UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-K

ANNUAL REPORT PURSUANT TO REGULATION A OF THE SECURITIES ACT OF 1933

For the fiscal year ended December 31, 2018

GENERATION INCOME PROPERTIES, INC.
(Exact name of registrant as specified in its charter)

Commission File Number: 024-10481

Maryland	**47-4427295**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
401 East Jackson Street **Suite 3300** **Tampa, FL**	
(Address of principal executive offices)	**33602** (Zip Code)

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

Common Shares
(Title of each class of securities issued pursuant to Regulation A)

Part II.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

We make statements in this Annual Report pursuant to Regulation A on Form 1-K (the "Annual Report") that are forward-looking statements within the meaning of the federal securities laws. The words "believe," "estimate," "expect," "anticipate," "intend," "plan," "seek," "may," "continue," "could," "might," "potential," "predict," "should," "will," "would," and similar expressions or statements regarding future periods or the negative of these terms are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this Annual Report or in the information incorporated by reference into this Annual Report.

The forward-looking statements included in this Annual Report are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.

Factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, funds derived from operations, cash available for distribution, cash flows, liquidity and prospects include, but are not limited to, the factors referenced in our Offering Circular dated January 28, 2016, as amended and/or supplemented from time to time, under the caption "RISK FACTORS" and which are incorporated herein by reference.

Any of the assumptions underlying forward-looking statements could be inaccurate. You are cautioned not to place undue reliance on any forward-looking statements included in this Annual Report. All forward-looking statements are made as of the date of this Annual Report and the risk that actual results will differ materially from the expectations expressed in this Annual Report will increase with the passage of time. Except as otherwise required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this Annual Report, whether as a result of new information, future events, changed circumstances or any other reason. In light of the significant uncertainties inherent in the forward-looking statements included in this Annual Report, the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this Annual Report will be achieved.

In this Annual Report, references to the "Company," "we," "us," "our" or similar terms refer to Generation Income Properties, Inc., a Maryland corporation, together with its consolidated subsidiaries, including Generation Income Properties, L.P., a Delaware limited partnership, which we refer to as our operating partnership ("Operating Partnership"). As used in this annual report, an affiliate, or person affiliated with a specified person, is a person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

Item 1. Business

The Company

Generation Income Properties, Inc. was formed in 2015 as a Maryland corporation. Our objective is to acquire and own, directly or jointly, real estate investments focused on retail, office and industrial net lease properties located primarily in major United States cities. We intend to invest primarily in freestanding, single-tenant commercial retail, office, and industrial properties net leased to investment grade tenants. We may also pursue, in an opportunistic manner, other real estate-related investments, including but not limited to indirect investments in real property, such as those that may be obtained in a joint venture and developmental projects with non-investment grade tenants which we may keep in the company or sale to a third party.

We intend to acquire properties that we can lease to tenants under net leases. A net lease is a type of lease in which the tenant is generally responsible for all costs and expenses related to the use and operation of the property, such as the cost of repairs, maintenance, property taxes, utilities, insurance and other operating costs, in addition to the tenant's regular monthly rent.

On July 1, 2018, we terminated our common stock offering pursuant to a qualified Form 1-A offering statement under Regulation A ("Offering"). As of June 30, 2018, we raised $4,198,835 in capital through the sale of 839,767 of our shares of common stock and had 1,839,767 shares outstanding. We intend to use the net proceeds of the Offering to acquire real estate assets through Generation Income Properties, L.P., our operating partnership, and otherwise fund our operations.

We have purchased three assets:

- Single tenant retail condo (3,000 square feet) located at 3707-3711 14th Street, NW, Washington, DC for $2.5 million plus fees, costs and other expenses that is leased to 7-Eleven Corporation.

- Single tenant retail building (2,000 square feet) stand-alone property located at 1300 South Dale Mabry Highway in Tampa, Florida for $3.5 million with a corporate Starbucks Coffee as the tenant.

- Single tenant industrial building (59,000 square feet) located at 15091 Alabama Highway 20, in Huntsville, Alabama for $8.3 million.

We intend to elect to be taxed as a real estate investment trust ("REIT") under Section 856 through 860 of the Internal Revenue Code ("Code") beginning with our taxable year ending December 31, 2019, or such later date as otherwise determined by our board of directors. In order to qualify as a REIT, we must distribute to our stockholders each calendar year at least 90% of our taxable income (excluding net capital gains and income from operations or sales through a TRS). If we qualify as a REIT for federal income tax purposes, we generally will not be subject to federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on our taxable income at regular corporate rates and will not be permitted to qualify as a REIT for four years following the year in which our qualification is denied. Such an event could materially and adversely affect our net income and results of operations.

We are internally managed and intend to invest primarily in freestanding, single-tenant commercial retail, office and industrial properties net leased to investment grade tenants.

David Sobelman, our President, is our sole officer and director and our only employee. To the extent necessary we plan to use consultants, attorneys, and accountants, and do not plan to engage any additional full-time employees in the near future.

Investment Strategy

We intend to acquire and operate a portfolio of commercial real estate consisting primarily of freestanding, single-tenant retail, commercial, and industrial properties, located primarily in major U.S. cities, with an emphasis on the major primary and coastal markets, and net leased to investment grade tenants. Investment grade tenants are generally companies that have a debt rating by Moody's of Baa3 or better or a credit rating by Standard & Poor's of BBB- or better, or their equivalents, are guaranteed by a company with such rating, and other creditworthy tenants located throughout the United States. We also may invest in a smaller number of multi-tenant properties that complement our overall investment objectives or in developmental projects with non-investment grade tenants. In addition, we may invest in entities that make similar investments. We believe that these investments can produce attractive risk-adjusted returns because we expect to acquire properties that have a strong long-term potential at increasing the value of the real estate.

We will utilize extensive research to evaluate target markets and properties, including a detailed review of the long-term economic outlook, trends in local demand generators, competitive environment, property systems and physical condition, and property financial performance. Specific acquisition criteria may include, but are not limited to, the following:

- premier locations and facilities;

- properties not subject to long-term management contracts with management companies;

- properties with stable primary tenants with good credit in long leases;

- potential return on investment initiatives, including improvements and possible expansion;

- opportunities to implement value-added operational improvements; and

- strong demand growth characteristics supported by favorable demographic indicators.

Though we do not initially intend to engage in significant development or redevelopment of net lease properties, over the long-term we may acquire properties that we believe would benefit from significant redevelopment or expansion.

Financing Strategies

Our long-term goal is to maintain a lower-leveraged capital structure and lower outstanding principal amount of our consolidated indebtedness. However, we anticipate in the early stages of our business, with respect to assets either acquired with debt financing or refinanced, the debt financing amount generally could be up to approximately 80% of the acquisition price of a particular asset, provided, however, we are not restricted in the amount of leverage we may use to finance an asset. Particular assets may be more highly leveraged. Over time, we intend to reduce our debt positions through financing our long-term growth with equity issuances and some debt financing having staggered maturities. Our debt may include mortgage debt secured by our properties and unsecured debt. Over a long-term period, we intend to maintain lower levels of debt encumbering the REIT, its assets and/or the portfolio.

Competition

The net lease industry is highly competitive. We face competition for acquisitions of real property from investors, including traded and non-traded public and private REITs, real estate investment funds, private equity investors and institutional investment funds, some of which have greater financial resources than we do, a greater ability to borrow funds to acquire properties and the ability to accept more risk than we can prudently manage. This competition may increase the demand for the types of properties in which we wish to invest and, therefore, reduce the number of suitable acquisition opportunities available to us and increase the prices paid for such acquisition properties. This competition will increase if investments in real estate become more attractive relative to other forms of investment.

