Description		**Amounts ($000's)**
Management Services Fee due from PINE	$	254
Dividend Receivable on OP Units		71
Other		56
Total	$	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 year ended December 31, 2019, the Company earned management fee revenue from the Land JV of approximately $50,000 which represents the initial stub period of the Land JV’s operations from October 16, 2019 to December 31, 2019 and is included in management services in the accompanying consolidated statements of operations.

NOTE 6. LAND AND INVESTMENT IN THE LAND JV

Land and development costs at December 31, 2019 and 2018 were as follows:

	December 31,			
		2019		**2018**
Land and Development Costs	$	6,068,810	$	5,001,795
Land, Timber, and Subsurface Interests		663,481		623,050
Total Land and Development Costs	$	6,732,291	$	5,624,845

As of December 31, 2018, the Company owned approximately 5,400 acres of undeveloped land in Daytona Beach, Florida, along six miles of the west and east sides of Interstate 95. The significant decrease in land and development costs above is primarily the result of the Company’s completion of the sale of a controlling interest in its wholly-owned subsidiary, Crisp39 SPV LLC to affiliates of Magnetar Capital LLC (the “Magnetar Investors”) (the “Magnetar Land Sale”) on October 16, 2019, pursuant to an Interest Purchase Agreement (the “Purchase Agreement”) for proceeds of approximately $97.0 million. Crisp39 SPV LLC holds the approximately 5,300 acres of undeveloped land in Daytona Beach, Florida (the “Land JV”).

As a result of the closing of the Purchase Agreement, the Magnetar Investors collectively own a notional 66.50% equity interest in the Land JV, and the Company owns a notional 33.50% equity interest in the Land JV (collectively the Company and the Magnetar Investors are herein referred to as the “JV Partners”). The transaction resulted in a gain of approximately $78.6 million, or approximately $12.21 per share, after tax, on the sale of the 66.50% equity interest in the Land JV and a non-cash gain of approximately $48.9 million on the Company’s retained interest in the Land JV, or approximately $7.59 per share, after tax.

The direct impact of the Magnetar Land Sale is that the Company divested itself of its land holdings, but for the 6-acre Daytona Beach development land described below, and as such the occurrence of land sales, which had been a primary element of the Company’s business for virtually its entire 109-year history, has been essentially discontinued. Consequently, the operations associated with our land holdings were treated as discontinued operations and accordingly the revenues and expenses that had been presented within the Company’s real estate operations segment in prior periods were reclassified in the statement of operations for the year ended December 31, 2019 and all prior periods presented.

However, the Company is continuing to pursue land sales on the approximately 5,300 acres that formerly comprised its land holdings in its role as Manager (of the Land JV) on behalf of the JV Partners. 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 March 6, 2020, the Land JV has completed approximately $22 million in land sales since its inception in mid-October 2019 and currently has a pipeline of 10 purchase and sale agreements for potential land sale transactions representing approximately $97 million of potential proceeds to the Land JV. The 4,200 acres under contract represents approximately 84% of the total remaining land in the Land JV.

The Company will serve as the initial 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 made 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 LLC Agreement the Land JV will pay the Manager a management fee in the initial amount of $20,000 per month, which amount will be evaluated on a quarterly basis and reduced based on the value of real property that remains in the Land JV.

Real Estate Operations – Discontinued Operations

Since the transition in our land operations occurred late in 2019, the impact of land sales for the periods prior to October 2019 are no longer germane to our financial condition, results of operations and cash flows. As such the following summarized information is provided regarding land sales activity prior to October 2019.

Revenue from discontinued real estate operations consisted of the following for the years ended December 31, 2019, 2018, and 2017:

Revenue Description	**2019 ($000's)**	**2018 ($000's)**	**2017 ($000's)**
Land Sales Revenue	$ 10,975	$ 41,452	$ 45,471
Revenue from Reimbursement of Infrastructure Costs	—	1,556	1,860
Agriculture	68	23	335
Total Real Estate Operations Revenue - Discontinued Operations	$ 11,043	$ 43,031	$ 47,666

2019 Land Sales. During the year ended December 31, 2019, the Company completed five land sales transactions, including: (i) the Magnetar Land Sale for approximately 5,300 acres of land, for total proceeds of approximately $97.0 million; (ii) two transactions with Unicorp Development representing approximately 23.6 acres and generating aggregate proceeds of approximately $7.1 million; (iii) the sale of approximately 38 acres for total proceeds of $710,000, and (iv) a land sale to NADG for approximately 13 acres generating proceeds of approximately $3 million. In total the Company, in 2019, sold approximately 5,400 acres generating proceeds of approximately $108 million. Including the approximately $48.9 million recognized on the retained interest in the Land JV, resulting in gains of approximately $133 million, or approximately $20.60 per share after tax, were recognized.

2018 Land Sales. During the year ended December 31, 2018, the Company completed land transactions representing approximately 2,697 acres including: (i) the sale of a 70% interest in the Mitigation Bank (hereinafter defined) that holds approximately 2,492 acres for proceeds of $15.3 million and (ii) twelve land sales totaling approximately 205 acres for aggregate proceeds of approximately $43.7 million. The twelve land sales generated gains of approximately $32.6 million, or approximately $4.44 per share, after tax.

2017 Land Sales. During the year ended December 31, 2017, the Company completed land transactions representing approximately 1,700 acres including: (i) the sale of nearly 1,600 acres to Minto Communities generating proceeds of approximately $27.2 million; (ii) two transactions with NADG of approximately 46 acres for total proceeds of approximately $10.6 million, and (iii) five other transactions representing approximately 73.5 acres that generated approximately $9.2 million of proceeds. The land sales in 2017 generated aggregate proceeds of approximately $45.5 million and gains of approximately $31.8 million, or approximately $3.51 per share, after tax.

Land Impairments. As more fully described in Note 11, "Impairment of Long-Lived Assets," during the years ended December 31, 2019, 2018, and 2017, the Company did not recognize any impairments on its undeveloped land holdings.

Real Estate Operations – Continuing

Revenue from continuing real estate operations consisted of the following for the years ended December 31, 2019, 2018, and 2017:

Revenue Description	2019 ($000's)	2018 ($000's)	2017 ($000's)
Impact Fee and Mitigation Credit Sales	—	1,338	2,126
Subsurface Revenue	748	1,625	3,048
Fill Dirt and Other Revenue	104	3	17
Total Real Estate Operations Revenue - Continuing Operations	$ 852	$ 2,966	$ 5,191

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 December 31, 2019, the Company had 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 December 31, 2019, we have incurred approximately $1.1 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 $2.3 million as of December 31, 2019. The increase in mitigation credits includes the 25 credits acquired from the Mitigation Bank during December 2019 as described in Note 7, Investment in Joint Ventures. There were no mitigation credit sales during the year ended December 31, 2019. During the year ended December 31, 2018, the Company transferred mitigation credits with a basis of approximately $124,000 to the land acquired by Buc-ee's. During the year ended December 31, 2018, the Company sold mitigation credits for approximately $1.0 million, for a gain of approximately $882,000, or $0.12 per share, after tax. During the year ended December 31, 2017, the Company sold mitigation credits for approximately $1.6 million, for a gain of approximately $1.3 million, or $0.15 per share, after tax. Additionally, the Company recorded the transfer of mitigation credits with a cost basis of approximately $298,000 as a charge to direct cost of revenues of real estate operations during the year ended December 31, 2017, as more fully described in Note 21, "Commitments and Contingencies." During the years ended December 31, 2018 and 2017, the Company received cash payments of approximately $338,000 and $519,000, respectively, for impact fees with a cost basis that was generally of equal value, with no such impact fee sales during the year ended December 31, 2019 as the balance of impact fees is only approximately $2,000. Additionally, during the year ended December 31, 2018, impact fees with a cost basis of approximately $72,000 were transferred to the beachfront restaurant leased to LandShark Bar & Grill.

Subsurface Interests. As of December 31, 2019, 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.

Prior to September 2019, the Company leased certain of the Subsurface Interests to a mineral exploration organization for exploration. An eight-year oil exploration lease was executed in 2011 that covered a portion of our Subsurface Interests. On September 20, 2017, the Company amended the oil exploration lease to, among other things, extend the expiration of the original term for five additional years to the new expiration date of September 22, 2024. As a result, the lease was effectively comprised of thirteen one-year terms as the lessee had the option to terminate the lease at the end of each lease year. 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. During the eight years the lease was active the annual lease payments were recognized as revenue ratably over the respective twelve-month lease period. During the lease term a number of the renewals included the payment of a drilling penalty by the Lessee. The non-refundable drilling penalty payments were recognized as revenue when earned, i.e. when the amount agreed upon was paid. Lease income generated by the annual lease payments is recognized on a straight-line basis over the guaranteed lease term. For the years December 31, 2019, 2018, and 2017, lease income of approximately $598,000, approximately $807,000, and approximately $807,000 was recognized, respectively.

Lease payments on the respective acreages and drilling penalties received through lease year eight are as follows:

Lease Year	Acreage (Approximate)	Florida County	Lease Payment [1]	Drilling Penalty [1]
Lease Year 1 - 9/23/2011 - 9/22/2012	136,000	Lee and Hendry	$ 913,657	$ —
Lease Year 2 - 9/23/2012 - 9/22/2013	136,000	Lee and Hendry	922,114	—
Lease Year 3 - 9/23/2013 - 9/22/2014	82,000	Hendry	3,293,000	1,000,000
Lease Year 4 - 9/23/2014 - 9/22/2015	42,000	Hendry	1,866,146	600,000
Lease Year 5 - 9/23/2015 - 9/22/2016	25,000	Hendry	1,218,838	175,000
Lease Year 6 - 9/23/2016 - 9/22/2017	15,000	Hendry	806,683	150,000
Lease Year 7 - 9/23/2017 - 9/22/2018	15,000	Hendry	806,683	50,000
Lease Year 8 - 9/23/2018 - 9/22/2019	15,000	Hendry	806,684	150,000
Total Payments			$ 10,633,805	$ 2,125,000

(1) Generally, cash payment for the Lease Payment and Drilling Penalty is received on or before the first day of the lease year. The Drilling Penalty, which is due within thirty days from the end of the prior lease year, is recorded as revenue when earned, i.e. when the amount is agreed upon, while the Lease Payment is recognized on a straight-line basis over the respective lease term. The oil exploration lease has not been renewed beyond September 22, 2019 and has effectively terminated.

There were no sales of subsurface acres during the years ended December 31, 2019 or 2018. During the year ended December 31, 2017, the Company sold approximately 38,750 acres of subsurface interests in Osceola County, Florida for approximately $2.1 million (the "Osceola Subsurface Sale"). The gain from the Osceola Subsurface Sale totaled approximately $2.08 million, or $0.23 per share, after tax.

During the years ended December 31, 2019, 2018, and 2017, the Company also received oil royalties from operating oil wells on 800 acres under a separate lease with a separate operator. Production volume from these oil wells resulted in revenues received from oil royalties of approximately $42,000, $72,000, and $86,000, 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. During the year ended December 31, 2018, the Company completed a transaction releasing our surface entry rights on approximately 600 acres in exchange for approximately $185,000 in cash and fee title to approximately 40 additional acres in Hendry County, valued at approximately $320,000. Including the non-cash value received, the gain from the transaction totaled approximately $435,000, or $0.06 per share, after tax. Additional cash payments for the release of surface entry rights during 2018 totaled approximately $73,000. Cash payments for the release of surface entry rights totaled approximately $104,000 during the year ended December 31, 2019, while there were no releases of surface entry rights during the year ended December 31, 2017.

NOTE 7. INVESTMENTS IN JOINT VENTURES

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 December 31, 2019. There were no balances as of December 31, 2018.

	As of December 31, 2019 ($000's)	
Assets, cash and cash equivalents	$	15,066
Assets, prepaid expenses		61
Assets, investment in land assets		17,058
Total Assets	$	32,185
Liabilities, accounts payable, deferred revenue	$	987
Equity	$	31,198
Total Liabilities & Equity	$	32,185

The following table provides summarized financial information of the Land JV for the year ended December 31, 2019. There was no activity for the years ended December 31, 2018 and 2017.

	Year Ended December 31, 2019 ($000's)	
Revenues	$	14,635
Direct Cost of Revenues		1,268
Operating Income	$	13,367
Other Operating Expenses	$	90
Net Income	$	13,277

The Company's share of the Land JV's net income was zero for the year ended December 31, 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 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.

Mitigation Bank. The mitigation bank transaction consists of the sale of a 70% interest in the entity that holds approximately 2,492 acres of land that has been permitted for the creation of a wetland mitigation bank (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 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 gain on the sale of the 70% interest in the Mitigation Bank JV totaled approximately $18.4 million and is comprised of the gain on the sale of 70% interest for proceeds of $15.3 million as well as the gain on the retained 30% interest pursuant to FASB ASC Topic 610-20, *Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets*. The gain is included in the Gain on Disposition of Assets in the Company's consolidated statements of operations. As of December 31, 2018, the approximately $6.8 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 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 as of December 31, 2018.

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 as of December 31, 2018. 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 Impact Fees and Mitigation Credits on the accompanying consolidated balance sheets as of December 31, 2019. 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 December 31, 2019 of approximately $6.9 million and on the fair value of the mitigation credits purchased as of December 31, 2019, noting no impairment issues. The Company evaluates its estimates of fair value on an ongoing basis; however, actual results may differ from those estimates.

The following tables provide summarized financial information of the Mitigation Bank JV as of December 31, 2019 and 2018:

	As of December 31, 2019 ($000's)	As of December 31, 2018 ($000's)
Assets, cash and cash equivalents	$ 4,015	$ 2,316
Assets, prepaid expenses	19	19
Assets, investment in mitigation credit assets	1,521	1,511
Assets, property, plant, and equipment	17	18
Total Assets	$ 5,572	$ 3,864
Liabilities, accounts payable, deferred mitigation credit sale revenue	$ 39	$ 62
Equity	$ 5,533	$ 3,802
Total Liabilities & Equity	$ 5,572	$ 3,864

The following table provides summarized financial information of the Mitigation Bank JV for the year ended December 31, 2019 and 2018. There was no activity for the year ended December 31, 2017.

	Year Ended	
	December 31, 2019 ($000's)	December 31, 2018 ($000's)
Revenues	$ 1,922	$ —
Direct Cost of Revenues	76	—
Operating Income	$ 1,846	$ —
Other Operating Expenses	$ 197	$ 117
Net Income	$ 1,649	$ (117)

The Company’s share of the Mitigation Bank JV’s net income was zero for the years ended December 31, 2019 and 2018. 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 Mitigation Bank JV of approximately $6.8 million 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 (the "Private Placement"). 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 Company's investment in PINE as a result of receiving 1,223,854 OP Units, the Company owns, in the aggregate, approximately 2.04 million shares of PINE, or approximately 22.3% of PINE's total shares outstanding for 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.

	As of December 31, 2019			
	Cost	Unrealized Gains in Investment Income	Unrealized Losses in Investment Income	Estimated Fair Value (Level 1 and 2 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

The Company had no investment securities as of December 31, 2018 or 2017.

NOTE 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying value and estimated fair value of the Company's financial instruments not carried at fair value on the consolidated balance sheets at December 31, 2019 and 2018:

	December 31, 2019		December 31, 2018	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and Cash Equivalents - Level 1	$ 6,474,637	$ 6,474,637	$ 2,310,489	$ 2,310,489
Restricted Cash - Level 1	128,430,049	128,430,049	19,721,475	19,721,475
Commercial Loan Investments - Level 2	34,625,173	35,001,997	—	—
Long-Term Debt - Level 2	287,218,303	288,830,346	247,624,811	248,765,650

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 measured on a recurring basis by Level at December 31, 2019:

		Fair Value at Reporting Date Using		
	12/31/2019	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	$ 99,021	$ —	$ 99,021	$ —
Investment Securities	38,814,425	38,814,425	—	—
Total	$ 38,814,425	$ 38,814,425	$ —	$ —

The following table presents the fair value of assets measured on a recurring basis by Level at December 31, 2018:

		Fair Value at Reporting Date Using		
	12/31/2018	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	$ 651,722	$ —	$ 651,722	$ —
Total	$ 651,722	$ —	$ 651,722	$ —

No assets were measured on a non-recurring basis as of December 31, 2019 or 2018.

NOTE 10. INTANGIBLE ASSETS AND LIABILITIES

Intangible 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 assets and liabilities consisted of the following as of December 31, 2019 and 2018:

	As of	
	December 31, 2019	December 31, 2018
Intangible Lease Assets:		
Value of In-Place Leases	$ 42,584,264	$ 39,189,008
Value of Above Market In-Place Leases	7,119,316	4,114,715
Value of Intangible Leasing Costs	14,645,780	14,791,111
Sub-total Intangible Lease Assets	64,349,360	58,094,834
Accumulated Amortization	(15,327,182)	(14,539,389)
Sub-total Intangible Lease Assets—Net	49,022,178	43,555,445
Intangible Lease Liabilities (included in accrued and other liabilities):		
Value of Below Market In-Place Leases	(36,507,336)	(35,321,234)
Sub-total Intangible Lease Liabilities	(36,507,336)	(35,321,234)
Accumulated Amortization	10,309,088	7,930,884
Sub-total Intangible Lease Liabilities—Net	(26,198,248)	(27,390,350)
Total Intangible Assets and Liabilities—Net	$ 22,823,930	$ 16,165,095

During the year ended December 31, 2019, the value of in-place leases increased by approximately $16.1 million, the value of above-market in-place leases increased by approximately $3.2 million, the value of intangible leasing costs increased by approximately $5.7 million, and the value of below-market in-place leases increased by approximately $3.7 million due to the acquisition of ten single-tenant and one multi-tenant income properties, offset by the net amortization of approximately $3.5 million, the reclass to accumulated amortization from assets held for sale for the Westcliff property of approximately $10.5 million, and the disposition of approximately $10.7 million of intangible lease assets and liabilities related to the 2019 Multi-Tenant Dispositions, the PINE Income Property Sale Transactions, the Wawa Disposition, for a net increase during 2019 of approximately $6.6 million.

As of December 31, 2019 and 2018, approximately $22.2 and $24.4 million, respectively, of the total below market in-place lease value is related to the Wells Fargo property located in Raleigh, North Carolina which was acquired on November 18, 2015.

The following table reflects the net amortization of intangible assets and liabilities during the years ended December 31, 2019, 2018, and 2017:

	Year Ended		
	December 31, 2019 ($000's)	December 31, 2018 ($000's)	December 31, 2017 ($000's)
Depreciation and Amortization Expense	$ 5,854	$ 5,872	$ 4,776
Increase to Income Properties Revenue	(2,383)	(2,339)	(2,194)
Net Amortization of Intangible Assets and Liabilities	$ 3,471	$ 3,533	$ 2,582

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
2020	$ 5,812,069	$ (1,932,881)	$ 3,879,188
2021	4,383,899	(2,004,052)	2,379,847
2022	3,976,582	(2,075,213)	1,901,369
2023	3,851,554	(2,070,019)	1,781,535
2024	3,808,092	(1,972,289)	1,835,803
Thereafter	21,294,453	(10,248,265)	11,046,188
Total	$ 43,126,649	$ (20,302,719)	$ 22,823,930

As of December 31, 2019, the weighted average amortization period of both the total intangible assets and liabilities was approximately 13 years.

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 years ended December 31, 2019, 2018, and 2017, there were no impairment charges on the Company's undeveloped land holdings or its income property portfolio.

During the year ended December 31, 2018, the Company wrote down the value of the golf assets comprising the Club, which resulted in a corresponding impairment charge of approximately $1.1 million, or $0.15 per share, after tax. The write-down of the golf operation assets to approximately $3.1 million and the related $1.1 million impairment charge were the result of the Company's assessment of certain triggering events, including activities related to a review of strategic alternatives for the golf operations, occurring during the third quarter of 2018, which required an assessment of the carrying value of the golf assets comprising the Club. In the fourth quarter of 2018, the Company commenced efforts to pursue the monetization of the golf operations and assets comprising the Club. Accordingly, as of December 31, 2018, the golf assets comprising the Club were classified as held for sale in the accompanying consolidated balance sheets until the completion of the sale of the golf operation assets during the fourth quarter of 2019, which resulted in a nominal gain of approximately $15,000.

NOTE 12. OTHER ASSETS

Other assets consisted of the following:

	As of	
	December 31, 2019	December 31, 2018
Income Property Tenant Receivables	$ 532,636	$ 627,691
Income Property Straight-line Rent Adjustment	3,352,245	4,304,279
Income Property Lease Incentive	—	2,394,246
Interest Receivable from Commercial Loan Investment	96,604	—
Operating Leases - Right-of-Use Asset	363,631	—
Golf Rounds Surcharge - LPGA	549,251	—
Cash Flow Hedge - Interest Rate Swap	99,021	651,722
Infrastructure Reimbursement Receivables	1,591,445	1,847,375
Deferred Deal Costs	4,787	425,476
Prepaid Expenses, Deposits, and Other	3,113,929	2,634,664
Total Other Assets	$ 9,703,549	$ 12,885,453

Income Property Lease Incentive. As of December 31, 2018, the Income Property Lease Incentive of approximately $2.4 million relates to a tenant improvement allowance of approximately $2.7 million provided to Hilton Grand Vacations in conjunction with the extension of their leases of two buildings from November 30, 2021 to November 30, 2026, offset by accumulated amortization which had been recognized as an offset to rental revenue. The properties leased to Hilton Grand Vacations were part of the PINE Income Property Sale Transactions, and therefore the remaining balance was written off as part of the gain at the time of sale on November 26, 2019.

Infrastructure Reimbursement Receivables. As of December 31, 2019 and 2018, the Infrastructure Reimbursement Receivables were all related to the land sales within the Tomoka Town Center. The balance as of December 31, 2019 consisted of approximately $1,200,000 due from Tanger for infrastructure reimbursement to be repaid in seven remaining annual installments of $175,000, net of a discount of approximately $134,000, and approximately $550,000 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 $50,000.

Deferred Deal Costs. Deferred deal costs represent legal costs incurred in advance of the potential execution of and/or closing of a contract for the disposition of assets, primarily land sales. The costs are deferred and expensed at the time the transaction closes or at the time it becomes evident that the transaction will not be completed. During the years ended December 31, 2019, 2018, and 2017, approximately $322,000, $380,000, and $717,000, respectively, of deal costs were expensed at the time the related transactions were closed. Additionally, during the years ended December 31, 2019, 2018, and 2017, approximately $552,000, $150,000, and $15,000, respectively, of deal costs were expensed at the time it became evident that the transaction would not be completed.

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.

	Year Ended		
	December 31, 2019	December 31, 2018	December 31, 2017
Income Available to Common Shareholders:			
Net Income	$ 114,972,858	$ 37,167,790	$ 41,719,424
Weighted Average Shares Outstanding	4,991,656	5,495,792	5,538,859
Common Shares Applicable to Stock Options Using the Treasury Stock Method	6,387	33,529	40,933
Total Shares Applicable to Diluted Earnings Per Share	4,998,043	5,529,321	5,579,792
Per Share Information:			
Basic			
Net Income from Continuing Operations	$ 3.32	$ 2.72	$ 3.92
Net Loss from Discontinued Operations (Net of Tax)	19.71	4.04	3.61
Net Income	$ 23.03	$ 6.76	$ 7.53
Diluted			
Net Income from Continuing Operations	$ 3.32	$ 2.71	$ 3.90
Net Loss from Discontinued Operations (Net of Tax)	19.68	4.01	3.58
Net Income	$ 23.00	$ 6.72	$ 7.48

In addition to the dilutive securities presented above, the effect of 7,500, 15,000, and 57,750, potentially dilutive securities were not included for the years ended December 31, 2019, 2018, and 2017, respectively, as the effect would be antidilutive.

The Company intends to settle its 4.50% Convertible Senior Notes due 2020 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 Notes will be included in our calculation of diluted net income per share using the treasury stock method. As such, the Notes have no impact on diluted net income per share until the price of our common stock exceeds the current conversion price of $68.11. The average price of our common stock during the years ended December 31, 2019, 2018, or 2017 did not exceed the conversion price which resulted in no additional diluted outstanding shares.

NOTE 14. TREASURY STOCK

In January 2019 and November 2019, the Company's Board of Directors approved two equal increases totaling $20.0 million to the open market stock repurchase program. During the year ended December 31, 2019, the Company repurchased 691,102 shares of its common stock for a total cost of approximately $41.1 million, or an average price per share of $59.46, which includes both open market purchases and the Block Share Repurchase (hereinafter defined). The shares of the Company's common stock repurchased during the year ended December 31, 2019 were returned to the Company's treasury and substantially completed the aggregate $20.0 million buyback program.

On April 10, 2019, the Company repurchased 320,741 shares of common stock, or approximately 6% of the Company's outstanding shares, for approximately $18.4 million (the "Block Share Repurchase"). The shares were purchased from investment vehicles managed by Wintergreen Advisers, LLC (collectively, the "Wintergreen Entities") in connection with the disposition of their entire position in the Company's common stock (approximately 28% of the Company's outstanding shares of common stock at the time of the Block Share Repurchase). The shares that were sold by the Wintergreen Entities and not repurchased by the Company were acquired by multiple third-party investors. The Block Share Repurchase was completed outside of the Company's aggregate $20.0 million buyback program, which was substantially complete as of December 31, 2019.

NOTE 15. LONG-TERM DEBT

As of December 31, 2019, the Company's outstanding indebtedness, at face value, was as follows:

		Face Value Debt	Maturity Date	Interest Rate
Credit Facility	$	159,845,349	May 2023	30 -day LIBOR plus 1.35% -1.95%
Mortgage Note Payable (originated with Wells Fargo) (1)		30,000,000	October 2034	4.330%
Mortgage Note Payable (originated with Wells Fargo) (2)		23,884,373	April 2021	30 -day LIBOR plus 1.90%
4.50% Convertible Senior Notes due 2020, net of discount		75,000,000	March 2020	4.500%
Total Long-Term Face Value Debt	$	288,729,722		

(1) 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.

(2) Secured by the Company's income property leased to Wells Fargo located in Raleigh, North Carolina. 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 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.

At December 31, 2019, the current commitment level under the Credit Facility was $200.0 million. The available borrowing capacity under the Credit Facility was approximately $40.2 million, based on the level of borrowing base assets. As of December 31, 2019, the Credit Facility had a $159.8 million balance outstanding.

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 "Notes") will mature on March 15, 2020, unless earlier purchased or converted. See description of the 2025 Notes as hereinafter defined in Note 24. Subsequent Events. The initial conversion rate was 14.5136 shares of common stock for each $1,000 principal amount of Notes, which represented an initial conversion price of approximately $68.90 per share of common stock. Since July of 2016, when the Company's Board of Directors implemented a quarterly dividend in place of the previous semi-annual dividend, the conversion rate has been adjusted with each successive quarterly dividend and is currently, after the fourth quarter 2019 dividend, equal to 14.6813 shares of common stock for each $1,000 principal amount of Notes, which represents an adjusted conversion price of approximately $68.11 per share of common stock.

The conversion rate is subject to adjustment in certain circumstances. Holders may not surrender their Notes for conversion prior to December 15, 2019 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 Notes, or specified corporate events including a change in control of the Company. The Company may not redeem the Notes prior to the stated maturity date and no sinking fund is provided for the Notes. The 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 Notes in cash upon conversion, with any excess conversion value to be settled in shares of our common stock. In accordance with GAAP, the Notes are accounted for as a liability with a separate equity component recorded for the conversion option. A liability was recorded for the 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 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. The discount on the Notes was approximately $6.1 million at issuance, which represents the cash discount paid of approximately $2.6 million and the approximate $3.5 million attributable to the value of the conversion option recorded in equity, which is being amortized into interest expense through the maturity date of the Notes. As of December 31, 2019, the unamortized debt discount of our Notes was approximately $293,000.

Long-term debt consisted of the following:

	December 31, 2019		December 31, 2018	
	Total	**Due Within One Year**	**Total**	**Due Within One Year**
Credit Facility	$ 159,845,349	$ —	$ 120,745,579	$ —
Mortgage Note Payable (originated with Wells Fargo)	30,000,000	—	30,000,000	—
Mortgage Note Payable (originated with Wells Fargo)	23,884,373	—	24,557,468	—
4.50% Convertible Senior Notes due 2020, net of discount	74,706,078	75,000,000	73,348,731	—
Loan Costs, net of accumulated amortization	(1,217,497)	—	(1,026,967)	—
Total Long-Term Debt	$ 287,218,303	$ 75,000,000	$ 247,624,811	$ —

Payments applicable to reduction of principal amounts will be required as follows:

Year Ending December 31,	Amount
2020	$ 75,000,000 [(1)]
2021	23,884,373
2022	—
2023	159,845,349
2024	—
Thereafter	30,000,000
Total Long-Term Debt - Face Value	$ 288,729,722

(1) See Note 24, Subsequent Events for a description of the New Notes, which effectively extends the 2020 Maturity of the $75.0 million face value Notes to 2025.

The carrying value of long-term debt as of December 31, 2019 consisted of the following:

	Total
Current Face Amount	$ 288,729,722
Unamortized Discount on Convertible Debt	(293,922)
Loan Costs, net of accumulated amortization	(1,217,497)
Total Long-Term Debt	$ 287,218,303

The following table reflects a summary of interest expense incurred and paid during the years ended December 31, 2019, 2018, and 2017:

	Year Ended		
	December 31, 2019 ($000's)	December 31, 2018 ($000's)	December 31, 2017 ($000's)
Interest Expense	$ 10,665	$ 8,655	$ 7,034
Amortization of Loan Costs	444	495	509
Amortization of Discount on Convertible Notes	1,357	1,273	1,195
Capitalized Interest	—	—	(215)
Total Interest Expense	$ 12,466	$ 10,423	$ 8,523
Total Interest Paid	$ 10,782	$ 8,419	$ 7,060

The Company was in compliance with all of its debt covenants as of December 31, 2019 and 2018.

NOTE 16. INTEREST RATE SWAP

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 years ended December 31, 2018 and 2017, 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 December 31, 2019 and 2018, the fair value of our interest rate swap agreement, which was a gain of approximately $99,000 and $652,000, respectively, 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 $23.9 million to a rate of 3.17%.

NOTE 17. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities consisted of the following:

	As of	
	December 31, 2019	December 31, 2018
Accrued Property Taxes	$ 44,232	$ 12,312
Reserve for Tenant Improvements	617,968	100,519
Accrued Construction Costs	93,270	350,593
Accrued Interest	1,312,801	1,430,236
Environmental Reserve and Restoration Cost Accrual	205,774	520,404
Operating Leases - Liability	364,888	—
Other	3,048,259	2,783,820
Total Accrued and Other Liabilities	$ 5,687,192	$ 5,197,884

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 $577,000 in costs have been incurred through December 31, 2019, leaving a remaining accrual of approximately $84,000.

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 benefitting 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 December 31, 2019, leaving a remaining accrual of approximately $121,000. 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	
	December 31, 2019	December 31, 2018
Deferred Oil Exploration Lease Revenue	$ —	$ 585,675
Interest Reserve from Commercial Loan Investment	834,972	—
Prepaid Rent	2,063,173	1,621,620
Tenant Contributions	2,888,822	4,104,151
Other Deferred Revenue	43,753	58,838
Total Deferred Revenue	$ 5,830,720	$ 6,370,284

Deferred Oil Exploration Lease Revenue. Pursuant to the amendment for the lease year eight renewal of the oil exploration lease, the annual lease payment is approximately $807,000, which has been recognized ratably over the twelve-month lease period ended September 22, 2019. The oil exploration lease has not been extended beyond the expiration of the current term of September 22, 2019 and has effectively terminated.

Interest Reserve from Commercial Loan Investment. 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.

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 $223,000 was recognized into income property rental revenue through December 31, 2019, 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 Termination Payment described in Note 3, "Income Properties," 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 $212,000 was recognized into income property rental revenue through December 31, 2019, leaving a balance of approximately $677,000 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 year ended December 31, 2019, is presented below:

Type of Award	Shares Outstanding at 1/1/2019	Granted Shares	Vested / Exercised Shares	Expired Shares	Forfeited Shares	Shares Outstanding at 12/31/2019
Equity Classified - Performance Share Awards - Peer Group Market Condition Vesting	28,080	21,195	—	—	—	49,275
Equity Classified - Market Condition Restricted Shares - Stock Price Vesting	22,000	—	—	—	—	22,000
Equity Classified - Three Year Vest Restricted Shares	34,952	20,696	(18,053)	—	—	37,595
Equity Classified - Non-Qualified Stock Option Awards	80,000	—	—	—	—	80,000
Total Shares	165,032	41,891	(18,053)	—	—	188,870

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

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Total Cost of Share-Based Plans Charged Against Income Before Tax Effect	$ 2,688,292	$ 1,922,962	$ 1,540,359
Income Tax Expense Recognized in Income	$ (681,348)	$ (487,375)	$ (594,194)

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 “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. Subsequent to December 31, 2019, on February 11, 2020, the actual number of shares that vested related to this award totaled 14,214.

On January 24, 2018, the Company awarded to certain employees 15,445 Performance Shares under the 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.

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 three-year performance period, the relative performance of the Company's stock price and shareholder return compared to the companies in the peer group, annual dividends paid by the Company, 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 years ended December 31, 2019, 2018, and 2017 is presented below:

Performance Shares with Market Conditions	**Shares**	**Wtd. Avg. Fair Value**
Outstanding at January 1, 2017	—	$ —
Granted	12,635	55.66
Vested	—	—
Expired	—	—
Forfeited	—	—
Outstanding at December 31, 2017	12,635	55.66
Granted	15,445	74.99
Vested	—	—
Expired	—	—
Forfeited	—	—
Outstanding at December 31, 2018	28,080	66.29
Granted	21,195	64.66
Vested	—	—
Expired	—	—
Forfeited	—	—
Outstanding at December 31, 2019	49,275	$ 65.59

As of December 31, 2019, there was approximately $1.3 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 1.7 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 December 31, 2019, 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 years ended December 31, 2019, 2018, and 2017 is presented below:

Market Condition Non-Vested Restricted Shares	Shares	Wtd. Avg. Fair Value
Outstanding at January 1, 2017	69,500	$ 27.03
Granted	—	—
Vested	(7,750)	34.30
Expired	(32,000)	14.08
Forfeited	—	—
Outstanding at December 31, 2017	29,750	39.07
Granted	—	—
Vested	(7,750)	31.58
Expired	—	—
Forfeited	—	—
Outstanding at December 31, 2018	22,000	41.71
Granted	—	—
Vested	—	—
Expired	—	—
Forfeited	—	—
Outstanding at December 31, 2019	22,000	$ 41.71

As of December 31, 2019, there is no unrecognized compensation cost related to market condition restricted stock.

Three Year Vest Restricted Shares

On January 22, 2014, the Company granted to certain employees 14,500 shares of restricted Company common stock under the 2010 Plan. One-third of the restricted shares vested on each of the first, second, and third anniversaries of the grant date, provided the grantee was an employee of the Company on those dates.

On January 28, 2015, the Company granted to certain employees, which did not include Mr. Albright, 11,700 shares of restricted Company common stock under the 2010 Plan. Additionally, on February 9, 2015, the Company granted 8,000 shares of restricted Company common stock to Mr. Albright under the 2010 Plan. One-third of both awards of restricted shares vested on each of the first, second, and third anniversaries of January 28, 2015, provided the grantee was an employee of the Company on those dates.

