

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 9, 2022

GENERATION INCOME PROPERTIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation)

001-40771
(Commission
File Number)

47-4427295
(IRS Employer
Identification No.)

401 East Jackson Street, Suite 3300
Tampa, Florida
(Address of Principal Executive Offices)

33602
(Zip Code)

Registrant's telephone number, including area code: (813)-448-1234

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	GIPR	The Nasdaq Stock Market LLC
Warrants to purchase Common Stock	GIPRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01. Entry into Material Definitive Agreement.

The information discussed under Items 2.01 and 2.03 of this Current Report on Form 8-K is incorporated by reference into this Item 1.01.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On March 9, 2022 (the “Closing Date”), Generation Income Properties, L.P., the operating partnership (the “Operating Partnership”) of Generation Income Properties, Inc. (the “Company”), completed the acquisition of a ground lease interest in land and a fee simple interest in improvements which constitute an 88,743 square-foot, single-tenant retail chain department store in Tucson, Arizona (the “Property”). The Operating Partnership purchased the Property pursuant to a Purchase and Sale Agreement, dated January 19, 2022, between the Operating Partnership and NSHE Bassett, LLC, an Arizona limited liability company (the “Seller”), at a purchase price of approximately \$7.3 million, excluding transaction costs. Seller is not affiliated with the Company or any of the Company’s affiliates. The Operating Partnership funded the purchase price of the Property and related transaction costs using a portion of the proceeds from the Company’s initial public offering, which closed in September 2021, and the Loan (as discussed and defined below in Item 2.03).

The Property is 100% leased to Kohl's Department Stores, Inc., a Delaware corporation, pursuant to a double net lease between Seller, as landlord, and Kohl's Department Stores, Inc., as tenant, dated as of January 30, 2003, as amended from time to time (the “Lease”) whereby Kohl's is responsible for operating expenses, real estate taxes, insurance, repairs, maintenance and capital expenditures (excluding certain roof repairs), in addition to base rent. The Lease has approximately eight years remaining on the least term. In connection with the acquisition of the Property, a single purpose limited liability company (the “SPE”) of which the Company owns 100% of the membership interests entered into an Assignment and Assumption of Lease and Security Deposits with the Seller, dated March 9, 2020, pursuant to which Seller assigned and the SPE assumed all of Seller’s rights and obligations under the Lease.

The following table provides certain information about the Property and the Lease:

<u>Property Type</u>	<u>Property Location</u>	<u>Lease Expiration Date</u>	<u>Rentable Square Feet</u>	<u>Annualized Base Rent in 2022⁽¹⁾</u>	<u>Tenant Renewal Options⁽²⁾</u>
Retail	Tucson, Arizona	1/31/2030	88,743	\$824,000	Seven, five-year renewal options

(1) Annualized base rent increases to approximately \$864,630 on 2/1/2024 through the end of the initial term on 1/31/30.

(2) Annualized base rent escalates with each successive renewal option commencing 2/1/2030.

The Property is subject to a ground lease, dated January 30, 2003, between Seller and October 23^d Group L.L.C., an Arizona limited liability company, as amended from time to time (the “Land Lease”). In connection with the acquisition of the Property, the SPE entered into an Assignment and Assumption of Underlying Lease and Security Deposits, dated March 9, 2020, pursuant to which Seller assigned and the SPE assumed all of Seller’s rights and obligations under the Land Lease. The current term of the Land Lease expires in 2029, with 11 available renewal options to extend the lease through 2084. The Land Lease provides for annualized base rent of approximately \$233,000 in 2022, which escalates to an annualized base rent of approximately \$245,000 commencing February 1, 2024 through the remainder of the current term.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The Operating Partnership partially financed the acquisition of the Property with its existing Master Credit Facility with American Momentum Bank (the “Lender”), dated October 26, 2021 (the “Credit Facility”). In connection with the acquisition of the Property, the SPE entered into a loan agreement and related promissory note on the Closing Date for \$3,650,000 pursuant to the Credit Facility (the “Loan”). The Loan accrues interest at a variable rate equal to the Wall Street Journal Prime rate, adjusted monthly, subject to a floor interest rate of 3.25% per annum. The Loan has an interest-only payment term for twenty-four months from the Closing Date and all interest and principal outstanding is due and payable in full on March 9, 2024. The Loan permits full or partial prepayment without penalty. The Loan is secured by the Property and the associated rental income. Payment is guaranteed by the Operating Partnership and David Sobelman, the Company’s Chairman, President and Chief Executive Officer. The Loan also provides that as of December 31, 2022, and continuing on the same date of each year thereafter (each a “Calculation Date”), the SPE, as borrower, shall have achieved and maintain a debt service coverage ratio of not less than 1.50 to 1.00 over the remaining term of the Loan. If, on any Calculation Date, the debt service coverage ratio is less than 1.50 to 1.00, the SPE shall be obligated to pay to the Lender, within ten (10) days after receipt of written notice thereof, a prepayment of principal in an amount such that after giving effect to such prepayment of principal and re-amortization of the Loan, the debt service coverage ratio shall once again be equal to or greater than 1.50 to 1.00. The Loan also contains other customary affirmative covenants, negative covenants and events of default.