We anticipate that the net lease assets we will enter into with properties that we acquire will compete with other entities seeking to enter into net leases with tenants in our markets. Competitive factors include location, re-usability of real estate, convenience, tenancy and lease terms. As a landlord, we will compete in the multi-billion-dollar commercial real estate market with numerous developers and owners of properties, many of which own properties similar to ours in the same markets in which our properties are located. Some of our competitors will have greater economies of scale, have access to more resources and have greater name recognition than we do. If our competitors offer space at rental rates below current market rates or below the rental rates we charge our tenants, we may lose our tenants or prospective tenants and we may be pressured to reduce our rental rates or to offer substantial rent abatements, tenant improvement allowances, early termination rights or below-market renewal options in order to retain tenants when our leases expire.

Operation through Our Subsidiary

We will be the sole general partner of Generation Income Properties, L.P., which is the subsidiary through which we will conduct substantially all of our operations.

RISK FACTORS

We face risks and uncertainties that could affect us and our business as well as the real estate industry generally. In addition, new risks may emerge at any time, and we cannot predict such risks or estimate the extent to which they may affect our financial performance. These risks could result in a decrease in the value of our common shares.

The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our stockholders, which could cause you to lose all or a significant portion of your investment in our common shares. Some statements in this filing, including statements in the following risk factors, constitute forward-looking statements.

- Our portfolio consists of only three investments, and our success is totally dependent on our ability to make additional investments consistent with our investment goals.
- We have limited operating history, and there is no guaranty that we will be successful in the operation of the company moving forward.
- Our senior management team has limited experience managing a publicly traded REIT.
- In the course of preparing our consolidated financial statements, a material weakness in our internal control over financial reporting was identified, and there can be no guaranty that additional material weaknesses do not exist.

- The stock ownership limit imposed by the Code for REITs and our charter may inhibit market activity in our stock and may restrict our business combination opportunities.

- We have experienced losses in the past, and we may experience similar losses in the future.

- We may not be able to satisfy the listing requirements of OTCQB to maintain a listing of our common stock.

- Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act; if we are subject to registration under the Investment Company Act, we will not be able to continue our business.

Risks Related to Our Business and Properties

We currently only own three properties to lease, which generate limited sources of revenue. Without funds from future offerings, we will face difficulty acquiring any properties to lease to generate revenue. Many of our future properties will likely depend upon a single tenant for all or a majority of their rental income, and our financial condition and ability to make distributions may be adversely affected by the bankruptcy or insolvency, a downturn in the business, or a lease termination of a single tenant.

We currently only own three properties to lease to tenants and need to raise funds to acquire additional such properties. We expect that many of our properties will be occupied by only one tenant or will derive a majority of their rental income from one tenant and, therefore, the success of those properties will be materially dependent on the financial stability of such tenants. Lease payment defaults by tenants could cause us to reduce the amount of distributions we pay. A default of a tenant on its lease payments to us would cause us to lose the revenue from the property and force us to find an alternative source of revenue to meet any mortgage payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting the property. If a lease is terminated, there is no assurance that we will be able to lease the property for the rent previously received or sell the property without incurring a loss. A default by a tenant, the failure of a guarantor to fulfill its obligations or other premature termination of a lease, or a tenant's election not to extend a lease upon its expiration, could have an adverse effect on our financial condition and our ability to pay distributions.

We have limited operating history and may not be able to successfully operate our business or generate sufficient operating cash flows to make or sustain distributions to our stockholders.

We were organized in June 2015 for the purpose of engaging in the activities mentioned in this document. We had an an initial closing in our Offering and have acquired three assets. Therefore, we have a limited operating history. We commenced operations as soon as were able to raise sufficient funds to acquire our first suitable property because there was no minimum amount that we were required to raise. However, our ability to make or sustain distributions to our stockholders will depend on many factors, including our ability to identify attractive acquisition opportunities that satisfy our investment strategy, our success in consummating acquisitions on favorable terms, the level and volatility of interest rates, readily accessible short-term and long-term financing on favorable terms, and conditions in the financial markets, the real estate market and the economy. We will face competition in acquiring attractive net lease properties. The value of the net lease properties that we acquire may decline substantially after we purchase them. We may not be able to successfully operate our business or implement our operating policies and investment strategy successfully. Furthermore, we may not be able to generate sufficient operating cash flow to pay our operating expenses and make distributions to our stockholders.

As an early stage company, we are subject to the risks of any early stage business enterprise, including risks that we will be unable to attract and retain qualified personnel, create effective operating and financial controls and systems or effectively manage our anticipated growth, any of which could have a harmful effect on our business and our operating results.

We may change our investment objectives without seeking stockholder approval.

We may change our investment objectives without stockholder notice or consent. Although our Board has fiduciary duties to our stockholders and intends only to change our investment objectives when our Board determines that a change is in the best interests of our stockholders, a change in our investment objectives could reduce our payment of cash distributions to our stockholders or cause a decline in the value of our investments.

Our sole officer and director devotes some of his business time to other activities and may not be in a position to devote his full time attention to our operations, which may result in periodic interruptions and even business failure.

Mr. Sobelman, our sole officer and director, has other outside business activities and intends to devote approximately 20-30 hours per week to our operations. Our operations may be sporadic and occur at times which are not convenient to Mr. Sobelman, which may result in periodic interruptions or suspensions of our plans to acquire properties and begin generating revenues. Such delays could have a significant negative effect on the success of the business.

We plan to use outside consultants, attorneys, and accountants, as necessary and do not plan to engage any additional full-time employees in the near future.

Our sole officer and director may resign, which could adversely affect our ability to continue operations.

Because we are entirely dependent on the efforts of our sole officer and director, his departure and our inability to find suitable replacement, or the loss of other key personnel in the future, could have a harmful effect on the business.

There is currently no agreement in writing between us and Mr. Sobelman, which means that there is no means to guarantee that he will continue to work with us.

There may be conflicts of interest faced by our sole officer and director, who is also a managing partner in 3 Properties, LLC, which may compete with us for his business time and for business opportunities to acquire properties.

Mr. Sobelman, our sole officer and director, is also the managing member of 3 Properties, LLC, which is a business formed in 2017 that operates as a commercial real estate broker. Mr. Sobelman's business obligations and fiduciary duties with 3 Properties, LLC may limit his availability to focus on our business. In addition, 3 Properties, LLC may pursue business opportunities and properties that our business may wish to pursue. If Mr. Sobelman does not devote sufficient time to us, or we are unable to obtain business opportunities to acquire properties sufficient for us to generate revenues, then our business may not succeed.

We may be subject to conflicts of interest arising out of our working with 3 Properties, LLC a company managed by our sole officer and director.

We may purchase properties where 3 Properties, LLC identifies properties for the Company or represents the seller of a property we purchase. A conflict of interest may exist in such an acquisition since 3 Properties, LLC may be entitled to a real estate brokerage commission in connection to such a transaction. Any of our agreements and arrangements with 3 Properties, LLC, including those relating to compensation, are not the result of arm's length negotiations.

Because our sole officer and director will have broad discretion to invest, he may make investments where the returns are substantially below expectations or which result in net operating losses.

Our sole officer and director will have broad discretion, within the general investment criteria established by our Board, to invest the net proceeds of various offerings and to determine the timing of such investments. In addition, our investment policies may be revised from time to time at the discretion of our Board, without a vote of our stockholders. Such discretion could result in investments that may not yield returns consistent with expectations.

We may not be successful in identifying and consummating suitable investment opportunities.

Our investment strategy requires us to identify suitable investment opportunities compatible with our investment criteria. We may not be successful in identifying suitable opportunities that meet our criteria or in consummating investments, including those identified as part of our investment pipeline, on satisfactory terms or at all. Our ability to make investments on favorable terms may be constrained by several factors including, but not limited to, competition from other investors with significant capital, including publicly-traded REITs and institutional investment funds, which may significantly increase investment costs; and/or the inability to finance an investment on favorable terms or at all. The failure to identify or consummate investments on satisfactory terms, or at all, may impede our growth and negatively affect our cash available for distribution to our stockholders.

If we cannot obtain additional capital, our ability to make acquisitions and lease properties will be limited. We are subject to risks associated with debt and capital stock issuances, and such issuances may have consequences to holders of shares of our common stock.