On January 27, 2016, the Company granted to certain employees 21,100 shares of restricted Company common stock under the 2010 Plan. One-third of the restricted shares will vest on each of the first, second, and third anniversaries of January 28, 2016, 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 25, 2017, the Company granted to certain employees 17,451 shares of restricted Company common stock under the 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.

On January 24, 2018, the Company granted to certain employees 17,712 shares of restricted Company common stock under the 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.

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 for these awards during the years ended December 31, 2019, 2018, and 2017, is presented below:

Three Year Vest Non-Vested Restricted Shares	**Shares**	**Wtd. Avg. Fair Value Per Share**
Outstanding at January 1, 2017	37,504	$ 47.53
Granted	17,451	55.06
Vested	(17,298)	46.70
Expired	—	—
Forfeited	(267)	52.51
Outstanding at December 31, 2017	37,390	51.39
Granted	17,712	65.33
Vested	(18,883)	51.57
Expired	—	—
Forfeited	(1,267)	59.39
Outstanding at December 31, 2018	34,952	58.07
Granted	20,696	58.78
Vested	(18,053)	54.43
Expired	—	—
Forfeited	—	—
Outstanding at December 31, 2019	37,595	$ 60.21

As of December 31, 2019, there was approximately $1.2 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 1.7 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 2010 Plan with an exercise price of $57.50. The option vested on January 28, 2016. 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 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 option 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 2010 Plan, with an exercise price of $57.54. One-third of the option will vest on each of the first, second, and third anniversaries of the grant date, provided the recipient is an employee of the Company on such dates. In addition, any unvested portion of the option will vest upon a change in control. 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 these awards during the years ended December 31, 2019, 2018, and 2017, 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, 2017	113,500	$ 49.03		
Granted	—	—		
Exercised	(23,500)	34.95		
Expired	—	—		
Forfeited	—	—		
Outstanding at December 31, 2017	90,000	52.71		
Granted	—	—		
Exercised	(10,000)	29.34		
Expired	—	—		
Forfeited	—	—		
Outstanding at December 31, 2018	80,000	55.63		
Granted	—	—		
Exercised	—	—		
Expired	—	—		
Forfeited	—	—		
Outstanding at December 31, 2019	80,000	$ 55.63	5.26	$ 375,400
Exercisable at January 1, 2019	80,000	$ 55.63	6.50	$ 25,000
Exercisable at December 31, 2019	80,000	$ 55.63	5.26	$ 375,400

A summary of the non-vested options for these awards during the years ended December 31, 2019, 2018, and 2017, is presented below:

Non-Qualified Stock Option Awards	Shares	Fair Value of Shares Vested
Non-Vested at January 1, 2017	36,900	
Granted	—	
Vested	(19,900)	$ 1,094,066
Expired	—	
Forfeited	—	
Non-Vested at December 31, 2017	17,000	
Granted	—	
Vested	(17,000)	$ 952,068
Expired	—	
Forfeited	—	
Non-Vested at December 31, 2018	—	
Granted	—	
Vested	—	$ —
Expired	—	
Forfeited	—	
Non-Vested at December 31, 2019	—	

No options were granted or exercised during the year ended December 31, 2019. As of December 31, 2019, there is no unrecognized compensation cost related to non-qualified, non-vested stock option awards.

LIABILITY-CLASSIFIED STOCK COMPENSATION

The Company previously had a stock option plan (the “2001 Plan”) pursuant to which 500,000 shares of the Company’s common stock were eligible for issuance. The 2001 Plan expired in 2010, and no new stock options may be issued under the 2001 Plan. Under the 2001 Plan, both stock options and stock appreciation rights were issued in prior years and such issuances were deemed to be liability-classified awards under FASB ASC Topic, *Share-Based Payments*, which are required to be remeasured at fair value at each balance sheet date until the award is settled.

There was no remaining liability as of December 31, 2019 or 2018, because there were no options outstanding and exercisable.

A summary of share option activity under the 2001 Plan during the years ended December 31, 2019, 2018, and 2017 is presented below:

Stock Options

Liability-Classified Stock Options	Shares	Wtd. Avg. Ex. Price	Wtd. Avg. Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2017	11,000	$ 63.87		
Granted	—	—		
Exercised	(6,000)	52.73		
Expired	(5,000)	52.73		
Forfeited	—	—		
Outstanding at December 31, 2017	—	—		
Granted	—	—		
Exercised	—	—		
Expired	—	—		
Forfeited	—	—		
Outstanding at December 31, 2018	—	—		
Granted	—	—		
Exercised	—	—		
Expired	—	—		
Forfeited	—	—		
Outstanding at December 31, 2019	—	$ —	—	$ —
Exercisable at December 31, 2019	—	$ —	—	$ —

No options remained outstanding and exercisable as of December 31, 2019 or 2018.

Stock Appreciation Rights

Liability-Classified Stock Appreciation Rights	Shares	Wtd. Avg. Fair Value	Wtd. Avg. Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2017	11,000	$ 1.33		
Granted	—	—		
Exercised	(6,000)	3.84		
Expired	(5,000)	—		
Forfeited	—	—		
Outstanding at December 31, 2017	—	—		
Granted	—	—		
Exercised	—	—		
Expired	—	—		
Forfeited	—	—		
Outstanding at December 31, 2018	—	—		
Granted	—	—		
Exercised	—	—		
Expired	—	—		
Forfeited	—	—		
Outstanding at December 31, 2019	—	$ —	—	$ —
Exercisable at December 31, 2019	—	$ —	—	$ —

No stock appreciation rights remained outstanding and exercisable as of December 31, 2019 or 2018.

The aggregate intrinsic value of options is calculated by taking the current stock price of the Company as of the balance sheet date less the option exercise price, times the respective number of shares outstanding or exercisable, on a weighted average basis. Options with an exercise price greater than the current stock price are excluded from the calculation.

The fair value of each share option and stock appreciation right is estimated on the measurement date using the Black-Scholes option pricing model based on assumptions noted in the following table. Expected volatility is based on the historical volatility of the Company and other factors. The Company has elected to use the simplified method of estimating the expected term of the options and stock appreciation rights.

Due to the small number of employees included in the 2001 Plan, the Company uses the specific identification method to estimate forfeitures and includes all participants in one group. The risk-free rate for periods within the contractual term of the share option is based on the U.S. Treasury rates in effect at the time of measurement.

The Company issues new, previously unissued, shares as options are exercised.

There were no stock options or stock appreciation rights granted under the 2001 Plan during the years ended December 31, 2019, 2018, or 2017.

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 year ended December 31, 2019, 2018 and 2017, the expense recognized for the value of the Company's common stock received by non-employee directors totaled approximately $532,000, or 9,004 shares, $239,000, or 3,822 shares, and $103,000, or 1,833 shares, respectively. The 2019 amount includes the approximately $174,000 Annual Award received during the first quarter of 2019.

NOTE 20. INCOME TAXES

Total income tax benefit (expense) are summarized as follows:

	Year ended December 31,		
	2019	**2018**	**2017**
Income Tax (Expense) Benefit from Continuing Operations	$ (5,472,178)	$ (6,025,148)	$ 22,481,523
Income Tax (Expense) Benefit from Discontinued Operations	(32,641,194)	(7,529,596)	(12,546,257)
Total Consolidated Income Tax Benefit (Expense)	$ (38,113,372)	$ (13,554,744)	$ 9,935,266

The provisions for income tax benefit (expense) from continuing operations are summarized as follows:

	2019		2018		2017	
	Current	**Deferred**	**Current**	**Deferred**	**Current**	**Deferred**
Federal	$ (225,495)	$ (4,973,699)	$ (231,239)	$ (5,380,837)	$ 1,729,007	$ 18,959,360
State	19,998	(292,982)	(127,470)	(285,602)	153,234	1,639,922
Total	$ (205,497)	$ (5,266,681)	$ (358,709)	$ (5,666,439)	$ 1,882,241	$ 20,599,282

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The sources of these differences and the related deferred income tax assets (liabilities) are summarized as follows:

	Deferred Tax	
	2019	2018
Deferred Income Tax Assets		
Depreciation	$ 4,785,992	$ 4,904,976
Intangible Lease Liabilities	6,503,574	7,111,608
Income Property Tenant Contributions	732,172	1,069,882
Impairment Reserves	92,751	1,393,415
Stock Options and Restricted Stock	1,274,694	977,210
Capital Loss Carryforward	20,750	20,750
Deferred Oil Lease Income	—	121,323
Other - Net	6,638	44,967
Gross Deferred Income Tax Assets	13,416,571	15,644,131
Less - Valuation Allowance	(272,966)	(272,966)
Net Deferred Income Tax Assets	13,143,605	15,371,165
Deferred Income Tax Liabilities		
Sales of Real Estate	(87,353,465)	(67,388,733)
Income Property Lease Incentive	—	(606,820)
Discount on Equity Component of Convertible Debt	(42,400)	(238,200)
Basis Differences in Joint Ventures	(11,789,044)	(764,566)
Basis Difference in Alpine Income Property OP, LP	(3,979,966)	—
Interest Rate Swap	(73,924)	(486,543)
Deferred Revenue (Net of Straight-line Rent Adjustments)	(186,979)	(578,034)
Other - Net	—	(78,176)
Total Deferred Income Tax Liabilities	(103,425,778)	(70,141,072)
Net Deferred Income Tax Liabilities	$ (90,282,173)	$ (54,769,907)

In assessing the realizability of deferred income tax assets, Management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the realization of future taxable income during the periods in which those temporary differences become deductible. We consider past history, the scheduled reversal of taxable temporary differences, projected future taxable income, and tax planning strategies in making this assessment. As of December 31, 2019 and 2018, we believe it is more likely than not that a portion of the Company’s deferred income tax assets will not be realized, and accordingly, a valuation allowance has been provided. As of December 31, 2019 and 2018, the valuation allowance was approximately $273,000.

As of December 31, 2019 and 2018, the valuation allowance relates solely to a basis difference in a joint venture with a wholly owned and fully consolidated subsidiary, and no valuation allowance is provided for charitable contribution carryforwards due to the expectation of full utilization during 2019.

Following is a reconciliation of the income tax computed at the federal statutory rate of 21% for 2019 and 2018 and 35% for 2017 for continuing operations:

	Year ended December 31,		
	2019	2018	2017
Income Tax (Expense) Benefit Computed at Federal Statutory Rate	$ (4,410,318)	$ (4,557,366)	$ 245,168
Increase (Decrease) Resulting from:			
State Income Tax, Net of Federal Income Tax Benefit	(1,075,960)	(1,363,007)	39,677
Income Tax on Permanently Non-Deductible Items	(85,842)	(31,466)	66,015
Change in Corporate Federal Tax Rate	—	—	22,249,536
Other Reconciling Items	99,942	(73,309)	(118,873)
Benefit (Expense) for Income Taxes	$ (5,472,178)	$ (6,025,148)	$ 22,481,523

The effective income tax rate for each of the three years ended December 31, 2019, 2018, and 2017, including income taxes attributable to the discontinued operations, was 24.9%, 26.7%, and (31.0)%, 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. During the fourth quarter of 2017, the Company recorded an income tax benefit of approximately $22.2 million due to the impact of the reduction in the corporate tax rate from 35% to 21% for the Tax Cuts and Jobs Act.

The Company files a consolidated income tax return in the United States Federal jurisdiction and the States of Alabama, Arizona, Colorado, California, 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. For the years ended December 31, 2019, 2018, and 2017 the Company recognized no uncertain tax positions or accrued interest and penalties for uncertain tax positions.

Income taxes totaling approximately $2.5 million, $323,000, and $334,000 were paid during the years ended December 31, 2019, 2018, and 2017, respectively. Additionally, income taxes totaling approximately $687,000, $204,000 and $958,000 were refunded during the years ended December 31, 2019, 2018, and 2017, respectively.

NOTE 21. COMMITMENTS AND CONTINGENCIES

MINIMUM FUTURE RENTAL PAYMENTS

The Company leases, as lessee, certain equipment under operating leases.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2019, are summarized as follows:

Year Ending December 31,	Amounts ($000's)
2020	$ 127
2021	123
2022	118
2023	33
2024	—
2025 and thereafter (cumulative)	—
Total	$ 401

Rental expense under all operating leases amounted to approximately $286,000, $309,000, and $339,000, for the years ended December 31, 2019, 2018, and 2017, respectively.

LEGAL PROCEEDINGS

From time to time, the Company may be a party to certain legal proceedings, incidental to the normal course of 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 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. Subsequent to December 31, 2019, the improvements were completed by the tenant and the Company funded the $450,000.

In connection with the Daytona Beach Development, the Company has executed agreements for the demolition of certain existing structures, which commitments totaled approximately $316,000 as of December 31, 2019.

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 December 31, 2019, leaving a remaining accrual of approximately $121,000. The Company believes there is at least a reasonable possibility that the estimated remaining liability of approximately $121,000 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. 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. In addition, in connection with other land sale contracts to which the Company is or may become a party, the pursuit of customary development entitlements by the potential purchasers may require the Company to utilize or acquire mitigation credits for the purpose of obtaining certain permits from the applicable federal or state regulatory agencies. Any costs incurred in connection with utilizing or acquiring such credits would be incorporated into the basis of the land under contract. No amounts related to such potential future costs have been accrued as of December 31, 2019.

NOTE 22. BUSINESS SEGMENT DATA

Prior to 2019, the Company operated in four primary business segments: income properties, commercial loan investments, real estate operations, and golf operations. During the fourth quarter of 2018, the Company commenced efforts to monetize the golf operations and accordingly, as of December 31, 2018, the golf assets and liabilities related to the golf operations were classified has held for sale in the accompanying consolidated balance sheets and the results of golf operations were classified as discontinued operations in the accompanying consolidated statements of income for all years presented. The golf operations segment, although discontinued in 2018, held assets as of the December 31, 2018. Accordingly, the identifiable assets and liabilities, and the related capital expenditures and depreciation and amortization have been disclosed separately as discontinued golf operations for the years presented.

As a result of the significant transactions during the fourth quarter of 2019, including the Land JV transaction, the PINE Income Property Sale Transactions, and the Golf Sale, the Company's segment structure has been modified to more closely align with the continuing operations of the Company. The Company now operates in four primary business segments: income properties, management services, commercial loan investments, and real estate operations. The new management services segment consists of the revenue generated from managing PINE and the Land JV. The management services segment had no assets as of December 31, 2019, 2018, or 2017, and therefore there are no related capital expenditures or depreciation and amortization for the years 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 years ended December 31, 2019, 2018, and 2017 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 years 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 66.0% and 88.5% of our identifiable assets as of December 31, 2019 and 2018, respectively, and 93.4%, 91.8%, and 81.3% of our consolidated revenues for the years ended December 31, 2019, 2018, and 2017, respectively. Our management fee income consists of the management fees earned for the management of PINE and the Land JV. As of December 31, 2019, our commercial loan investment portfolio consisted of three fixed-rate first mortgages 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.

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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 years ended December 31, 2019, 2018, and 2017 is as follows:

	Year Ended		
	December 31, 2019	December 31, 2018	December 31, 2017
Revenues:			
Income Properties	$ 41,955,414	$ 40,075,731	$ 31,406,930
Management Services	304,553	—	—
Commercial Loan Investments	1,829,015	615,728	2,052,689
Real Estate Operations	852,264	2,966,429	5,190,951
Total Revenues	$ 44,941,246	$ 43,657,888	$ 38,650,570
Operating Income:			
Income Properties	$ 34,955,413	$ 31,905,648	$ 24,489,187
Management Services	304,553	—	—
Commercial Loan Investments	1,829,015	615,728	2,052,689
Real Estate Operations	747,598	2,375,050	3,770,389
General and Corporate Expense	(25,615,353)	(25,546,893)	(22,567,310)
Gains on Disposition of Assets	21,977,465	22,035,666	38
Total Operating Income	$ 34,198,691	$ 31,385,199	$ 7,744,993
Depreciation and Amortization:			
Income Properties	$ 15,774,228	$ 15,728,095	$ 12,272,265
Corporate and Other	23,050	33,428	42,435
Total Depreciation and Amortization	$ 15,797,278	$ 15,761,523	$ 12,314,700
Capital Expenditures:			
Income Properties	$ 166,683,689	$ 108,996,747	$ 92,125,062
Commercial Loan Investments	18,046,450	—	3,000,000
Real Estate Operations	2,791,137	4,658,956	—
Discontinued Golf Operations	—	94,734	2,373,894
Corporate and Other	4,348	13,775	128,716
Total Capital Expenditures	$ 187,525,624	$ 113,764,212	$ 97,627,672

	As of	
	December 31, 2019	December 31, 2018
Identifiable Assets:		
Income Properties	$ 464,285,272	$ 492,093,615
Commercial Loan Investments	35,742,218	—
Real Estate Operations	65,554,619	14,315,805
Discontinued Land Operations	833,167	20,971,754
Discontinued Golf Operations	—	4,462,477
Corporate and Other	136,870,927	24,486,221
Total Assets	$ 703,286,203	$ 556,329,872

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 December 31, 2019 or 2018.

NOTE 23. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

During the fourth quarter of 2018, the Company commenced efforts to pursue monetization of certain of its multi-tenant income properties and the golf operations and assets comprising the Club. Accordingly, four multi-tenant income properties and the golf assets comprising the Club were classified as held for sale as of December 31, 2018. Additionally, the golf operations qualify as discontinued operations and have been reclassified as such in the accompanying consolidated statements of income for the years ended December 31, 2019, 2018, and 2017.

As described in Note 3, "Income Properties", the Multi-Tenant Dispositions were completed during the year ended December 31, 2019 comprising $56.8 million of the reduction in assets held for sale. Additionally, the Westcliff property located in Fort Worth, Texas is no longer being actively marketed and was reclassified as held and used during the quarter ended June 30, 2019 comprising $14.6 million of the reduction in assets held for sale.

In October 2019, the Company completed the sale of the Golf Club. There were no assets or liabilities held for sale as of December 31, 2019.

The following is a summary of assets and liabilities held for sale as of December 31, 2018:

	As of December 31, 2018			
	Land JV Assets	Multi-Tenant Income Properties	Golf Assets	Total Assets Held for Sale
Property, Plant, and Equipment—Net	$ —	$ 67,810,880	$ 3,659,703	$ 71,470,583
Land and Development Costs	20,139,788	—	—	20,139,788
Cash and Cash Equivalents	—	—	156,489	156,489
Restricted Cash	831,966	—	—	831,966
Other Assets	—	—	646,285	646,285
Intangible Lease Assets—Net	—	4,366,858	—	4,366,858
Intangible Lease Liabilities—Net	—	(773,705)	—	(773,705)
Total Assets Held for Sale	$ 20,971,754	$ 71,404,033	$ 4,462,477	$ 96,838,264

	As of December 31, 2018			
	Land JV Liabilities	Multi-Tenant Income Properties	Golf Liabilities	Total Liabilities Held for Sale
Accounts Payable	$ —	$ —	$ 199,422	$ 199,422
Accrued and Other Liabilities	—	—	924,323	924,323
Deferred Revenue	831,320	—	223,551	1,054,871
Total Liabilities Held for Sale	$ 831,320	$ —	$ 1,347,296	$ 2,178,616

Golf $1 Round Surcharge. Accrued and Other Liabilities within Liabilities Held for Sale of approximately $924,000 is primarily comprised of a $1 per round of golf surcharge. On January 24, 2017, the Company acquired the land and improvements comprising the golf courses, previously leased from the City, for approximately $1.5 million (the "Golf Course Land Purchase"). In connection with the Golf Course Land Purchase, each year the Company is obligated to pay the City additional consideration in the amount of an annual surcharge of $1 per golf round played (the "Per-Round Surcharge") with an annual minimum Per-Round Surcharge of $70,000 and a maximum aggregate of Per-Round Surcharges of $700,000. The maximum amount of $700,000 represents contingent consideration and was recorded as an increase in Golf Buildings, Improvements, and Equipment and Accrued and Other Liabilities in the accompanying consolidated balance sheets. The first two annual payments were made in January 2018 and 2019 leaving a remaining commitment of approximately $560,000. In conjunction with the sale of the Golf Club in October 2019, the Company repaid its remaining $560,000 obligation to the City. As a part of the sale of the Golf Club, the buyer agreed to pay the Company approximately $560,000 in the future based on a per round surcharge of $1.50 per round for each round played at the Golf Club.

Deferred Revenue on Land Sales. In conjunction with the land sale to Buc-ee's in March 2018, the Company funded an escrow account for approximately $831,000 related to the portion of the acreage sold for which the Company remains obligated to perform wetlands mitigation. As a result of the Company's continuing obligation, approximately $831,000 of the sales price collected at closing was deferred and the revenue will be recognized upon the Company's performance of the obligation. The Company estimates the obligation related to the wetlands mitigation will total approximately $25,000.

The following is a summary of discontinued operations for the years ended December 31, 2019, 2018, and 2017:

	Year Ended		
	December 31, 2019	December 31, 2018	December 31, 2017
Golf Operations Revenue	$ 4,096,594	$ 4,941,997	$ 5,095,313
Golf Operations Direct Cost of Revenues	(5,259,424)	(5,848,429)	(5,958,888)
Loss from Operations	(1,162,830)	(906,432)	(863,575)
Impairment Charges	—	(1,119,362)	—
Depreciation and Amortization	—	(373,979)	(349,259)
Gain on Disposition of Assets	15,050	—	—
Land Lease Income	—	—	2,226,526
Income (Loss) from Discontinued Operations Before Income Tax	(1,147,780)	(2,399,773)	1,013,692
Income Tax Benefit (Expense)	290,906	608,222	(391,032)
Income (Loss) from Discontinued Operations (Net of Income Tax)	$ (856,874)	$ (1,791,551)	$ 622,660
Land Operations Revenue	$ 11,043,151	$ 43,030,713	$ 47,666,408
Land Operations Direct Cost of Revenues	(6,404,844)	(10,922,539)	(16,155,784)
Loss from Operations	4,638,307	32,108,174	31,510,624
Gain on Disposition of Assets	127,518,231	—	—
Income from Discontinued Operations Before Income Tax	132,156,538	32,108,174	31,510,624
Income Tax Expense	(32,932,100)	(8,137,818)	(12,155,225)
Income from Discontinued Operations (Net of Income Tax)	$ 99,224,438	$ 23,970,356	$ 19,355,399
Total Income from Discontinued Operations (Net of Income Tax)	$ 98,367,564	$ 22,178,805	$ 19,978,059

NOTE 24. SUBSEQUENT EVENTS

The Company reviewed all subsequent events and transactions that have occurred after December 31, 2019, the date of the consolidated balance sheet.

Income Property Acquisitions. On January 23, 2020, the Company acquired the Crossroads Towne Center ("Crossroads"), an approximately 254,000 square-foot retail center in Chandler, Arizona, for a purchase price of approximately $61.8 million. The acquisition was purchased using the remaining 1031 like-kind exchange proceeds from the Land JV transaction and a portion of the 1031 like-kind exchange proceeds from the PINE Income Property Sale Transactions.

On February 21, 2020, the Company acquired Perimeter Place ("Perimeter"), an approximately 269,000 square foot retail center situated on over 24 acres of land in Atlanta, Georgia, for a purchase price of approximately $75.4 million. The acquisition was purchased using the remaining approximately $65 million of 1031 like-kind exchange proceeds from the PINE Income Property Sale Transactions. The balance of the purchase price was funded using the Company's line of credit and structured as a reverse 1031 like-kind exchange in order to account for possible future dispositions of income properties by the Company.

Commercial Loan Investments. On January 13, 2020, the Company originated a $3.5 million first mortgage loan secured by the fee simple interest in a redevelopment property located in Honolulu, Hawaii. The loan is interest-only with a term of one-year with a fixed interest rate of 11.0%. The Company received an origination fee of 2%, or $70,000.

On February 28, 2020, the Company originated an approximately $3.4 million first mortgage loan secured by property sold by the Land JV of approximately 12 acres, which consisted of a land sale and conveyance of certain interests. The loan is interest-only with a term of one-year with a fixed interest rate of 9.50%. The Company received an origination fee of 1.5%, or approximately $51,000.

Convertible Notes. On February 4, 2020, the Company closed privately negotiated exchange agreements with certain holders of its outstanding 4.50% Convertible Senior Notes due 2020 (the “2020 Notes”) pursuant to which the Company issued $57.4 million principal amount of 3.875% Convertible Senior Notes due 2025 (the “2025 Notes”) in exchange for $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 is a total of $75 million of outstanding 2025 Notes.

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 will be used to redeem at maturity on March 15, 2020 approximately $11.7 million of the aggregate principal amount of the 2020 Notes that remain 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. 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.

There were no other reportable subsequent events or transactions.

NOTE 25. QUARTERLY FINANCIAL DATA

QUARTERLY FINANCIAL DATA

(UNAUDITED)

	March 31,		June 30,		September 30,		December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues								
Income Properties	$ 10,724,418	$ 9,205,727	$ 10,375,295	$ 9,781,299	$ 10,260,831	$ 9,360,155	$ 10,594,870	$ 11,728,550
Management Fee Income	—	—	—	—	—	—	304,553	—
Interest Income from Commercial Loan Investments	—	300,999	52,765	273,467	855,559	41,262	920,691	—
Real Estate Operations	234,901	862,450	260,771	750,296	213,589	1,042,059	143,003	311,624
Total Revenues	10,959,319	10,369,176	10,688,831	10,805,062	11,329,979	10,443,476	11,963,117	12,040,174
Direct Cost of Revenues								
Income Properties	(1,932,488)	(1,869,029)	(1,634,720)	(2,034,889)	(1,476,288)	(1,773,840)	(1,956,505)	(2,492,325)
Real Estate Operations	(46,167)	(144,983)	(40,129)	(123,418)	(8,484)	(215,534)	(9,886)	(107,445)
Total Direct Cost of Revenues	(1,978,655)	(2,014,012)	(1,674,849)	(2,158,307)	(1,484,772)	(1,989,374)	(1,966,391)	(2,599,770)
General and Administrative Expenses	(2,501,620)	(2,823,548)	(2,119,176)	(2,429,181)	(2,260,728)	(1,928,008)	(2,936,551)	(2,604,633)
Depreciation and Amortization	(3,346,287)	(3,796,823)	(4,074,587)	(3,755,546)	(4,286,836)	(3,756,507)	(4,089,568)	(4,452,647)
Total Operating Expenses	(7,826,562)	(8,634,383)	(7,868,612)	(8,343,034)	(8,032,336)	(7,673,889)	(8,992,510)	(9,657,050)
Gain (Loss) on Disposition of Assets	6,869,957	3,650,858	11,811,907	18,384,808	2,187,332	—	1,108,269	—
Operating Income	10,002,714	5,385,651	14,632,126	20,846,836	5,484,975	2,769,587	4,078,876	2,383,124
Investment Income	38,755	12,312	14,560	11,892	33,048	14,179	258,480	13,838
Interest Expense	(2,923,229)	(2,561,465)	(3,042,058)	(2,537,301)	(3,253,908)	(2,345,156)	(3,246,867)	(2,979,364)
Income from Continuing Operations Before Income Tax Benefit (Expense)	7,118,240	2,836,498	11,604,628	18,321,427	2,264,115	438,610	1,090,489	(582,402)
Income Tax Benefit (Expense) from Continuing Operations	(1,774,640)	(585,068)	(2,941,213)	(4,645,012)	(573,731)	(153,550)	(182,594)	(641,518)
Income from Continuing Operations	5,343,600	2,251,430	8,663,415	13,676,415	1,690,384	285,060	907,895	(1,223,920)
Income (Loss) from Discontinued Operations (Net of Tax)	1,124,499	8,660,869	1,933,385	486,493	(204,364)	11,112	95,514,044	13,020,331
Net Income	$ 6,468,099	$ 10,912,299	$ 10,596,800	$ 14,162,908	$ 1,486,020	$ 296,172	$ 96,421,939	$ 11,796,411
Per Share Information:								
Basic								
Income from Continuing Operations	$ 1.00	$ 0.40	$ 1.75	$ 2.47	$ 0.35	$ 0.05	$ 0.19	$ (0.23)
Income (Loss) from Discontinued Operations (Net of Tax)	0.21	1.57	0.39	0.09	(0.04)	-	19.86	2.40
Net Income	$ 1.21	$ 1.97	$ 2.14	$ 2.56	$ 0.31	$ 0.05	$ 20.05	$ 2.17
Diluted								
Income from Continuing Operations	$ 1.00	$ 0.40	$ 1.75	$ 2.47	$ 0.35	$ 0.05	$ 0.19	$ (0.23)
Income (Loss) from Discontinued Operations (Net of Tax)	0.21	1.56	0.39	0.09	(0.04)	-	19.85	2.40
Net Income	$ 1.21	$ 1.96	$ 2.14	$ 2.56	$ 0.31	$ 0.05	$ 20.04	$ 2.17

SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2019

		Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	
Description	**Encumbrances**	**Land**	**Buildings & Improvements**	**Improvements**	**Carrying Costs**
	$	$	$	$	$
Income Properties:					
24 Hour Fitness USA, Inc., Falls Church, VA	—	7,308,225	11,559,506	—	—
7-Eleven, Dallas, TX	—	974,862	1,550,744	—	—
Aspen Development, Aspen, CO	—	11,973,930	14,968,210	—	—
Bank of America, Monterey, CA	—	4,458,840	—	—	—
Wawa (formerly Barnes & Noble), Daytona Beach, FL	—	1,798,600	3,803,000	—	—
Big Lots, Germantown, MD	3,300,000	1,781,918	2,951,231	6,750	—
Big Lots, Phoenix, AZ	3,400,000	1,715,717	3,050,164	—	—
Burlington Stores, Inc., N. Richland Hills, TX	—	3,915,679	7,028,945	—	—
Carrabba's Italian Grill, Austin, TX	—	1,160,925	1,305,117	—	—
Chuy's Restaurant & Bar, Jacksonville, FL	—	5,504,039	—	—	—
Crabby's Restaurant (formerly Cocina 214), Daytona Beach, FL	—	5,835,939	4,249,199	8,662	—
General Dynamics Corporation, Reston, VA	—	7,530,432	9,068,274	—	—
CVS, Dallas, TX	—	7,535,013	—	—	—
Fidelity Investments (affiliate of), Albuquerque, NM	—	5,751,131	29,537,069	—	—
Firebirds Woodfired Grill, Jacksonville, FL	—	4,202,924	—	—	—
Harris Teeter, Charlotte, NC	6,600,000	5,601,837	3,409,338	—	—
JPMorgan Chase Bank, Jacksonville, FL	—	4,516,486	—	—	—
LandShark Bar & Grill, Daytona Beach, FL	—	5,835,939	4,578,168	8,662	—
Lowe's Corporation, Katy, TX	8,500,000	9,412,181	3,480,650	—	—
Macaroni Grill, Arlington, TX	—	956,685	1,069,700	—	—
Maple Ave Land, Dallas, TX	—	359,116	—	—	—
Moe's Southwest Grill, Jacksonville, FL	—	1,862,284	—	—	—
Outback Steakhouse, Austin, TX	—	1,376,793	1,585,791	—	—
Party City Corporation, Oceanside, NY	—	2,964,507	3,288,786	—	—
PDQ, Jacksonville, FL	—	2,205,539	—	—	—
Rite Aid Corp., Renton, WA	4,700,000	2,036,235	4,148,415	—	—
Riverside Avenue, Jacksonville, FL	—	6,019,815	14,239,515	767,532	—
Staples, Sarasota, FL	—	2,728,083	1,145,137	—	—
The Strand, Jacksonville, FL	—	13,886,294	38,832,707	—	—
Walgreens, Clermont, FL	3,500,000	3,021,665	1,269,449	—	—
Wawa, Jacksonville, FL	—	6,252,632	—	—	—
Wells Fargo, Raleigh, NC	23,884,373	8,680,056	59,166,753	1,186,118	—
Westcliff Shopping Center, Fort Worth, TX	—	10,520,822	4,196,359	95,464	—
World of Beer/Fuzzy's Taco Shop, Brandon, FL	—	416,663	1,184,678	—	—
	53,884,373	160,101,806	230,666,905	2,073,188	—

Gross Amount at Which
Carried at Close of Period
December 31, 2019

	Land	Buildings	Total	Accumulated Depreciation	Date of Completion of Construction	Date Acquired	Life
	$	$	$	$			
Income Properties:							
24 Hour Fitness USA, Inc., Falls Church, VA	7,308,225	11,559,506	18,867,731	201,852	N/A	10/14/16	30 Yrs.
7-Eleven, Dallas, TX	974,862	1,550,744	2,525,606	148,613	N/A	02/18/16	40 Yrs.
Aspen Development, Aspen, CO	11,973,930	14,968,210	26,942,140	583,973	N/A	02/21/18	52 Yrs.
Bank of America, Monterey, CA	4,458,840	—	4,458,840	—	N/A	08/17/16	N/A
Wawa (formerly Barnes & Noble), Daytona Beach, FL	1,798,600	3,803,000	5,601,600	1,806,425	N/A	12/15/05	40 Yrs.
Big Lots, Germantown, MD	1,781,918	2,957,981	4,739,899	468,403	N/A	09/13/13	40 Yrs.
Big Lots, Phoenix, AZ	1,715,717	3,050,164	4,765,881	527,424	N/A	01/23/13	40 Yrs.
Burlington Stores, Inc., N. Richland Hills, TX	3,915,679	7,028,945	10,944,624	57,361	N/A	10/28/19	30 Yrs.
Carrabba's Italian Grill, Austin, TX	1,160,925	1,305,117	2,466,042	220,066	N/A	09/15/16	25 Yrs.
Chuy's Restaurant & Bar, Jacksonville, FL	5,504,039	—	5,504,039	—	N/A	10/10/18	N/A
Crabby's Restaurant (formerly Cocina 214), Daytona Beach, FL	5,835,939	4,257,861	10,093,800	434,517	01/25/18	N/A	40 Yrs.
General Dynamics Corporation, Reston, VA	7,530,432	9,068,274	16,598,706	243,267	N/A	07/12/19	35 Yrs.
CVS, Dallas, TX	7,535,013	—	7,535,013	—	N/A	09/22/16	N/A
Fidelity Investments (affiliate of), Albuquerque, NM	5,751,131	29,537,069	35,288,200	1,405,493	N/A	10/04/18	45 Yrs.
Firebirds Woodfired Grill, Jacksonville, FL	4,202,924	—	4,202,924	—	N/A	10/10/18	N/A
Harris Teeter, Charlotte, NC	5,601,837	3,409,338	9,011,175	1,001,493	N/A	04/17/08	40 Yrs.
JPMorgan Chase Bank, Jacksonville, FL	4,516,486	—	4,516,486	—	N/A	10/10/18	N/A
LandShark Bar & Grill, Daytona Beach, FL	5,835,939	4,586,830	10,422,769	422,800	01/25/18	N/A	40 Yrs.
Lowe's Corporation, Katy, TX	9,412,181	3,480,650	12,892,831	758,345	N/A	04/22/14	30 Yrs.
Macaroni Grill, Arlington, TX	956,685	1,069,700	2,026,385	54,714	N/A	12/20/18	30 Yrs.
Maple Ave Land, Dallas, TX	359,116	—	359,116	—	N/A	03/17/17	N/A
Moe's Southwest Grill, Jacksonville, FL	1,862,284	—	1,862,284	—	N/A	10/10/18	N/A
Outback Steakhouse, Austin, TX	1,376,793	1,585,791	2,962,584	228,176	N/A	09/15/16	30 Yrs.
Party City Corporation, Oceanside, NY	2,964,507	3,288,786	6,253,293	26,376	N/A	09/24/19	35 Yrs.
PDQ, Jacksonville, FL	2,205,539	—	2,205,539	—	N/A	10/10/18	N/A
Rite Aid Corp., Renton, WA	2,036,235	4,148,415	6,184,650	665,475	N/A	07/25/13	40 Yrs.
Riverside Avenue, Jacksonville, FL	6,019,815	15,007,047	21,026,862	2,866,175	N/A	07/16/15	43 Yrs.
Staples, Sarasota, FL	2,728,083	1,145,137	3,873,220	167,313	N/A	01/27/17	40 Yrs.
The Strand, Jacksonville, FL	13,886,294	38,832,707	52,719,001	123,295	N/A	12/09/19	48 Yrs.
Walgreens, Clermont, FL	3,021,665	1,269,449	4,291,114	494,556	N/A	05/27/04	40 Yrs.
Wawa, Jacksonville, FL	6,252,632	—	6,252,632	—	N/A	10/10/18	N/A
Wells Fargo, Raleigh, NC	8,680,056	60,352,871	69,032,927	8,309,888	N/A	11/18/15	45 Yrs.
Westcliff Shopping Center, Fort Worth, TX	10,520,822	4,291,823	14,812,645	1,203,607	N/A	03/01/17	10 Yrs.
World of Beer/Fuzzy's Taco Shop, Brandon, FL	416,663	1,184,678	1,601,341	132,109	N/A	04/28/17	30 Yrs.
	160,101,806	232,740,093	392,841,899 (1)	22,551,716			

(1) The aggregate cost, net of deferred tax liabilities, of Income Properties, Land, Buildings, and Improvements for Federal income tax purposes at December 31, 2019 is approximately $231.0 million.