Item 7.01. Regulation FD Disclosure.

The Company issued a press release on March 11, 2022, announcing the completion of the acquisition of the Property. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 7.01 and the related information in Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section and shall not be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended or the Exchange Act except as set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(a) *Financial Statements of Businesses Acquired.*

The financial statements that are required to be filed pursuant to this item will be filed by amendment not later than 71 days following the due date of this report.

(b) *Pro Forma Financial Information.*

The pro forma financial information that is required to be filed pursuant to this item will be filed by amendment not later than 71 days following the due date of this report.

(d) *Exhibits*

The exhibit filed as part of this Current Report on Form 8-K is identified in the Exhibit Index immediately following the signature page of this report. Such Exhibit Index is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Generation Income Properties, Inc., dated March 11, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

**GENERATION INCOME
PROPERTIES, INC.**

Date: March 15, 2022

By: /s/ Allison Davies
Allison Davies
Chief Financial Officer



FOR IMMEDIATE RELEASE

March 11, 2021

Generation Income Properties Acquires Leasehold Interests in Tucson, Arizona for \$7.3 Million

TAMPA, FLORIDA – News Direct – Generation Income Properties, Inc. (NASDAQ: GIPR) ("GIPR" or the "Company") today announced that it has acquired the leasehold interest in a ground lease and corresponding assignment of a 88,743 square-foot, single-tenant retail chain department store sublease in Tucson, Arizona for approximately \$7.3 million, or \$83 per square foot. The Company funded the acquisition with 50% cash and 50% debt.

The building is occupied by a Kohl's store. Kohl's (NYSE: KSS) holds an investment grade credit rating of BBB- from Standard & Poor's and Baa2 from Moody's.

David Sobelman, CEO of GIPR, stated, "This acquisition demonstrates our ability to source and bring to fruition institutional quality real estate assets in desirable locations with high, credit-quality tenants. Tucson is home to the University of Arizona and the second most-populous city in Arizona behind Phoenix, both of which anchor the Arizona Sun Corridor. We believe transactions like this one will create immediate and long-term value for our stakeholders."

The property has approximately 8 years remaining on the current double net (NN) lease with Kohl's and 7 years remaining on the ground lease to GIPR. The lease with Kohl's generates approximately \$824,000 of annualized gross base rent and a net rent to GIPR of approximately \$591,000 annually after payments under the ground lease.

About Generation Income Properties

Generation Income Properties, Inc., located in Tampa, Florida, is an internally managed real estate investment corporation formed to acquire and own, directly and jointly, real estate investments focused on retail, office and industrial net lease properties located primarily in major United States cities. Additional information about Generation Income Properties, Inc. can be found on the Company's corporate website: www.gipreit.com.

Forward-Looking Statements

This press release, whether or not expressly stated, may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. The words "believe," "intend," "expect," "plan," "should," "will," "would," and similar expressions and all statements, which are not historical facts, are intended to identify forward-looking statements. These statements reflect the Company's expectations regarding future events and economic performance and are forward-looking in nature and, accordingly, are subject to risks and uncertainties. Such forward-looking statements include risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements which are, in some cases, beyond the Company's control which could have a material adverse effect on the Company's business, financial condition, and results of operations. These risks and uncertainties include our limited operating history, potential changes in the economy in general and the real estate market in particular, the COVID-19 pandemic, and other risks and uncertainties that are identified from time to time in our SEC filings, including those identified in our registration statement on Form S-11 (File No. 333-235707), which are available at www.sec.gov. The occurrence of any of these risks and uncertainties could have a material adverse effect on the Company's business, financial condition, and results of operations.

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For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Any forward-looking statement made by us herein speaks only as of the date on which it is made. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof, except as may be required by law.

Contact Details

Investor Relations

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813-448-1234

4883-4957-6724.2