Our ability to make acquisitions and lease properties will depend, in large part, upon our ability to raise additional capital. If we were to raise additional capital through the issuance of equity securities, we could dilute the interests of holders of shares of our common stock. Our board of directors may authorize the issuance of classes or series of preferred stock which may have rights that could dilute, or otherwise adversely affect, the interest of holders of shares our common stock.

Further, we expect to incur additional indebtedness in the future, which may include a corporate credit facility. Such indebtedness could also have other important consequences to holders of the notes and holders of our common and preferred stock, including subjecting us to covenants restricting our operating flexibility, increasing our vulnerability to general adverse economic and industry conditions, limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements, requiring the use of a portion of our cash flow from operations for the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, acquisitions, capital expenditures and general corporate requirements, and limiting our flexibility in planning for, or reacting to, changes in our business and our industry.

We may never reach sufficient size to achieve diversity in our portfolio.

We are presently a comparatively small company with a modest number of properties, resulting in a portfolio that lacks geographic and tenant diversity. While we intend to endeavor to grow and diversify our portfolio through additional property acquisitions, we may never reach a significant size to achieve true portfolio diversity.

The market for real estate investments is highly competitive.

Identifying attractive real estate investment opportunities, particularly in the value-added real estate arena, is difficult and involves a high degree of uncertainty. Furthermore, the historical performance of a particular property or market is not a guarantee or prediction of the property's or market's future performance. There can be no assurance that we will be able to locate suitable acquisition opportunities, achieve its investment goal and objectives, or fully deploy for investment the net proceeds of various offerings.

Because of the recent growth in demand for real estate investments, there may be increased competition among investors to invest in the same asset classes as our company. This competition may lead to an increase in the investment prices or otherwise less favorable investment terms. If this situation occurs with a particular Investment, our return on that Investment is likely to be less than the return it could have achieved if it had invested at a time of less investor competition for the Investment. For this and other reasons, our management is under no restrictions concerning the timing of investments.

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

Various estimates are used in the preparation of our financial statements, including estimates related to asset and liability valuations (or potential impairments) and various receivables. Often these estimates require the use of market data values that may be difficult to assess, as well as estimates of future performance or receivables collectability that may be difficult to accurately predict. 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 result in material changes to our financial condition and results of operations.

We utilize, and intend to continue to utilize, leverage, which may limit our financial flexibility in the future.

We make acquisitions and operate our business in part through the utilization of leverage pursuant to loan agreements with various financial institutions. These loan agreements contain financial covenants that restrict our operations. These financial covenants, as well as any future financial covenants we may enter into through further loan agreements, could inhibit our financial flexibility in the future and prevent distributions to stockholders.

We may incur losses as a result of ineffective risk management processes and strategies.

We seek to monitor and control our risk exposure through a risk and control framework encompassing a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. While we employ a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. Thus, we may, in the course of our activities, incur losses due to these risks.

You will not have the opportunity to evaluate our investments before we make them.

Because we have not identified all of the specific assets that we will acquire with the proceeds raised in various offerings, we are not able to provide you with information that you may want to evaluate before deciding to invest in our shares. Our investment policies and strategies are very broad and permit us to invest in any type of commercial real estate, including developed and undeveloped properties, entities owning these assets or other real estate assets regardless of geographic location or property type. Our president and sole director have absolute discretion in implementing these policies and strategies, subject to the restrictions on investment objectives and policies set forth in our articles of incorporation. Because you cannot evaluate our investments in advance of purchasing shares of our common stock, our common stock may entail more risk than other types of investments. This additional risk may hinder your ability to achieve your own personal investment objectives related to portfolio diversification, risk-adjusted investment returns and other objectives.

We and our third party vendors will rely on information technology networks and systems in providing services to us, and any material failure, inadequacy, interruption or security failure of that technology could harm our business.

We and our third party vendors will rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of our business processes, including financial transactions and maintenance of records, which may include confidential information of tenants, lease data and information regarding our stockholders. We and our third party vendors will rely on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential information. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches or cyber-attacks, can create system disruptions, shutdowns or unauthorized disclosure of confidential information. In addition, any breach in the data security measures employed by the third party vendors upon which we rely, could also result in the improper disclosure of personally identifiable information. Any failure to maintain proper function, security and availability of information systems could interrupt our operations, damage our reputation, subject us to liability claims or regulatory penalties and could materially and adversely affect us.

We are an emerging growth company and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

For as long as we continue to be an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an emerging growth company until the earliest of (i) the end of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700 million, (ii) the end of the fiscal year in which we have total annual gross revenue of $1.07 billion or more during such fiscal year, (iii) the date on which we issue more than $1 billion in non-convertible debt in a three-year period or (iv) five years from the date of this prospectus.

We have experienced losses in the past, and we may experience similar losses in the future.

From inception of our company through December 31, 2018, we had a cumulative net loss of $869,071. Our losses can be attributed, in part, to the initial start-up costs and high corporate general and administrative expenses relative to the size of our portfolio. In addition, acquisition costs and depreciation and amortization expenses substantially reduced our income. We cannot assure you that, in the future, we will be profitable or that we will realize growth in the value of our assets.

We have paid and may continue to pay distributions from offering proceeds to the extent our cash flow from operations or earnings are not sufficient to fund declared distributions. Rates of distribution to you will not necessarily be indicative of our operating results. If we make distributions from sources other than our cash flows from operations or earnings, we will have fewer funds available for the acquisition of properties and your overall return may be reduced.

Our organizational documents permit us to make distributions from any source, including the net proceeds from any offerings. There is no limit on the amount of offering proceeds we may use to pay distributions. To date, we have funded and expect to continue to fund distributions from the net proceeds of our offerings. We may also fund distributions with borrowings and the sale of

assets to the extent distributions exceed our earnings or cash flows from operations. While our policy is generally to pay distributions from cash flow from operations, our distributions paid to date were funded, in part, by proceeds from our initial offering. To the extent we fund distributions from sources other than cash flow from operations, such distributions may constitute a return of capital and we will have fewer funds available for the acquisition of properties and your overall return may be reduced. Further, to the extent distributions exceed our earnings and profits, a stockholder's basis in our stock will be reduced and, to the extent distributions exceed a stockholder's basis, the stockholder will be required to recognize capital gain.

The limits on the percentage of shares of our common stock that any person may own may discourage a takeover or business combination that could otherwise benefit our stockholders.

Our charter, with certain exceptions, authorizes our Board to take such actions as are necessary and desirable to preserve our future qualification as a REIT. Unless exempted by our Board, no person may own more than 9.8% in value of our outstanding capital stock or more than 9.8% in value or number of shares, whichever is more restrictive, of our outstanding common stock. A person that did not acquire more than 9.8% of our shares may become subject to our charter restrictions if redemptions by other stockholders cause such person's holdings to exceed 9.8% of our outstanding shares. Our 9.8% ownership limitation may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for our stockholders.

Our charter permits our board of directors to issue stock with terms that may subordinate the rights of the holders of our common stock or discourage a third party from acquiring us in a manner that could result in a premium price to our stockholders.

Our Board may classify or reclassify any unissued common stock or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of redemption of any such stock without stockholder approval. Thus, our Board could authorize the issuance of preferred stock with terms and conditions that could have priority as to distributions and amounts payable upon liquidation over the rights of the holders of our common stock. Such preferred stock could also have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might otherwise provide a premium price to holders of our common stock.

Maryland law and our organizational documents limit our rights and the rights of our stockholders to recover claims against our directors and officers, which could reduce your and our recovery against them if they cause us to incur losses.