REAL ESTATE AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018	2017
	$	$	$
Cost:			
Balance at Beginning of Year	463,703,673	358,130,350	274,334,139
Additions and Improvements	130,004,868	104,043,734	83,796,211
Cost of Real Estate Sold	(200,866,642)	(10,142,289)	—
Reclassification from Land and Development Costs	—	11,671,878	—
Balance at End of Year	392,841,899	463,703,673	358,130,350
	$	$	$
Accumulated Depreciation:			
Balance at Beginning of Year	28,732,504	21,878,465	14,391,567
Depreciation and Amortization	9,891,813	9,827,154	7,486,898
Depreciation on Real Estate Sold	(16,072,601)	(2,973,115)	—
Balance at End of Year	22,551,716	28,732,504	21,878,465

(1) Reconciliation to Consolidated Balance Sheet at December 31, 2019	
Income Properties, Land, Buildings, and Improvements	392,841,899
	392,841,899
(2) Cost Basis of Assets Classified as Held for Sale on Balance Sheet	—
Total Per Schedule	392,841,899

SCHEDULE IV
MORTGAGE LOANS ON REAL ESTATE
FOR THE YEAR ENDED DECEMBER 31, 2019

There were four commercial loan investments as of December 31, 2019.

Description	Interest Rate	Final Maturity Date	Periodic Payment Terms	Prior Liens	Face Amount of Mortgages	Carrying Amounts of Mortgages	Principal Amount of Loans Subject to Delinquent Principal or Interest
	%			$	$	$	$
Ground Lease Loan:							
Carpenter Hotel-400 Josephine Street, Austin, TX	N/A	N/A	Monthly Rent Payments	—	16,250,000	16,443,942	—
First Mortgage:							
72-Acre Land Parcel, Orlando, FL	12.00%	June 2020	Principal payable in full at maturity	—	8,000,000	7,927,869	—
Mortgage Note-400 Josephine Street, Austin, TX	11.50%	July 2020	Principal payable in full at maturity	—	8,250,000	8,207,964	—
LPGA Golf Loan-Daytona Beach, FL	7.50%	October 2020	Principal payable in full at maturity	—	2,070,000	2,045,398	—
Totals				—	34,570,000	34,625,173	—

The following represents the activity within the Company’s commercial loan investment segment for the years ended December 31, 2019, 2018, and 2017:

	2019	2018	2017
	$	$	$
Balance at Beginning of Year	—	11,925,699	23,960,467
Additions During the Year:			
New Mortgage Loans	34,570,000	—	3,000,000
Accretion of Origination Fees (1)	(138,770)	34,768	(34,768)
Imputed Interest Over Rent Payments on Ground Lease Loan	193,943	—	—
Deductions During the Year:			
Collection of Principal	—	(11,960,467)	(15,000,000)
Balance at End of Year	34,625,173	—	11,925,699

(1) Non-cash accretion of loan origination fees

Exhibit 4.6

DESCRIPTION OF THE REGISTRANT'S SECURITIES

REGISTERED PURSUANT TO SECTION 12 OF

THE SECURITIES EXCHANGE ACT OF 1934

The following description sets forth certain material terms and provisions of our securities that are registered under Section 12 of the Securities Exchange Act of 1934. This description also contains summaries of the material terms of our amended and restated articles of incorporation ("Articles of Incorporation"), second amended and restated bylaws ("Bylaws") and the Florida Business Corporation Act, as amended ("FBCA"). The following summary of the material terms, rights and preferences of our securities does not purport to be complete and is subject to and qualified in its entirety by reference to our Articles of Incorporation and Bylaws, copies of which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part, as well as the FBCA. We encourage you to read the FBCA, our Articles of Incorporation and our Bylaws for additional information.

In this exhibit, references to references to the "Company" "we," "our" or "us" refer only to Consolidated-Tomoka Land Co. and not any of its current or future subsidiaries.

General

Our authorized capital stock consists of 25,000,000 shares of common stock, par value $1.00 per share, and 50,000 shares of preferred stock, par value $100.00 per share. As of February 28, 2020, we had 4,794,923 shares of common stock outstanding and no shares of preferred stock outstanding. All issued and outstanding shares of common stock are duly authorized, validly issued, fully paid and nonassessable.

Common Stock

Voting Rights

Each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of directors. There is no cumulative voting in the election of directors. Our Articles of Incorporation provide certain anti-takeover provisions that require super-majority votes, which may limit shareholders' rights to effect a change in control as described under the section below entitled "*Anti-Takeover Effects of Certain Articles of Incorporation and Bylaw Provisions*."

Dividends, Liquidation and Other Rights

Subject to the rights of our outstanding preferred stock, if any, which may be hereafter classified and issued, holders of shares of our common stock are entitled to receive dividends only when, as and if approved by our board of directors from funds legally available for the payment of dividends. Our shareholders are entitled to share ratably in the Company's assets legally available for distribution to our shareholders in the event of our liquidation, dissolution or winding up, voluntarily or involuntarily, after payment of, or adequate provision for, all of our known debts and liabilities and of any preferences of any series of our preferred stock that may be outstanding in the future.

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any of our securities. Our board of directors, under our Articles of Incorporation, may issue additional shares of our common stock or rights to purchase shares of our common stock without shareholder approval.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Anti-Takeover Effects of Certain Articles of Incorporation and Bylaw Provisions

Our Articles of Incorporation and Bylaws contain certain provisions that make it more difficult to acquire control of the Company by means of a tender offer, open market purchase, a proxy fight or otherwise. These provisions are designed to encourage persons seeking to acquire control of the Company to negotiate with our directors. We believe that, as a general rule, the interests of our shareholders would be best served if any change in control results from negotiations with our directors.

Business Combinations

Our Articles of Incorporation generally prohibit the Company from engaging in a broad range of business combinations or other extraordinary corporate transactions with a "Related Person" without the approval of the holders (i) 85% of the outstanding shares of "Voting Stock" of the Company and (ii) not less than 67% of the outstanding shares of Voting Stock held by shareholders other than a Related Person, unless:

- the transaction was approved by a two-thirds vote of the board of directors;
- the transaction is between the Company and a wholly-owned subsidiary of the Company; or
- the consideration paid to the holders of the Company's Voting Stock is at least equal to certain fair price criteria.

For purposes of our Articles of Incorporation, the term (a) "Voting Stock" means all outstanding shares of capital stock of the Company entitled to vote generally in the election of directors and (b) "Related Person" means any person, or affiliate of such person, which is the beneficial owner on the date on which a binding agreement (except for the fulfillment of conditions precedent, including, without limitation, votes of shareholders to approve such transaction) is entered into by the Company, as authorized by the board of directors, or immediately prior to the consummation of a transaction, or both, of 10% or more of the Voting Stock or any person, or affiliate of such person, who is an affiliate of the Company and at any time within five years preceding the date of the aforesaid agreement was the beneficial owner of 10% or more of the then outstanding Voting Stock.

Action by Written Consent; Special Meetings of Stockholders

Our Bylaws provide that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting, except with the written consent of two-thirds of the full board of directors. Our Bylaws also provide that, except as otherwise required by law, special meetings of the stockholders can be called by holders of not less than 50% of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting.

Advance Notice Procedures

Our Bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting are only able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in accordance with our Bylaws, of the stockholder's intention to bring that business before the meeting. Although the Bylaws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect our own slate of directors or otherwise attempting to obtain control of the Company.

Exclusive Forum Provision of our Bylaws

Our Bylaws provide that, unless we consent to the selection of an alternative forum, the sole and exclusive forum for certain actions shall be any Florida court sitting in Volusia County, Florida (or, if no Florida court sitting in Volusia County, Florida has jurisdiction, the federal district court for the Middle District of Florida). Those actions include: (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors or our officers or other employees to us or our shareholders, (iii) any action asserting a claim arising pursuant to any provision of the FBCA or the Articles of Incorporation or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine.

Amendments to our Bylaws

Our Bylaws may be amended, altered or repealed by the affirmative vote of two-thirds of the board of directors then in office at a duly constituted meeting called expressly for that purpose or by the affirmative vote of 85% of the votes eligible to be cast by the shareholders at a duly constituted meeting of shareholders called expressly for that purpose.

Indemnification.

The Articles of Incorporation provide that the Company shall indemnify, and may advance expenses to, our officers and directors to the fullest extent permitted by law.

CONSOLIDATED-TOMOKA LAND CO.
PERFORMANCE SHARE AWARD AGREEMENT

This PERFORMANCE SHARE AWARD AGREEMENT (this "Agreement") is made as of the ____ day of ____, 202_ (the "Grant Date"), by and between CONSOLIDATED-TOMOKA LAND CO., a Florida corporation (the "Company"), and ______________ ("Grantee").

BACKGROUND

The Company has adopted the Second Amended and Restated Consolidated-Tomoka Land Co. 2010 Equity Incentive Plan (the "Plan"), which is administered by the Compensation Committee of the Company's Board of Directors (the "Committee"). Section 8 of the Plan provides that the Committee shall have the discretion and right to grant Performance Shares, subject to the terms and conditions of the Plan and any additional terms provided by the Committee. The Committee has granted Performance Shares to Grantee as of the Grant Date pursuant to the terms of the Plan and this Agreement. Grantee desires to accept the grant of Performance Shares and agrees to be bound by the terms and conditions of the Plan and this Agreement. Unless otherwise defined herein, capitalized terms used herein shall have the meaning ascribed to such terms in the Plan.

AGREEMENT

1. Award of Performance Shares. Subject to the terms and conditions provided in this Agreement and the Plan, the Company hereby grants to Grantee [SHARE NUMBER IN WORDS] ([SHARE NUMBER IN NUMBERS]) Performance Shares (the "Performance Shares") as of the Grant Date. The extent to which Grantee's rights and interest in the Performance Shares become vested and non-forfeitable shall be determined in accordance with the provisions of Section 2 of this Agreement. The grant of the Performance Shares is made in consideration of the services to be rendered by Grantee to the Company.

2. Performance Vesting.

(a) The vesting of Grantee's rights and interest in the Performance Shares shall be determined in accordance with the performance vesting criteria set forth in **Exhibit A** hereto. In addition to such vesting criteria, Grantee must remain in continuous employment with the Company or one of its Subsidiaries from the Grant Date through the end of the Performance Period in order to have a vested and nonforfeitable right to the Performance Shares, and any termination of employment prior to the end of the Performance Period shall result in the forfeiture of the Performance Shares. Notwithstanding the foregoing, Grantee's rights and interest in the Performance Shares, unless previously forfeited, shall fully vest upon Grantee's termination of employment (a) without "Cause" (as defined below) or (b) for "Good Reason" (as defined below), in each case, at any time during the 24-month period following a Change in Control (as defined below).

(b) "Cause" shall have the meaning ascribed to such term in Grantee's employment or similar agreement with the Company; provided, that if Grantee is not a party to such an agreement with the Company, then "Cause" shall mean (i) Grantee's arrest or conviction for, plea of *nolo contendere* to, or admission of the commission of, any act of fraud, misappropriation, or embezzlement, or a criminal felony involving dishonesty or moral turpitude; (ii) a breach by Grantee of any material provision of this Agreement or any employment or similar agreement, provided that Grantee is given reasonable notice of, and a reasonable opportunity to cure within thirty (30) days of such notice (if such breach is curable), any such breach; (iii) any act or intentional omission by Grantee involving dishonesty or moral turpitude; (iv) Grantee's material failure to adequately perform his or her duties and responsibilities as such duties and responsibilities are, from time to time, in the Company's discretion, determined and after reasonable notice of, and a reasonable opportunity to cure within thirty (30) days of such notice (if such breach is curable), any such breach; or (iv) any intentional independent act by Grantee that would cause the Company significant reputational injury.

(c) "Change in Control" means any of the following events: (i) any person (as such term is used in Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act")) or group (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than a subsidiary of the Company or any employee benefit plan (or any related trust) of the Company or a subsidiary, becomes the beneficial owner of 50% or more of the Company's outstanding voting shares and other outstanding voting securities that are entitled to vote generally in the election of directors ("Voting Securities"); (ii) approval by the shareholders of the Company and consummation of either of the following: (A) a merger, reorganization, consolidation or similar transaction (any of the foregoing, a "Merger") as a result of which the persons who were the respective beneficial owners of the outstanding Common Stock and/or the Voting Securities immediately before such Merger are not expected to beneficially own, immediately after such Merger, directly or indirectly, more than 50% of, respectively, the outstanding voting shares and the combined voting power of the voting securities resulting from such merger in substantially the same proportions as immediately before such Merger; or (B) a plan of liquidation of the Company or a plan or agreement for the sale or other disposition of all or substantially all of the assets of the Company; or (iii) a change in the composition of the Board such that, during any 12-month period, the individuals who, as of the beginning of such period, constitute the Board (the "Existing Board") cease for any reason to constitute more than 50% of the Board; provided, however, that any individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the directors immediately prior to the date of such appointment or election will be considered as though such individual were a member of the Existing Board.

(d) "Good Reason" shall have the meaning ascribed to such term in Grantee's employment or similar agreement with the Company; provided, that if Grantee is not a party to such an agreement with the Company, then "Good Reason" shall mean a material reduction in Grantee's compensation or employment related benefits, or a material change in Grantee's status, working conditions or management responsibilities. Unless provided otherwise in Grantee's employment or similar agreement, Grantee's termination of employment shall not constitute a termination for Good Reason unless Grantee first provides written notice to the Company of the existence of the Good Reason within sixty (60) days following the effective date of the occurrence of the Good Reason, and the Good

Reason remains uncorrected by the Company for more than thirty (30) days following such written notice of the Good Reason from Grantee to the Company, and the effective date of Grantee's termination of employment is within one (1) year following the effective date of the occurrence of the Good Reason.

3. Shareholder Rights; Restrictions on Transfer.

(a) Grantee shall not have any right to vote any Performance Shares and shall not receive any dividends with respect to any unvested Performance Shares. Notwithstanding the foregoing, if the Company declares and pays dividends on its outstanding Shares during the Performance Period, Grantee will be entitled to have dividend equivalents accrued with respect to the Performance Shares. Such dividend equivalents shall vest or be forfeited in the same manner and to the same extent as the Performance Shares to which they relate, and shall, to the extent they become vested, be paid to Grantee in cash no later than sixty (60) days after the conclusion of the Performance Period.

(b) Except as otherwise provided for in Section 12 of the Plan, the Performance Shares may not be sold, assigned, transferred, pledged or otherwise disposed of by Grantee. Any attempt to transfer the Performance Shares in violation of this Section 3(b) shall render the Performance Shares null and void.

4. Taxes. Grantee shall pay to the Company all applicable federal, state and local income and employment taxes (including taxes of any foreign jurisdiction) which the Company is required to withhold at any time with respect to the Performance Shares. Such payment shall be made in full, at Grantee's election, in cash or check, by withholding from Grantee's next normal payroll, or by the tender of Shares of the Company's common stock (including the withholding of Shares otherwise issuable upon vesting of the Performance Shares, provided that the number of Shares so withheld does not exceed the amount necessary to satisfy the maximum statutory tax rates in Grantee's applicable jurisdictions). Shares tendered or withheld as payment of required withholding shall be valued at the closing price per share of the Company's common stock on the date such withholding obligation arises.

5. No Effect on Employment or Rights under Plan. Nothing in the Plan or this Agreement shall confer upon Grantee the right to continue in the employment of the Company or affect any right which the Company may have to terminate the employment of Grantee regardless of the effect of such termination of employment on the rights of Grantee under the Plan or this Agreement. If Grantee's employment is terminated for any reason whatsoever (and whether lawful or otherwise), Grantee will not be entitled to claim any compensation for or in respect of any consequent diminution or extinction of Grantee's rights or benefits (actual or prospective) under this Agreement or any Award (including any unvested portion of any Performance Shares) or otherwise in connection with the Plan. The rights and obligations of Grantee under the terms of Grantee's employment with the Company or any Subsidiary will not be affected by Grantee's participation in the Plan or this Agreement, and neither the Plan nor this Agreement form part of any contract of employment between Grantee and the Company or any Subsidiary. The granting of Awards (including the Performance Shares) under the Plan is entirely at the discretion of the

Committee, and Grantee shall not in any circumstances have any right to be granted any other award concurrently or in the future.

6. Governing Law; Compliance with Law.

(a) This Agreement shall be construed and enforced in accordance with the laws of the State of Florida without regard to conflict of law principles.

(b) The issuance and transfer of Performance Shares shall be subject to compliance by the Company and Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's securities may be listed. No Performance Shares, or any share of common stock underlying such Performance Shares, shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

(c) A legend may be placed on any certificate(s) or other document(s) delivered to Grantee indicating restrictions on transferability of the Performance Shares pursuant to this Agreement or any other restrictions that the Committee may deem advisable under the rules, regulations and other requirements of any applicable federal or state securities laws or any stock exchange on which the Company's securities may be listed.

7. Successors. This Agreement shall inure to the benefit of, and be binding upon, the Company and Grantee and their heirs, legal representatives, successors and permitted assigns.

8. Severability. In the event that any one or more of the provisions or portion thereof contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, the same shall not invalidate or otherwise affect any other provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision or portion thereof had never been contained herein.

9. Entire Agreement. Subject to the terms and conditions of the Plan, which are incorporated herein by reference, this Agreement expresses the entire understanding and agreement of the parties hereto with respect to such terms, restrictions and limitations.

10. Headings. Section headings used herein are for convenience of reference only and shall not be considered in construing this Agreement.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

12. No Impact on Other Benefits. The value of the Performance Shares is not part of Grantee's normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

13. Additional Acknowledgements. By their signatures below, Grantee and the Company agree that the Performance Shares are granted under and governed by the terms and conditions of the Plan and this Agreement. Grantee has reviewed in their entirety the prospectus that summarizes the terms of the Plan and this Agreement, has had an opportunity to request a copy of the Plan in accordance with the procedure described in the prospectus, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Plan and this Agreement. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Agreement.

[The balance of this page is intentionally blank.]

IN WITNESS WHEREOF, the Company and Grantee have executed this Agreement as of the Grant Date set forth above.

CONSOLIDATED-TOMOKA LAND CO.

BY: ________________________________

Name:__________________________

Chairman, Compensation Committee

I have read the Second Amended and Restated Consolidated-Tomoka Land Co. 2010 Equity Incentive Plan adopted on April 25, 2018, and by my signature I agree to be bound by the terms and conditions of said Plan and this Agreement.

Date:

Name:

EXHIBIT A

VESTING OF PERFORMANCE SHARES (3-YEAR PERFORMANCE)

1. Vesting of Performance Shares:

The number of Performance Shares that shall vest under this Agreement shall be based upon the following performance goal: The Company's Total Shareholder Return as compared to the Total Shareholder Return of the Comparison Group during the Performance Period, as further described below. Upon (a) the expiration of the Performance Period, and (b) the Committee's determination and certification of the extent to which the performance goal has been achieved, the Participant shall become vested in the number of Performance Shares that corresponds to the level of achievement of the performance goal set forth below that is certified by the Committee. Such determination and certification shall occur no later than sixty (60) days after the conclusion of the Performance Period.

1. Determination of Comparison Group:

The "Comparison Group" used for purposes of this **Exhibit A** shall consist of the 150 companies comprising the MSCI US REIT Index as of the date of this Agreement, which companies are listed on the attached **Schedule A-1**.

If a company in the Comparison Group experiences a bankruptcy event during the Performance Period, the company will remain in the Comparison Group and its stock price will continue to be tracked for purposes of the Total Shareholder Return calculation. If the company is subsequently acquired or goes private, the provisions below will apply. If the company liquidates, the company will remain in the Comparison Group and its Ending Stock Price will be reduced to zero.

If a company in the Comparison Group is acquired by another company in the Comparison Group, the acquired company will be removed from the Comparison Group and the surviving company will remain in the Comparison Group.

If a company in the Comparison Group is acquired by a company not in the Comparison Group, the acquired company will remain in the Comparison Group, and its Ending Stock Price will be equal to the value per share of the consideration paid to the shareholders of the acquired company in the transaction. The surviving company in such transaction will not be added to the Comparison Group.

If a company in the Comparison Group ceases to be a public company due to a going private transaction, the company will remain in the Comparison Group, and its Ending Stock Price shall be equal to the value per share of the consideration paid to the shareholders of the target company in the transaction.

Schedule A-1, page 1 of 4

1. Calculation of Total Shareholder Return:

"Total Shareholder Return" for the Company and each company in the Comparison Group shall include dividends paid and shall be determined as follows:

$$\text{Total Shareholder Return} = \frac{\text{Change in Stock Price + Dividends Paid}}{\text{Beginning Stock Price}}$$

"Beginning Stock Price" shall mean the average closing sale price of one (1) share of common stock for the twenty (20) trading days immediately prior to the first day of the Performance Period, as reported by the New York Stock Exchange, such other national securities exchange on which the stock is traded or, if the stock is traded over-the-counter, the OTC Bulletin Board, Pink OTC Markets Inc. or other applicable reporting organization. The Beginning Stock Price shall be appropriately adjusted to reflect any stock splits, reverse stock splits or stock dividends during the Performance Period.

"Change in Stock Price" shall mean the difference between the Ending Stock Price and the Beginning Stock Price.

"Dividends Paid" shall mean the total of all cash and in-kind dividends paid on (1) share of stock during the Performance Period.

"Ending Stock Price" shall mean the average closing sale price of one (1) share of common stock for the twenty (20) trading days immediately prior to the last day of the Performance Period, except as otherwise provided under "Determination of Comparison Group" above. Such closing sale prices shall be as reported by the New York Stock Exchange, such other national securities exchange on which the stock is traded or, if the stock is traded over-the-counter, the OTC Bulletin Board, Pink OTC Markets Inc. or other applicable reporting organization.

"Performance Period" shall mean the period commencing on January 1, 202_ and ending on December 31, 202_.

1. Calculation of Percentile Rank:

Following the Total Shareholder Return determination for the Company and the companies in the Comparison Group, the "Company Rank" within the Comparison Group shall be determined by listing each company in the Comparison Group (including the Company) from the highest Total Shareholder Return to lowest Total Shareholder Return and counting up to the Company from the company with the lowest Total Shareholder Return.

Schedule A-1, page 1 of 4

The Company's "Percentile Rank" shall then be determined as follows:

$$\text{Percentile Rank for Comparison Group} = \frac{\text{Company Rank in Comparison Group}}{\text{Total Number of Companies in the Comparison Group Including the Company}}$$

In the event that the Company's Total Shareholder Return for the Performance Period is equal to the Total Shareholder Return(s) of one or more other companies in the Comparison Group for that same period, the Company's Total Shareholder Return Percentile Rank will be determined by ranking the Company's Total Shareholder Return for that period as being greater than such other companies in the Comparison Group.

1. Calculation of Number of Vested Performance Shares:

The percent of Performance Shares that vest shall then be determined based on the following chart:

Company's Percentile Rank	Percent of Performance Shares to Vest
67th and above	150%
51st	100%
34th	50%
Below 34th	0%

Interpolation shall be used to determine the percent of Performance Shares that vest in the event the Company's Percentile Rank does not fall directly on one of the ranks listed in the above chart. Once the percent of Performance Shares to vest has been determined, the percent shall be multiplied by the number of Performance Shares awarded to determine the actual number of Performance Shares that vest, rounded to the next highest whole share. All Performance Shares that do not vest in accordance with this **Exhibit A** shall be automatically forfeited and canceled.

6. Absolute TSR Governor:

Notwithstanding anything set forth in Section 5 above, and regardless of the Company's Percentile Rank, if the Company's Total Shareholder Return for the Performance Period does not exceed 6% per annum, then the number of Performance Shares that vest pursuant to Section 5 shall not exceed 100% of the number of Performance Shares granted.

Schedule A-1, page 1 of 4

SCHEDULE A-1

Comparison Group

CompanyTicker
ACADIA REALTY TRUSTNYSE:AKR
AGREE REALTY CORPORATIONNYSE:ADC
ALEXANDER
& BALDWIN, INC.NYSE:ALEX
ALEXANDER'S, INC.NYSE:ALX
ALEXANDRIA REAL
ESTATE EQUITIES, INC.NYSE:ARE
AMERICAN
ASSETS TRUST, INC.NYSE:AAT
AMERICAN
CAMPUS COMMUNITIES, INC.NYSE:ACC
AMERICAN
FINANCE TRUST, INC.NasdaqGS:AFIN
AMERICAN HOMES 4 RENTNYSE:AMH
AMERICOLD REALTY TRUSTNYSE:COLD
APARTMENT INVESTMENT
AND MANAGEMENT COMPANYNYSE:AIV
APPLE HOSPITALITY REIT, INC.NYSE:APLE
ARMADA
HOFFLER PROPERTIES, INC.NYSE:AHH
ASHFORD
HOSPITALITY TRUST, INC.NYSE:AHT
AVALONBAY COMMUNITIES, INC.NYSE:AVB
BOSTON PROPERTIES, INC.NYSE:BXP
BRAEMAR HOTELS
& RESORTS, INC.NYSE:BHR
BRANDYWINE REALTY TRUSTNYSE:BDN
BRIXMOR
PROPERTY GROUP INC.NYSE:BRX
CAMDEN PROPERTY TRUSTNYSE:CPT
CARETRUST REIT, INC.NasdaqGS:CTRE
CEDAR REALTY TRUST, INC.NYSE:CDR
CHATHAM LODGING TRUSTNYSE:CLDT
CITY OFFICE REIT, INC.NYSE:CIO
COLONY CAPITAL, INC.NYSE:CLNY
COLUMBIA
PROPERTY TRUST, INC.NYSE:CXP
COMMUNITY
HEALTHCARE TRUST INCORPORATEDNYSE:CHCT
CORECIVIC, INC.NYSE:CXW
COREPOINT LODGING INC.NYSE:CPLG
CORESITE REALTY CORPORATIONNYSE:COR
CORPORATE
OFFICE PROPERTIES TRUSTNYSE:OFC
COUSINS PROPERTIES INCORPORATEDNYSE:CUZ
CUBESMARTNYSE:CUBE
CYRUSONE INC.NasdaqGS:CONE
DIAMONDROCK HOSPITALITY COMPANYNYSE:DRH
DIGITAL
REALTY TRUST, INC.NYSE:DLR
DIVERSIFIED HEALTHCARE TRUSTNasdaqGS:DHC
DOUGLAS EMMETT, INC.NYSE:DEI
DUKE REALTY CORPORATIONNYSE:DRE
EASTERLY
GOVERNMENT PROPERTIES, INC.NYSE:DEA
EASTGROUP PROPERTIES, INC.NYSE:EGP
EMPIRE STATE
REALTY TRUST, INC.NYSE:ESRT
EPR PROPERTIESNYSE:EPR
EQUINIX, INC. (REIT)NasdaqGS:EQIX

Schedule A-1, page 1 of 4

CompanyTicker
EQUITY COMMONWEALTHNYSE:EQC
EQUITY
LIFESTYLE PROPERTIES, INC.NYSE:ELS
EQUITY RESIDENTIALNYSE:EQR
ESSENTIAL PROPERTIES
REALTY TRUST, INC.NYSE:EPRT
ESSEX PROPERTY TRUST, INC.NYSE:ESS
EXTRA
SPACE STORAGE INC.NYSE:EXR
FEDERAL
REALTY INVESTMENT TRUSTNYSE:FRT
FIRST INDUSTRIAL REALTY TRUST, INC.NYSE:FR
FOUR CORNERS
PROPERTY TRUST, INC.NYSE:FCPT
FRANKLIN
STREET PROPERTIES CORP.AMEX:FSP
FRONT
YARD RESIDENTIAL CORPORATIONNYSE:RESI
GAMING AND
LEISURE PROPERTIES, INC.NasdaqGS:GLPI
GETTY REALTY CORP.NYSE:GTY
GLADSTONE COMMERCIAL CORPORATIONNasdaqGS:GOOD
GLOBAL
MEDICAL REIT INC.NYSE:GMRE
GLOBAL NET LEASE, INC.NYSE:GNL
HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
NYSE:HASI
HEALTHCARE
REALTY TRUST INCORPORATEDNYSE:HR
HEALTHCARE TRUST
OF AMERICA, INC.NYSE:HTA
HEALTHPEAK PROPERTIES, INC.NYSE:PEAK
HERSHA HOSPITALITY TRUSTNYSE:HT
HIGHWOODS PROPERTIES, INC.NYSE:HIW
HOST HOTELS
& RESORTS, INC.NYSE:HST
HUDSON
PACIFIC PROPERTIES, INC.NYSE:HPP
INDEPENDENCE REALTY TRUST, INC.NYSE:IRT
INDUSTRIAL
LOGISTICS PROPERTIES TRUSTNasdaqGS:ILPT
INNOVATIVE
INDUSTRIAL PROPERTIES, INC.NYSE:IIPR
INVESTORS
REAL ESTATE TRUSTNYSE:IRET
INVITATION HOMES INC.NYSE:INVH
IRON MOUNTAIN INCORPORATEDNYSE:IRM
ISTAR INC.NYSE:STAR
JBG SMITH PROPERTIESNYSE:JBGS
JERNIGAN CAPITAL, INC.NYSE:JCAP
KILROY REALTY CORPORATIONNYSE:KRC
KIMCO REALTY CORPORATIONNYSE:KIM
KITE
REALTY GROUP TRUSTNYSE:KRG
LEXINGTON REALTY TRUSTNYSE:LXP
LIFE STORAGE, INC.NYSE:LSI
LTC PROPERTIES, INC.NYSE:LTC
MACK-
CALI REALTY CORPORATIONNYSE:CLI
MEDICAL
PROPERTIES TRUST, INC.NYSE:MPW
MGM
GROWTH PROPERTIES LLCNYSE:MGP
MID-AMERICA
APARTMENT COMMUNITIES, INC.NYSE:MAA
MONMOUTH REAL
ESTATE INVESTMENT CORPORATIONNYSE:MNR

Company	Ticker
NATIONAL HEALTH INVESTORS, INC.	NYSE:NHI
NATIONAL RETAIL PROPERTIES, INC.	NYSE:NNN
NATIONAL STORAGE AFFILIATES TRUST	NYSE:NSA
NEW SENIOR INVESTMENT GROUP INC.	NYSE:SNR
NEXPOINT RESIDENTIAL TRUST, INC.	NYSE:NXRT
OFFICE PROPERTIES INCOME TRUST	NasdaqGS:OPI
OMEGA HEALTHCARE INVESTORS, INC.	NYSE:OHI
ONE LIBERTY PROPERTIES, INC.	NYSE:OLP
PARAMOUNT GROUP, INC.	NYSE:PGRE
PARK HOTELS & RESORTS INC.	NYSE:PK
PEBBLEBROOK HOTEL TRUST	NYSE:PEB
PENNSYLVANIA REAL ESTATE INVESTMENT TRUST	NYSE:PEI
PHYSICIANS REALTY TRUST	NYSE:DOC
PIEDMONT OFFICE REALTY TRUST, INC.	NYSE:PDM
PREFERRED APARTMENT COMMUNITIES, INC.	NYSE:APTS
PROLOGIS, INC.	NYSE:PLD
PS BUSINESS PARKS, INC.	NYSE:PSB
PUBLIC STORAGE	NYSE:PSA
QTS REALTY TRUST, INC.	NYSE:QTS
REALTY INCOME CORPORATION	NYSE:O
REGENCY CENTERS CORPORATION	NasdaqGS:REG
RETAIL OPPORTUNITY INVESTMENTS CORP.	NasdaqGS:ROIC
RETAIL PROPERTIES OF AMERICA, INC.	NYSE:RPAI
RETAIL VALUE INC.	NYSE:RVI
REXFORD INDUSTRIAL REALTY, INC.	NYSE:REXR
RLJ LODGING TRUST	NYSE:RLJ
RPT REALTY	NYSE:RPT
RYMAN HOSPITALITY PROPERTIES, INC.	NYSE:RHP
SABRA HEALTH CARE REIT, INC.	NasdaqGS:SBRA
SAUL CENTERS, INC.	NYSE:BFS
SERITAGE GROWTH PROPERTIES	NYSE:SRG
SERVICE PROPERTIES TRUST	NasdaqGS:SVC
SIMON PROPERTY GROUP, INC.	NYSE:SPG
SITE CENTERS CORP.	NYSE:SITC
SL GREEN REALTY CORP.	NYSE:SLG
SPIRIT REALTY CAPITAL, INC.	NYSE:SRC
STAG INDUSTRIAL, INC.	NYSE:STAG
STORE CAPITAL CORPORATION	NYSE:STOR
SUMMIT HOTEL PROPERTIES, INC.	NYSE:INN
SUN COMMUNITIES, INC.	NYSE:SUI
SUNSTONE HOTEL INVESTORS, INC.	NYSE:SHO
TANGER FACTORY OUTLET CENTERS, INC.	NYSE:SKT
TAUBMAN CENTERS, INC.	NYSE:TCO
TERRENO REALTY CORPORATION	NYSE:TRNO

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Company	Ticker
THE GEO GROUP, INC.	NYSE:GEO
THE MACERICH COMPANY	NYSE:MAC
UDR, INC.	NYSE:UDR
UMH PROPERTIES, INC.	NYSE:UMH
UNIVERSAL HEALTH REALTY INCOME TRUST	NYSE:UHT
URBAN EDGE PROPERTIES	NYSE:UE
URSTADT BIDDLE PROPERTIES INC.	NYSE:UBA
VENTAS, INC.	NYSE:VTR
VEREIT, INC.	NYSE:VER
VICI PROPERTIES INC.	NYSE:VICI
VORNADO REALTY TRUST	NYSE:VNO
W. P. CAREY INC.	NYSE:WPC
WASHINGTON PRIME GROUP INC.	NYSE:WPG
WASHINGTON REAL ESTATE INVESTMENT TRUST	NYSE:WRE
WEINGARTEN REALTY INVESTORS	NYSE:WRI
WELLTOWER INC.	NYSE:WELL
WHITESTONE REIT	NYSE:WSR
XENIA HOTELS & RESORTS, INC.	NYSE:XHR

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[NOTE: CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH: (i) NOT MATERIAL; AND, (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO REGISTRANT IF PUBLICLY DISCLOSED.]