Maryland law provides that a director will not have any liability as a director so long as he or she performs his or her duties in accordance with the applicable standard of conduct. In addition, Maryland law and our charter provide that no director or officer shall be liable to us or our stockholders for monetary damages unless the director or officer (1) actually received an improper benefit or profit in money, property or services or (2) was actively and deliberately dishonest as established by a final judgment as material to the cause of action. Moreover, our charter generally requires us to indemnify and advance expenses to our directors and officers for losses they may incur by reason of their service in those capacities unless their act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, they actually received an improper personal benefit in money, property or services or, in the case of any criminal proceeding, they had reasonable cause to believe the act or omission was unlawful. Further, we have entered into separate indemnification agreements with each of our officers and directors. As a result, you and we may have more limited rights against our directors or officers than might otherwise exist under common law, which could reduce your and our recovery from these persons if they act in a manner that causes us to incur losses. In addition, we are obligated to fund the defense costs incurred by these persons in some cases.

Certain provisions of Maryland law could inhibit transactions or changes of control under circumstances that could otherwise provide stockholders with the opportunity to realize a premium.

Certain provisions of the Maryland General Corporation Law applicable to us prohibit business combinations with: (1) any person who beneficially owns 10% or more of the voting power of our outstanding voting stock, which we refer to as an "interested stockholder;" (2) an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then outstanding stock, which we also refer to as an "interested stockholder;" or (3) an affiliate of an interested stockholder. These prohibitions last for five years after the most recent date on which the interested stockholder became an interested stockholder. Thereafter, any business combination with the interested stockholder or an affiliate of the interested stockholder must be recommended by our Board and approved by the affirmative vote of at least 80% of the votes entitled to be cast by holders of our outstanding voting stock, and two-thirds of the votes entitled to be cast by holders of our

voting stock other than shares held by the interested stockholder or its affiliate with whom the business combination is to be effected or held by an affiliate or associate of the interested stockholder. These requirements could have the effect of inhibiting a change in control even if a change in control were in our stockholders' best interest. These provisions of Maryland law do not apply, however, to business combinations that are approved or exempted by our Board prior to the time that someone becomes an interested stockholder. Pursuant to the business combination statute, our Board has exempted any business combination involving us and any person, provided that such business combination is first approved by a majority of our Board.

Our UPREIT structure may result in potential conflicts of interest with limited partners in our operating partnership whose interests may not be aligned with those of our stockholders.

Our directors and officers have duties to our corporation and our stockholders under Maryland law and our charter in connection with their management of the corporation. At the same time, we, as general partner, will have fiduciary duties under Delaware law to our operating partnership and to the limited partners in connection with the management of our operating partnership. Our duties as general partner of our operating partnership and its partners may come into conflict with the duties of our directors and officers to our corporation and our stockholders. Under Delaware law, a general partner of a Delaware limited partnership owes its limited partners the duties of good faith and fair dealing. Other duties, including fiduciary duties, may be modified or eliminated in the partnership's partnership agreement. The partnership agreement of our operating partnership provides that, for so long as we own a controlling interest in our operating partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the limited partners will be resolved in favor of our stockholders.

Additionally, the partnership agreement expressly limits our liability by providing that we will not be liable or accountable to our operating partnership for losses sustained, liabilities incurred or benefits not derived if we acted in good faith. In addition, our operating partnership is required to indemnify us and our officers, directors, employees, agents and designees to the extent permitted by applicable law from and against any and all claims arising from operations of our operating partnership, unless it is established that: (1) the act or omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (2) the indemnified party received an improper personal benefit in money, property or services; or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful.

The provisions of Delaware law that allow the fiduciary duties of a general partner to be modified by a partnership agreement have not been tested in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement that purport to waive or restrict our fiduciary duties.

General Risks Related to Investments in Real Estate

Our operating results will be affected by economic and regulatory changes that have an adverse impact on the real estate market in general, and we cannot assure you that we will be profitable or that we will realize growth in the value of our real estate properties.

Our operating results are subject to risks generally incident to the ownership of real estate, including:

- adverse changes in national and local economic and market conditions, including the credit and securitization markets;
- 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;
- takings by condemnation or eminent domain;
- real estate conditions, such as an oversupply of or a reduction in demand for real estate space in the area;
- the perceptions of tenants and prospective tenants of the convenience, attractiveness and safety of our properties;
- competition from comparable properties;
- the occupancy rate of our properties;
- the ability to collect all rent from tenants on a timely basis;

- the effects of any bankruptcies or insolvencies of major tenants;
- the expense of re-leasing space;
- changes in interest rates and in the availability, cost and terms of mortgage funding;
- the impact of present or future environmental legislation and compliance with environmental laws;
- acts of war or terrorism, including the consequences of terrorist attacks;
- acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses; and
- cost of compliance with the Americans with Disabilities Act.
- ability to acquire properties
- changes in general economic or local conditions
- changes in supply of or demand for similar or competing properties in an area;
- changes in interest rates and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive
- changes in tax, real estate, environmental and zoning laws; and
- periods of high interest rates and tight money supply

If any of these or similar events occur, it may reduce our return from an affected property or investment and reduce or eliminate our ability to make distributions to stockholders.

If a major tenant declares bankruptcy, we may be unable to collect balances due under relevant leases, which could have a harmful effect on our financial condition and ability to pay distributions to you.

Our success will depend on the financial ability of our eventual tenants to remain current with their leases with us. We may experience concentration in one or more tenants if the future leases we have with those tenants represent a significant percentage of our operations. Any of our future tenants, or any guarantor of one of our future tenant's lease obligations, could be subject to a bankruptcy proceeding pursuant to Title 11 of the bankruptcy laws of the United States. Such a bankruptcy filing would bar us from attempting to collect pre-bankruptcy debts from the bankrupt tenant or its properties unless we receive an enabling order from the bankruptcy court. Post-bankruptcy debts would be paid currently. If we assume a lease, all pre-bankruptcy balances owing under it must be paid in full. If a lease is rejected by a tenant in bankruptcy, we would have a general unsecured claim for damages. This claim could be paid only in the event funds were available, and then only in the same percentage as that realized on other unsecured claims.

The bankruptcy of a future tenant or lease guarantor could delay our efforts to collect past due balances under the relevant lease, and could ultimately preclude full collection of these sums. Such an event also could cause a decrease or cessation of current rental payments, reducing our operating cash flows and the amount available for distributions to you. In the event a future tenant or lease guarantor declares bankruptcy, the tenant or its director may not assume our lease or its guaranty. If a given lease or guaranty is not assumed, our operating cash flows and the amounts available for distributions to you may be adversely affected. The bankruptcy of a major tenant could have a harmful effect on our ability to pay distributions to you.

A high concentration of our properties in a particular geographic area, or with tenants in a similar industry, would magnify the effects of downturns in that geographic area or industry.

Although we only own three properties, we plan to focus our acquisition efforts on certain geographic areas. In the event that we have a concentration of properties in any particular geographic area, any adverse situation that is proportionately affects that geographic area would have a magnified adverse effect on our portfolio. Similarly, if tenants of our properties become concentrated in a certain industry or industries, any adverse effect to that industry or those industries generally would have a disproportionately adverse effect on our portfolio.

If a sale-leaseback transaction is re-characterized in a tenant's bankruptcy proceeding, our financial condition could be adversely affected.

We may enter into sale-leaseback transactions, whereby we would purchase a property and then lease the same property back to the person from whom we purchased it. In the event of the bankruptcy of a tenant, a transaction structured as a sale-leaseback may be re-characterized as either a financing or a joint venture, either of which outcomes could adversely affect our business. If the sale-leaseback were re-characterized as a financing, we might not be considered the owner of the property, and as a result would have the status of a creditor in relation to the tenant. In that event, we would no longer have the right to sell or encumber our ownership interest in the property. Instead, we would have a claim against the tenant for the amounts owed under the lease, with the claim arguably secured by the property. The tenant/debtor might have the ability to propose a plan restructuring the term, interest rate and amortization schedule of its outstanding balance. If confirmed by the bankruptcy court, we could be bound by the new terms, and prevented from foreclosing our lien on the property. If the sale-leaseback were re-characterized as a joint venture, our lessee and we could be treated as co-venturers with regard to the property. As a result, we could be held liable, under some circumstances, for debts incurred by the lessee relating to the property. Either of these outcomes could adversely affect our cash flow and the amount available for distributions to you.