PURCHASE AND SALE AGREEMENT
(The Strand at Town Center)

This **PURCHASE AND SALE AGREEMENT** (this "Agreement") is made and entered into as of the 29th day of October, 2019 (the "Effective Date") by and among **PGP JACKSONVILLE TC, LLC**, a Delaware limited liability company ("Seller"), **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation ("Purchaser"), and **FIRST AMERICAN TITLE INSURANCE COMPANY** ("Escrow Agent").

RECITALS:

A. **WHEREAS**, Seller is the owner in fee simple of the Property (as defined below).

B. **WHEREAS**, the Property is located within the shopping center located in Duval County, Florida, known as "The Strand at Town Center" (the Shopping Center").

C. **WHEREAS**, Seller desires to sell and Purchaser desires to purchase Seller's interest in the Property subject to all of the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Purchaser, and Escrow Agent agree as follows:

ARTICLE 1
DESCRIPTION OF PROPERTY

1.1 **Purchase and Sale of Property.** Seller hereby agrees to sell, assign, and convey to Purchaser, and Purchaser agrees to purchase from Seller, those certain parcels of real property situated in Duval County, Florida, more particularly described in Exhibit A attached hereto (collectively, the "Land"), and together with all buildings, structures, and other improvements now located on the Land (collectively, the "Improvements") (the Land, the Improvements, all appurtenances pertaining thereto, including any and all right, title, and interest of Seller in and to any easements, licenses, privileges, adjacent streets, roads, alleys, or rights of way pertaining to the Land are hereinafter collectively referred to as the "Premises"), together with the following:

(a) All of Seller's right, title and interest in and to those certain leases for the Premises (collectively, the "Leases"), which Leases are more particularly described on Exhibit B attached hereto, together with all lease guaranties (the "Guaranties") and all letters of credit, unapplied security deposits, or like fees (collectively, the "Tenant Deposits");

(b) All of Seller's right, title, and interest in all books and records concerning the Property and Shopping Center to the extent assignable, including, but not limited to, all architectural, engineering, mechanical, and electrical drawings, plans, specifications, feasibility studies, and reports, all surveys, all manuals, all construction records, all keys to all locks on the Premises, and an accounting for keys in the possession of others, and all reports, budgets, reconciliation statements, operating statements and other financial records pertaining to the operation and maintenance of the Premises, Shopping Center and the common areas on adjacent lands (collectively, the "Books and Records");

(c) All of Seller's right, title and interest, if any, in and to developer and development rights, concurrency, entitlements, including peak hour trips (but excluding Seller's excess earned peak hour trips, which are not included in this sale), impact fee credits, mobility credits, fair share credits, and all licenses, permits, certificates, approvals, authorizations, variances, the Lake Number One Owners' Association, Inc., the Lake Meadowbrook Lake Owners' Association, Inc., and consents issued by governmental or quasi-governmental bodies, officers, and/or authorities, in connection with the ownership, occupancy, use, and operation of the Premises (the "Permits"); and

(d) All of Seller's right, title, and interest, if any, in all furniture, fixtures, equipment, appliances, supplies, tools, machinery, and other types and items of personal property affixed thereto, located thereon, or used in connection with the operation of the Premises owned by Seller (the "Personal Property"), and intangible personal property owned by Seller and used in connection with the Premises, the Shopping Center and the business operated thereon, including any name referring to the Premises, the Shopping Center and the business operated thereon, all assignable warranties and guaranties, licenses, franchises, logos, trade names, trademarks, service marks, advertising materials, telephone and facsimile numbers, combination locks, and internet addresses used in connection with the Premises or Shopping Center (collectively, the "Intangibles") (the Premises, Leases, Guaranties, Tenant Deposits, Books and Records, Permits, Personal Property, Intangibles, and any other property described in this Article 1 are collectively referred to as the "Property").

ARTICLE 2
PURCHASE PRICE

2.1 Purchase Price. The total purchase price for the Property that Purchaser agrees to pay to Seller shall be Sixty Two Million Seven Hundred One Thousand and No/100 Dollars ($62,701,000.00), subject to adjustments and prorations as provided in this Agreement (the "Purchase Price").

2.2 Payment of Purchase Price. Purchaser shall pay to Seller through escrow at Closing the Purchase Price, subject to adjustments and credits as set forth in this Agreement, either (a) in cash, cashier's check, or wire transfer of immediately available funds (U.S. Dollars), or (b) such other method as is approved by Seller.

ARTICLE 3
EARNEST MONEY

3.1 Earnest Money. Within three (3) business days after the Effective Date, Purchaser shall deliver to Escrow Agent the sum of Seven Hundred Fifty Thousand and No/100 Dollars ($750,000.00) in cash, cashier's check, or wire transfer (the "Deposit" or "Earnest Money") to be placed in a non-interest bearing account. In the event Purchaser fails to deliver the Deposit to Escrow Agent within three (3) business days after the Effective Date, Seller's sole remedy shall be to terminate this Agreement. If the sale of the Property is consummated pursuant to the terms of this Agreement, the Earnest Money shall be retained by Seller and applied to the payment of the Purchase Price on the Closing Date (as defined in Section 8.1 below). If Purchaser terminates this Agreement in accordance with any right to terminate granted by this Agreement, the Earnest Money shall be immediately returned to Purchaser, and Purchaser shall have no further obligation to close hereunder.

ARTICLE 4
INSPECTION PERIOD

4.1 Inspection Period. Purchaser shall have the right to enter upon, inspect, and investigate the Premises to determine whether or not the Premises is satisfactory to Purchaser in Purchaser's sole discretion for a period of time commencing on the Effective Date and expiring at 5:00 p.m. Eastern Time forty (40) days thereafter (the "Inspection Period"). Notwithstanding the expiration of the Inspection Period, Purchaser shall continue to have the right, subject to the terms herein, to enter upon the Premises to inspect and investigate the Property pursuant to the terms set forth herein.

4.2 Entry and Inspection. Subject to the terms of the Leases, Seller shall make the Property available for inspection by Purchaser and Purchaser's employees, representatives, consultants, agents, and contractors, during regular business hours and upon forty-eight (48) hours' notice. Purchaser may, at Purchaser's sole risk and expense, undertake a complete physical inspection of the Property as Purchaser deems appropriate, including, but not limited to, soil tests, environmental audits, and property condition assessment reports; provided, however, that any such inspection does not cause any permanent damage to the Property. In addition, Purchaser shall have the right to review, and Seller shall make available to Purchaser, the Due Diligence Materials (as defined below). Purchaser's right to inspect the Property shall include the right to conduct such investigations, tests, surveys, interviews, and other analyses as Purchaser determines is necessary, including, without limitation, entry into or upon every portion of the Premises including those portions leased to the tenants under the Leases; provided, however, that Purchaser shall not conduct or allow any physically intrusive testing of, on or under the Premises without first obtaining Seller's written consent as to the timing and scope of work to be performed, which consent shall not be unreasonably withheld or delayed.

(a) All such inspections, investigations, and examinations shall be undertaken at Purchaser's sole cost and expense. Purchaser will coordinate all on-site inspections with Seller so that Seller shall have the option of having one of Seller's representatives present at any and all such on-site inspections. After completing any such inspections, Purchaser shall restore and repair any damage caused by Purchaser's inspections to substantially the same condition that existed immediately prior to such inspection, and Purchaser hereby agrees to indemnify and hold Seller harmless from any and all claims made or causes of action brought against Seller or the Property resulting from the activities of Purchaser or any of Purchaser's agents or servants in conducting any of such inspections on the Property. Notwithstanding the foregoing, Purchaser's indemnity shall not cover any loss, claim, or damage to the Property or to any person directly related (i) to any conditions or environmental issues which existed prior to Purchaser's inspection or to the existence of any hazardous materials or substances which is discovered during Purchaser's inspection, or (ii) resulting from Seller's acts, failure to act, or negligence. The terms of this Section shall survive the Closing or the termination of this Agreement, as applicable. Purchaser agrees not to unreasonably disrupt the business operations on the Premises or the tenants under the Leases during its inspections.

(b) Within three (3) business days after the Effective Date, Seller shall make available to Purchaser through the Eastdil Secure Data Room all reports, studies, projections, documents, records, or other materials relating to the ownership, use, operation, management, or maintenance of the Premises that are in Seller's possession, including, without limitation, the items more specifically described in Exhibit C attached hereto and made a part hereof (collectively, the "Due Diligence Materials"). Seller shall make available to Purchaser copies of such other documentation in Seller's possession that Purchaser deems necessary to complete its due diligence. Seller shall cooperate with Purchaser in its due diligence review and investigation of the Property and shall direct its employees, agents, and management company to cooperate with Purchaser in such review and investigation.

(c) The terms of Section 4.2 shall survive the Closing or the termination of this Agreement, as applicable.

4.3 Termination of Inspection Period. If Purchaser for any reason determines that the Property is not satisfactory to Purchaser in its sole discretion, Purchaser shall have the right at any time during the Inspection Period (including any period of time extending the Inspection Period) to notify Seller and Escrow Agent, in writing, that it has elected to terminate this Agreement. Upon receipt of said notice, Escrow Agent shall immediately return the Earnest Money to Purchaser. If Purchaser fails to give a notice to Seller and Escrow Agent prior to expiration of the Inspection Period, Purchaser shall be deemed to have elected to proceed to Closing, subject to the terms of this Agreement, and the Earnest Money shall be non-refundable except as otherwise set forth herein.

ARTICLE 5
TITLE AND SURVEY

5.1 Title. Within ten (10) days of the Effective Date, Purchaser shall obtain a title commitment (the "Commitment"), together with copies of all title documents listed as exceptions, from First American Title Insurance Company (the "Title Company") or its agent agreeing to issue to Purchaser an owner's policy of title insurance in the total amount of the Purchase Price insuring fee simple marketable title to the Property, subject only to the Permitted Exceptions (as defined below). Purchaser shall have until the end of the Inspection Period within which to notify Seller in writing (the "Title Objection Notice") of any defects or objections to the title appearing in the Commitment or the Survey (each, a "Title Defect" and collectively, the "Title Defects"). Purchaser's failure to timely deliver the Title Objection Notice shall be deemed Purchaser's approval of the Commitment and the Survey. Upon receipt of the Title Objection Notice, Seller will make its best efforts to cure any Title Defects and must cure liens or encumbrances evidencing monetary obligations and any notices of commencement affecting the Property (the "Mandatory Removal Liens"). If Seller fails to remedy the Title Defects on or prior to Closing, Purchaser may in its sole discretion either (a) terminate this Agreement and receive a return of its Earnest Money; (b) waive the Title Defects and consummate the Closing; or (c) postpone the Closing for a reasonable time to allow Seller additional time to remedy the Title Defects, and if hereafter Seller is still unable to remedy the Title Defects, at that time Purchaser may elect either (a) or (b).

5.2 Permitted Exceptions. It is understood and agreed that the Property is being sold by Seller to Purchaser free and clear of all liens, claims, and encumbrances except for the Permitted Exceptions, and it is further understood and agreed that the conveyance by Special Warranty Deed to be delivered by Seller at Closing shall be subject only to the following ("Permitted Exceptions"):

(a) Laws, ordinances, and governmental regulations (including, but not limited to, building, zoning, land use, and any subdivision ordinances and regulations) affecting the occupancy, use, or enjoyment of the Premises none of which materially adversely affect or prevent the present use of the Premises;

(b) All matters shown on Schedule B-II of the Commitment which are not Title Defects or Mandatory Removal Liens;

(c) Rights of the tenants under the Leases, as tenants only (with no rights of first refusal or purchase options) pursuant to the Leases;

(d) Real estate taxes and assessments for the year of Closing and subsequent years which are not yet due and payable; and

(e) Those matters disclosed by or depicted on the Survey, which are not a Title Defect.

5.3 **Later Title Exceptions.** In the event that an exception unacceptable to Purchaser is filed of record subsequent to the date of the Commitment (a "Later Exception"), Seller shall send written notice of such Later Exception to Purchaser. Purchaser shall have the right to postpone the Closing for the period of time necessary for Seller to satisfy, release, cure, or remove such lien or exception. Upon Seller's cure, removal, or bonding off of any such Later Exception, the Closing shall be scheduled upon ten (10) days prior written notice to Seller, provided that such date is not earlier than the Closing Date under this Agreement. If Seller is unable to cure, remove, bond off, or otherwise dispose of any Later Exception, Purchaser may in its sole discretion either (a) terminate this Agreement and receive a return of the Earnest Money; (b) waive such objection to the Later Exception and proceed with the Closing; or (c) postpone the Closing for a reasonable time to allow Seller additional time to remedy said Later Exception, and if thereafter Seller is unable to remedy said Later Exception, at that time Purchaser may elect either (a) or (b). Notwithstanding the foregoing, additional draws, advances, and/or increases to Seller's existing financing related to the Property that will be paid off at Closing shall not be considered a Later Exception.

5.4 **Survey.** Not later than the end of the Inspection Period, Purchaser, at its sole cost and expense, may obtain a current survey of the Premises prepared by a registered land surveyor duly licensed in the State of Florida (the "Survey"). Upon request, Seller shall execute a survey affidavit sufficient to allow the Title Company to delete the standard survey exception from the Commitment.

ARTICLE 6
REPRESENTATIONS, WARRANTIES, AND COVENANTS BY SELLER

[INFORMATION OMITTED]

ARTICLE 7
REPRESENTATIONS AND WARRANTIES BY PURCHASER

[INFORMATION OMITTED]

ARTICLE 8
CLOSING

8.1 **Closing.** Except as set forth below, the Closing on the sale and purchase of the Premises shall be held in the office of the Title Company or its agent by "mail-away" closing on or before the thirtieth (30th) day after the expiration of the Inspection Period (the "Closing Date"), unless the parties mutually agree upon another place and date.

8.2 **Conditions to Closing.** The obligation of Purchaser hereunder to consummate the Closing is subject to the satisfaction, as of the Closing, of each of the conditions set forth below. In the event one or more of the below conditions to Closing are not satisfied by Closing, Purchaser may (i) waive, in writing, in whole or in part, any of the conditions set forth below, (ii) extend the Closing until satisfactory completion of such condition, or (iii) terminate this Agreement, without waiving any other remedies it may have hereunder, and receive a return of its Deposit.

(a) Seller's Compliance. Seller's representations and warranties contained in this Agreement shall be true and correct as of the Closing Date, and Seller shall have performed, observed, and complied with all of the covenants, agreements, and conditions required by the Leases and this Agreement to be performed, observed, and complied with by Seller prior to or as of the Closing, including without limitation, as set forth in Section 6.2(a).

(b) Management Agreements; Service Contracts. If applicable and required by Purchaser, Seller shall have caused all management and brokerage agreements and all Service Contracts pertaining to the Property to be terminated effective as of the Closing Date (except for those Service Contracts that Purchaser elects in writing to assume) and shall cooperate with Purchaser in the transfer of management of the Property to Purchaser or an affiliate of Purchaser after Closing.

(c) Change in the Property. Except as expressly permitted herein, the Property shall be in substantially the same condition as of the Effective Date, ordinary wear and tear excepted.

(d) Estoppel Certificates. The Required Tenant Estoppels shall have been obtained by Seller and delivered to Purchaser. All remaining Estoppel Certificates received by Seller shall have been delivered to Purchaser. None of the Estoppel Certificates (including the Required Tenant Estoppels) shall reflect any materially adverse information or inconsistencies with the Rent Roll, Leases or any Seller representations and warranties set forth herein, and all of the Estoppel Certificates shall remain true and correct as of Closing. Notwithstanding the foregoing, failure by the Seller to obtain the Estoppel Certificates shall not be a default under this Agreement.

(e) Mandatory Removal Liens. Seller shall have cured any Mandatory Removal Liens.

(f) Marked Title Commitment. Purchaser shall have received a "marked" title Commitment in the amount of the Purchase Price, insuring fee simple title to the Property, subject only to the Permitted Exceptions.

(g) No Bankruptcy Proceedings. No bankruptcy, insolvency, rearrangement or similar action or proceeding, whether voluntary or involuntary, shall be pending or threatened against tenants.

(h) Thrive Term Commencement Agreement. Seller and the tenant under the Thrive Lease shall have executed the Thrive Term Commencement Agreement.

8.3 Seller's Closing Deliveries. At Closing, Seller shall deliver or cause to be delivered to Purchaser the following documents, all of which shall be in form reasonably acceptable to Purchaser:

(a) One or more Special Warranty Deeds, as determined by Purchaser, executed by Seller in form attached hereto as Exhibit D conveying the Premises to Purchaser free and clear of all encumbrances other than the Permitted Exceptions (the "Special Warranty Deed");

(b) Quit Claim Bill of Sale and General Assignment in the form attached hereto as Exhibit E conveying to Purchaser all of Seller's right, title and interest, if any, in and to the Personal Property, Books and Records, Intangibles and the Permits related to the Premises (the "Quit Claim Bill of Sale and General Assignment");

(c) Assignment and Assumption of Leases in the form attached hereto as Exhibit F containing Seller's indemnification of Purchaser for matters occurring on or prior to the Closing Date and Purchaser's assumption of obligations arising after the Closing Date (the "Assignment and Assumption of Leases");

(d) An Assignment of Declarant Rights under that certain Amended and Restated Master Declaration of Easements, Covenants and Restrictions for The Strand recorded in Official Records Book 17912, Page 203, as amended by that certain Amendment to Amended and Restated Master Declaration of Easements, Covenants and Restrictions recorded in Official Records Book 18561, page 1334; and as further amended by that certain Second Amendment to Amended and Restated Master Declaration of Easements, Covenants and Restrictions recorded in Official Records Book 18561, page 1382, all of the public records of Duval County, Florida, in such form as is reasonably approved by Purchaser;

(e) An Assignment of Declarant Rights under that certain Declaration of Covenants and Restrictions for Operation and Maintenance of Surface Water or Storm Water Management System recorded in Official Records Book 8207, Page 785, as amended by that certain First Amendment to Declaration of Covenants and Restrictions for Operation and Maintenance of Surface Water or Storm Water Management System recorded in Official Records Book 9760 Page 851, and as further amended by that certain Addendum to Declaration of Covenants and Restrictions for Operation and Maintenance of Surface Water or Storm Water Management System recorded in Official Records Book 14390 Page 453, all of the public records of Duval County, Florida, in such form as is reasonably approved by Purchaser;

(f) The resignation of all of Seller's representatives who are board members of Lake Number One Owners' Association, Inc., and the Lake Meadowbrook Lake Owners' Association, Inc. (the "Associations"), and appointment of a person identified by Purchaser to serve as such board member's replacement on the board of the Association (joined by all remaining board members, officers or members of such Associations, as necessary to authorize such appointment);

(g) An assignment of Seller's rights under any other declaration of easement, covenant, restriction or other agreement benefiting or affecting the Property (or any portion thereof), in such form as is reasonably approved by Purchaser;

(h) Assignment of Impervious Surface Allocations in connection with that certain Declaration of Restrictive Covenant and Easements (TC Parcels Stormwater Treatment) recorded in Official Records Book

16849, Page 1093, of the public records of Duval County, Florida, in such form as is reasonably approved by Purchaser;

(i) Certificate of good standing of Seller from the Secretary of State of Seller's state of formation;

(j) Resolution of Seller authorizing the transaction contemplated by this Agreement and indicating that Seller is duly authorized to execute all closing documents, in form and substance approved by the Title Company;

(k) Owner's and FIRPTA affidavit from Seller sufficient to delete the standard title exceptions for the "gap," parties in possession (other than the tenants under the Leases), unrecorded matters and mechanics liens;

(l) Original or copies if Seller does not have originals of the Leases;

(m) Letter to the tenants under the Leases informing the tenants of Purchaser's acquisition of the Property;

(n) An updated Rent Roll certified by Seller as being true and correct as of the Closing Date, which shall reflect no adverse information;

(o) Originals or signed copies of the Estoppel Certificates received by Seller;

(p) If required by Purchaser, terminations of any management agreements, brokerage agreements and Service Contracts;

(q) Such additional documents and instruments as the Title Company may reasonably require to transfer and insure the title to the Property; and

(r) Such other documents or instruments as Purchaser may reasonably request in order to effectuate the transactions contemplated herein.

8.4 <u>Purchaser's Closing Deliveries</u>. At Closing, Purchaser shall deliver to Seller the following:

(a) The Purchase Price, as adjusted pursuant to closing adjustments and prorations provided for in this Agreement;

(b) Counterpart to the Assignment and Assumption of Leases;

(c) Such additional documents and instruments as the Title Company may reasonably require to transfer and insure the title to the Property; and

(d) Such other documents or instruments as Seller may reasonably request in order to effectuate the transactions contemplated herein.

ARTICLE 9
CLOSING COSTS, ADJUSTMENTS, AND PRORATIONS

9.1 Closing Costs. At Closing, Purchaser shall pay the costs associated with its due diligence, the costs of preparation of the Survey, the cost of any fees, taxes and recording fees associated with Purchaser's financing, the cost to record the Special Warranty Deed, and one-half (1/2) of any closing or escrow fee to the Escrow Agent. At Closing, Seller shall pay the premium for the owner's title policy in the amount of the Purchase Price and all search and exam fees, documentary stamp taxes on the Special Warranty Deed, all brokerage commissions, any monetary obligations secured by all or any portion of the Property (including prepayment penalties or other charges incurred in connection therewith), the recording fees and costs associated with any curative or title documents including the Mandatory Removal Liens, and one-half (1/2) of any closing or escrow fee to the Escrow Agent. Purchaser and Seller shall each pay their own attorneys' fees.

9.2 Real Property and Personal Property Taxes. Unless paid by tenants under the Leases, real estate taxes on the Premises, and any other taxes associated with the Property for the year of Closing, shall be prorated as of the Closing Date. Seller shall pay all real estate and personal property taxes for the period ending on the day immediately preceding the Closing, and Purchaser shall be responsible for all such taxes from and after the day of Closing. If the tax bill for the year of closing has not been issued prior to Closing, such taxes shall be prorated based upon the tax bill issued for the previous year, with known changes, if any; provided, however, any such reproration of taxes shall be based upon the maximum available discount amount when the actual amount becomes known.

9.3 Utilities Prorations. Unless paid by tenants under the Leases, the final meter readings on all gas, water, sewer, electric, and all other utility services shall be made as of 12:01 A.M. on the Closing Date or as soon thereafter as possible. For the convenience of the parties, Seller and Purchaser may agree to an estimated meter reading as of the Closing Date based upon a prior reading at any time after the expiration of the Inspection Period or agree upon a proration based upon the previous month's applicable utility bill. Seller shall be responsible for all charges for consumption of utilities and any waste and garbage charges prior to the Closing Date, and Purchaser shall be responsible for all utility charges and any waste and garbage charges from and after the Closing Date. All deposits for utility services shall remain the sole property of Seller, and Purchaser shall prior to Closing make new security deposit arrangements with the utility companies providing service to the Property.

9.4 **<u>Rental Payments and Security Deposits</u>.** All minimum rents, percentage rents, operating expense charges, security charges, tax and insurance escalation charges, pass-through common area maintenance charges, and all other fees and charges due under the Leases and all other items of income with respect to the Property, whether or not any of the foregoing are due, have been billed, or have been collected as of the Closing, shall be prorated between Purchaser and Seller as of midnight on the date preceding the Closing (but not sales tax due on the rental payments under the Leases, which shall be paid to the State of Florida Department of Revenue by the party receiving such sales tax payment). If any of said rents, charges, fees, or incomes have not been collected or are past due at the time of Closing for a period not in excess of one (1) month, Purchaser agrees to use commercially reasonable efforts consistent with Purchaser's business practices to collect the same and agrees that the first monies received by Purchaser with respect to each account shall be received first on account of or in payment of the rent due for the month in which such sum was collected, then to any other amounts due Purchaser, then to any amounts due Seller. All Tenant Deposits paid by tenants under the Leases, together with any interest thereon, shall be assigned and transferred to Purchaser at Closing or applied as a credit against the Purchase Price at Closing. Seller shall indemnify Purchaser against any loss, claim, or action arising from Seller's failure to account for, properly apply, or actually transfer to Purchaser any such Tenant Deposits and prepaid rents. Percentage rents, if any, due under any Leases for any lease year in which the Closing occurs shall be apportioned between Seller and Purchaser on a Lease by Lease basis, with Seller entitled to the portion of total percentage rent paid under each Lease for the Lease year in which the Closing occurs equal to the total amount of such percentage rent multiplied by a fraction, the numerator of which shall be the number of days in such Lease year which elapsed prior to the Closing Date, and the denominator of which shall be 365. Subject to the remainder of this subsection, Seller shall retain all percentage rent payments received by it prior to the Closing, and Purchaser shall retain all percentage rent payments received by it from and after the Closing. Within thirty (30) days after final computation and adjustment of percentage rents for calendar year 2019 (or, if applicable, for the lease year in which the Closing occurs) under any Lease, the parties shall prorate or reprorate the percentage rent under such Lease and any appropriate adjustments between the parties will be made at that time.

9.5 **<u>Assessments, Liens, and Other Expenses</u>.** Unless paid by tenants under the Leases, all assessments, liens, or other expenses that relate to or are associated with the Property shall be prorated as such assessments, liens, or other expenses are customarily prorated in similar transactions in the County in which the Property is located.

9.6 **<u>All Expenses</u>.** All remaining bills and expenses of every nature relating to the Property, including those for tenant improvements/allowances/credits, leasing commissions, labor, materials, services, and capital improvements incurred by Seller for the period ending on the day immediately preceding the Closing shall be paid by Seller, except for any such expenses incurred by or at the direction of Purchaser in connection with Purchaser's inspection of the Property, all of which expenses incurred by Purchaser at the direction of Purchaser shall be paid by Purchaser. All such costs arising or incurred on or after the Closing Date shall be paid by Purchaser.

9.7 **<u>Post Closing Reconciliation</u>.** **[INFORMATION OMITTED]**

9.8 **<u>Survival</u>.** All of the provisions of Article 9 shall survive Closing.

ARTICLE 10
CASUALTY AND CONDEMNATION

10.1 **<u>Casualty</u>.** Seller assumes all risk and liability, damage to, or injury occurring to the Premises by fire, storm, accident, or any other casualty or cause until the Closing has been consummated. If the Premises, or any part thereof, suffers any damages prior to the Closing from fire or other casualty, Purchaser may either (a) terminate this Agreement and the Earnest Money shall be returned to Purchaser, in which event the parties shall have no further rights and liabilities hereunder except with respect to those matters specifically surviving termination or Closing; or (b) consummate the Closing, in which latter event the proceeds of any insurance covering such damage shall be assigned to Purchaser at Closing

10.2 **<u>Condemnation</u>.** If, prior to Closing, action is initiated or threatened to take any part of the Property by eminent domain proceedings or by deed in lieu under threat thereof, Purchaser may either (a) terminate this Agreement and receive a refund of the Earnest Money, in which event the parties shall have no further rights or obligations hereunder except those matters specifically surviving termination or Closing; or (b) consummate the Closing in which latter event any award received or to be received by Seller from the condemning authority shall be assigned to Purchaser at the Closing.

ARTICLE 11
DEFAULT

11.1 **<u>Breach by Seller</u>.** **[INFORMATION OMITTED]**

11.2 **<u>Breach by Purchaser</u>.** **[INFORMATION OMITTED]**

11.3 **<u>Escrow Hold-Back</u>.** **[INFORMATION OMITTED]**

ARTICLE 12
MISCELLANEOUS

12.1 **<u>Notices</u>.** Any notice, request, or other communication required or permitted to be given under this Agreement shall be in writing, addressed to each party at its address as set forth below, and shall be delivered by (i) hand delivery, (ii) commercial courier service (such as Federal Express), (iii) email or facsimile transmission, or (iv) mailed by United States registered or certified mail, return receipt requested, postage prepaid. Any such notice shall be considered given on the date of such hand or courier delivery or upon transmission by email or facsimile. By giving at least five (5) days' prior written notice thereof, any party may from time to time and at any time change its mailing address hereunder. Any notice by any party may be given by such party's legal counsel. The parties' respective notice addresses are as follows:

As to Seller:

PGP Jacksonville TC, LLC
402 Industrial Lane
Birmingham, Alabama 35211
[INFORMATION OMITTED]

With a copy to:

[INFORMATION OMITTED]

As to Purchaser:

c/o Consolidated-Tomoka Land Co.
1140 N. Williamson Boulevard, Suite 140
Daytona Beach, FL 32114
[INFORMATION OMITTED]

With a copy to:

c/o Consolidated-Tomoka Land Co.
1140 N. Williamson Boulevard, Suite 140
Daytona Beach, FL 32114
[INFORMATION OMITTED]

And a copy to:

[INFORMATION OMITTED]

12.2 <u>Broker</u>. [INFORMATION OMITTED]

12.3 <u>Escrow Agent</u>. Escrow Agent agrees to hold, keep, and deliver the Earnest Money and all other sums delivered to Escrow Agent in accordance with the following terms and provisions:

(a) Escrow Agent shall not be entitled to any fees or compensation for its services hereunder. Escrow Agent shall be liable only to hold said sums and deliver the same to the parties named herein in accordance with the provisions of this Agreement, it being expressly understood that by acceptance of this Agreement, Escrow Agent is acting in the capacity as a depository only and shall not be liable or responsible to anyone for any damages, losses, or expenses unless same shall have been caused by the gross negligence or willful misconduct of Escrow Agent.

(b) In the event of any disagreement between Purchaser and Seller resulting in any adverse claims and demands being made in connection with or for the monies involved herein or affected hereby, Escrow Agent shall be entitled to refuse to comply with any such claims or demands so long as such disagreement may continue; and in so refusing Escrow Agent shall make no delivery or other disposition of any of the monies then held by it under the terms of this Agreement, and in so doing Escrow Agent shall not become liable to anyone for such refusal; and Escrow Agent shall be entitled to continue to refrain from acting until (a) the rights of the adverse claimants shall have been finally adjudicated in a court of competent jurisdiction of the monies involved herein or affected hereby, or (b) all differences shall have been adjusted by written agreement between Seller and Purchaser, and Escrow Agent shall have a period not exceeding three (3) business days after receipt by Escrow Agent of any notice or request to perform any act or disburse any portion of the monies held by Escrow Agent under the terms of this Agreement. Further, Escrow Agent shall have the right at all times to pay all sums held by it (i) to the appropriate party under the terms hereof, or (ii) into any court of competent jurisdiction after a dispute between or among the parties has arisen, whereupon Escrow Agent's obligations hereunder shall terminate.

(c) Seller and Purchaser jointly and severally agree to indemnify and hold harmless Escrow Agent from any and all costs, damages, and expenses, including reasonable attorneys' fees, that Escrow Agent may incur in its compliance of and in good faith with the terms of this Agreement; provided, however, that this indemnity shall not extend to any acts of gross negligence or willful misconduct on the part of the Escrow Agent.

(d) Notwithstanding anything to the contrary contained in this Agreement, prior to the expiration of the Inspection Period, the escrow established hereunder shall be a "sole order" escrow for the benefit of Purchaser (meaning that Escrow Agent shall act solely in accordance with the instructions of Purchaser until the expiration of the Inspection Period in respect of the Earnest Money). Without limiting the generality of the foregoing, in the event that on or prior to the expiration of the Inspection Period, Purchaser delivers notice to Escrow Agent stating that Purchaser has elected to terminate this Agreement, then Escrow Agent shall refund to Purchaser the Earnest Money without any requirement that Escrow Agent first notify or obtain any approval or consent of Seller (and Escrow Agent agrees that it shall not be permitted to, and shall not, follow any conflicting instructions given by Seller or any third party with regard thereto). Seller agrees in such instance not to deliver any conflicting instructions to Escrow Agent for any reason and hereby instructs Escrow Agent to act in respect of the Earnest Money solely in accordance with Purchaser's instructions on or prior to the expiration of the Inspection Period. For the avoidance of doubt, if Purchaser makes a demand of Escrow Agent to return the Earnest Money pursuant to this Section, then Purchaser shall be deemed to have terminated this Agreement.

(e) The provisions of this Section 12.3 shall survive Closing.

12.4 Entire Agreement. This Agreement and the Exhibits hereto embody the entire agreement between the parties relative to the subject matter, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter, which are not expressly set forth herein.

12.5 Amendment. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

12.6 Headings. The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

12.7 Time of the Essence. TIME IS OF THE ESSENCE OF THIS AGREEMENT. However, if the final date of any period which is set out in any provision of this Agreement falls on a Saturday, Sunday, or major holiday, then the time of such period shall be extended to the next day which is not a Saturday, Sunday, or major holiday. For the purposes of this Section, "major holiday" shall mean New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

12.8 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida and the laws of the United States pertaining to transactions in Florida.

12.9 Successors and Assigns. This Agreement shall bind and inure to the benefit of Seller, Purchaser, and their respective heirs, executors, administrators, personal legal representatives, successors, and assigns. Purchaser may assign Purchaser's rights under this Agreement.

12.10 **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

12.11 **Attorneys' Fees.** In the event it becomes necessary for either party hereto to file suit to enforce this Agreement or any provision contained herein or with respect to any matter regarding the Property, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages as herein provided, reasonable attorneys', paralegals', or expert witnesses' fees and costs incurred in such suit at trial or on appeal or in connection with any bankruptcy or similar proceedings.

12.12 **Multiple Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one agreement, but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

12.13 **Incorporation.** All Exhibits attached to this Agreement are incorporated in and made a part of this Agreement.

12.14 **Radon Gas.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

12.15 **Non-Merger.** In addition to the specific language of non-merger found in certain Sections of this Agreement, any provision hereof which by its terms would be performed after Closing shall survive the Closing and shall not merge in the Closing or in the Special Warranty Deed, except as specifically provided to the contrary herein.

12.16 **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON THIS AGREEMENT OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT CONTEMPLATED AND EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF DEALING, COURSE OF CONDUCT, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO.

12.17 **Recording of this Agreement.** Purchaser may record a short form notice or memorandum of this Agreement in the public records of Duval County, Florida or in any other appropriate office or place of recording.

12.18 Judicial Interpretation. Should any of the provisions of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply the presumption that the terms thereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that the agents of all parties have participated in the preparation thereof.

12.19 No Assumption of Seller's Liability. Purchaser is acquiring only the Property from Seller. Purchaser does not assume or agree to pay, or indemnify Seller or any other person or entity against, any liability, obligation, or expense of Seller or relating to the Property in any way except only to the extent, if any, herein expressly and specifically provided. Seller agrees to indemnify and defend Purchaser, and its successors and assigns, against all claims and losses of whatever source or nature asserted against or suffered by Purchaser relating to any and all past development construction or sales activities conducted on or relating to the Property.

12.20 Confidentiality. [INFORMATION OMITTED]

12.23 Section 1031 or 1033 Exchange. Purchaser and Seller agree that, at either party's election, this transaction shall be structured as an exchange of like-kind properties under Section 1031 or 1033 of the Internal Revenue Code and the regulations and proposed regulations thereunder. The party so electing shall be known as the "Electing Party," and the other party shall be known as the "Non-Electing Party." The parties agree that if either party wishes to make such election, it must do so on or prior to the Closing Date. If the Electing Party so elects, the Non-Electing Party shall cooperate with the Electing Party and execute documentation that may be reasonably requested in connection with any exchange; it being understood, however, that the Non-Electing Party shall not be required to take title to any other property as part of the Section 1031 or 1033 exchange. The Electing Party shall in all events be responsible for all costs and expenses related to the Section 1031 or 1033 exchange and shall indemnify, defend and hold harmless the Non-Electing Party from and against any and all liability, claims, damages and expenses (including reasonable attorneys' fees and costs but excluding any attorneys' fees and expenses incurred by the Non-Electing Party in connection with its review of the documents reasonably necessary to effect the Electing Party's exchange) actually incurred by the Non-Electing Party and arising out of such Section 1031 or 1033 exchange. The foregoing indemnity shall survive any termination of this Agreement. Seller acknowledges and agrees, as part of Purchaser's 1031 Exchange, the Seller may be required to wire the closing funds to the Title Company and not Escrow Agent, since Escrow Agent represents Purchaser in this transaction.

12.24 [Intentionally omitted.]

12.25 Additional Definitions. The term "Section" shall mean any section, sub-section, paragraph, or sub-paragraph set forth in this Agreement, as applicable. The term "Exhibits" shall mean and refer to the following exhibits:

Exhibit A Legal Description of the Land

Exhibit B Description of Leases

Exhibit C Due Diligence Materials

Exhibit D Special Warranty Deed

Exhibit E Quit Claim Bill of Sale and General Assignment

Exhibit F Assignment and Assumption of Lease

Exhibit G Form of Estoppel Certificate

Exhibit 6.1(f) Rent Roll

Exhibit 6.1(g) Service Contracts

Exhibit 6.2(i) Required Tenant Estoppel

Exhibit 6.2(j) Lake Number One

IN WITNESS WHEREOF, Seller, Purchaser, and Escrow Agent have executed and delivered this Purchase and Sale Agreement effective as of the Effective Date.

SELLER:

PGP JACKSONVILLE TC, LLC, a Delaware limited liability company

By: PGP Florida Holdings, LLC, a Delaware limited liability company
Its: Managing Member

By: Preferred Growth Properties, LLC, a Delaware limited liability company
Its: Managing Member

By: BOOKS-A-MILLION, INC., a Delaware corporation
Its: Managing Member

By: /s/ R.T. Noden
Name: R.T. Noden
Title: SVP COO & CFO

Date: 10/28/19

[*Signatures continue on following page*]

<u>PURCHASER</u>:

CONSOLIDATED-TOMOKA LAND CO.,
a Florida corporation,

By: <u>/s/ Steven R. Greathouse</u>
Name: <u>Steven R. Greathouse</u>
Title: <u>SVP - Investments</u>

Date: <u>10/22/19</u>

[*Signatures continue on following pages*]

<u>SELLER'S AGENT</u>:

EASTDIL SECURED

By: /s/ William Dean Sands
Name: William Dean Sands
Title: Director

Date: 10/24/19

[*Signatures continue on following pages*]

<u>PURCHASER'S AGENT</u>:

STAN JOHNSON COMPANY

By: <u>/s/ Ryan Butler</u>
Name: <u>Ryan Butler</u>
Title: <u>Managing Director</u>

Date: <u>10/25/19</u>

[*Signatures continue on following pages*]

FIRST AMERICAN TITLE INSURANCE COMPANY, as Escrow Agent, joins in the execution of this Agreement for the purpose of acknowledging the agreement as to the holding of the Earnest Money in accordance with the terms and provisions of the Agreement.

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: /s/ Nancy Honsa
Name: Nancy O. Honsa
Title: Sr. Commercial Escrow Officer

Date: 10/25/19

[*End of signature pages*]

EXHIBIT A

Legal Description of the Land

The parties shall approve the final legal description of the Land during the Inspection Period, but the Land is generally depicted on the Site Plan on the following page.

The Land includes all of Seller's right, title and interest in and to the Land located in the Shopping Center, including the following two (2) outparcels:

[INFORMATION OMITTED]
RE # 167727-0120
4784 Town Center Parkway, Jacksonville, Florida

[INFORMATION OMITTED]
RE # 167727-0180
0 Town Center Parkway, Jacksonville, Florida

[INFORMATION OMITTED]

EXHIBIT B

Description of Leases

[INFORMATION OMITTED]

<u>EXHIBIT C</u>

Due Diligence Materials

[INFORMATION OMITTED]

EXHIBIT D

Form of Special Warranty Deed

Prepared by and return to:

Chris R. Strohmenger, Esq.
Burr & Forman LLP
50 N. Laura Street, Suite 3000
Jacksonville, Florida 32202

Parcel Identification No.:

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made this ____ day of _______________, 2019, by _______________________, a ___________________ (the "Grantor"), whose mailing address is ____, to _________________________, a __________________________ (the "Grantee"), whose mailing address is __________________________________ (wherever used herein, the terms "Grantor" and "Grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations):

W I T N E S S E T H:

That Grantor, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the Grantee all that certain real property together with the building, fixtures and improvements thereon located in ________ County, State of Florida, the legal description of which is contained in Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER, with all the tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND, Grantor hereby covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; and Grantor hereby covenants that Grantor will warrant and defend title to the Property against the lawful claims of all persons claiming by, through, or under Grantor, but against none other, subject to the encumbrances set forth on Exhibit B attached hereto (the "Permitted Encumbrances"); provided, however, this reference shall not serve to reimpose the same.

IN WITNESS WHEREOF, the Grantor has caused the deed to be executed and delivered the day and year first above written.

Signed, sealed and delivered in the presence of these witnesses:	**GRANTOR:**
	___________________________________, a ___________________________________
______________________________ Print Name:____________________	By:_________________________________ Name:_______________________________ Title:_______________________________
______________________________ Print Name:____________________	

STATE OF ____________________
COUNTY OF __________________

The foregoing instrument was acknowledged before me this ___ day of ___________, 2019, by ________________, as __________________ of ________________, a ____________________, on behalf of the company. He personally appeared before me, is personally known to me, or produced ________________________ as identification.

Notary:___________________________
Print Name:________________________
Notary Public, State of______________
My Commission Expires:_____________

[NOTARIAL SEAL]

Exhibit A – Legal Description
Exhibit B – Permitted Encumbrances

EXHIBIT E

Form of Quit Claim Bill of Sale and General Assignment

QUIT CLAIM BILL OF SALE AND GENERAL ASSIGNMENT

___________________________, a(n) ___________________ ("Seller"), for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration received, does hereby sell, assign, grant and convey to ____, a(n) _______________________________________ ("Purchaser"), all of Seller's right, title and interest, if any, in and to the following described property, to the extent transferable or assignable:

All of Seller's right, title, and interest, if any, in all furniture, fixtures, equipment, appliances, supplies, tools, machinery, and other types and items of personal property affixed to the real property described in **Exhibit A** attached hereto and made a part hereof (the "Premises"), or used in connection with the operation of the Premises (collectively, the "Personal Property");

All of Seller's right, title, and interest in all books and records concerning the Premises and Shopping Center (as defined in the parties Purchase and Sale Agreement dated ___________, 2019 (the "Agreement")), including, but not limited to, all architectural, engineering, mechanical, and electrical drawings, plans, specifications, feasibility studies, and reports, all surveys, all manuals, all construction records, all keys to all locks on the Premises and an accounting for keys in the possession of others, if any, and all reports, budgets, reconciliation statements, operating statements and other financial records pertaining to the operation and maintenance of the Premises, Shopping Center and the common areas on adjacent lands (but excluding the roadway at The Crossing), to the extent in Seller's possession or control (collectively, the "Books and Records");

All of Seller's right, title and interest, if any, in and to developer and development rights, concurrency, entitlements, including peak hour trips (but excluding Seller's excess earned trips), impact fee credits, mobility credits, fair share credits, and all licenses, permits, certificates, approvals, authorizations, variances, the Lake Number One Owners' Association, Inc., the Lake Meadowbrook Lake Owners' Association, Inc., and consents issued by governmental or quasi-governmental bodies, officers, and/or authorities, in connection with the ownership, occupancy, use, and operation of the Premises (collectively, the "Permits"); and

All intangible personal property owned by Seller and used in connection with the Premises, the Shopping Center and the business operated thereon, including any name referring to the Premises, the Shopping Center and the business operated thereon, all assignable warranties and guaranties, licenses, franchises, logos, trade names, trademarks, service marks, advertising materials, telephone and facsimile numbers, combination locks, and internet addresses used in connection with the Premises or Shopping Center (collectively, the "Intangibles").

TO HAVE AND TO HOLD the Personal Property, Books and Records, Permits and Intangibles unto Purchaser and its successors and assigns forever. This Quit Claim Bill of Sale and General Assignment is made without representation, warranty or recourse, and conveys only the interest, if any, of Seller in the Personal Property, Books and Records, Permits and Intangibles.

Seller covenants to execute such other and further instruments as may be required to effectuate the purposes of this Quit Claim Bill of Sale and General Assignment.

IN WITNESS WHEREOF, the Seller has executed this Quit Claim Bill of Sale and General Assignment as of the date first set forth above.

SELLER:

_________________________________,
a(n)
____

By:_______________________________
Name:____________________________
Title:_____________________________

Exhibit A – Legal Description

EXHIBIT F

Form of Assignment and Assumption of Leases

ASSIGNMENT AND ASSUMPTION OF LEASES

This ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") is made and entered into effective as of the ______ day of ____________________, 2019 (the "Effective Date"), by and between _________________________________, a(n) _________________________ ("Assignor"), and ____________________________, a(n) _____________________________ ("Assignee").

Recitals

This Assignment is made with respect to the following facts:

A. Assignor has as of the date hereof conveyed to Assignee the real property described on Exhibit A attached hereto and made a part hereof (the "Real Property").

B. The Real Property is subject to the lease agreements identified on Exhibit B (such lease agreements, together with all rent, income and proceeds arising therefrom being hereinafter collectively referred to as the "Leases").

C. In connection with the conveyance of the Real Property, Assignor has agreed to assign all of its right, title and interest in and to the Leases to Assignee, and Assignee has agreed to assume and perform all of Assignor's liabilities and obligations arising under the Leases from and after the date hereof.

Assignment

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment of Leases. Assignor hereby transfers, assigns, and conveys to Assignee all of Assignor's right, title, and interest in and under the Leases, including, but not limited to, any guaranties, letters of credit, security deposits (including any interest earned thereon), and prepaid rents, if any, along with the right to perform all powers conferred to Assignor as landlord under the Leases.

2. Assumption of Leases. Assignee does hereby assume all of Assignor's duties and obligations under the Leases and agrees to perform all of Assignor's duties thereunder accruing on or after the Effective Date.

3. Indemnification. Assignor shall indemnify and hold harmless Assignee from and against all obligations and/or defaults of the Assignor under the Leases to the extent such obligations or defaults were applicable to the period, and required to be performed, prior to the Effective Date.

4. Notification of Assignment. Assignor covenants and agrees to deliver a signed statement to the tenants under the Leases, notifying the tenants that the Leases have been assigned.

5. Binding Effect of this Assignment. This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee, and their respective successors and assigns.

[*Signature pages follow*]

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the date set forth above.

ASSIGNOR:

_________________________________,
a(n) ______________________________

By:______________________________
Name:____________________________
Title:_____________________________

STATE OF ______________________
COUNTY OF _____________________

The foregoing instrument was acknowledged before me this ___ day of ___________, 2019, by __________________, as ______________ of __________________, a _________________________, on behalf of the company. He personally appeared before me, is personally known to me, or produced ________________________ as identification.

Notary:__________________________
Print Name:_______________________
Notary Public, State of______________
My Commission Expires:____________

[NOTARIAL SEAL]

IN WITNESS WHEREOF, the Assignee has executed this Assignment as of the date set forth above.

ASSIGNEE:

___________________________________,
a(n) ________________________________

By:_______________________________
Name:_____________________________
Title:______________________________

STATE OF ___________________________
COUNTY OF _________________________

The foregoing instrument was acknowledged before me this ___ day of ____________, 2019, by _______________________, as ___________________ of _____________, a ____________________, on behalf of the company. He personally appeared before me, is personally known to me, or produced ____________________________ as identification.

Notary:____________________________
Print Name:________________________
Notary Public, State of_______________
My Commission Expires:_____________

[NOTARIAL SEAL]

Exhibit A – legal Description

Exhibit B – List/Description of Lease

EXHIBIT G
Form of Tenant Estoppel Certificate
TENANT ESTOPPEL CERTIFICATE

To: ______________________________ (the "Purchaser")

Re: Name of Tenant's Business: ____
Lease between __________________________, as Landlord or its assignees (the "Landlord"), and ________________________, a ___________________, as Tenant (the "Tenant"), dated ________________, 20___ for approximately ____ square feet of space (the "Premises") in that certain Shopping Center known as The Strand at Town Center, located in Jacksonville, Florida (the "Property")

Tenant understands that Purchaser will purchase the Property. Tenant, as the tenant under the above-referenced lease (as amended by the amendments, if any, listed above, the "Lease") hereby certifies to and agrees with Purchaser as follows:

1. The Lease is in full force and effect and has not been modified, supplemented, or amended, except: ____.

2. The Lease represents the entire agreement between the parties as to the Property, and Tenant claims no rights with respect to the Property other than as set forth in the Lease.

3. The Lease has been duly executed and delivered by, and is a binding obligation of, Tenant, and the Lease is in full force and effect.

4. Tenant has paid rent for the Premises up to and including __________________, 20___. The current amount of fixed monthly rent is $__________________; **[the current percentage rent is ______________;]** the current monthly common area or other charges are $________________. The base year for operating expenses and real estate taxes, as defined in the Lease, is ______________. No rent has been or will be paid more than one (1) month in advance of its due date, except: ____

5. Tenant has paid a security deposit of $____________.

6. The commencement date of the Lease was ________________, 20___. The current expiration date for the Lease is ________________, 20___, and Tenant has no option or right to terminate the Lease prior to the expiration date. Tenant has no option(s) to renew or extend the Lease, except:

____

____.

7. All work to be performed by Landlord to the Premises under the Lease has been performed in all material respects. All work to be performed by Landlord to the Property under the Lease has been performed in all material respects. All payments, free rent, or other credits, allowances or abatements required to be given under the Lease to Tenant with respect to work to be performed to the Premises have been received by Tenant, except: ____. Tenant has unconditionally accepted the Premises, is in physical occupancy of the Premises and is operating its business in the Premises.

8. As of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default by Tenant or Landlord under the Lease; and (ii) Tenant has no existing claims, defenses or offsets against rental due or to become due under the Lease.

9. Tenant has not assigned any of its rights under the Lease or sublet all or any portion of the Premises. Tenant does not hold the Premises under assignment or sublease.

10. Tenant has no right or option to purchase all or any part of the Premises or the building of which the Premises is a part. Tenant has no right to expand or occupy any additional space at the Property.

11. No actions, whether voluntary or otherwise, are pending against Tenant under the bankruptcy laws of the United States or any state.

The person executing this certificate on behalf of Tenant is duly authorized to execute this certificate.

Executed by Tenant on _________________, 20__.

TENANT:

____________________________________,
a ___________________________________

By:__________________________________

Name: __________________________
Title: ____________________________

EXHIBIT 6.1(f)
Rent Roll
[INFORMATION OMITTED]

<u>EXHIBIT 6.1</u>(g)
Service Contracts
[INFORMATION OMITTED]

<u>EXHIBIT 6.2</u>(i)
Required Tenant Estoppels
[<u>INFORMATION OMITTED</u>]

<u>EXHIBIT 6.2(j)</u>

Lake Number One and a portion of Lake Meadowbrook

(from title policy)

PARCEL 3: Lake No. One

A portion of Section 7, Township 3 South, Range 28 East, Jacksonville, Duval County, Florida, being more particularly described as follows:

For Point of Reference, commence at the Southwest corner of said Section 7, the same being in the centerline of J. Turner Butler Boulevard (State Road No. 202, as now established as a 300 foot right of way); thence North 00°46'43" West, along the West line of Section 7, a distance of 175.20 feet; run thence North 82°55'26" East, a distance of 752.22 feet; run thence North 03°26'30" West, a distance of 106.47 feet; run thence North 00°33'11" West, a distance of 303.51 feet; run thence North 26°32'08" West, a distance of 49.41 feet to the Point of Beginning.

From the Point of Beginning thus described, run South 85°18'46" West, a distance of 125.47 feet; run thence North 65°06'03" West, a distance of 78.74 feet; run thence North 20°40'43" West, a distance of 68.55 feet; run thence North 05°20'44" East, a distance of 261.27 feet; run thence North 02°54'42" West, a distance of 317.21 feet; run thence North 00°25'40" West, a distance of 189.43 feet; run thence North 17°52'35" East, a distance of 278.96 feet; run thence North 04°07'10" East, a distance of 226.06 feet; run thence Easterly, along the arc of a curve, concave Southerly with a radius of 81.49 feet, an arc distance of 203.44 feet to a point, said arc being subtended by a chord bearing of North 89°44'45" East, and distance of 154.57 feet; run thence South 14°55'36" East, a distance of 162.86 feet to a point; run thence Southeasterly, along the arc of a curve, concave Northeasterly with a radius of 206.56 feet, an arc distance of 205.32 feet to a point, said arc being subtended by a chord bearing of South 46°50'45" East and distance of 196.97 feet; run thence South 76°50'23" East, a distance of 265.99 feet; run thence South 37°20'02" East, a distance of 110.17 feet; run thence South 21°48'06" East, a distance of 70.74 feet; run thence South 10°37'47" East, a distance of 85.44 feet; run thence South 03°19'03" West, a distance of 56.84 feet; run thence South 63°39'27" West, a distance of 150.03 feet; run thence South 29°56'39" West, a distance of 43.18 feet; run thence South 29°11'56" East, a distance of 87.87 feet; run thence South 09°56'39" East, a distance of 87.53 feet; run thence South 10°41'20" West, a distance of 212.86 feet; run thence South 46°30'27" West, a distance of 31.67 feet; run thence South 84°05'19" West, a distance of 156.18 feet; run thence Southwesterly, along the arc of a curve, concave Southeasterly with a radius of 320.00 feet, an arc distance of 184.03 feet to a point, said arc being subtended by a chord bearing of South 62°01'27" West, and distance of 181.51 feet; run thence South 45°32'55" West, a distance of 139.82 feet; run thence South 85°18'46" West, a distance of 16.91 feet to

the Point of Beginning.

Less and Excepting portion described in Official Records Book 8253, Page 2195, of the Public Records of Duval County, Florida.

Portion of Lake Meadowbrook:
All of Seller's interest in Lake Meadowbrook as generally depicted on the Site Plan attached as Exhibit A.

Exhibit 10.33

[Note: Certain information has been excluded from this Exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the Registrant if publicly disclosed]

PURCHASE AND SALE AND ESCROW AGREEMENT

SELLER:

VESTAR CTC CHANDLER, L.L.C.,
an Arizona limited liability company

and

VESTAR CTC CHANDLER PHASE 2, L.L.C.,
an Arizona limited liability company

PURCHASER:

CONSOLIDATED-TOMOKA LAND CO.,
a Florida corporation

PROPERTY:

CROSSROADS TOWNE CENTER - CHANDLER
SWC LOOP 202 & GILBERT ROAD
CHANDLER, ARIZONA

December 23, 2019

Term Sheet

Purchaser: CONSOLIDATED-TOMOKA LAND CO.,
a Florida corporation

Notice Address: Consolidated-Tomoka Land Co.
1140 N. Williamson Boulevard, Suite 140
Daytona Beach, FL 32114
[*information removed*]

With a copy to:**Consolidated-Tomoka Land Co.**
1140 N. Williamson Boulevard, Suite 140
Daytona Beach, FL 32114
[information removed]

With a copy to: *[information removed]*

Seller: VESTAR CTC CHANDLER, L.L.C.,
an Arizona limited liability
company

and

VESTAR CTC CHANDLER PHASE 2, L.L.C.,
an Arizona limited liability company

Notice Address: *[information removed]*

With a copy to: *[information removed]*

Escrow Agent: First American Title Insurance Company

[information removed]

Property: Crossroads Towne Center - Chandler
SWC Loop 202 & Gilbert Road
Chandler, Arizona

Purchase Price: $61,800,000

Initial Deposit:**$500,000**

Additional Deposit:**$1,000,000**

Approval Date:**December 26, 2019**

Closing Date:**January 27, 2020**

PURCHASE AND SALE AND ESCROW AGREEMENT

THIS **PURCHASE AND SALE AND ESCROW AGREEMENT** (this "**Agreement**") dated as of the 23rd day of December, 2019 (the "**Effective Date**"), is made by and between **VESTAR CTC CHANDLER, L.L.C.**, an Arizona limited liability company ("**Seller I**") and **VESTAR CTC CHANDLER PHASE 2, L.L.C.**, an Arizona limited liability company ("**Seller II**" and individually and collectively with Seller I as the context may require, "**Seller**"), and **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation ("**Purchaser**").

R E C I T A L S:

Seller desires to sell certain improved real property commonly known as Crossroads Towne Center – Chandler located at SWC Loop 202 & Gilbert Road, Chandler, Arizona, along with certain related personal and intangible property, and Purchaser desires to purchase such real, personal and intangible property.

Seller I shall be deemed to be the Seller of the Seller I Property (as hereinafter defined) and Seller II shall be deemed to be the Seller of the Seller II Property (as hereinafter defined), and the parties shall cooperate and prepare separate closing documents for the respective transfers pursuant to this Agreement.

A G R E E M E N T S:

NOW, THEREFORE, in consideration of the foregoing, of the covenants, promises and undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. The Property.

1.1 Description. Subject to the terms and conditions set forth in this Agreement, and for the consideration herein set forth, Seller agrees to sell and transfer, and Purchaser agrees to purchase and acquire, all of Seller's right, title, and interest in and to the following (as it relates to the Seller I Land (as hereinafter defined), the "**Seller I Property**" and as it relates to the Seller II Land (as hereinafter defined) the "**Seller II Property**", and individually and collectively with the Seller I Property as the context may require, the "**Property**"):

1.1.1Certain real property located in Chandler, Maricopa County, Arizona, and more specifically described in Exhibit 1.1.1.A attached hereto as to Seller I (the "**Seller I Land**") and more specifically described on Exhibit 1.1.1.B attached hereto as to Seller II (the "**Seller II Land**", and individually and collectively with the Seller I Land as the context may require, the "**Land**");

1.1.2All improvements located on the Land, including all buildings (collectively, the " **Building**"), and all other structures, parking areas, systems, fixtures, and utilities associated with, and utilized by Seller in the ownership and operation of the Building (all such improvements, together with the Building, being referred to herein collectively as the "**Improvements**");

1.1.3All furniture, artwork, personal property, machinery, appliances, tools, building materials, hardware, carpeting, apparatus, and equipment currently used in the operation, repair and maintenance of the Land and Improvements and situated thereon (collectively, the " **Personal Property**"), generally described on Exhibit 1.1.3 attached hereto, but expressly excluding all furniture, artwork, personal property, equipment, fixtures, appliances, machinery, tools, building materials, apparatus and all other personal property owned by tenants of the Building, public or private utilities or contractors working at the Property, except, in each of the foregoing cases, to the extent of any reversionary or other interest of Seller therein and except the property described on Exhibit 1.1.3 that is identified as "**Excluded Property**". The Personal Property to be conveyed is subject to depletions, replacements and additions in the ordinary course of business and contractual and legal transfer and use restrictions;

1.1.4All rights, easements, hereditaments, interests, and appurtenances belonging to or inuring to the benefit of Seller and pertaining to the Land including without limitation water and mineral rights, if any;

1.1.5Any street or road abutting the Land to the center lines thereof;

1.1.6The leases and occupancy agreements, as amended, prior to the date hereof, including those in effect on the Effective Date, which as to Seller I are identified on the Schedule of Leases attached hereto as Exhibit 1.1.6.A and which as to Seller II are identified on the Schedule of Leases attached hereto as Exhibit 1.1.6.B, and any new leases entered into pursuant to Section 4.4, which as of the Closing Date (as hereinafter defined) affect all or any portion of the Land or Improvements (collectively, the "**Leases**"), and any security and other deposits and prepaid rent required to be reimbursed by Seller under the Leases as of the Closing (as hereinafter defined) with respect to any such Leases;

1.1.7Subject to Section 3.3, all assignable contracts and agreements (collectively, the "**Contracts**") relating to the operation, repair or maintenance of the Land, Improvements or Personal Property the terms of which extend beyond midnight of the day preceding the Date of Closing (as hereinafter defined);

1.1.8To the extent assignable without the consent of third parties, and/or the payment of compensation, and except for trademarks, trade names, and domain names for Crossroads Towne Center (for which Purchaser will be given a non-exclusive and irrevocable right to use), all permits, approvals, entitlements and other intangible property owned by Seller, if any, and used solely in connection with the Property, including, without limitation, all of Seller's right, title and interest in any and all transferable, unexpired warranties and guaranties (collectively, the " **Intangible Personal Property**") it being expressly understood and agreed that in connection with the assignment of any transferable warranties and guaranties, Seller shall cooperate with Purchaser in facilitating such an assignment at and/or after the Closing, but shall not be obligated to pay any fee or compensation or incur any obligation or liability in connection with such an assignment, and completion prior to Closing of such assignment shall not be a condition to Closing; and

1.1.9All transferable consents, authorizations, variances or waivers, licenses, permits, and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality held by the Seller in respect of the Land or Improvements (collectively, the " **Approvals**").

1.2 Purchase Price. The total purchase price to be paid for the Property ("**Purchase Price**") is SIXTY-ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS ($61,800,000) U.S. The Purchase Price is allocated to the Seller I Property and the Seller II Property as follows: Seller I Property, $40,375,000; and Seller II Property, $21,425,000.

1.3 Payment. Payment of the Purchase Price is to be made in cash as follows:

1.3.1 (a) By 5:00 p.m. (Arizona Time) on the day that is two (2) business days following the Effective Date, Purchaser shall deliver an earnest money deposit of FIVE HUNDRED THOUSAND DOLLARS ($500,000) (the "**Initial Deposit**") to Escrow Agent (as defined below).

(b) If Purchaser provides a Continuation Notice (as defined below) prior to the expiration of the Due Diligence Period, then before 5:00 p.m. Arizona Time on the day which is two (2) business days following the expiration of the Due Diligence Period, Purchaser shall make an additional deposit of ONE MILLION DOLLARS ($1,000,000) (the "**Additional Deposit**") (collectively, the Initial Deposit and the Additional Deposit are referred to herein as the "**Deposit**"). The Deposit, as installments of same are paid, will be placed and held in escrow by First American Title Insurance Company at 2425 East Camelback Road, Suite 300, Phoenix, Arizona 85016 ("**Title Company**" and "**Escrow Agent**") in a fully FDIC-insured account or accounts at a mutually acceptable banking institution located in the State of Arizona, and such account shall have no penalty for withdrawal. Except as otherwise provided in this Agreement, the Deposit shall be applied to the Purchase Price at Closing. The Deposit shall be paid by wire transfer of immediately available federal funds. The failure by Purchaser to deposit with Escrow Agent any portion of the Deposit within the time-frame for doing so shall at the option of Seller exercised by written notice to Purchaser and without right of cure by Purchaser result in the immediate, automatic cancellation and termination of this Agreement. By its execution hereof, Title Company acknowledges the receipt of the Deposit and its agreement to hold and apply the Deposit in accordance with this Agreement.

Half of each of the Initial Deposit and the Additional Deposit shall be deemed allocated to each of the Seller I Property and the Seller II Property.

(c) Neither Purchaser nor Seller shall incur any liability to the other in connection with the selection of the Title Company or the surveyor, if any, retained in connection with the transaction contemplated by this Agreement or in connection with the loss by Title Company of the Deposit or any other amounts deposited by either party into escrow.

1.3.2At Closing, the Purchaser shall pay Seller the Purchase Price, inclusive of the Deposit and subject to adjustments and pro rations as expressly provided herein, to a bank account designated by Seller via wire transfer or other form of immediately available funds.

1.3.3Purchaser’s obligation to purchase the Property is not contingent upon Purchaser’s ability to obtain financing for the purchase of the Property.

1.4 Independent Consideration. Contemporaneously with the execution and delivery of this Agreement and delivery of the Initial Deposit, Escrow Agent shall pay to the Seller as further consideration for this Agreement, the amount of ONE HUNDRED DOLLARS ($100) (“**Independent Consideration**”) of the Initial Deposit as independent consideration provided for hereunder, which Independent Consideration is fully earned by Seller and is not refundable under any circumstances.

1.5 Closing. Payment of the Purchase Price and closing hereunder (the “**Closing**”) will take place pursuant to a mail away escrow closing on or before the Closing Date, at the offices of the Title Company at 11:00 a.m. Arizona time or at such other time and place as may be agreed upon in writing by Seller and Purchaser (the aforesaid date, or such other date as may be agreed upon by the parties, being referred to in this Agreement as the “**Closing Date**” or the “**Date of Closing**”). The parties agree that Closing can occur by delivery of the closing documents and the Purchase Price to the Title Company pursuant to written instruction letters and that the parties do not have to physically attend the Closing. The Closing Date is of extreme importance to Seller as the Purchase Price is needed by Seller on the Closing Date in order to satisfy certain obligations of Seller, and Purchaser’s covenant to close the transaction contemplated by (and subject to the terms of) this Agreement on the Closing Date constitutes a material inducement to the entry by Seller into this Agreement.

1.6 Agreement to Convey. Seller shall convey, and Purchaser shall accept, title to the Land and Improvements by the Deed (defined below) and title to the Personal Property shall be transferred, by bill of sale, without warranty as to the title or the condition of such personalty, except as set expressly forth in this Agreement. Purchaser acknowledges that Seller makes no representation or warranty whatsoever with respect to the Personal Property and/or the Intangible Personal Property and, in this regard, Seller hereby disclaims any and all express or implied warranties, including any warranty of merchantability, fitness for any particular purpose, suitability, title, design or condition, quality or capacity, or compliance with law as to both the Personal Property and the Intangible Personal Property.

2. <u>“As Is” Purchase.</u>

2.1 <u>No Reliance by Purchaser</u>.

(a) As a material inducement for Seller entering into this Agreement, Purchaser expressly acknowledges and agrees that the Property is being sold, and Purchaser is acquiring the Property, in its present condition and state of repair. Purchaser shall accept the Property in an **“AS IS” “WHERE IS”** condition and **“WITH ALL FAULTS”** as of the Effective Date and as of the Closing, except as otherwise expressly set forth in this Agreement.

(b) Purchaser understands and expressly acknowledges that unknown liabilities, conditions and defects may exist with respect to the Property, that Purchaser explicitly took that possibility into account in determining and agreeing to the Purchase Price, and that a portion of such consideration, having been bargained for between the parties with the knowledge of the possibility of liabilities, shall be given in exchange for a full accord and satisfaction and discharge of Seller of all such liabilities, except as expressly set forth in this Agreement or in the closing documents required to be executed at Closing by Seller under this Agreement and delivered to Purchaser (the “**Closing Documents**”).

(c) Purchaser shall not rely on any warranties, promises, understandings or representations, express or implied, of Seller, any Seller Party (as defined below) or any agent, contractor or employee of Seller or a Seller Party relating to the Property, the physical condition, development potential, operation, or income generated by the Property or any other matter or things affected by or related to the Property, except as may be expressly contained in this Agreement or the closing documents identified herein, and no such representation or warranty shall be implied with respect to the Property. Without limiting the generality of the foregoing disclaimer of representations and warranties, except as may be expressly contained in this Agreement or the closing documents identified herein, Seller specifically disclaims any warranties or representations of any kind or character, express or implied, with respect to (i) matters of title, (ii) environmental matters relating to the Property or any portion thereof, including, without limitation, the presence of Hazardous Materials, including asbestos, or any mold or harmful or toxic materials in, on, under or in the vicinity of the Property, (iii) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water, and geologic faults and the resulting damage of past and/or future faulting, (iv) whether, and the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, wetlands, flood prone area, flood plain, floodway or special flood hazard, (v) drainage, (vi) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any undershoring, (vii) the presence of endangered species or any environmentally sensitive or protected areas, (viii) zoning or building entitlements to which the Property or any portion thereof may be subject, (ix) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric, (x) usages of adjoining Property, (xi) access to the Property or any portion thereof, (xii) the Property's compliance with any site plans or other plans and specifications, or the size, location, age, use, design, quality, description, suitability, structural integrity or soundness, state of repair, water-tightness, operation, habitability, quality of construction or physical condition of the Property or any portion thereof including, without limitation, the plumbing, sewer, heating, ventilating, air conditioning and electrical systems, roofing, windows, balconies, walls, floors and foundations, (xiii) the value, title or financial condition of the Property, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof, (xiv) the condition or use of the Property or compliance of the Property with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire, parking or zoning ordinances, codes or other similar laws, including without limitation the Americans with Disabilities Act, (xv) the existence or nonexistence of underground storage tanks, surface impoundments, or landfills, (xvi) the merchantability of the Property or fitness of the Property for any particular purpose, (xvii) the truth, accuracy or completeness of the Property Documents (except for the representations expressly stated in Section 5.1), (xviii) tax consequences, or (xix) any other matter or thing with respect to the Property. A "**Seller Party**" is defined as the member of Seller, the property management company, UBS Realty Investors LLC ("**UBS Realty**") (Seller's advisor), and their respective officers, members, partner(s), employees, and agents.

"**Property Documents**" shall mean, collectively, (a) the Leases, (b) the Contracts, and (c) any other documents or instruments which constitute, evidence or create any portion of the Property, including, without limitation, the following, to the extent that the same exist and are in the Seller's possession: licenses, permits and approvals; copies of correspondence with tenants; materials and booklets, if any, used in connection with the marketing of the Property for lease; and the "**as-built**" plans and specifications and all other available drawings, plans and specifications which relate or pertain to the Property.

2.1.1Purchaser may, prior to the expiration of the Due Diligence Period, fully inspect and investigate the Property and matters relevant to the Property and may make all inquiries, inspections, tests, audits, studies and analyses that it deems necessary or desirable in connection with the Property (subject to the provisions of Section 3.1 of this Agreement) and approve or disapprove in its sole discretion the results of its investigations and inspections (including engineering, structural or other tests with respect to the condition of the Property). Except as otherwise expressly set forth in this Agreement, Purchaser shall rely solely upon the results of Purchaser's own inspections and judgment and other information obtained or otherwise available to Purchaser, rather than any information of Seller, when determining whether to purchase the Property. Seller is under no duty to make affirmative disclosures or inquiry regarding any matter which may or may not be known to Seller or any Seller Party, except as expressly set forth in this Agreement and in the Closing Documents, and Purchaser, for itself and for its successors and assigns, hereby specifically waives and releases Seller and each Seller Party from any such duty that otherwise might exist, except as expressly set forth in this Agreement and in the Closing Documents.