We may obtain only limited warranties when we purchase a property and would have only limited recourse in the event our due diligence did not identify any issues that lower the value of our property.

The seller of a property often sells such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. Thus, the purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from that property.

We may be unable to secure funds for future tenant improvements or capital needs, which could adversely impact our ability to pay cash distributions to our stockholders.

When tenants do not renew their leases or otherwise vacate their space, it is usual that, in order to attract replacement tenants, we will be required to expend substantial funds for tenant improvements and tenant refurbishments to the vacated space. In addition, although we expect that our leases with tenants will require tenants to pay routine property maintenance costs, we will likely be responsible for any major structural repairs, such as repairs to the foundation, exterior walls and rooftops. We will use substantially all of our offerings gross proceeds to buy real estate and pay various fees and expenses. Accordingly, if we need additional capital in the future to improve or maintain our properties or for any other reason, we will have to obtain financing from other sources, such as cash flow from operations, borrowings, property sales or future equity offerings. These sources of funding may not be available on attractive terms or at all. If we cannot procure additional funding for capital improvements, our investments may generate lower cash flows or decline in value, or both.

Our inability to sell a property when we desire to do so could adversely impact our ability to pay cash distributions to you.

The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates, supply and demand, and other factors that are beyond our control. We cannot predict whether we will be able to sell any property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We may be required to expend funds to correct defects or to make improvements before a property can be sold. We may not have adequate funds available to correct such defects or to make such improvements. Moreover, in acquiring a property, we may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. We cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. Our inability to sell a property when we desire to do so may cause us to reduce our selling price for the property. Any delay in our receipt of proceeds, or diminishment of proceeds, from the sale of a property could adversely impact our ability to pay distributions to you.

We may not be able to sell our properties at a price equal to, or greater than, the price for which we purchased such property, which may lead to a decrease in the value of our assets.

Some of our leases may not contain rental increases over time, or the rental increases may be less than the fair market rate at a future point in time. In such event, the value of the leased property to a potential purchaser may not increase over time, which may restrict our ability to sell that property, or if we are able to sell that property, may result in a sale price less than the price that we paid to purchase the property.

We may acquire or finance properties with lock-out provisions, which may prohibit us from selling a property, or may require us to maintain specified debt levels for a period of years on some properties.

Lock-out provisions could materially restrict us from selling or otherwise disposing of or refinancing properties. These provisions would affect our ability to turn our investments into cash and thus affect cash available for distributions to you. Lock-out provisions may prohibit us from reducing the outstanding indebtedness with respect to any properties, refinancing such indebtedness on a non-recourse basis at maturity, or increasing the amount of indebtedness with respect to such properties. Lock-out provisions could impair our ability to take other actions during the lock-out period that could be in the best interests of our stockholders and, therefore, may have an adverse impact on the value of the shares, relative to the value that would result if the lock-out provisions did not exist. In particular, lock-out provisions could preclude us from participating in major transactions that could result in a disposition of our assets or a change in control even though that disposition or change in control might be in the best interests of our stockholders.

Rising expenses could reduce cash flow and funds available for future acquisitions.

Any properties that we buy in the future will be, subject to operating risks common to real estate in general, any or all of which may negatively affect us. If any property is not fully occupied or if rents are being paid in an amount that is insufficient to cover operating expenses, we could be required to expend funds with respect to that property for operating expenses. The properties will be subject to increases in tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses. While we expect that many of our properties will be leased on a net-lease basis or will require the tenants to pay all or a portion of such expenses, renewals of leases or future leases may not be negotiated on that basis, in which event we may have to pay those costs. If we are unable to lease properties on a net-lease basis or on a basis requiring the tenants to pay all or some of such expenses, or if tenants fail to pay required tax, utility and other impositions, we could be required to pay those costs which could adversely affect funds available for future acquisitions or cash available for distributions.

Adverse economic conditions will negatively affect our returns and profitability.

Our operating results may be affected by the following market and economic challenges, which may result from a continued or exacerbated general economic slowdown experienced by the nation as a whole or by the local economics where our properties may be located:

- poor economic conditions may result in tenant defaults under leases;
- re-leasing may require concessions or reduced rental rates under the new leases; and
- increased insurance premiums may reduce funds available for distribution or, to the extent such increases are passed through to tenants, may lead to tenant defaults. Increased insurance premiums may make it difficult to increase rents to tenants on turnover, which may adversely affect our ability to increase our returns.

The length and severity of any economic downturn cannot be predicted. Our operations could be negatively affected to the extent that an economic downturn is prolonged or becomes more severe.

Challenging economic conditions could adversely affect vacancy rates, which could have an adverse impact on our ability to make distributions and the value of an investment in our shares.

Challenging economic conditions, the availability and cost of credit, turmoil in the mortgage market, and declining real estate markets have contributed to increased vacancy rates in the commercial real estate sector. If we experience vacancy rates that are higher than historical vacancy rates, we may have to offer lower rental rates and greater tenant improvements or concessions than expected. Increased vacancies may have a greater impact on us, as compared to REITs with other investment strategies, as our investment approach relies on long-term leases in order to provide a relatively stable stream of income for our stockholders. As a result, increased vacancy rates could have the following negative effects on us:

- the values of our potential investments in commercial properties could decrease below the amount paid for such investments;
- revenues from such properties could decrease due to low or no rental income during vacant periods, lower future rental rates and/or increased tenant improvement expenses or concessions; and/or
- revenues from such properties that secure loans could decrease, making it more difficult for us to meet our payment obligations. All of these factors could impair our ability to make distributions and decrease the value of an investment in our shares.

Global market and economic conditions may materially and adversely affect us and our tenants.

In the United States, market and economic conditions have from time to time been challenging, such as during the recent economic crisis, which resulted in increased unemployment, large-scale business failures and tight credit markets. Our results of operations may be sensitive to changes in the overall economic conditions that impact our tenants' financial condition and leasing practices. Adverse economic conditions such as high unemployment levels, interest rates, tax rates and fuel and energy costs may have an impact on the results of operations and financial conditions of our tenants. During periods of economic slowdown, rising interest rates and declining demand for real estate may result in a general decline in rents or an increased incidence of lease defaults. Volatility in the United States and global markets makes it difficult to determine the breadth and duration of the impact of future economic and financial market crises and the ways in which our tenants and our business may be affected. A lack of demand for rental space could adversely affect our ability to gain new tenants, which may affect our growth and profitability. Accordingly, the reoccurrence of any worsening of financial conditions could materially and adversely affect us.

We may be adversely affected by unfavorable economic changes in the specific geographic areas where our investments are concentrated.

Adverse conditions (including business layoffs or downsizing, industry slowdowns, changing demographics and other factors) in the areas where our investments are located and/or concentrated, and local real estate conditions (such as oversupply of, or reduced demand for, office, industrial, retail or multifamily properties) may have an adverse effect on the value of our Investments. A material decline in the demand or the ability of tenants to pay rent for office, industrial or retail space in these geographic areas may result in a material decline in our cash available for distribution to our stockholders.

If we suffer losses that are not covered by insurance or that are in excess of insurance coverage, we could lose invested capital and anticipated profits.

Generally, each of our tenants will be responsible for insuring its goods and premises and, in some circumstances, may be required to reimburse us for a share of the cost of acquiring comprehensive insurance for the property, including casualty, liability, fire and extended coverage customarily obtained for similar properties in amounts that our advisor determines are sufficient to cover reasonably foreseeable losses. Tenants of single-user properties leased on a net-lease basis typically are required to pay all insurance costs associated with those properties. Material losses may occur in excess of insurance proceeds with respect to any property, as insurance may not be sufficient to fund the losses. However, there are types of losses, generally of a catastrophic nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters, which are either uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. Insurance risks associated with potential terrorism acts could sharply increase the premiums we pay for coverage against property and casualty claims. Additionally, mortgage lenders in some cases have begun to insist that commercial property owners purchase specific coverage against terrorism as a condition for providing mortgage loans. It is uncertain whether such insurance policies will be available, or available at reasonable cost, which could inhibit our ability to finance or refinance our potential properties. In these instances, we may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. We may not have adequate, or any, coverage for such losses. The Terrorism Risk Insurance Act of 2002 is designed for a sharing of terrorism losses between insurance companies and the federal government, and expires on December 31, 2020. There is no assurance that Congress will extend the insurance beyond 2020. We cannot be certain how this act will impact us or what additional cost to us, if any, could result. If such an event damaged or destroyed one or more of our properties, we could lose both our invested capital and anticipated profits from such property.

Real estate related taxes may increase and if these increases are not passed on to tenants, our income will be reduced.

Some local real property tax assessors may seek to reassess some of our properties as a result of our acquisition of the property. Generally, from time to time, our property taxes may increase as property values or assessment rates change or for other reasons deemed relevant by the assessors. An increase in the assessed valuation of a property for real estate tax purposes will result in an increase in the related real estate taxes on that property. Although some tenant leases may permit us to pass through such tax increases to the tenants for payment, there is no assurance that renewal leases or future leases will be negotiated on the same basis. Increases not passed through to tenants will adversely affect our income, cash available for distributions, and the amount of distributions to you.

We could be exposed to environmental liabilities with respect to investments to which we take title.

In the course of our business, and taking title to properties, we could be subject to environmental liabilities with respect to such properties. In such a circumstance, we may be held liable to a governmental entity or to third parties for property damage,

personal injury, investigation and cleanup costs incurred by these parties in connection with environmental contamination, or we may be required to investigate or clean up hazardous or toxic substances or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. If we become subject to significant environmental liabilities, our business, financial condition, liquidity and results of operations could be materially and adversely affected.

Properties may contain toxic and hazardous materials.

Federal, state and local laws impose liability on a landowner for releases or the otherwise improper presence on the premises of hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such substances. A landowner may be held liable for hazardous materials brought onto the property before it acquired title and for hazardous materials that are not discovered until after it sells the property. Similar liability may occur under applicable state law. If any hazardous materials are found within an Investment that are in violation of law at any time, we may be liable for all cleanup costs, fines, penalties and other costs. This potential liability will continue after we sell the investment and may apply to hazardous materials present within the Investment before we acquired such Investment. If losses arise from hazardous substance contamination which cannot be recovered from a responsible party, the financial viability of that property may be substantially affected. It is possible that we will acquire an investment with known or unknown environmental problems which may adversely affect us.

Properties may contain mold.

Mold contamination has been linked to a number of health problems, resulting in recent litigation by tenants seeking various remedies, including damages and ability to terminate their leases. Originally occurring in residential property, mold claims have recently begun to appear in commercial properties as well. Several insurance companies have reported a substantial increase in mold-related claims, causing a growing concern that real estate owners might be subject to increasing lawsuits regarding mold contamination. No assurance can be given that a mold condition will not exist at one or more of our Investments, with the risk of substantial damages, legal fees and possibly loss of tenants. It is unclear whether such mold claims would be covered by the customary insurance policies to be obtained for us.

Liability relating to environmental matters may impact the value of the properties that we may acquire or underlying our investments.

Under various U.S. federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. If we fail to disclose environmental issues, we could also be liable to a buyer or lessee of a property.

There may be environmental problems associated with our properties which we were unaware of at the time of acquisition. The presence of hazardous substances may adversely affect our ability to sell real estate, including the affected property, or borrow using real estate as collateral. The presence of hazardous substances, if any, on our properties may cause us to incur substantial remediation costs, thus harming our financial condition. In addition, although our leases will generally require our tenants to operate in compliance with all applicable laws and to indemnify us against any environmental liabilities arising from a tenant's activities on the property, we nonetheless would be subject to strict liability by virtue of our ownership interest for environmental liabilities created by such tenants, and we cannot ensure the stockholders that any tenants we might have would satisfy their indemnification obligations under the applicable sales agreement or lease. The discovery of material environmental liabilities attached to such properties could have a material adverse effect on our results of operations and financial condition and our ability to make distributions to our stockholders.

Discovery of previously undetected environmentally hazardous conditions, including mold or asbestos, may lead to liability for adverse health effects and costs of remediating the problem could adversely affect our operating results.

Under various U.S. federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the cost of removal or remediation of hazardous or toxic substances on, under or in such property. The costs of removal or remediation could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances, including asbestos-containing materials into the air, and third parties may seek recovery from owners or operators of real properties for personal injury or property damage associated with exposure to released

hazardous substances. The cost of defending against claims of liability, of compliance with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims related to any contaminated property could materially adversely affect our business, assets or results of operations and, consequently, amounts available for distribution to our security holders.

We may invest in real estate-related investments, including joint ventures and co-investment arrangements.

We expect to primarily invest in properties as sole owner. However, we may, in our management's sole discretion subject to our investment guidelines, invest as a joint venture partner or co-investor in an Investment. In such event, we generally anticipate owning a controlling interest in the joint venture or co-investment vehicle. However, our joint venture partner or co-investor may have a consent or similar right with respect to certain major decisions with respect to an Investment, including a refinancing, sale or other disposition. Additionally, we may rely on our joint venture partner or co-investor to act as the property manager or developer, and, thus, our returns will be subject to the performance of our joint venture partner or co-investor. While our management does not intend for these types of investments to be a primary focus of our company, our management may make such Investments in its sole discretion.

CC&Rs may restrict our ability to operate a property.

Some of our properties are contiguous to other parcels of real property, comprising part of the same commercial center. In connection with such properties, there are significant covenants, conditions and restrictions, known as "CC&Rs," restricting the operation of such properties and any improvements on such properties, and related to granting easements on such properties. Moreover, the operation and management of the contiguous properties may impact such properties. Compliance with CC&Rs may adversely affect our operating costs and reduce the amount of funds that we have available to pay distributions.

Our operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks.

We may acquire and develop properties upon which we will construct improvements. We will be subject to uncertainties associated with re-zoning for development, environmental concerns of governmental entities and/or community groups, and our builder's ability to build in conformity with plans, specifications, budgeted costs, and timetables. If a builder fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance. A builder's performance may also be affected or delayed by conditions beyond the builder's control. Delays in completion of construction could also give tenants the right to terminate preconstruction leases. We may incur additional risks when we make periodic progress payments or other advances to builders before they complete construction. These and other such factors can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects. We also must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a price at the time we acquire the property. If our projections are inaccurate, we may pay too much for a property, and our return on our investment could suffer.

We may invest in unimproved real property. Returns from development of unimproved properties are also subject to risks associated with re-zoning the land for development and environmental concerns of governmental entities and/or community groups. Although we intend to limit any investment in unimproved property to property we intend to develop, your investment nevertheless is subject to the risks associated with investments in unimproved real property.

Competition with third parties in acquiring properties and other investments may reduce our profitability and the return on your investment.

We compete with many other entities engaged in real estate investment activities, including individuals, corporations, bank and insurance company investment accounts, other REITs, real estate limited partnerships, and other entities engaged in real estate investment activities, many of which have greater resources than we do. Larger REITs may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. In addition, the number of entities and the amount of funds competing for suitable investments may increase. Any such increase would result in increased demand for these assets and therefore possibly increased prices paid for them. If we pay higher prices for properties and other investments, our profitability may be reduced and you may experience a lower return on your investment.

Our properties may face competition that could affect tenants' ability to pay rent and the amount of rent paid to us may affect the cash available for distributions and the amount of distributions.