2.1.2Purchaser hereby waives and releases Seller, and each Seller Party, from any and all present or future claims, demands, causes of actions, losses, damages, including, without limitation, exemplary, punitive, indirect or consequential, special or other damages, liabilities, costs and expenses (including attorney's fees whether suit is initiated or not) whether known or unknown, liquidated or contingent (hereinafter collectively called the "**Claims**") arising from or relating to Property, including, without limitation, any of the matters set forth in this Section 2, as well as (i) any defects, errors or omissions in the design, construction, repair, or maintenance of the Property, or (ii) any environmental and other physical conditions affecting the Property whether the same are a result of negligence or otherwise, except, subject to the limitations set forth in this Agreement, for any Claims resulting from any breach of any representation or warranty or covenant made by Seller under this Agreement or the Closing Documents. The release set forth in this Section specifically includes, without limitation, any Claims arising in connection with the presence or alleged presence of asbestos or harmful or toxic substances in, on, under or about the Property including, without limitation, any claims under or on account of (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as the same may have been amended or may be amended from time to time and similar state statutes and any regulations promulgated thereunder; (ii) any other federal, state or local law, ordinance, rule or regulation, now or hereafter in effect, that deals with or otherwise in any manner relates to, environmental matters of any kind; or (iii) this Agreement or the common law, except, subject to the limitations set forth in this Agreement, for any Claims resulting from any breach of any representation or warranty or covenant made by Seller under this Agreement or the Closing Documents. The release set forth in this Section specifically includes, without limitation, any claims under the Americans with Disabilities Act of 1990 or similar state or local laws, as any of those laws may be amended from time to time and any regulations, orders, rules of procedure or guidelines promulgated in connection with such laws, regardless of whether they were in existence on the Effective Date. Purchaser acknowledges that Purchaser has been represented by independent legal counsel of Purchaser's selection and Purchaser is granting this release of its own volition and after consultation with Purchaser's counsel. The waiver and release of claims by Purchaser in this Section does not obligate Purchaser to indemnify Seller or any Seller Party against any such claims brought by third parties.

2.2 Merger and Survival. All understandings and agreements heretofore made between the parties or their respective agents or representatives are merged in this

Agreement and the Exhibits hereto annexed, which alone fully and completely express their agreement, and this Agreement has been entered into after full investigation, or with the Purchaser satisfied with the opportunity afforded for investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in this Agreement or the Exhibits annexed hereto. All the terms and provisions of Sections 2.1 and 2.2 shall survive Closing or any termination of this Agreement.

2.3 Due Diligence.

(a) Purchaser shall have until the Closing Date, or the date of any earlier termination of this Agreement, to conduct due diligence investigations with respect to the Property. Seller shall make available to Purchaser and its employees, representatives, counsel and consultants access to the Property during normal business hours and to documents, materials, reports, books, records and files relating to the Property (except for the Excluded Items, as defined below) in Seller's possession.

Notwithstanding anything to the contrary contained in this Agreement, Seller shall have no obligation to make available to Purchaser any of the following items (the "**Excluded Items**"): (i) Seller's financial analyses or projections, Investment Committee information, including Seller's pre-acquisition due diligence materials, acquisition files on the Property and the book value of the Property; (ii) material which is subject to attorney-client privilege or which is attorney work product; (iii) other than operating statements for the Property, market valuations, appraisals, insurance policies, any engineering, or inspection reports or proposals or bids for repairs to the Property or any portion thereof or any current operating budgets for the Property; (iv) financials of Seller or any affiliate of Seller; (v) material which Seller is legally required not to disclose; or (vi) any of Seller's entity-related instruments, files or correspondence, including tax returns. Seller shall also allow Purchaser and Purchaser's representatives to make copies at the property management office for the Property of such items as Purchaser reasonably requests (except for the Excluded Items), at Purchaser's sole cost and expense.

(b) Prior to the Closing Date, and subject to Section 3.1 below, Purchaser may make an on-site inspection of the Property and otherwise investigate the Property to Purchaser's complete satisfaction.

(c) "**Due Diligence Period**" means the period commencing on the Effective Date and ending at 5:00 p.m. Arizona time on the Approval Date.

(d) Purchaser shall not contact any governmental authority having jurisdiction over the Property without Seller's prior written consent except (i) to contact the local fire marshal for the sole purpose of ascertaining whether or not there are any open violations at the Property, but in no event will the Purchaser request or schedule any inspections of any portion of the Property by the fire marshal or any other governmental authority, (ii) to request zoning and tax assessment confirmation, and/or (iii) to determine whether any obligations to be performed or fees to be paid by the owner of the Property remain outstanding under any development or similar improvement agreement with the City of Chandler, Arizona. Purchaser shall observe all appropriate safety precautions in conducting any inspection(s) of the Property.

3. Inspections and Approvals.

3.1 Inspections.

3.1.1 Subject to the rights of tenants and other occupants at the Property, upon providing Seller at least one (1) business day's prior written notice (which notice may be by e-mail to Tim Ray at tray@vestar.com or other Vestar party or attorney and Seller may respond to any such notice by e-mail from Tim Ray or other Vestar party or attorney), Seller shall allow Purchaser or Purchaser's agents or representatives reasonable access to the Property (during normal business hours) for purposes of non-intrusive physical or environmental inspection of the Property and review of the Leases, expenses and other matters, provided that in no event shall Purchaser or its agents be permitted to conduct any physically intrusive testing without Seller's prior written consent, which may be given or withheld in Seller's sole and absolute discretion. Seller may elect, in its discretion, to accompany Purchaser and its agents during any such inspection and testing, provided that Seller shall endeavor not to unreasonably delay Purchaser's inspections at the Property. If this Agreement terminates for any reason other than a default by Seller, Purchaser shall, upon written request from Seller, deliver to Seller copies of any physical or environmental reports commissioned by Purchaser with respect to the Property; provided, however, that (i) Seller reimburses Purchaser for Purchaser's actual out-of-pocket cost to obtain the report(s) requested by Seller and (ii) such report(s) shall be delivered to Seller without any representations or warranties or any right to rely thereon. For purposes of this Agreement, "**physically intrusive testing**" shall mean testing that involves borings (such as the taking of soil samples and/or a "**Phase II**" environmental study), corings (such as the taking of roof or wall samples), or any taking of physical samples or penetration of the surface of the Land, the Improvements or Personal Property comprising the Property.

3.1.2When making any physical or environmental inspection(s) of the Property, Purchaser shall carry the insurance coverages set out on Exhibit 3.1.2 attached hereto, and, upon request of Seller, shall provide Seller with written evidence of same. Purchaser and its agents shall not unreasonably interfere with the business activity of property manager, tenants, tenants' customers or employees, or any persons occupying or providing goods or services at the Property, shall not reveal to any third party other than the "**Purchaser Parties**" (as defined in Section 3.6) and persons approved by Seller the results of its inspections (except as may be required by law). Purchaser shall promptly repair any damage to the Property resulting from such test or inspection to its same condition (or a better condition) prior to such test or inspection and remove anything placed on the Property by the Purchaser Parties in connection with its inspection(s), which obligations shall survive Closing or any termination of this Agreement.

If Purchaser elects to do any tenant interviews (in person or otherwise), Purchaser shall give Seller two (2) business days prior written notice of its intention to conduct any inspection(s) or tenant interviews, and Seller reserves the right to have a representative present, provided that Seller shall endeavor not to unreasonably delay Purchaser's tenant interviews. Except as provided for in the preceding sentence, Purchaser shall have no right to contact any tenants of the Property prior to Closing. Purchaser shall indemnify, defend, and hold Seller and any Seller Party free and harmless for, from and against any loss, injury, damage, claim, lien, cost or expense, including attorneys' fees and costs arising out of a breach of the foregoing by Purchaser in connection with the inspection of the Property, or otherwise from the exercise by Purchaser or its agents or representatives of the right of access under this Section 3.1.2 (collectively, the "**Purchaser's Indemnity Obligations**"), which agreement shall survive Closing or termination of this Agreement. Any inspections shall be at Purchaser's expense. Seller makes no representations or warranties as to the truth, accuracy or completeness of any materials, reports, data or other information supplied to Purchaser by Seller or a Seller Party or any of their respective agents, employees or contractors in connection with Purchaser's inspection of the Property (e.g., that such materials are current, complete, accurate or the final version thereof, or that all such materials are in Seller's possession), except as expressly set forth in this Agreement. It is the parties' express understanding and agreement that such materials are provided only for Purchaser's convenience in making its own examination and determination prior to the Approval Date as to whether it wishes to purchase the Property, and, in doing so, Purchaser shall rely exclusively on its own independent investigation and evaluation of every aspect of the Property and not on any materials supplied by Seller or a Seller Party or any of their respective agents, employees or contractors. Purchaser expressly disclaims any intent to rely on any such materials provided to it by Seller or a Seller Party or any of their respective agents, employees or contractors in connection with its inspection and agrees that it shall rely solely on its own independently developed or verified information, except for any representations and warranties of Seller, if any, regarding such materials expressly set forth in this Agreement. Purchaser further acknowledges and agrees that such materials were provided on the express condition that Purchaser shall make an independent verification of the accuracy of such information except with respect to any representations and warranties of Seller, if any, regarding such information expressly set forth in this Agreement. The terms and provisions of this Section 3.1.2 shall survive the Closing or any termination of this Agreement.

3.1.3Except to the extent required by any applicable statute, law, regulation or governmental authority in its capacity as a contract purchaser (i.e., not an owner) and after five (5) business days written notice to Seller, neither

Purchaser nor Purchaser's Representatives shall report the results of Purchaser's inspections or investigations to any governmental or quasi-governmental authority under any circumstances without obtaining Seller's express written consent, which consent may be withheld in Seller's sole discretion.

3.1.4This Agreement supersedes and replaces the Access and Inspection Agreement dated November 26, 2019, by and between Purchaser and Seller, which is hereby terminated.

3.2 Title and Survey. Prior to or contemporaneously with execution of this Agreement, Seller has delivered or caused to be delivered to Purchaser, and Purchaser acknowledges receipt of, (i) a preliminary title report or a commitment for an extended coverage owner's policy of title insurance ALTA, Form 2006 insuring fee title to the Land to be issued at Closing, with a commitment to insure the gap from the period title was last examined to the date of recording of the Deed (the "**Title Policy**"), together with copies of all items shown as exceptions to title therein, issued by the Title Company and identified as Commitment No. NCS-987867-PHX1, dated November 7, 2019 and Commitment No. NCS-987869-PHX1, dated November 6, 2019 (collectively, the "**Title Commitment**"), and (ii) a copy of Seller's existing survey of the Land ("**Survey**"). Purchaser shall have until three (3) business days prior to the Approval Date to provide written notice to Seller of any matters shown by the Title Commitment or Survey which are not satisfactory to Purchaser in Purchaser's sole discretion, which notice ("**Title Notice**") shall specify the reason such matter(s) are not satisfactory and the curative steps necessary to remove the basis for Purchaser's disapproval; provided, however, that (i) the standard printed exceptions on an owner's policy of title insurance ALTA, Form 2006 and non-delinquent liens for general and special real estate taxes and installment payments of special assessments, the current zoning of the Property, including all permits, waivers and stipulations, and the interest of any tenant occupying space at the Property, as a tenant only, and all matters arising out of any act of Purchaser or Purchaser's representatives shall be "**Permitted Encumbrances**", and (ii) Seller shall be obligated to remove any exceptions caused by Seller's voluntary acts after the end of the Due Diligence Period and not approved by Purchaser. "**Permitted Encumbrances**" shall not include any mechanic's lien arising from any contract entered into by Seller or any monetary lien of Seller, except for taxes and special assessments not yet due and payable. Purchaser may not object to any Permitted Encumbrances.

Notwithstanding (subject to) the above, after a Title Notice is provided to Seller, the parties shall then have until on or before the Approval Date or such later date as may be mutually acceptable, to make such arrangements or take such steps as they may mutually agree upon, if any, to satisfy Purchaser's objection(s). Seller shall have no obligation to expend or agree to expend any funds, to undertake or agree to undertake any obligations or otherwise to cure or agree to cure any title or survey objections. Seller shall have no obligation (i) to cure a title objection unless required under the second to last sentence of the preceding paragraph, or (ii) to proceed to Closing without curing such title objection, unless Seller expressly undertakes such an obligation by a written notice to or written agreement with Purchaser given or entered into on or prior to the Approval Date and which recites that it is in response to a Title Notice. Except for those matters which Seller is obligated to remove pursuant to (ii) above, Purchaser's sole right with respect to any Title Commitment or Survey matter to which it objects in a Title Notice given in a timely manner shall be to elect on or before the Approval Date to terminate this Agreement pursuant to Section 3.5 hereof (unless such matter is a matter which Seller is obligated to correct under the second to last sentence of the preceding paragraph) and subject to Purchaser's rights under Section 10.3. If Seller fails to timely respond to any objection in a Title Notice, Seller shall be deemed to have elected not to cure same. All matters shown in the Title Commitment and/or Survey with respect to which Purchaser fails to give a Title Notice on or before the last date for so doing, or with respect to which a timely Title Notice is given but Seller has not undertaken an express obligation to cure as provided above, shall be deemed to be approved by Purchaser as "**Permitted Encumbrances**", subject, however, to Purchaser's termination right provided in Section 3.5 hereof. Permitted Encumbrances shall specifically include any items recorded against the Property as a result of the actions of Purchaser including, without limitation, any financing-related instruments.

If, after the expiration of the Due Diligence Period and at any time prior to Closing, the Title Commitment is amended to add an adverse title exception (other than an item based on the Title Company's review of the Survey) not caused by Purchaser or any Purchaser Parties that will not be released of record with the Purchase Price proceeds payable to Seller, then Purchaser shall have until the earlier of (i) three (3) business days after receipt of such amended Title Commitment, or (ii) the Closing Date, to object to any such new matters not disclosed on the prior Title Commitment or Survey, as applicable, by delivering written notice of any such objections to Seller and Title Company within such period. If Purchaser fails to make any such objections within such period, Purchaser shall be deemed to have approved such amended Title Commitment and such new matters shall be deemed to be additional Permitted Encumbrances. If Purchaser has made such objections, Seller shall have until the earlier of (i) three (3) business days after receipt of such objections, or (ii) the Closing Date, to elect to cure such objections, which then shall be cured at or prior to Closing. If Seller does not elect to cure any such matters within the period specified in the preceding sentence, then Purchaser's sole remedy shall be to elect, by delivering written notice thereof to Seller and the Escrow Agent on or before the earlier of (i) three (3) business days after Seller's election, or (ii) the Closing Date, to either:

(1) terminate this Agreement in which case the Deposit shall be promptly returned to Purchaser and thereafter, neither party shall have any further rights or obligations hereunder except for those matters that expressly survive the expiration or termination of this Agreement; or

(2) waive the new objections not cured by Seller (whereupon such previously objected-to item shall thereafter be deemed to be an additional Permitted Encumbrance hereunder) and proceed to closing. If Purchaser does not timely make the required election in writing, then Purchaser shall be deemed to have made the election to waive the new objections.

Notwithstanding anything in the foregoing to the contrary, Purchaser has ordered and expects to receive an updated ALTA/NSPS survey for the Property (the "**Updated Survey**") on or before January 6, 2020. Purchaser, by written notice to Seller (the "**Survey Defect Termination Notice**") on or before the earlier to occur of (i) two (2) business days after receipt of the Updated Survey, and (ii) January 9, 2020, shall have the right to terminate this Agreement in the event any matter is shown on the Updated Survey that was not shown on the Survey and was not actually known by Purchaser prior to the Approval Date, and which materially and adversely affects the Property (a "**Survey Defect**"). Seller shall have the right to void the Survey Defect Termination Notice provided Seller agrees (but with no obligation to do so) by written notice to Purchaser (the "**Voiding Notice**") within three (3) business days after receipt of the Survey Defect Termination Notice to cure the Survey Defect prior to Closing. If Purchaser timely delivers Survey Defect Termination Notice and Seller either fails to deliver the Voiding Notice (or fails to cure the Survey Defect) pursuant to the preceding terms, the Deposit shall be returned to Purchaser and thereafter neither party shall have any further rights or obligations hereunder except for those matters that expressly survive the expiration or termination of this Agreement.

Subject to Section 4.5 of this Agreement, Seller shall not, after the Effective Date, by voluntary act, intentionally create any new easements, liens, deeds of trust, mortgages, covenants, restrictions, agreements or any other encumbrances to title to all or any portion of the Property which will not be released on or before the Closing without the prior written consent of Purchaser.

3.2.1 If Purchaser elects to secure an extended coverage owner's and/or lender's policy(ies) of title insurance, Purchaser shall satisfy, at its cost, Title Company's requirements therefor and pay the increase in premium for such coverage. Purchaser shall also be solely responsible for the cost of any endorsements to any title insurance policy that Purchaser or its lender may require.

3.2.2 Seller shall pay for any endorsement(s) to the Title Policy if such endorsement(s) are issued in connection with an election by Seller to insure over a title matter as to which Title Notice has been given by Purchaser pursuant to Section 3.2. Seller shall not pay or be responsible to secure any endorsements that may be requested by Purchaser, such as patent, contiguity, separate tax parcels, access, or zoning endorsements, all of which shall be Purchaser's sole cost and expense if Purchaser elects to secure such endorsements, provided, however, that, other than an owner's affidavit in the form customarily provided by Seller and its affiliates to the Title Company, Seller shall not be obligated to provide to Title Company any owner's indemnity, certifications, covenants, obligations or liabilities beyond those that Seller is providing to Purchaser under this Agreement.

3.3 Contracts. On or before the Approval Date, Purchaser shall notify Seller in writing if it elects not to assume at Closing any of the Contracts which are identified on Exhibit 3.3 (the "**Contracts**") attached hereto other than the Improvement Contracts, if any, which Purchaser shall be required to assume. If Purchaser does not exercise its right to terminate this Agreement on or before the Approval Date, Seller shall give notice of termination of such disapproved Contract(s), excluding the Improvement Contracts, if any, as of the Closing Date; provided that, if under the disapproved Contract(s) Seller has no right to terminate same on or prior to Closing, or if a termination fee or charge is due thereunder as a result of such termination, Purchaser shall (i) assume at Closing all obligations thereunder from the Date of Closing until the expiration dates of such Contracts or (ii) reimburse Seller for the payment of the termination-related fee or charge, as applicable. Furthermore, notwithstanding any provision to the contrary, Purchaser shall be required to assume at Closing all existing Contracts, if any, for tenant or landlord improvements listed on Exhibit 3.3 or entered into after the Effective Date in accordance with this Agreement (the "**Improvement Contracts**").

Unless Purchaser gives written notice (the "**Contract Notice**") to Seller not later than the Approval Date that it disapproves any of the Contracts, Purchaser will be deemed to have approved same, and such Contracts will be assigned by Seller and assumed by Purchaser at Closing.

3.4 Tenant Estoppels. It shall be a condition precedent to Purchaser's obligation to consummate the Closing that Purchaser shall have received no later than two (2) business days prior to the Closing tenant estoppel certificates (collectively, the "**Tenant Estoppel Certificates**") from [information removed]. Seller shall use commercially reasonable efforts to obtain the Tenant Estoppel Certificates in the form provided for in such Leases or in the form attached hereto as Exhibit 3.4 from all Tenants. Prior to delivering the Tenant Estoppel Certificates, Seller will prepare and deliver the Tenant Estoppel Certificates to Purchaser for Purchaser's reasonable approval as to factual matters contained therein and Purchaser shall provide any written comments thereto to Seller within three (3) business days after delivery. Seller shall deliver to Purchaser any executed Tenant Estoppel Certificates it receives from tenants within two (2) business days after receipt. After executed Tenant Estoppel Certificates are received by Purchaser it shall promptly provide Seller within three (3) business days after receipt Purchaser's approval or any permitted disapproval with a reasonable explanation of the same. Purchaser's failure to affirmatively approve or disapprove any form or executed Tenant Estoppel Certificate within such three (3) business day period in accordance with the preceding sentence shall be deemed Purchaser's approval of the Tenant Estoppel Certificate in question. In no event shall any Tenant Estoppel Certificates be delivered to any tenant prior to December 26, 2019. Provided, however, notwithstanding any provision to the contrary in this Agreement, and for the avoidance of doubt, Purchaser may not disapprove any Tenant Estoppel Certificate for purposes of this Section 3.4 condition if (x) a tenant qualifies any statement(s) in its Tenant Estoppel Certificate to Tenant's knowledge, (y) a tenant reserves the right to audit any Operating Expense Pass-Throughs, and/or (z) a tenant asserts a CAM dispute so long as the total amount of CAM disputed by all tenants is less than $75,000 in the aggregate and the asserted CAM dispute for any individual tenant is $15,000 or less; and further provided that Purchaser may only disapprove a Tenant Estoppel Certificate otherwise substantially in the form provided for in such Leases or Exhibit 3.4, or for national or regional tenants, the form regularly used by such tenant, if such Tenant Estoppel Certificate discloses a material adverse matter not known to Purchaser prior to the expiration of the Due Diligence Period and inconsistent with the Leases and other documents made available to Purchaser by Seller during the Due Diligence Period. If Seller believes it will be unable to satisfy the requirements of this Section, Seller shall have the right to extend the Closing Date on up to no more than two (2) occasions and in no event not more than thirty (30) days in the aggregate to provide Seller additional time to satisfy the requirements of this Section; provided that the Date of Closing shall occur five (5) business days after Seller receives executed Tenant Estoppel Certificates satisfying the requirements of this Section during such thirty (30) day period. If notwithstanding any exercised extension of the Closing Date pursuant to the preceding sentence Seller is unable to satisfy the requirements of this Section, Seller shall deliver to Purchaser written notice thereof, and Purchaser shall have the right to either (i) waive the requirements contained herein and proceed to close this transaction upon the terms and conditions of this Agreement, or (ii) terminate this Agreement in which event the Deposit (less the Independent Consideration) shall be returned to Purchaser and the parties shall have no further obligations under this Agreement except for those which expressly survive termination of this Agreement. For the avoidance of doubt, Seller's failure to deliver, and Purchaser's failure to receive, any Tenant Estoppel Certificates shall not be deemed a default by Seller under this Agreement.

3.5 <u>Purchaser's Right to Terminate</u>. If Purchaser in its sole and absolute discretion determines that the Property is suitable for its purposes, Purchaser shall have the right to provide written notice to Seller approving the condition of the Property (the "**Continuation Notice**") on or before 5:00 p.m. Arizona time on the Approval Date specified in the Term Sheet of this Agreement (the "**Approval Date**"). If the Continuation Notice is not timely given, the Title Company shall promptly return the Deposit (less the Independent Consideration) to Purchaser, and neither party shall have any further liability hereunder except for Purchaser's obligations set forth in <u>Sections 3.1.2</u> and <u>3.6</u> hereof and in this Section. Time is agreed to be strictly of the essence with respect to the giving of the Continuation Notice. If a Continuation Notice is timely given, the Deposit shall be nonrefundable to Purchaser (except as otherwise set forth herein). No termination by Purchaser shall relieve Purchaser of liability for any prior breach of, or default under, this Agreement .

3.6 <u>Confidentiality</u>. [*information removed*]

3.7 **<u>Prior to Closing</u>.** Until Closing, Seller or Seller's agent shall:

3.8 <u>Insurance</u>. Keep the Property insured against fire and other hazards covered by extended coverage endorsement and commercial public liability insurance against claims for bodily injury, death and property damage occurring in, on or about the Property, with the coverages and limits comparable to those carried by Seller prior to the Effective Date.

3.9 <u>Operation</u>. Subject to the Leases, operate and maintain the Property in a businesslike manner and substantially in accordance with Seller's past practices with respect to the Property, and make any and all repairs and replacements reasonably required to deliver the Property to Purchaser at Closing in its present condition, normal wear and tear excepted, provided that (i) Seller shall have no obligation to make extraordinary capital expenditures or expenditures outside Seller's normal course of business and (ii) in the event of any loss or damage to the Property as described in Section 7, Seller shall repair the Property only if Seller is obligated to do so under the Leases and if Seller so elects, and then only to the extent of available insurance proceeds. Except as set forth in Section 3.1.2, Purchaser shall not contact, deal with, or negotiate with tenants, subtenants or prospective tenants or subtenants, of the Property without prior written consent of Seller and shall notify Seller promptly if any tenant, or prospective tenant, contacts Purchaser. In the event of any loss or damage to the Property as described in Section 7, Section 7 shall control.

3.10 New Contracts; Contracts. Enter into only those third party contracts which are necessary to carry out its obligations under Section 4.2, provided that such contracts (i) are available on commercially reasonable terms, (ii) are cancelable on no more than thirty (30) days written notice and (iii) are cancelable without payment of any termination fee or other penalty. If, after the Effective Date, Seller desires to enter into any such contract, it shall promptly provide written notice thereof to Purchaser, together with a copy of the proposed contract, requesting Purchaser's approval, not to be unreasonably withheld, conditioned, or delayed for any such requests delivered to Purchaser before date which is three (3) business days before the Approval Date, and at Purchaser's sole discretion thereafter. If Purchaser fails to notify Seller in writing, within three (3) business days after receipt of the notice provided for in the preceding sentence, of its intention not to assume such contract, it shall be treated as a contract approved by Purchaser.

3.11 Leases; New Leases. Continue its present rental program and efforts at the Property to rent vacant space and renew expiring leases, provided that (i) after the Effective Date and until the date which is three (3) business days before the Approval Date, Seller shall not execute any new or renewal leases or amend, terminate or accept the surrender of any existing tenancies or approve any subleases or lease assignments without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, except that the Seller is authorized to accept the termination of Leases at the end of their existing terms without Purchaser's prior written consent, (ii) after the date which is three (3) business days before the Approval Date, Seller shall not execute any new or renewal leases or amend, terminate or accept the surrender of any existing tenancies or approve any subleases or lease assignments without the prior written consent of Purchaser, at Purchaser's sole discretion, and (iii) in the event that Seller executes any new lease after the Effective Date with Purchaser's approval, and such lease requires the construction of tenant fixtures or improvements and/or the payment of leasing or brokerage commission(s) at the expense of the landlord, Purchaser, by approving such Leases if executed after the Approval Date, agrees to assume the obligation to pay and/or at Closing to reimburse Seller for the paid portion of the cost of such improvements and leasing or brokerage commission(s) and any other costs associated with such Leases, unless Seller and Purchaser expressly agree in writing that Seller shall be responsible for any such costs. Notwithstanding anything to the contrary contained herein, Seller shall have the right to approve any subleases or assignments if Seller is required to be reasonable in granting its approval with respect to the same under the applicable Lease and Seller in good faith believes that Purchaser's withholding of its consent shall cause Seller to be in breach under the applicable Lease. Failure of Purchaser to consent or expressly withhold its consent stating with specificity the basis of its objection within forty-eight (48) hours after written request for such consent shall be deemed to constitute consent.

3.12 New Liens. Not, on or after the Approval Date, create any new encumbrance or lien affecting the Property other than liens and encumbrances (i) that can be discharged prior to Closing, and (ii) that in fact are discharged prior to or at the Closing.

3.13 Copies of Written Notices. Seller shall, from and after the date hereof, promptly provide Purchaser with copies of all written notices received by Seller after the date hereof which assert any material breach of Leases, agreements, laws, covenants or permits applicable to the Property.

3.14 Lease Terminations; Defaults. Nothing herein shall in any way affect or restrict the right of Seller to seek to enforce its rights under any Lease, but the taking of any actions or the exercise of any remedies after the Approval Date which could result in the termination of the Lease shall require the written consent of Purchaser which Purchaser may withhold in its sole and absolute discretion; provided, however, that such action is consistent with what a reasonable and prudent property owner would do under the circumstances then existing.

4. Representations and Warranties.

[*information removed*]

5. Costs and Prorations.

5.1 Purpose and Intent. Except as expressly provided herein, the purpose and intent of this Agreement is that Seller shall bear all expenses of ownership and operation of the Property and shall receive all income therefrom accruing through midnight at the end of the day preceding the Closing Date, and Purchaser shall bear all such expenses and receive all such income accruing thereafter. This provision shall survive Closing.

5.2 Purchaser's Costs. Purchaser shall pay the following costs of closing this transaction:

5.2.1The fees and disbursements of its counsel, inspecting architect and engineer, if any;

5.2.2One-half (1/2) of any escrow fees and one-half (1/2) of all real estate transfer, stamp or documentary taxes;

5.2.3any sales or use taxes relating to the transfer of Personal Property to Purchaser;

5.2.4The cost of any title insurance in excess of the cost(s) of a standard coverage owner's policy without extended coverage or special endorsements, including, any additional premium charge(s) for endorsements and/or deletion(s) of exception items and one-half (1/2) of any cancellation charge(s) imposed by any title company in the event a title insurance policy is not issued;

5.2.5the cost of any survey obtained by Purchaser;

5.2.6Any recording fees;

5.2.7Any other expense(s) incurred by Purchaser or its representative(s) in inspecting or evaluating the Property or closing this transaction; and

5.3 Seller's Costs. Seller shall pay the following costs of closing this transaction:

5.3.1The fees and disbursements of its counsel;

5.3.2One-half (½) of any escrow fees, and one-half (1/2) of all real estate transfer, stamp or documentary taxes;

5.3.3The cost of a standard coverage owner's title insurance policy without extended coverage or special endorsements issued in connection with this transaction, whether pursuant to the Title Commitment or otherwise and one-half (1/2) of any cancellation charge(s) imposed by any title company in the event a title insurance policy is not issued;

5.3.4The broker's fee to the extent any such fee is payable pursuant to the separate agreement between Seller and Broker.

5.4 Prorations. Except as otherwise set forth herein, collected Rents and any other amounts (including, without limitation, payment of base rent, ground rent, parking income and reimbursements of Property operating costs) paid by tenants applicable to the month in which the Date of Closing occurs or prepaid by tenants for months after the month in which the Date of Closing occurs shall be prorated as of the Date of Closing and be adjusted against the Purchase Price on the basis of a schedule (the "**Rent Schedule**") which shall be prepared by Seller and delivered to Purchaser at least three (3) business days prior to Closing for Purchaser's reasonable approval. The Rent Schedule shall set forth (i) rents and other amounts payable applicable to the month in which the Date of Closing occurs, (ii) rents and other amounts collected by Seller applicable to the month in which the Date of Closing occurs, and (iii) rents and other amounts due but uncollected and applicable to the month in which the Date of Closing occurs, (the latter unpaid obligations being referred to herein as the "**Current**

Delinquencies”), as well as rental and other payment delinquencies (excluding those applicable to the month in which the Date of Closing occurs) which are owed to Seller but uncollected as of the Date of Closing (“**Delinquencies**”).

Prior to Closing, Seller shall complete and deliver to Purchaser an estimated reconciliation of the charges to tenants for operating and/or common area maintenance charges, inclusive of Taxes (as hereinafter defined) (collectively “**Operating Expenses**”), under the Leases for calendar year 2019 and provide a complete copy of the same to Purchaser. If the estimated reconciliation shows that Seller owes tenants a refund of Operating Expenses for the 2019 calendar year based on amounts actually collected by Seller, such amount shall be credited to Purchaser at Closing and Purchaser shall pay the applicable amount owed to each tenant, and Purchaser shall indemnify, defend and hold Seller harmless from and against any Claims resulting from Purchaser’s failure to pay such amounts to the applicable tenants. Except for any credits provided by Seller to Purchaser as provided in the preceding sentence, Seller shall be responsible for amounts owed to tenants for overpayment of Operating Expenses for calendar year 2019. If the reconciliation shows that the tenants owe Seller additional Operating Expenses for calendar year 2019, Purchaser shall pay such amounts to Seller as and when collected from the applicable tenants and Purchaser shall use reasonable efforts to bill and collect such amounts from the applicable tenants.

Purchaser shall receive a credit against the Purchase Price, or cash in an amount equal to, any security deposits and other deposits with respect to the Leases, which deposits are held by Seller and have not been applied or forfeited as of Date of Closing, and such deposits will be kept by Seller.

If the Closing occurs, other than with respect to Taxes and insurance which shall be prorated as provided elsewhere in this Agreement, Purchaser shall be responsible for the payment of (and shall reimburse Seller for) all such common area maintenance costs incurred in 2020 (the “**2020 Expenses**”) with respect to the Property and Purchaser shall be entitled to receive all amounts collected from tenants on account of the same, and, notwithstanding anything in the first paragraph of this Section 6.4 to the contrary, the additional rents paid by tenants and attributable to such expenses shall be credited to Purchaser at Closing rather than prorated.

In the event that any security deposits are in the form of letters of credit or other financial instruments, Seller will, at Closing, assign its interest in such letters of credit or financial instruments to Purchaser, and, following Closing, Seller will cooperate with Purchaser, at no cost to Seller, in order to cause Purchaser to be named as beneficiary under such letters of credit and other financial instruments to be assigned to Purchaser, and Purchaser shall not receive a credit against the Purchase Price for such security deposits.

5.4.1Subject to the provisions of the penultimate paragraph of Section 6.4 above, the 2020 Expenses actually paid by Seller as of the Date of Closing, and which have not been reimbursed to Seller by tenants, shall be prorated as of the Date of Closing and adjusted against the Purchase Price, provided that within ninety (90) days after the Closing, Purchaser and Seller shall make a further adjustment for such charges which may have accrued or been incurred prior to the Date of Closing, but not collected or paid at that date. All prorations shall be made on a 365-day calendar year basis, using actual number of days in the month.

5.4.2 Percentage Rentals. All percentage and overage rentals ("**Percentage Rentals**") under the Leases for any lease year ending before the Date of Closing which are due and unpaid shall be allocated entirely to Seller and adjusted against the Purchase Price at Closing. With respect to Percentage Rentals for the lease year in which the Date of Closing occurs, Seller shall receive as an adjustment to the Purchase Price an amount equal to the "Pre-Date of Closing Allocable Share". The "**Pre-Date of Closing Allocable Share**" with respect to a Lease will be a fraction, (the numerator of which is the number of days in such lease year occurring up to but not including the Date of Closing and the denominator of which is the number of days in such lease year) multiplied by the Percentage Rentals paid for the immediately preceding lease year (or some other reasonable estimate). Within ninety (90) days after the Percentage Rentals payable by each Tenant for the entire lease year in which the Date of Closing occurs are finally determined in accordance with its Lease, Seller and Purchaser shall make such prorations adjustments and payments as may be required to ensure that Seller and Purchaser each have received the share of Percentage Rentals to which it is entitled pursuant to the foregoing provisions hereof. During such ninety (90) day period, Purchaser shall use its reasonable efforts to collect Percentage Rentals; provided, however, that in no event shall Purchaser be required terminate any Lease or litigate with any tenant.

5.4.3 Tenant Contribution. Notwithstanding the foregoing and/or Section 6.5 to the contrary, no prorations or adjustments shall be made for portions, if any, of real estate taxes, personal property taxes, special assessments or operating costs of the Property to the extent a tenant under the Leases is required to pay same directly to the applicable utility company, service provider or governmental entity pursuant to the terms of any of the Leases.

5.4.4The party receiving sales tax on rents shall be responsible to remit same promptly to the Arizona Department of Revenue.