We expect that our properties will typically be located in developed areas. Therefore, there are and will be numerous other properties within the market area of each of our properties that will compete with us for tenants. The number of competitive properties could have a material effect on our ability to rent space at our properties and the amount of rents charged. We could be adversely affected if additional competitive properties are built in locations competitive with our properties, causing increased competition for customer traffic and creditworthy tenants. This could result in decreased cash flow from tenants and may require us to make capital improvements to properties that we would not have otherwise made, thus affecting cash available for distributions, and the amount available for distributions to you.

Costs of complying with governmental laws and regulations, including those relating to environmental matters, may adversely affect our income and the cash available for any distributions.

All real property and the operations conducted on real property are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, and the remediation of contamination associated with disposals. Environmental laws and regulations may impose joint and several liability on tenants, owners or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. This liability could be substantial. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, may adversely affect our ability to sell, rent or pledge such property as collateral for future borrowings.

Some of these laws and regulations have been amended so as to require compliance with new or more stringent standards as of future dates. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require material expenditures by us. Future laws, ordinances or regulations may impose material environmental liability. Additionally, several conditions, such as our tenants' operations, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third parties, may affect our properties. In addition, there are various local, state and federal fire, health, life-safety and similar regulations with which we may be required to comply, and that may subject us to liability in the form of fines or damages for noncompliance. Any material expenditures, fines, or damages we must pay will reduce our ability to make distributions and may reduce the value of your investment.

State and federal laws in this area are constantly evolving, and we intend to monitor these laws and take commercially reasonable steps to protect ourselves from the impact of these laws, including obtaining environmental assessments of most properties that we acquire; however, we will not obtain an independent third-party environmental assessment for every property we acquire. In addition, any such assessment that we do obtain may not reveal all environmental liabilities or that a prior owner of a property did not create a material environmental condition not known to us. The cost of defending against claims of liability, of compliance with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims would materially adversely affect our business, assets or results of operations and, consequently, amounts available for distribution to you.

Our recovery of an investment in a mortgage, bridge or mezzanine loans that has defaulted may be limited.

There is no guarantee that the mortgage, loan or deed of trust securing an investment will, following a default, permit us to recover the original investment and interest that would have been received absent a default. The security provided by a mortgage, deed of trust or loan is directly related to the difference between the amount owed and the appraised market value of the property. Although we intend to rely on a current real estate appraisal when we make the investment, the value of the property is affected by factors outside our control, including general fluctuations in the real estate market, rezoning, neighborhood changes, highway relocations and failure by the borrower to maintain the property. In addition, we may incur the costs of litigation in our efforts to enforce our rights under defaulted loans.

Inflation and changes in interest rates may materially and adversely affect us and our tenants.

A rise in inflation may result in a rate of inflation greater than the increases in rent that we anticipate may be provided by many of our leases. Increased costs may have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue, which may adversely affect the tenants' ability to pay rent owed to us.

In addition, to the extent that we incur variable rate debt, increases in interest rates would increase our interest costs, which could reduce our cash flows and our ability to pay distributions to you. Furthermore, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times that may not permit realization of the maximum return on such investments.

Our costs associated with complying with the Americans with Disabilities Act may affect cash available for distributions.

Our properties will be subject to the Americans with Disabilities Act of 1990 (Disabilities Act). Under the Disabilities Act, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. The Disabilities Act has separate compliance requirements for "public accommodations" and "commercial facilities" that generally require that buildings and services, including restaurants and retail stores, be made accessible and available to people with disabilities. The Disabilities Act's requirements could require removal of access barriers and could result in the imposition of injunctive relief, monetary penalties, or, in some cases, an award of damages. We will attempt to acquire properties that comply with the Disabilities Act or place the burden on the seller or other third party, such as a tenant, to ensure compliance with the Disabilities Act. However, we cannot assure you that we will be able to acquire properties or allocate responsibilities in this manner. If we cannot, our funds used for Disabilities Act compliance may affect cash available for distributions and the amount of distributions to you.

Properties that have vacancies for a significant period of time could be difficult to sell, which could diminish the return on your investment.

A property may incur vacancies either by the continued default of a tenant under its lease, the expiration of a tenant lease or early termination of a lease by a tenant. If vacancies continue for a long period of time, we may suffer reduced revenues resulting in less cash available to be distributed to you. In addition, because a property's market value depends principally upon the value of the property's leases, the resale value of a property with prolonged vacancies could decline, which could further reduce your return.

Our real estate investments may include special use single-tenant properties that may be difficult to sell or re-lease upon lease terminations.

We intend to invest primarily in single-tenant, income-producing commercial retail, office and industrial properties, a number of which may include special use single-tenant properties. If the leases on these properties are terminated or not renewed, we may have difficulty re-leasing or selling these properties to new tenants due to the lack of efficient alternate uses for such properties. Therefore, we may be required to expend substantial funds to renovate and/or adapt any such property for a revenue-generating alternate use or make rent concessions in order to lease the property to another tenant or sell the property. These and other limitations may adversely affect the cash flows from, or lead to a decline in value of, these special use single-tenant properties.

We are exposed to risks related to increases in market lease rates and inflation, as income from long-term leases will be the primary source of our cash flow from operations.

We are exposed to risks related to increases in market lease rates and inflation, as income from long-term leases will be the primary source of our cash flow from operations. Leases of long-term duration or which include renewal options that specify a maximum rate increase may result in below-market lease rates over time if we do not accurately estimate inflation or market lease rates. Provisions of our leases designed to mitigate the risk of inflation and unexpected increases in market lease rates, such as periodic rental increases, may not adequately protect us from the impact of inflation or unexpected increases in market lease rates. If we are subject to below-market lease rates on a significant number of our properties pursuant to long-term leases, our cash flow from operations and financial position may be adversely affected.

We may not be able to re-lease or renew leases at the investments held by us on terms favorable to us or at all.

We are subject to risks that upon expiration or earlier termination of the leases for space located at our Investments the space may not be released or, if re-leased, the terms of the renewal or re-leasing (including the costs of required renovations or concessions to tenants) may be less favorable than current lease terms. Any of these situations may result in extended periods where there is a significant decline in revenues or no revenues generated by an investment. If we are unable to re-lease or renew leases for all or substantially all of the spaces at these investments, if the rental rates upon such renewal or re-leasing are significantly lower than expected, if our reserves for these purposes prove inadequate, or if we are required to make significant renovations or concessions to tenants as part of the renewal or re-leasing process, we will experience a reduction in net income and may be required to reduce or eliminate distributions to our stockholders.

The bankruptcy, insolvency or diminished creditworthiness of our tenants under their leases or delays by our tenants in making rental payments could seriously harm our operating results and financial condition.

We lease our properties to tenants, and we receive rents from our tenants during the terms of their respective leases. A tenant's ability to pay rent is often initially determined by the creditworthiness of the tenant. However, if a tenant's credit deteriorates, the tenant may default on its obligations under its lease and the tenant may also become bankrupt. The bankruptcy or insolvency of

our tenants or other failure to pay is likely to adversely affect the income produced by our real estate investments. Any bankruptcy filings by or relating to one of our tenants could bar us from collecting pre-bankruptcy debts from that tenant or its property, unless we receive an order permitting us to do so from the bankruptcy court. A tenant bankruptcy could delay our efforts to collect past due balances under the relevant leases and could ultimately preclude full collection of these sums. If a tenant files for bankruptcy, we may not be able to evict the tenant solely because of such bankruptcy or failure to pay. A court, however, may authorize a tenant to reject and terminate its lease with us. In such a case, our claim against the tenant for unpaid, future rent would be subject to a statutory cap that might be substantially less than the remaining rent owed under the lease. In addition, certain amounts paid to us within 90 days prior to the tenant's bankruptcy filing could be required to be returned to the tenant's bankruptcy estate. In any event, it is highly unlikely that a bankrupt or insolvent tenant would pay in full amounts it owes us under its lease. In other circumstances, where a tenant's financial condition has become impaired, we may agree to partially or wholly terminate the lease in advance of the termination date in consideration for a lease termination fee that is likely less than the agreed rental amount. If a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. Any unsecured claim we hold against a bankrupt entity may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. We may recover substantially less than the full value of any unsecured claims, which would harm our financial condition.