5.5 Taxes. Real estate taxes, personal property taxes, special assessments (and installments thereof) and other governmental taxes and charges relating to the Property, including annual or periodic permit fees, (collectively, "**Taxes**") accruing during the year in which Closing occurs shall be prorated as of the Date of Closing on an accrual basis and adjusted against the Purchase Price. Purchaser shall receive a credit at Closing for second half 2019 Taxes. Notwithstanding anything to the contrary contained in this Agreement including, without limitation, Sections 6.8 and 6.9, (i) Purchaser shall, to the extent unpaid by tenants as of Closing, use reasonable efforts to bill and collect second half 2019 Taxes from the tenants under their Leases and reimburse Seller for any portion thereof collected by Purchaser from such tenants, and

(ii) any payments on account of Taxes received by Purchaser from tenants after the bills for second half 2019 Taxes have been sent to tenants shall be applied against the credit for second half 2019 Taxes which Purchaser received at Closing from Seller and shall be paid to Seller whenever received by Purchaser; provided, however, that if a tenant is in default under its Lease (after any applicable notice and cure period) as of Closing for not having paid base rent and Taxes due under its Lease, Purchaser shall have the right to apply any payments received from such tenant on account of Taxes after Closing first to amounts actually then owed to Purchaser, if any, on account of Taxes before turning over any excess amounts received from such tenant to Seller to be applied towards second half 2019 Taxes. If Closing occurs before the actual Taxes payable during such year are known, the proration of Taxes shall be upon the basis of Taxes for the Property payable by Seller on a cash basis during the immediately preceding year; provided, however, that if the Taxes payable during the year in which Closing occurs are thereafter determined to be more or less than the Taxes payable during the preceding year (after any appeal of the assessed valuation thereof is concluded), Seller and Purchaser promptly (but no later than six (6) months after Closing except in the case of an ongoing tax protest), shall adjust the proration of Taxes and Seller or Purchaser, as the case may be, shall pay to the other any amount required as a result of such adjustment, and further provided that any reproration of an increase in real estate taxes shall take into account only increases in the tax rate or millage, i.e., any portion of any real estate tax increase attributable to an increase in assessed value shall not be taken into account. This covenant shall not merge with the Deed delivered hereunder but shall survive the Closing.

5.6 In General.

(a) Any other costs or charges of closing this transaction not specifically mentioned in this Agreement shall be paid and adjusted in accordance with local custom in Maricopa County, Arizona.

(b) (i) None of Seller's insurance policies relating to the Property will be assigned to Purchaser, and Purchaser shall be responsible for arranging for its own insurance as of the Closing Date; (ii) utilities paid by Seller, including telephone, electricity, water and gas, shall be read as close as possible before the Closing Date and Purchaser with cooperation from Seller's on-site property manager, if necessary, shall be responsible for all the necessary actions needed to arrange for utilities to be transferred to the name of Purchaser on the Closing Date, including the posting of any required deposits (it being understood, however, that Seller shall be entitled to a credit at the Closing for any utility deposits which it or its predecessors have made prior to the Closing Date, to the extent the same are transferred to Purchaser, and Seller shall be entitled to recover and retain from the providers of such utilities any refunds or overpayments to the extent applicable to the period prior to and including the Closing Date, and any utility deposits for which it does not receive a credit hereunder); and (iii) on the Closing Date, the Property will not be subject to any financing obtained by Seller or its predecessors. Accordingly, there will be no prorations for insurance, utilities (except to the extent provided above for utility deposits), payroll or debt service. In the event a meter reading is unavailable for any particular utility or is read on a date other than the

Closing Date, such utility bill shall be prorated in the manner provided in Section 6.1.

5.7 Closing Adjustment. Escrow Agent shall prepare a Closing statement on the basis set out above, and shall endeavor to deliver such computation to Purchaser and Seller at least two (2) business days prior to Closing.

5.8 Post-Closing Reconciliation. Except for proration of Percentage Rentals which shall be done as soon reasonably possible after all of the required information is available for the period subject to proration between Seller and Purchaser and which period may extend beyond six (6) months after the Closing Date, if any of the other aforesaid prorations cannot be calculated accurately as of the Closing Date, then they shall be calculated as soon after the Closing Date as feasible, but in any event no later than six (6) months after the Closing. Notwithstanding any provision contained in this Agreement to the contrary, after the expiration of said period (as extended for proration of Percentage Rentals and reimbursement to Seller of second half 2019 Taxes as and when received by Purchaser), no further adjustments, credits or prorations shall be made or allocated between the parties under this Agreement for any of the items listed in this Section 6, except for any delinquencies due to Seller and except for a reproration of Taxes pursuant to Section 6.5 above in the event the Taxes for the year of Closing are not known as of the Closing Date.

5.9 Post-Closing Collections. Purchaser shall use its commercially reasonable efforts during the ninety (90) day period immediately following the Date of Closing to collect Current Delinquencies and Delinquencies. Amounts collected from tenants who or which, as of the Date of Closing, were obligors with respect to Current Delinquencies and/or Delinquencies shall be applied first to satisfy such tenants' obligations for the payment period during which collection occurred, second to satisfy Current Delinquencies, third to satisfy Delinquencies, and the balance to satisfy any other rental obligations of such tenants to Purchaser. Amounts collected and applicable to satisfy Current Delinquencies shall be paid promptly to Seller to the extent of Seller's pro-rata entitlement thereto, and amounts collected and applicable to satisfy Delinquencies shall be promptly paid to Seller.

At the end of the ninety (90) day period following the Date of Closing, Purchaser shall prepare and deliver to Seller a statement ("**Collection Statement**") identifying all payments collected during such ninety (90) days from tenants who were listed on the Rent Schedule prepared and delivered pursuant to Section 6.4 hereof as obligors on Current Delinquencies or Delinquencies. If any uncollected Current Delinquencies or then unsatisfied Delinquencies exist, Purchaser hereby agrees to assign to Seller any and all rights afforded the obligee with respect thereto (with respect to Current Delinquencies, to the extent of Seller's pro-rata entitlement thereto), whereupon Seller shall be entitled to take such steps, including the right to file suit, as Seller in its sole and absolute discretion deems necessary or appropriate to collect such sums, excepting only the right to dispossess any tenant still in possession of its further right to occupy the premises demised to it. Such assignment shall be effective automatically, without the need for execution or delivery of any instrument of assignment. Upon request of Seller, however, Purchaser shall execute and deliver to Seller such instrument(s) as Seller may reasonably request to confirm such assignment. Purchaser shall, at no cost to Purchaser, cooperate with Seller in any manner reasonably requested by Seller in connection with any such collection effort. Notwithstanding anything to the contrary contained in this paragraph, if Purchaser uses reasonable efforts after Closing to collect any amounts owed by such tenants to Seller (without the requirement on the part of Purchaser to terminate any Leases or litigate with any tenants), Seller agrees not to pursue legal action against any tenant of the Property after Closing for Current Delinquencies, Delinquencies and second half 2019 Taxes.

At Seller's written request, Purchaser shall make available, or shall cause its property manager to make available, records reasonably adequate to reflect correctly total rental and other payments collected under each of the Leases for a period of nine (9) months after the Closing Date for the purpose of verifying the accuracy of the Collection Statement and the rental and any other payments collected by Purchaser which were earned during Seller's ownership period and which should have been paid to Seller pursuant to this Section 6.9. Nothing contained in this paragraph shall entitle Seller to receive any records other than records related to the rentals and other payments collected under the Leases.

5.10 Other Items. All cash in any operating, reserve or other property accounts on the Closing Date shall belong to Seller.

5.11 Survival. The provisions of this Section 6 shall survive Closing.

6. Damage, Destruction or Condemnation.

6.1 Material Event. If, prior to Closing, ten percent (10%) or more of the net rentable area of the Building or of the parking spaces on the Property or (i) the Property is damaged and repairs are reasonably estimated to equal or exceed $1,000,000, (ii) all access to the Property is rendered completely untenantable, or is destroyed, (iii) any material portion of the Property is taken under power of eminent domain, or an action is initiated or threatened to take any material portion of the Property under power of eminent domain, or (iv) any Major Tenant has a right to terminate in connection with any casualty damage or condemnation that occurs after the Effective Date (each of the foregoing collectively referred to as a "**Material Event**"), then Purchaser may elect to terminate this Agreement by giving written notice of its election to Seller within (5) business days after receiving notice of such destruction or taking (but not later than the Closing), whereupon the Deposit (together with any interest accrued thereon) shall be returned to Purchaser and this Agreement shall be deemed cancelled and of no further force or effect, and neither party shall have any further rights or liabilities against or to the other except for such provisions which are expressly provided in this Agreement to survive the termination hereof. If Purchaser does not give such written notice within such period, this transaction shall be consummated on the date and at the Purchase Price provided for in Section 1, and Seller shall assign to Purchaser the physical damage proceeds of any insurance policy(ies) payable to Seller, or Seller's portion of any condemnation award, as applicable, in both cases up to the amount of the Purchase Price and including any rights of Seller to prosecute, settle, compromise, or appeal such payments, and, if an insured casualty, pay to Purchaser the amount of any deductible, if not previously paid by Seller, but not to exceed the amount of the loss.

6.2 Immaterial Event. If, prior to Closing, the Property is damaged or in the event of a taking or threat of taking that in each case does not constitute a Material Event, Purchaser shall close this transaction on the date and at the Purchase Price agreed upon in Section 1, and Seller shall assign to Purchaser (i) its interest in the physical damage proceeds of any insurance policies payable to Seller or Seller's portion of any condemnation award, as applicable, in both cases, up to the amount of the Purchase Price and including any rights of Seller to prosecute, settle, compromise, or appeal such payments, and, if an insured casualty, pay to Purchaser the amount of any deductible not previously paid by Seller but not to exceed the amount of the loss.

6.3 Cooperation. Seller and Purchaser, as may be appropriate, shall cooperate in prosecuting, settling, and compromising any such condemnation award and insurance claim.

6.4 Termination and Return of Deposit. If Purchaser elects to terminate this Agreement pursuant to this Section 7, Title Company shall immediately return the Deposit (less the Independent Consideration) to Purchaser.

7. Notices. Any notice, consent, or approval required or permitted to be given hereunder shall be in writing and shall be deemed to be given when hand delivered or one (1) business day after pickup by Federal Express, UPS overnight, or similar overnight express service, or on the date when delivered by electronic mail or by facsimile transmission with written acknowledgment of receipt, in any case addressed to the parties at their respective addresses for Notice set out on the Term Sheet, or, in each case, to such other address as either party may from time to time designate by giving notice in writing to the other party, provided that neither party shall designate as its address a post office box or other address which does not accept overnight delivery. Notice hereunder may be given by counsel acting on behalf of either party. Telephone numbers are for informational purposes only. Effective notice will be deemed given only as provided above. Notice given to Seller or Purchaser by e-mail is not considered proper notice under this section unless (i) a copy of the notice is also sent to the recipients by overnight courier for delivery on the second business day next following the date of email transmission and/or (ii) Seller or Purchaser or its respective counsel, as applicable, acknowledge receipt of the such notice.

8. Closing and Escrow.

8.1 Escrow Instructions. Upon execution of this Agreement, the parties shall deliver an executed counterpart of this Agreement to the Title Company to serve as the instructions to the Title Company as the Escrow Agent for consummation of the transaction contemplated herein, and Title Company shall execute this Agreement to acknowledge acceptance of the escrow. Seller and Purchaser shall execute such additional and supplementary escrow instructions as may be appropriate to enable the

Title Company to comply with the terms of this Agreement, provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall prevail.

8.2 Duties of Escrow Agent.

(a) Escrow Agent is acting solely as a stakeholder under this Section 9.2. Escrow Agent's duties shall be determined solely by the express provisions hereof and are purely ministerial in nature.

(b) During the term of this Agreement, Escrow Agent shall hold and deliver the Deposit strictly in accordance with the terms and provisions of this Agreement and shall not commingle the Deposit with any funds of Escrow Agent or others. Escrow Agent shall invest the Deposit in an account at a financial institution satisfactory to Seller and Purchaser, and such account shall have no penalty for early withdrawal. Escrow Agent shall disburse the Deposit in strict accordance with the written instructions of the parties hereto. Escrow Agent shall not disburse the Deposit without at least one business day's notice to Seller.

Escrow Agent's initials:______

(c) Seller and Purchaser are aware that the Federal Deposit Insurance Corporation ("**FDIC**") coverage applies only to a maximum amount of $250,000 for each individual depositor. Further, Seller and Purchaser understand that Escrow Agent assumes no responsibility for, nor will Seller and Purchaser hold Escrow Agent liable for, any loss occurring which arises from the fact that the amount of any individual depositor's account exceeds $250,000 and that the excess amount is not insured by the FDIC, except to the extent caused by the gross negligence or willful misconduct of Escrow Agent. Seller and Purchaser further understand that certain banking instruments such as, but not limited to, repurchase agreements and letters of credit are not covered at all by FDIC insurance.

(d) If this Agreement is terminated by the mutual written agreement of Seller and Purchaser, or if Escrow Agent is unable at any time to determine to whom the Deposit should be delivered, or if a dispute develops between Seller and Purchaser concerning the proper disposition of the Deposit, then Escrow Agent shall deliver the Deposit in accordance with the joint written instructions of the Seller and Purchaser. If written instructions are not received by Escrow Agent within ten (10) days after Escrow Agent has served a written request for instructions upon both Seller and Purchaser, the Escrow Agent shall have the right to pay the Deposit into any court of competent jurisdiction in the state where the Property is located and to interplead Seller and Purchaser. Upon the filing of the interpleader action, Escrow Agent shall be discharged from any further obligations in connection with this Agreement.

(e) If costs or expenses are incurred by Escrow Agent because of litigation or a dispute between Seller and Purchaser concerning this Agreement (which litigation or dispute does not involve any action, omission or failure to act by Title Company), Seller and Purchaser shall each pay Escrow Agent one-half of Escrow Agent's reasonable costs and expenses. Except for such costs and expenses, no fee or charge shall be due or payable to Escrow Agent for its services under this Agreement.

(f) Escrow Agent undertakes only to perform the duties and obligations imposed upon it under the terms of this Agreement, and to do so in strict accordance with the Agreement, and does not undertake to perform any of the covenants, terms and provisions applicable to Seller and Purchaser.

(g) Purchaser and Seller acknowledge and agree that Escrow Agent has assumed no liability except for gross negligence or willful misconduct and that Escrow Agent may seek advice from its own counsel and shall be fully protected in any action taken by it in good faith in accordance with the opinion of its counsel.

(h) The conditions to the Closing shall be the Escrow Agent's receipt of funds and documents as described in this Section 9.2. Upon receipt of such funds and documents, Escrow Agent shall deliver the items as described in this Agreement.

(i) The funds required from Purchaser and all acts and documents required of Purchaser or Seller in order to close the escrow pursuant hereto shall be deposited with Escrow Agent on the business day prior to the Closing Date, Closing shall be performed no later than 11:00 a.m. (Arizona Time) on the Closing Date, and shall be available for immediate distribution at Closing. Notwithstanding the foregoing, the Purchaser will not be deemed in default under this Agreement for delivery of the funds required to consummate the purchase of the Property in accordance with this Agreement after 1:00 p.m. (Arizona Time) on the Closing Date, so long as the total amount of funds due and owing the Seller are actually received by Seller via wire transfer to an account designated by the Seller (as confirmed by Federal Reserve reference number) on the Closing Date.

(j) Notwithstanding anything to the contrary in this Section 9.2, in the event the Closing does not occur on or before the Closing Date, the Escrow Agent shall, unless it is notified by both parties to the contrary within five (5) business days after the Closing Date, return to the depositor thereof items which were deposited pursuant to this Agreement. The foregoing instruction to return items does not include the Deposit. Any such return shall not, however, relieve either party of any liability it may have relating to its wrongful failure to close.

(k) Escrow Agent shall not be responsible or liable in any manner whatsoever for the correctness, genuineness or validity of any document or instrument, or any signature thereon, deposited with or delivered to Escrow Agent pursuant to this Agreement. Escrow Agent may act in reliance upon any such document or instrument, which Escrow Agent in good faith believes to be genuine and duly authorized, without investigation as to the correctness, genuineness or validity thereof. Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent is not chargeable with knowledge, and has no duties with respect to any other agreements between Seller and Purchaser. Escrow Agent shall not be responsible to see to the correct application of any funds disbursed by it pursuant to this Agreement.

(l) Seller and Purchaser acknowledge that the transaction contemplated hereunder shall be closed by delivering executed documents and the other closing deliveries to the Escrow Agent in accordance with customary written instructions.

(m) Upon request by Seller and Purchaser, Escrow Agent shall prepare a closing or settlement statement for such party.

(n) Escrow Agent is familiar with and understands the U.S. Foreign Corrupt Practices Act, 15 U.S.C. Sec. 78dd-1, et seq., and any other anti-corruption laws and regulations relevant to the Agreement and has not and will not violate these laws.

(o) The President of the United States has issued Executive Order 13224, in conjunction with the Office of Foreign Assets Control ("**OFAC**"). This order bans any United States person from doing business with any person, entity or group specially designated by the U.S. Secretary of State or Secretary of the Treasury as a terrorist or terrorist entity. OFAC maintains a list of these persons, entities and groups, known as the Specially Designated Nationals and Blocked Persons List ("**SDN List**"). To comply with this order, Escrow Agent shall not enter into contracts or other agreements with any person whose name appears on the SDN List.

8.3 Seller's Deliveries.

(a) Seller shall deliver or cause to be delivered, either at the Closing through the Title Company or by making available at the Property, as appropriate, the following items and original documents, each executed and, if required, acknowledged, as appropriate:

8.3.1A special warranty deed to the Property, in the form attached hereto as Exhibit 9.3.1 (the "**Deed**").

8.3.2A bill of sale in the form attached hereto as Exhibit 9.3.2 transferring the Personal Property.

8.3.3(i) Copies of all Leases and any new leases entered into pursuant to Section 4.4; (ii) the Rent Schedule, including a listing of any tenant security and other deposits and prepaid rents held by Seller with respect to the Property; (iii) the cash security deposits (which shall be credited by Seller to Purchaser as set forth in Section 6.4) and letters of credit held by Seller as security under the Lease, but only to the extent the same have not been applied in accordance with the Leases or returned to tenants and relate to tenants occupying space at the Property on the Closing Date pursuant to Leases then in effect; and (iv) an assignment of such Leases, deposits, and prepaid rents by way of an Assignment and Assumption of Leases in the form attached hereto as Exhibit 9.3.3.

8.3.4(i) Copies of all Contracts which Purchaser has elected to assume or which are not terminable by the Seller without fee or penalty on or before the Date of Closing; and (ii) an assignment of such Contracts to Purchaser by way of an assignment and assumption agreement, in the form attached hereto as Exhibit 9.3.4.

8.3.5An assignment to Purchaser of certain intangible property owned by Seller and used solely in connection with the Property in the form attached hereto as Exhibit 9.3.5.

8.3.6An assignment of all unexpired, transferable warranties and guarantees then in effect, if any, with respect to the Improvements or any repairs or renovations to such Improvements and Personal Property being conveyed hereunder, which assignment is in the form attached hereto as Exhibit 9.3.6.

8.3.7Seller shall deliver to Purchaser at Closing, or within a reasonable time after Closing, the originals of all Leases (to the extent in Seller's possession, otherwise copies) and, to the extent available, Contracts and building plans and specifications relating to the Property which are in Seller's possession as well as keys or key codes in Seller's possession for the Property. All other books and records requested by Purchaser will be provided at Seller's sole discretion and at Purchaser's sole cost. These materials may be delivered at the Property.

8.3.8A certificate pursuant to the Foreign Investment and Real Property Tax Act in the form attached hereto as Exhibit 9.3.8.

8.3.9An Affidavit of Property Value (which may be executed and acknowledged by Escrow Agent if instructed by Seller).

8.3.10The Closing Statement (prepared by the Title Company).

8.3.11. An owner's affidavit in the form reasonably acceptable to the Title Company.

8.4 Purchaser's Deliveries. At Closing, Purchaser shall (i) pay Seller the Purchase Price through the Escrow Agent and provide any instruments required by the Title Company from a purchaser of real property; and (ii) execute and deliver the agreements referred to in Sections 9.3.3(iv) and 9.3.4(ii), an Affidavit of Property Value (which may be executed and acknowledged by Escrow Agent if instructed by Purchaser), and the Closing Statement.

8.5 Mutual Obligations. Seller and Purchaser shall each deposit such other instruments as are reasonably required (i) to confirm their respective authority to close this transaction, (ii) by Escrow Agent, or (iii) otherwise to consummate the sale and acquisition of the Property in accordance with the terms hereof (provided that in no event shall any such documents increase the liability of Purchaser or Seller). Seller and Purchaser hereby designate Escrow Agent as the "**Reporting Person**" for the transaction pursuant to Section 6045(e) of the Internal Revenue Code and the regulations promulgated thereunder and agree to execute such documentation as is reasonably necessary to effectuate such designation.

8.6 Possession. Purchaser shall be entitled to possession of the Property upon conclusion of the Closing, subject to the rights of tenants and other occupants and matters of record.

8.7 Insurance. Seller shall terminate its policies of insurance as of noon on the Date of Closing and Purchaser shall be responsible for obtaining its own insurance thereafter.

8.8 Utility Service and Deposits. To the extent any utility account is in Seller's name, Seller shall be entitled to the return of any deposit(s) and/or bond(s) posted by it or its predecessor with any utility company and Purchaser shall notify each utility company serving the Property to terminate any Seller account, effective at noon on the Date of Closing, such notice to be in the form of Exhibit 9.8 attached hereto, at Purchaser's cost.

8.9 Notice Letters. At Closing, Seller shall provide to Purchaser executed copies of letters to tenants and to service, maintenance, supply and other contractors serving the Property, whose Leases and Contracts (respectively) were assigned to Purchaser at Closing, advising them of the sale of the Property to Purchaser, and directing to Purchaser all rents and bills for the services and supplies, respectively, provided to the Property on and after the Date of Closing. Such letters shall be in the form of Exhibit 9.9 attached hereto, and Purchaser shall be responsible for sending out such letters.

9. Breach; Default; Failure of Condition. [*information removed]*

10. Miscellaneous.

10.1 Entire Agreement. This Agreement, together with the Exhibits attached hereto, all of which are incorporated by reference, constitutes the entire agreement between the parties with respect to the sale of the Property, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties. The parties are not bound by any agreements, understandings, provisions, conditions, representations or warranties (whether written or oral and whether made by Seller or any agent, employee or principal of Seller or any other party) other than as are expressly set forth and stipulated in this Agreement.

10.2 Severability. If any provision of this Agreement or application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

10.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Arizona without regard to conflict of law principles.

10.4 Assignability. Purchaser shall not (and shall not have the right to) assign this Agreement without first obtaining Seller's written consent; provided however, that Purchaser may, without Seller's consent, but with no less than five (5) business days written notice to Seller which notice will include the name and signature block of such assignee and the names of all principals and entities owning twenty-five percent (25%) or more of such assignee, assign this Agreement to an "**Affiliate**" of Purchaser or designate an "**Affiliate**" to take title, to the Property at Closing. Affiliate means any entity that is owned and controlled by an entity of which the general partners, managers or voting members are at least fifty-one (51%) percent owned by Purchaser. Any assignment in contravention of this provision shall be void. No assignment, whether or not permitted, shall release the Purchaser herein named from any obligation or liability under this Agreement. The Purchaser and any permitted assignee shall be jointly and severally liable for all such obligations and liabilities. Any permitted assignee shall be deemed to have made any and all representations and warranties made by Purchaser hereunder, as if the assignee were the original signatory hereto.

If Purchaser requests Seller's consent to an assignment of this Agreement, Purchaser shall (i) notify Seller in writing of the proposed assignment; (ii) provide Seller with the name, address and signature block of the proposed assignee; (iii) provide Seller with financial information, including current financial statements, for the proposed assignee; and (iv) provide Seller with a copy of the proposed instrument of assignment.

Any transfer or assignment of any membership or other beneficial interest of Purchaser in excess of forty-nine percent (49%) shall be deemed an assignment within the meaning of this Section 11.4.

10.5 Successors Bound. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and permitted assigns.

10.6 Captions. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions.

10.7 Attorneys' Fees. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to recover from the other party reasonable attorneys' and paralegals' fees and costs actually incurred, whether incurred out of court, at trial, on appeal or in any bankruptcy, arbitration or administrative proceedings.

10.8 No Relationship. Nothing contained in this Agreement shall be construed to create a fiduciary, partnership, joint venture, principal/agent or other relationship between the parties or their successors or assigns, and the parties owe no duty to each other except as expressly stated in this Agreement.

10.9 Time of Essence. Time is of the essence for all purposes of this Agreement.

10.10 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. Each counterpart may be delivered by electronic mail or facsimile transmission provided that a signed original is provided promptly. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto.

10.11 Recordation. Neither this Agreement nor any memorandum or notice hereof shall be recorded. Purchaser shall (i) not, and hereby waives its rights to, file any notice of lis pendens or other form of notice of pendency or other instrument against the Property or any portion thereof in connection herewith and (ii) indemnify Seller against all liabilities (including reasonable attorneys' fees, expenses and disbursements) incurred by Seller by reason of the filing by Purchaser or its agent of any such memorandum, notice or other instrument. If Purchaser fails to comply with the terms hereof by recording or attempting to record this Agreement or a notice thereof, such act shall not operate to bind or cloud the title to the Property. Seller shall, nevertheless, have the right forthwith to institute appropriate legal proceedings to have the same removed from record. If Purchaser or any agent, broker or counsel acting for Purchaser shall cause or permit this Agreement or a copy thereof to be filed in an office or place of public record, Seller, at its option, and in addition to Seller's other rights and remedies, may treat such act as a default of this Agreement on the part of the Purchaser. However, the filing of this Agreement in any lawsuit or other proceedings in which such document is relevant or material shall not be deemed to be a violation of this Section 11.11.

In the event that either party records this Agreement or any memorandum or notice thereof, such party shall be in breach of this Agreement and the non-breaching party shall be entitled to pursue any and all remedies pursuant to this Agreement or as otherwise provided by law.

10.12 Proper Execution. The submission by Seller to Purchaser of this Agreement in unsigned form shall be deemed to be a submission solely for Purchaser's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option, and shall not confer any rights upon Purchaser or impose any obligations upon Seller irrespective of any reliance thereon, change of position or partial performance. The submission by Seller of this Agreement for execution by Purchaser and the actual execution and delivery thereof by Purchaser to Seller shall similarly have no binding force and effect on Seller unless and until Seller shall have executed this Agreement. Signatures of this Agreement transmitted by facsimile or via electronic mail (*.pdf or similar file types) shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an execution original to this Agreement, any amendment thereto, or any notice sent via facsimile or via electronic mail with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement, amendment or notice, it being expressly agreed that each party to this Agreement shall be bound by its own telecopied or electronically mailed signature in all instances and shall accept the telecopied or electronically mailed signature of the other party to this agreement.

10.13 Tax Protest. If, as a result of any tax protest or otherwise, any refund or reduction of any real property or other tax or assessment relating to the Property during the period for which, under the terms of this Agreement, Seller is responsible, Seller shall be entitled to receive or retain such refund or the benefit of such reduction, less amounts to which any tenants under the Leases are entitled, and less equitable prorated costs of collection. In the event Seller receives any tax refund which includes a refund of real property taxes or assessments attributable to the Property for any period on or after the Closing Date, Seller agrees to promptly pay the amounts attributable to the period from and after the Closing Date to Purchaser after deducting that portion required to be refunded or allocated to tenants for that period according to the terms of their leases.

10.14 Best Knowledge; Received Written Notice. Whenever a representation, warranty or other statement is made in this Agreement or in any document or instrument to be delivered at Closing pursuant to this Agreement, on the basis of the best of knowledge of Seller, or is qualified by Seller having received written notice, such representation, warranty or other statement is made with the exclusion of any facts disclosed to or otherwise known by Purchaser, and is made solely on the basis of the current, conscious, and actual, as distinguished from implied, imputed and constructive, knowledge on the date that such representation or warranty is made, without inquiry or investigation or duty thereof, of Scott Mullen who is the officer at UBS Realty and Edward Reading who is the officer at Vestar with the most knowledge about the operation of the Property, without attribution to such specific officers of facts and matters otherwise within the personal knowledge of any other officers or employees of Seller or third parties, including but not limited to tenants and property managers of the Property, and excluding, whether or not actually known by such specific officers, any matter known to Purchaser or its agents at the time of Closing. So qualifying Seller's knowledge shall in no event give rise to any personal liability on the part of Scott Mullen and Edward Reading or any other officer or employee of any Seller Party.

10.15 Survival and Limitation of Representations and Warranties.

[*information removed*]

10.16 [Intentionally Omitted]

10.17 [Intentionally Omitted]

10.18 No Personal Liability. Any liability for participation in this transaction shall remain with Purchaser and Seller only and in no event shall there be any personal liability on the part of any officer, manager or employee of the parties, their partners or their constituent members or entities. This provision shall survive Closing or any termination of this Agreement.

10.19 Date of Agreement. All references to the date of this Agreement mean the date upon which both Seller and Purchaser have executed this Agreement.

10.20 Date of Performance. If the date of performance of any obligation or the expiration of any time period provided herein should fall on a Saturday, Sunday or legal holiday, then said obligation shall be due and owing, and said time period shall expire, on the first day thereafter which is not a Saturday, Sunday or legal holiday. Any reference in this Agreement to a "**business day**" shall mean any day of the week other than a Saturday, Sunday or legal holiday. Except as may otherwise be set forth herein, any performance provided for herein shall be timely made if completed not later than 5:00 p.m. (Arizona Time) on the day of performance.

10.21 Waiver. Excuse or waiver of the performance by the other party of any obligation under this Agreement shall only be effective if evidenced by a written statement signed by the party so excusing or waiving. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Seller or Purchaser of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement. All of the provisions of this Section 11 shall survive the Closing, or in the event that the Closing does not occur, any termination or cancellation of this Agreement.

10.22 Interpretation. This Agreement is the result of negotiations between the parties who are experienced in sophisticated and complex matters similar to the transaction contemplated by this Agreement and is entered into by both parties in reliance upon the economic and legal bargains contained herein and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party which prepared the Agreement, the relative bargaining powers of the parties or the domicile of any party. Seller and Purchaser are each represented by legal counsel competent of advising them of their obligations and liabilities hereunder. The presentation and negotiation of this Agreement shall not be construed as any offer by Seller to sell, or any offer by Purchaser to purchase, the Property or obligate either party unless and until this Agreement has been duly executed and delivered to both parties.

10.23 Public Disclosure. [*information removed*]

10.24 Governmental Approvals. Nothing in this Agreement shall be construed as authorizing Purchaser to apply for a zoning change, variance, subdivision map, lot line adjustment, or other discretionary governmental act, approval or permit with respect to the Property prior to Closing, and Purchaser shall not do so without the prior written approval of Seller, which approval may be withheld in Seller's sole and absolute discretion. Purchaser also agrees not to submit any reports, studies or other documents, including without limitation, plans and specifications, impact statements for water, sewage, drainage or traffic, environmental review forms, or energy conservation checklists to any governmental agency, or any amendment or modification to any such instruments or documents prior to Closing, unless first approved in writing by Seller, which approval Seller may withhold in its sole, absolute discretion, provided, however, that Purchaser shall have the right without the consent of Seller to request a zoning confirmation letter or certificate from the City of Chandler as noted above in Section 2.3(d). Purchaser's obligation to purchase the Property shall not be subject to or conditioned upon Purchaser obtaining any variance(s), zoning amendment, subdivision map, lot line adjustment or other discretionary governmental act, approval or permit.

10.25 Purchaser Not a Successor of Seller. Purchaser is not and shall not be deemed to be a successor to Seller. Purchaser is acquiring only the Property and not an ongoing business enterprise.

10.26 Termination. Upon termination of this Agreement in accordance with its terms (and not as a result of a default by either party), neither party shall have any further rights or obligations or liabilities, except those rights and obligations arising under any sections of this Agreement which expressly survive termination of this Agreement. It is hereby agreed that, in addition to express statements of survivability, all references in this Agreement to Seller's or Escrow Agent's obligation to return the Deposit to Purchaser (or to deliver same to Seller, if applicable) shall survive the termination of this Agreement.

10.27 Construction. As used herein, the words " **include**", "**including**", and similar terms shall be construed as if followed by the phrase "**without limitation**".

10.28 No Third Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary.

10.29 Copy and Electronic Signature. Counterparts of this Agreement may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U.S. federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

10.30 1031 Exchange. Seller acknowledges that Purchaser may be acquiring the Property as part of a multi-property transaction attempting to qualify as a tax-free exchange ("**1031 Exchange**") under Section 1031 of the Internal Revenue Code.

Seller shall, to the extent provided below, cooperate with Purchaser's reasonable request to allow Purchaser to attempt to qualify for the 1031 Exchange; provided, however, that Seller's obligation to cooperate with Purchaser shall be limited and conditioned as follows: (i) Seller shall receive written notice from Purchaser at least seven (7) business days prior to the Date of Closing of Purchaser's intent to effect the 1031 Exchange, which notice shall identify the parties involved in such 1031 Exchange and shall be accompanied by all documents for which Seller's signature will be required; (ii) Purchaser shall effectuate the 1031 Exchange through an assignment of its rights under this Agreement to a qualified intermediary; (iii) Seller shall not be required to execute any further documents or instruments beyond a simple consent to an assignment by Purchaser of its rights under this Agreement to the qualified intermediary identified by Purchaser; provided, however, that in no event shall Seller be required to execute any document or instrument which, in Seller's sole discretion and judgment, may (A) subject Seller to any additional liability or obligation to Purchaser or any other individual, entity or governmental agency; (B) diminish or impair Purchaser's obligations or Seller's rights under the Agreement; or (C) may delay the Closing; (iv) Purchaser shall pay for any and all additional costs and expenses (including attorneys' fees) incurred by Seller in connection with accommodating the 1031 Exchange and Seller shall be entitled to a credit at Closing to reimburse Seller for such costs and expenses; (v) the 1031 Exchange shall not be structured to require (A) Seller to convey the Property to any third party or (B) Seller to take title to or accept a security interest in any other property; (vi) Purchaser shall not assign or transfer any of Purchaser's rights under this Agreement except as provided under Section 11.4 and in this Section 11.31; (vii) Purchaser shall not be relieved of any of its obligations under this Agreement by reason of the 1031 Exchange; (viii) Seller makes no representation or warranty concerning the 1031 Exchange; and (ix) Purchaser agrees to indemnify, defend, and hold Seller, Seller's officers, directors, shareholders, beneficiaries, members, partners, agents, employees and attorneys, and their respective successors and assigns (each, an "Indemnified Party") harmless from and against any claims, costs, damages, expenses (including, but not limited to, attorneys' fees and costs), liabilities and losses incurred by, claimed against or suffered by any Indemnified Party arising in connection with the 1031 Exchange. The foregoing indemnity shall survive the Closing or any termination of this Agreement. Purchaser's failure to effectuate any intended 1031 Exchange shall not relieve Purchaser from its obligations to consummate the purchase and sale transaction contemplated by this Agreement and the consummation of the 1031 Exchange shall not be a condition precedent to Purchaser's obligations under this Agreement.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, Purchaser and Seller have executed and delivered this Agreement as of the date set forth above.

SELLER:VESTAR CTC CHANDLER, L.L.C. ,
an Arizona limited liability company

By:**Vestar Arizona XXXVII, L.L.C.,**

an Arizona limited liability company,
member

By: /s/ Edward J. Reading
Name: Edward J. Reading
Title: Manager

By:**Crossroads Towne Center Chandler I Investors LLC,**
a Delaware limited liability company,
member

By: Southwest Shopping Center Portfolio Investors LLC, its sole member

By: TPF Equity REIT Operating Partnership LP, its sole member

By: TPF Equity REIT Operating Partnership GP LLC, its general partner

By: /s/ William P. Robertson
Name: William P. Robertson
Title: Executive Director

By: /s/ Kevin M. Dowd
Name: Kevin M. Dowd
Title: Executive Director

VESTAR CTC CHANDLER PHASE 2, L.L.C.,
an Arizona limited liability company

By: **Vestar Arizona LVI, L.L.C.,**

an Arizona limited liability company,
member

By: /s/ Edward J. Reading
Name: Edward J. Reading
Title: Manager

By: **Crossroads Towne Center Chandler II Investors LLC,**
a Delaware limited liability company,
member

By: Southwest Shopping Center Portfolio Investors LLC, its sole member

By: TPF Equity REIT Operating Partnership LP, its sole member

By: TPF Equity REIT Operating Partnership GP LLC, its general partner

By: /s/ William P. Robertson
Name: William P. Robertson
Title: Executive Director

By: /s/ Kevin M. Dowd
Name: Kevin M. Dowd
Title: Executive Director

PURCHASER:CONSOLIDATED-TOMOKA LAND CO. ,
a Florida corporation

By: /s/ Steven R. Greathouse
Printed name: Steven R. Greathouse
Its: SVP - Investments

A fully executed copy of this Agreement, has been received by the Title Company this _____ day of ____________, 2019, and by execution hereof the Title Company hereby covenants and agrees to be bound by the terms of this Agreement.

FIRST AMERICAN TITLE INSURANCE COMPANY

By:
Printed name:
Its:

List of Exhibits

EXHIBIT 1.1.1.A
LEGAL DESCRIPTION OF SELLER I LAND

Real property in the City of Chandler, County of Maricopa, State of Arizona, described as follows:

PARCEL NO. 1:

LOTS 2, 3, 4, 5, 7, 8, 16, 17, 18, 21, AND 25, CROSSROADS TOWNE CENTER - CHANDLER, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 720 OF MAPS, PAGE 3.

PARCEL NO. 2:

LOT 31, OF A REPLAT OF CROSSROADS TOWNE CENTER - CHANDLER - LOTS 9 THROUGH 15 AND LOTS 22 THROUGH 24, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 796 OF MAPS, PAGE 16.

EXHIBIT 1.1.1.B
LEGAL DESCRIPTION OF SELLER II LAND

Real property in the City of Chandler, County of Maricopa, State of Arizona, described as follows:

LOTS 26 AND 27, OF A REPLAT OF CROSSROADS TOWNE CENTER -CHANDLER - LOTS 9 THROUGH 15 AND LOTS 22 THROUGH 24, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 796 OF MAPS, PAGE 16.

EXHIBIT 1.1.3
INVENTORY OF PERSONAL PROPERTY

Any and all personal property, machinery, apparatus, and equipment owned by the Seller, and used in the operation, repair and maintenance of the Land and Improvements and located at the Property as of the Date of Closing.

[*information removed*]

EXHIBIT 1.1.6.A
SCHEDULE OF LEASES AND SECURITY DEPOSITS – SELLER I

[*information removed*]

Date

EXHIBIT 1.1.6.B
SCHEDULE OF LEASES AND SECURITY DEPOSITS – SELLER II

[*information removed*]

Date

EXHIBIT 3.1.2

INSURANCE REQUIREMENTS

I. Before making any physical or environmental inspections of the Property (the "**Assessments**"), Purchaser and all Purchaser's consultants, engineers and any environmental consultant and any subcontractor thereof (and any other agent, contractor or consultant of Purchaser performing Assessment activities) shall have and maintain in forms and with companies reasonably acceptable to Seller at least the following insurance coverage:

A. Environmental Legal Liability Insurance

If and only if the Seller approves an invasive testing of the Property, Purchaser and any environmental consultant of the Purchaser shall maintain a policy of environmental legal liability insurance, having minimum limits of Five Million Dollars ($5,000,000) per occurrence (or Each Pollution Incident Loss) with a Five Million Dollar ($5,000,000) Policy aggregate, written on a claims-made or occurrence basis, with a deductible no greater than One Hundred Thousand Dollars ($100,000) per occurrence. Consultant shall maintain claims-made coverage in the above liability limits for at least two (2) years after contract completion under the same terms and conditions. Notwithstanding the foregoing, in the event Purchaser wishes to conduct a phase II environmental assessment or any intrusive testing (without implying any consent to any such testing), additional or increased coverage may be required.

B. Workers' Compensation and Employers' Liability

1. Statutory requirement in states where operating, to include all areas involved in operations covered under this Agreement.

2. Coverage "B" – Employers' Liability - $100,000 Bodily Injury by accident – each accident; $100,000 Bodily Injury by disease – each employee; $500,000 disease policy limit.

C. General Liability Insurance

1. Standard Commercial General Liability policy form on an occurrence basis including Premises/Operations Liability, Broad Form Contractual Liability, Blanket Owner's and Contractors Liability and Products/Completed Operations Liability and the explosion, collapse and underground (xcu) exclusions eliminated.

2. Limits of Liability: One Million Dollars ($1,000,000) Per Occurrence and Two Million Dollars ($2,000,000) Products Completed Operations and General Aggregates.

D. Automobile Liability Insurance

1. Comprehensive Automobile form, including all Owned, Non-Owned and Hired Vehicles.

2. Limits of Liability: Bodily Injury, $1,000,000 each person, $1,000,000 any one accident or loss.

3. The policy shall include Insurance Services Office policy endorsement Form MCS-90 or a similar endorsement providing coverage for environmental claims should there be any transportation of pollutants.

E. Umbrella Liability

Minimum amount of Five Million Dollars ($5,000,000) each occurrence and general aggregate, providing excess coverage on a following form basis over the coverage required by Subsections A., B. (except for Worker's Compensation), C. and D. However, any of Purchaser's consultants, engineers and any environmental consultant and any subcontractor thereof (and any other agent, contractor or consultant of Purchaser performing Assessment activities) shall not be required to maintain the Umbrella Liability insurance required herein.

II. Additional Requirements

A. Except where prohibited by law, all insurance policies except the Environmental Legal Liability Policy, shall provide that the insurance companies waive the rights of recovery or subrogation against the Seller, its agents, servants, invitees, employees, affiliated companies, contractors, subcontractors, and their insurers.

B. Such insurance shall not be subject to cancellation except upon thirty (30) days prior written notice to Seller.

C. All insurance required hereunder shall be with such insurance companies as are reasonably satisfactory and acceptable to Seller. Prior to commencement of the Assessment, Purchaser shall deliver to Seller for its inspection all insurance certificates for coverage required hereunder or such other evidence of compliance with the foregoing insurance requirements as is required by, and satisfactory and acceptable to, Seller.

D. Seller and any parent, subsidiaries, affiliates, investment advisors, property managers or designees identified by Seller in writing to Purchaser shall be named as additional insured under the General Liability, Automobile Liability and Umbrella Liability insurance policies required to be maintained by Purchaser's consultants and/or any subcontractor thereof.

E. All Insurance coverage maintained by Purchaser and Purchaser's consultants and any subcontractor thereof shall be primary and not contributing with any insurance maintained by Seller.

EXHIBIT 3.3
SCHEDULE OF CONTRACTS AND EQUIPMENT LEASES

[*information removed*]

Date

EXHIBIT 3.4
FORM OF TENANT ESTOPPEL CERTIFICATE

(INSERT TRADE NAME OF TENANT)

To: [Insert Name and Address of Purchaser]

and [Insert Name of Seller]
10 State House Square, 15th Floor
Hartford, CT 06103-3604

Re: [Insert Property Address and Tenant Suite Number]

The undersigned, ___________________________, a _____________ ("**Tenant**"), is the Tenant under that certain Lease dated _______________, executed by Tenant and _____________________________("**Landlord**"), **[as amended by ____________________]** (**[as amended, collectively,]** the "**Lease**"). Pursuant to the Lease, Tenant leases a portion of that certain property located at ___________________________________, ___________, ___________ (the "**Leased Premises**"), and more particularly described in the Lease (the "**Property**").

Tenant hereby certifies as follows:

1. The Lease is in full force and effect and has not been modified, supplemented or amended, except as set forth in the introductory paragraph hereof.

2. Tenant is in actual occupancy of the Premises under the Lease and Tenant has accepted the same. Landlord has performed all obligations under the Lease to be performed by Landlord, including, without limitation, completion of all tenant work required under the Lease and the making of any required payments or contributions therefor. Tenant is not entitled to any further payment or credit for tenant work.

3. The current term of the Lease shall expire on ______________. Tenant has the following rights to renew or extend the term of the Lease or to expand the Premises: _____________________________________.

4. Tenant has not paid any rentals or other payments more than one (1) month in advance except as follows: __________________________.

5. Base rent payable under the Lease is ____________. Base rent ("**Base Rent**") and Tenant's additional rent ("**Additional Rent**") have been paid through _________. There currently exists no claims, defenses, rights of set-off or abatement to or against the obligations of Tenant to pay Base Rent or Additional Rent or relating to any other term, covenant or condition under the Lease.

6. There are no concessions, bonuses, free months' rent, rebates or other matters affecting the rentals except as follows: .

7. No security or other deposit has been paid with respect to the Lease except as follows: ______________________________________

8. To Tenant's knowledge, Landlord is not currently in default under the Lease and there are no events or conditions existing which, with or without notice or the lapse of time, or both, could constitute a default of the Landlord under the Lease or entitle Tenant to offsets or defenses against the prompt payment of rent except as follows: ____________________. Tenant is not in default under any of the terms and conditions of the lease nor is there now any fact or condition which, with notice or lapse of time or both, will become such a default.

9. Tenant has not assigned, transferred, mortgaged or otherwise encumbered its interest under the lease, nor subleased any of the Premises nor permitted any person or entity to use the Premises except as follows: _________________________________.

10. Tenant has no rights of first refusal or options to purchase the property of which the Premises is a part.

11. Tenant is not the subject of any bankruptcy or other insolvency proceeding or action.

12. The Lease represents the entire agreement between the parties with respect to Tenant's right to use and occupy the Premises.

Tenant acknowledges that the parties to whom this certificate is addressed and their respective successors and assigns will be relying upon this certificate in connection with their acquisition and/or financing of the Property.

IN WITNESS WHEREOF, Tenant has caused this certificate to be executed this _____ day of ____________, 202__.

"TENANT"

By:
Name:
Title:

EXHIBIT 4.4

<u>LEASES FOR WHICH PURCHASER IS RESPONSIBLE FOR BUILD-OUT COSTS, LEASING COMMISSIONS AND ALL THIRD-PARTY COSTS</u>

[*information removed*]

Date

EXHIBIT 5.1.5
SCHEDULE OF PENDING OR THREATENED CLAIMS

None

EXHIBIT 9.3.1
SPECIAL WARRANTY DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attention:

MAIL TAX STATEMENTS TO:

SPECIAL WARRANTY DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company ("**Grantor**"), hereby grants and conveys to **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation ("**Grantee**"), certain land located in Maricopa County, Arizona, and being more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all improvements located on such land and all right, title and interest, if any, of Grantor in and to all rights, privileges and appurtenances pertaining thereto (such land, improvements and other rights being collectively referred to as the "**Property**").

SUBJECT TO: Taxes and assessments which are not yet due or payable; patent reservations; all covenants, conditions, restrictions, reservations, easements, declarations, encumbrances, liens, obligations and liabilities or other matters recorded in the Official Records of Maricopa County, Arizona (the "**Records**") or to which reference is made in the records; any and all conditions, easements, encroachments, rights of way or restrictions which a physical inspection, or accurate ALTA/NSPS survey of the Property would reveal; and the applicable municipal, county, state or federal zoning and use regulations.

AND GRANTOR hereby binds itself and its successors to warrant and defend the title to the Property against all of the acts of Grantor and none other, subject to the matters set forth above.

EXECUTED as of the ____ day of __________, 2020.

GRANTOR:[VESTAR CTC CHANDLER, L.L.C. ,
an Arizona limited liability company

By:**Vestar Arizona XXXVII, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By:**Crossroads Towne Center Chandler I Investors LLC,**
a Delaware limited liability company,
member

By:
Southwest Shopping Center Portfolio Investors LLC, its sole member

By:
TPF Equity REIT Operating Partnership LP, its sole member

By:
TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

[VESTAR CTC CHANDLER PHASE 2, L.L.C.,

an Arizona limited liability company

By:**Vestar Arizona LVI, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By:**Crossroads Towne Center Chandler II Investors LLC,**
a Delaware limited liability company,
member

By:
Southwest Shopping Center Portfolio Investors LLC, its sole member

By:
TPF Equity REIT Operating Partnership LP, its sole member

By:
TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF)
) §
County of)

On ______________, 2020, before me, ________________________________, a Notary Public, personally appeared ___________________________________ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of __________ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Signature of Notary

(Affix seal here)

Exhibit 9.3.1-4

STATE OF CONNECTICUT)
) ss
COUNTY OF HARTFORD)

On this _____ day of ____________, 2020, before me personally appeared ________________ who acknowledged himself/herself to be the _________________ of TPF Equity REIT Operating Partnership GP LLC, the general partner of TPF Equity REIT Operating Partnership LP, sole member of Southwest Shopping Center Portfolio Investors LLC, sole member of [Crossroads Towne Center Chandler I Investors LLC, a Delaware limited liability company][Crossroads Towne Center Chandler II Investors LLC, a Delaware limited liability company], and that he/she, being authorized so to do, executed the foregoing instrument for the purposes therein contained as his/her and its free act and deed, by signing the name of the limited liability company by himself/herself as ________________.

IN WITNESS WHEREOF, I have hereunto set my hand.

Notary Public

My Commission Expires:
Printed Name of Notary:

[NOTARY SEAL

STATE OF CONNECTICUT)
) ss
COUNTY OF HARTFORD)

On this _____ day of ____________, 2020, before me personally appeared ________________ who acknowledged himself/herself to be the _________________ of TPF Equity REIT Operating Partnership GP LLC, the general partner of TPF Equity REIT Operating Partnership LP, sole member of Southwest Shopping Center Portfolio Investors LLC, sole member of [Crossroads Towne Center Chandler I Investors LLC, a Delaware limited liability company][Crossroads Towne Center Chandler II Investors LLC, a Delaware limited liability company], and that he/she, being authorized so to do, executed the foregoing instrument for the purposes therein contained as his/her and its free act and deed, by signing the name of the limited liability company by himself/herself as ________________.

IN WITNESS WHEREOF, I have hereunto set my hand.

Notary Public

My Commission Expires:
Printed Name of Notary:

[NOTARY SEAL

EXHIBIT 9.3.2
BILL OF SALE

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company (the "**Seller**"), hereby transfers and assigns to **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation (the "**Purchaser**"), all of Seller's right, title and interest, if any, in and to those certain items of personal property described on Exhibit A attached hereto and made a part hereof (the "**Personal Property**") relating to the Property located in Chandler, Arizona.

All initially-capitalized terms not defined herein shall have their meaning as set forth in that certain Purchase and Sale and Escrow Agreement ("**Purchase Agreement**") dated ________, 202__ between Seller, as seller, and Purchaser, as buyer.

The "**Personal Property**" expressly excludes the following: (i) all items of personal property owned by tenants, subtenants, independent contractors, business invitees and utilities; (ii) all cash on hand, checks, money orders, prepaid postage in postage meters, accounts receivable and claims arising prior to the Closing, and (iii) the Excluded Property. This Bill of Sale is given by Seller and accepted by Purchaser with no warranties, express or implied, except that Seller is the lawful owner of the Personal Property.

Seller has not made and does not make any express or implied warranty or representation of any kind whatsoever with respect to the Personal Property, including but not limited to: merchantability of the Personal Property or its fitness for any particular purpose; the design or condition of the Personal Property; the quality or capacity of the Personal Property; workmanship or compliance of the Personal Property with the requirements of any law, rule, specification or contract pertaining thereto; patent infringement or latent defects. Purchaser accepts the Personal Property on an "**AS IS, WHERE IS**" basis.

IN WITNESS WHEREOF, Seller has caused this instrument to be executed and delivered as of this ___ day of ____________, 2020.

[VESTAR CTC CHANDLER, L.L.C.,
an Arizona limited liability company

By:**Vestar Arizona XXXVII, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By:**Crossroads Towne Center Chandler I Investors LLC,**
a Delaware limited liability company,
member

By:
Southwest Shopping Center Portfolio Investors LLC, its sole member

By:
TPF Equity REIT Operating Partnership LP, its sole member

By:
TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:]

[VESTAR CTC CHANDLER PHASE 2, L.L.C.,

an Arizona limited liability company

By:**Vestar Arizona LVI, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By:**Crossroads Towne Center Chandler II Investors LLC,**
a Delaware limited liability company,
member

By: Southwest Shopping Center Portfolio Investors LLC, its sole member

By: TPF Equity REIT Operating Partnership LP, its sole member

By: TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

EXHIBIT 9.3.3
ASSIGNMENT AND ASSUMPTION OF LEASES

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company (the "**Assignor**"), hereby assigns, transfers and delegates to **CONSOLIDATED-TOMOKA LAND CO**., a Florida corporation (the "**Assignee**"), and Assignee hereby agrees to assume and accept the assignment and delegation of all of Assignor's right, title and interest [except for Assignor's right to collect delinquent rent] in and to the Landlord's rights and obligations under the leases and the security deposits relating to the Property and more particularly described on Exhibit A attached hereto. The leases and security deposits ("**Leases**") are listed on Exhibit B attached hereto.

All initially-capitalized terms not defined herein shall have their meaning as set forth in that certain Purchase and Sale and Escrow Agreement dated __________, 2019, between Assignor, as seller, and Assignee, as buyer (the "**Purchase Agreement**").

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 to be paid, performed or discharged from and after the date hereof, by the "**landlord**" or the "**lessor**" under the terms, covenants and conditions of the Leases, including, without limitation, brokerage commissions and compliance with the terms of the Leases relating to tenant improvements and security deposits.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the non-prevailing party shall pay the prevailing party's costs and expenses of such litigation including, without limitation, reasonable attorneys' fees.

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

This Agreement is made subject, subordinate and inferior to the easements, covenants and other matters and exceptions set forth on Exhibit C (the "**Permitted Exceptions**"), attached hereto and made a part hereof for all purposes.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment effective as of this ____ day of ____________, 2020.

ASSIGNOR:

[VESTAR CTC CHANDLER, L.L.C.,
an Arizona limited liability company

By:**Vestar Arizona XXXVII, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By:**Crossroads Towne Center Chandler I Investors LLC,**
a Delaware limited liability company,
member

By:
Southwest Shopping Center Portfolio Investors LLC, its sole member

By:
TPF Equity REIT Operating Partnership LP, its sole member

By:
TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

[VESTAR CTC CHANDLER PHASE 2, L.L.C.,

an Arizona limited liability company

By: **Vestar Arizona LVI, L.L.C.,**

an Arizona limited liability company, member

By:

Name:
Title: Manager

By: **Crossroads Towne Center Chandler II Investors LLC,**
a Delaware limited liability company, member

By: Southwest Shopping Center Portfolio Investors LLC, its sole member

By: TPF Equity REIT Operating Partnership LP, its sole member

By: TPF Equity REIT Operating Partnership GP LLC, its general partner

By:

Name:

Title:

]

<u>ASSIGNEE</u>:CONSOLIDATED-TOMOKA LAND CO. ,
a Florida corporation

By:
Printed name:

Its:

EXHIBIT 9.3.4

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

In consideration of One Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company (the "**Assignor**"), hereby assigns to and delegates **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation (the "**Assignee**"), with an office and place of business at ______________________________ and Assignee hereby assumes and accepts the assignment and delegation of all of Assignor's right, title and interest in and to the contracts, licenses, agreements and equipment leases (the "**Contracts**") described on Exhibit A attached hereto relating to the Property, and Assignee hereby accepts such assignment.

All initially-capitalized terms not defined herein shall have their meaning as set forth in that certain Purchase and Sale and Escrow Agreement dated ________, 202__ between Assignor, as seller, and Assignee, as purchaser (the "**Purchase Agreement**").

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the non-prevailing party shall pay the prevailing party's costs and expenses of such litigation including, without limitation, reasonable attorneys' fees.

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment effective as of this ____ day of ____________, 2020.

<u>ASSIGNOR</u>:

[VESTAR CTC CHANDLER, L.L.C.,
an Arizona limited liability company

By:**Vestar Arizona XXXVII, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By:**Crossroads Towne Center Chandler I Investors LLC,**
a Delaware limited liability company,
member

By:
Southwest Shopping Center Portfolio Investors LLC, its sole member

By:
TPF Equity REIT Operating Partnership LP, its sole member

By:
TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

[VESTAR CTC CHANDLER PHASE 2, L.L.C.,

an Arizona limited liability company

By:**Vestar Arizona LVI, L.L.C.,**

an Arizona limited liability company,
member

By:

Name:
Title: Manager

By:**Crossroads Towne Center Chandler II Investors LLC,**
a Delaware limited liability company,
member

By:
Southwest Shopping Center Portfolio Investors LLC, its sole member

By:
TPF Equity REIT Operating Partnership LP, its sole member

By:
TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

<u>ASSIGNEE</u>:CONSOLIDATED-TOMOKA LAND CO. ,
a Florida corporation

By:
Printed name:

Its:

EXHIBIT 9.3.5
ASSIGNMENT OF PROPERTY NAME

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company (the "**Assignor**"), hereby assigns, transfers and sets over unto **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation (the "**Assignee**"), (i) all of Assignor's right, title and interest, if any, in and to the property names "Crossroads Towne Center – Chandler Phase I" and "Crossroads Towne Center – Chandler Phase II" and (ii) a non-exclusive and irrevocable right to use the name "Crossroads Towne Center". Assignor makes no warranty or representation of any kind with respect to its right, title and interest in the property names.

This Assignment of Property Name may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor has caused this instrument to be executed as of this ___ day of ________________, 2020.

[VESTAR CTC CHANDLER, L.L.C.,
an Arizona limited liability company

By:**Vestar Arizona XXXVII, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By:**Crossroads Towne Center Chandler I Investors LLC,**
a Delaware limited liability company,
member

By: Southwest Shopping Center Portfolio Investors LLC, its sole member

By: TPF Equity REIT Operating Partnership LP, its sole member

By: TPF Equity REIT Operating Partnership GP LLC, its general partner

By:

Name:

Title:

]

Exhibit 9.3.5

[VESTAR CTC CHANDLER PHASE 2, L.L.C.,

an Arizona limited liability company

By: **Vestar Arizona LVI, L.L.C.,**

an Arizona limited liability company,
member

By:
Name:
Title: Manager

By: **Crossroads Towne Center Chandler II Investors LLC,**
a Delaware limited liability company,
member

By: Southwest Shopping Center Portfolio Investors LLC, its sole member

By: TPF Equity REIT Operating Partnership LP, its sole member

By: TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

EXHIBIT 9.3.6
ASSIGNMENT OF WARRANTIES AND GUARANTEES

THIS AGREEMENT is made as of the _____ day of __________, 2020, between **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company (the "**Assignor**"), and **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation (the "**Assignee**").

R E C I T A L S :

Assignee has this day acquired from Assignor certain interests in land, buildings and improvements more particularly described on Exhibit A attached hereto and made a part hereof (the "**Property**").

In consideration of the acquisition of the Property by Assignee and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, Assignor hereby assigns, transfers and sets over unto Assignee and Assignee hereby accepts from Assignor all of Assignor's right, title and interest in and to all transferable warranties and guarantees, if any, with respect to the improvements located on the Property or any repairs or renovations to such improvements and any personal property conveyed to Assignee by Assignor in connection with the Property.

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have caused this instrument to be executed as of the date above written.

ASSIGNOR:[VESTAR CTC CHANDLER, L.L.C. ,
an Arizona limited liability company

By:**Vestar Arizona XXXVII, L.L.C.,**

an Arizona limited liability company,
member

By:

Name:
Title: Manager

By:**Crossroads Towne Center Chandler I Investors LLC,**
a Delaware limited liability company,
member

By:
Southwest Shopping Center Portfolio Investors LLC, its sole member

By:
TPF Equity REIT Operating Partnership LP, its sole member

By:
TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

[VESTAR CTC CHANDLER PHASE 2, L.L.C.,

an Arizona limited liability company

By: **Vestar Arizona LVI, L.L.C.,**

an Arizona limited liability company, member

By:

Name:
Title: Manager

By: **Crossroads Towne Center Chandler II Investors LLC,**
a Delaware limited liability company, member

By: Southwest Shopping Center Portfolio Investors LLC, its sole member

By: TPF Equity REIT Operating Partnership LP, its sole member

By: TPF Equity REIT Operating Partnership GP LLC, its general partner

By:
Name:

Title:

]

ASSIGNEE:CONSOLIDATED-TOMOKA LAND CO. ,
a Florida corporation

By:
Printed name:

Its:

EXHIBIT 9.3.8
CERTIFICATE PURSUANT TO FOREIGN INVESTMENT AND REAL PROPERTY TAX ACT

____ ("**Member**") is the sole owner of ____________________________________, a Delaware limited liability company ("**Seller**"). Seller, a disregarded entity for U.S. tax purposes, is the transferor of certain real property more particularly described on Exhibit A attached hereto.

Section 1445 of the Internal Revenue Code of 1986 (the "**Code**") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445 of the Code), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax will not be required in connection with the disposition of the Property pursuant to that certain Purchase and Sale and Escrow Agreement between **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company, as seller, and **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation ("**Purchaser**"), the undersigned certifies the following on behalf of Member:

(1) Member is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and the regulations promulgated thereunder;

(2) Member is not a disregarded entity as defined in Code §1.1445-2(b)(2)(iii),

(3) Member's U.S. employer identification number is ____________, and

(4) Member's address is: c/o UBS Realty Investors LLC, 10 State House Square, 15th Floor, Hartford, Connecticut 06103-3604.

This Certificate may be disclosed to the Internal Revenue Service and any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this Certificate and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Member.

[NAME OF SELLER OR APPROPRIATE LAYER WITHIN SELLER ENTITY STRUCTURE],
a

By:
Printed name:
Its:

EXHIBIT 9.8
NOTICE TO UTILITY COMPANY

, 2020

RE: Crossroads Towne Center - Chandler
SWC Loop 202 & Gilbert Road

You are hereby notified and advised that **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation ("**Purchaser**") has purchased and acquired from **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company ("**Seller**"), all right, title and interest in and to Crossroads Towne Center – Chandler ("**Property**").

In accordance with the foregoing, you are hereby notified that all future invoices, bills, correspondence, and notices relating to the Property with respect to accounts currently held in the name of Seller, should be delivered to Purchaser at the following address: [Fill in Address].

Very truly yours,

[NAME OF PROPERTY MANAGER – all caps]

By:
Name:
Its:

[Property Manager Street Address, City and State]

CONSOLIDATED-TOMOKA LAND CO.,
a Florida corporation

By:
Name:
Its:

[Purchaser Street Address, City and State]

EXHIBIT 9.9
NOTICE TO TENANTS

_____________, 2020

Re:Notice of Change of Ownership of
Crossroads Towne Center – Chandler, SWC Loop 202 & Gilbert Road

Ladies and Gentlemen:

You are hereby notified as follows:

1.That as of the date hereof, **[VESTAR CTC CHANDLER, L.L.C.][VESTAR CTC CHANDLER PHASE 2, L.L.C.]**, an Arizona limited liability company, has transferred, sold, assigned, and conveyed all of its interest in and to the above-described property, (the "**Property**") to **CONSOLIDATED-TOMOKA LAND CO.**, a Florida corporation (the "**New Owner**").

2.All notices and rental payments with respect to your leased premises at the Property effective from and after the date hereof should be made to the New Owner in accordance with your lease terms at the following address:

[Name of Property]
[Attention:_______________ (Telephone #: ___________)]
[Street Address]
[City, State & Zip]

3.The New Owner shall be responsible for holding your security deposit in accordance with the terms of your lease.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Sincerely,

NAME OF PROPERTY MANAGER

By:
Name:
Its:

CONSOLIDATED-TOMOKA LAND CO.,
a Florida corporation

By:
Name:
Its:

Exhibit 9.9

Exhibit 21

Subsidiaries of the Registrant: Consolidated-Tomoka Land Co.
as of December 31, 2019:

	Organized Under Laws of	Percentage of Voting Securities Owned by Immediate Parent
Indigo Group Inc.	Florida	100.0
Indigo Group Ltd. (A Limited Partnership)	Florida	93.475[1]
Indigo Development LLC	Florida	100.0[3]
Palms Del Mar Inc.	Florida	100.0
Indigo International LLC	Florida	100.0[3]
Tomoka Ag Inc.	Florida	0.0[2]
Indigo Grand Champion Five LLC	Florida	100.0[4]
Indigo Grand Champion Six LLC	Florida	100.0[4]
Indigo Grand Champion Ten LLC	Florida	100.0[4]
Indigo Mallard Creek LLC	Florida	100.0[5]
Bluebird Arrowhead Phoenix LLC	Delaware	100.0[6]
Bluebird Germantown MD LLC	Delaware	100.0[6]
Bluebird Renton WA LLC	Delaware	100.0[6]
CTLC Golden Arrow Katy LLC	Delaware	100.0[6]
CTO Gemini Holdings (CTLC) LLC	Delaware	100.0[3]
CTO Gemini Holdings (IDL) LLC	Delaware	100.0[5]
CTO Gemini Holdings (IGI) LLC	Delaware	100.0[7]
CTO16 Atlantic LLC	Delaware	100.0[3]
CTO16 Austin LLC	Delaware	100.0[3]
CTO16 Dallas LLC	Delaware	100.0[3]
CTO16 Monterey LLC	Delaware	100.0[3]
CTO16 Olive TX LLC	Delaware	100.0[3]
CTO16 OSI LLC	Delaware	100.0[3]
CTO16 Peterson LLC	Delaware	100.0[3]
CTO17 Aruba Land LLC	Delaware	100.0[3]
CTO17 Sarasota LLC	Delaware	100.0[3]
CTO17 Westcliff TX LLC	Delaware	100.0[3]
CTO18 Albuquerque NM LLC	Delaware	100.0[3]
CTO18 Arlington TX LLC	Delaware	100.0[3]
CTO18 Aspen LLC	Delaware	100.0[3]
CTO18 Jacksonville FL LLC	Delaware	100.0[3]
CTO19 Carpenter Austin LLC	Delaware	100.0[3]
CTO19 Josephine Austin LLC	Delaware	100.0[3]
CTO19 NRH TX LLC	Delaware	100.0[3]
CTO19 Oceanside NY LLC	Delaware	100.0[3]
CTO19 Pensacola LLC	Delaware	100.0[3]
CTO19 Reston VA LLC	Delaware	100.0[3]
CTO19 Signal Hill CA LLC	Delaware	100.0[3]
CTO19 Strand Jax LLC	Delaware	100.0[3]
CTO19 Taft Vineland LLC	Delaware	100.0[3]
CTO19 WOFAT LLC	Delaware	100.0[3]
CTO20 Crossroads AZ LLC	Delaware	100.0[3]
Daytona JV LLC	Delaware	100.0[8]
DB Beach Land LLC	Delaware	100.0[3]
DB Mainland LLC	Delaware	100.0[3][10]
DB Mainland Two LLC	Delaware	100.0[3]
DB Main Street LLC	Delaware	100.0[3]

Five Golf LLC	Delaware	100.0(3)
Golden Arrow 6 LLC	Delaware	100.0(3)
Golden Arrow Charlotte NC LLC	Delaware	100.0(6)
Golden Arrow Clermont FL LLC	Delaware	100.0(6)
Golden Arrow First St. Sarasota LLC	Delaware	100.0(3)
Golden Arrow WPP LLC	Delaware	100.0(7)
IGI16 Peterson LLC	Delaware	100.0(7)
IGI18 Back 40 LLC	Delaware	100.0(7)

	Organized Under Laws of	Percentage of Voting Securities Owned by Immediate Parent
IGI19 FC VA LLC	Delaware	100.0(7)
LHC14 Old DeLand LLC	Delaware	100.0(3)(9)
LHC15 Atlantic DB JV LLC	Delaware	100.0(3)
LHC15 Raleigh NC LLC	Delaware	100.0(3)
LHC15 Riverside FL LLC	Delaware	100.0(3)
LHC15 WPP LLC	Delaware	100.0(7)

(1) Consolidated-Tomoka Land Co. is a limited partner of Indigo Group Ltd., and owns 93.475% of the total partnership equity. Palms Del Mar, Inc. is the other limited partner and owns 5.065% of the total partnership equity. Indigo Group Inc. is the managing general partner and owns 1.46% of the partnership equity.
(2) Tomoka Ag Inc. is 100% owned by Indigo Group Inc.
(3) Consolidated-Tomoka Land Co. is the Member.
(4) Palms Del Mar Inc. is the Member.
(5) Indigo Development LLC is the Managing Member.
(6) Golden Arrow 6 LLC is the Managing Member.
(7) Indigo Group Inc. is the Managing Member.
(8) LHC15 Atlantic DB JV LLC is the 50% Managing Member. CTO16 Atlantic LLC is the other 50% Member.
(9) Formerly known as Golden Arrow Plaza Retail LLC
(10) Formerly known as DB LAND LLC, formerly known as CTO17 Atlanta LLC

All subsidiaries are included in the Consolidated Financial Statements of the Company and its subsidiaries appearing elsewhere herein.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We have issued our reports dated March 6, 2020, with respect to the consolidated financial statements, schedules, and internal control over financial reporting included in the Annual Report of Consolidated-Tomoka Land Co. on Form 10-K for the year ended December 31, 2019. We consent to the incorporation by reference of said reports in the Registration Statements of Consolidated-Tomoka Land Co. on Form S-8 (File No. 333-62679, File No. 333-63400, File No. 333-168379, File No. 333-176162, File No. 333-204875 and File No. 333-227885.)

/s/ Grant Thornton LLP

Jacksonville, Florida
March 6, 2020

Exhibit 31.1

CERTIFICATIONS

I, John P. Albright, certify that:

1. I have reviewed this annual report on Form 10-K of Consolidated-Tomoka Land Co.;
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 consolidated 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 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: March 6, 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 annual report on Form 10-K of Consolidated-Tomoka Land Co.;
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 consolidated 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 (the registrant's fourth final quarter in the case of an annual report) quarter 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: March 6, 2020

By: /s/ MARK E. PATTEN

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

Exhibit 32.1

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 Annual Report of Consolidated-Tomoka Land Co. (the "Company") on Form 10-K for the period ending December 31, 2019, 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.

March 6, 2020

/s/ JOHN P. ALBRIGHT

John P. Albright
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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 Annual Report of Consolidated-Tomoka Land Co. (the "Company") on Form 10-K for the period ending December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark E. Patten, Senior Vice President and 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.

March 6, 2020

/s/ MARK E. PATTEN

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