Lease defaults or terminations or landlord-tenant disputes may adversely reduce our income from our leased property portfolio.

Lease defaults or terminations by one or more of our significant tenants may reduce our revenues unless a default is cured or a suitable replacement tenant is found promptly. In addition, disputes may arise between the landlord and tenant that result in the tenant withholding rent payments, possibly for an extended period. These disputes may lead to litigation or other legal procedures to secure payment of the rent withheld or to evict the tenant. In other circumstances, a tenant may have a contractual right to abate or suspend rent payments. Even without such right, a tenant might determine to do so. Any of these situations may result in extended periods during which there is a significant decline in revenues or no revenues generated by the property. If this were to occur, it could adversely affect our results of operations.

Net leases may not result in fair market lease rates over time, which could negatively impact our income and reduce the amount of funds available to make distributions to our stockholders.

A significant portion of our rental income is expected to come from net leases, which generally provide the tenant greater discretion in using the leased property than ordinary property leases, such as the right to freely sublease the property, to make alterations in the leased premises and to terminate the lease prior to its expiration under specified circumstances. Furthermore, net leases typically have longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years. As a result, our income and distributions to our stockholders could be lower than they would otherwise be if we did not engage in net leases.

Increased operating expenses could reduce cash flow from operations and funds available to acquire investments or make distributions.

We anticipate that the properties we acquire will be subject to operating risks common to real estate in general, any or all of which may negatively affect us. If any property is not fully occupied or if rents are being paid in an amount that is insufficient to cover operating expenses, we could be required to expend funds with respect to that property for operating expenses. The properties will be subject to increases in tax rates, utility costs, insurance costs, repairs and maintenance costs, administrative costs and other operating expenses. Some of our leases may not require the tenants to pay all or a portion of these expenses, in which event we may have to pay these costs. If we are unable to lease properties on terms that require the tenants to pay all or some of the properties' operating expenses, if our tenants fail to pay these expenses as required or if expenses we are required to pay exceed our expectations, we could have less funds available for future acquisitions or cash available for distributions to you.

Risks Related to our Common Stock And Structure

We have limited demand on the OTCQB market, as such, you may not be able to resell your stock.

Our common stock is listed on the OTCQB. Our stock may be traded only to the extent that there is interest by broker-dealers in acting as a market maker. Despite our best efforts, we may not be able to convince any broker/dealers to act as market-makers and make quotations on the OTC. The trading of securities on the OTC is often sporadic and investors may have difficulty buying and selling our shares or obtaining market quotations for them, which may have a negative effect on the market price of our common stock.

Because we have 110,000,000 authorized shares of stock, management could issue additional shares, diluting the current stockholders' equity.

We have 100,000,000 authorized shares of common stock and 10,000,000 authorized shares of preferred stock, of which only 2.0 million shares of common stock are currently issued and outstanding. Our management could, without the consent of the existing stockholders, issue substantially more shares of common stock, causing a large dilution in the equity position of our current stockholders. Additionally, large share issuances would generally have a negative impact on our share price. It is possible that, due to additional share issuance, you could lose a substantial amount, or all, of your investment.

In the event that our shares are traded, they may trade under $5.00 per share and thus will be a penny stock. Trading in penny stocks has many restrictions and these restrictions could severely affect the price and liquidity of our shares.

In the event that our shares are traded, and our stock trades below $5.00 per share, our stock would be known as a "penny stock", which is subject to various regulations involving disclosures to be given to you prior to the purchase of any penny stock. The U.S. Securities and Exchange Commission (the "SEC") has adopted regulations which generally define a "penny stock" to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. Depending on market fluctuations, our common stock could be considered to be a "penny stock". A penny stock is subject to rules that impose additional sales practice requirements on broker/dealers who sell these securities to persons other than established customers and accredited investors. For transactions covered by these rules, the broker/dealer must make a special suitability determination for the purchase of these securities.

In addition, he must receive the purchaser's written consent to the transaction prior to the purchase. He must also provide certain written disclosures to the purchaser. Consequently, the "penny stock" rules may restrict the ability of broker/dealers to sell our securities, and may negatively affect the ability of holders of shares of our common stock to resell them. These disclosures require you to acknowledge that you understand the risks associated with buying penny stocks and that you can absorb the loss of your entire investment. Penny stocks are low priced securities that do not have a very high trading volume. Consequently, the price of the stock is often volatile and you may not be able to buy or sell the stock when you want to.

The amount of distributions we may pay, if any, is uncertain. We may pay distributions from sources other than our cash flow from operations, including, borrowings or offering proceeds.

We may pay distributions from sources other than from our cash flow from operations. We intend to fund the payment of regular distributions to our stockholders entirely from cash flow from our operations. However, during the early stages of our operations, and from time to time thereafter, we may not generate sufficient cash flow from operations to fully fund distributions to stockholders. Therefore, if we choose to pay a distribution, we may choose to use cash flows from financing activities, which include borrowings (including borrowings secured by our assets), net proceeds from offerings, or other sources to fund distributions to our stockholders. To the extent that we fund distributions from sources other than cash flows from operations, stockholders may experience further dilution in their investment.

Financial Industry Regulatory Authority ("FINRA") sales practice requirements may also limit your ability to buy and sell our common stock, which could depress the price of our shares.

We are currently listed on the OTC Markets Group "OTCQB" which makes us subject to FINRA rules which require broker-dealers to have reasonable grounds for believing that an investment is suitable for a customer before recommending that investment to the customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status and investment objectives, among other things. Under interpretations of these rules, FINRA believes that there is a high probability such speculative low-priced securities will not be suitable for at least some customers. Thus, FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our shares, have an adverse effect on the market for our shares, and thereby depress our share price.

The stock price of our common stock may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the public offering price.

The market price of our common stock may be volatile. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our operating results, funds from operations, or FFO, cash flows, liquidity or distributions;
- changes in our earnings estimates or those of analysts;
- publication of research reports about us or the real estate industry or sector in which we operate;
- increases in market interest rates that lead purchasers of our shares to demand a higher dividend yield;
- changes in market valuations of companies similar to us;
- adverse market reaction to any securities we may issue or additional debt it incurs in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- continuing high levels of volatility in the credit markets;
- the realization of any of the other risk factors included herein; and
- general market and economic conditions.

The availability and timing of cash distributions is uncertain.

We are generally required to distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year in order for us to qualify as a REIT under the Code, which we intend to satisfy through quarterly cash distributions of all or substantially all of our REIT taxable income in such year, subject to certain adjustments. Our board of directors will determine the amount and timing of any distributions. In making such determinations, our directors will consider all relevant factors, including the amount of cash available for distribution, capital expenditures, general operational requirements and applicable law. We intend over time to make regular quarterly distributions to holders of shares of our common stock. However, we bear all expenses incurred by our operations, and the funds generated by operations, after deducting these expenses, may not be sufficient to cover desired levels of distributions to stockholders. In addition, our board of directors, in its discretion, may retain any portion of such cash in excess of our REIT taxable income for working capital. We cannot predict the amount of distributions we may make, maintain or increase over time.

There are many factors that can affect the availability and timing of cash distributions to stockholders. Because we may receive rents and income from our properties at various times during our fiscal year, distributions paid may not reflect our income earned in that particular distribution period. The amount of cash available for distribution will be affected by many factors, including without limitation, the amount of income we will earn from investments in target assets, the amount of its operating expenses and many other variables. Actual cash available for distribution may vary substantially from our expectations.

While we intend to fund the payment of quarterly distributions to holders of shares of our common stock entirely from distributable cash flows, we may fund quarterly distributions to its stockholders from a combination of available net cash flows, equity capital and proceeds from borrowings. In the event we are unable to consistently fund future quarterly distributions to stockholders entirely from distributable cash flows, the value of our common stock may be negatively impacted.

An increase in market interest rates may have an adverse effect on the market price of our common stock and our ability to make distributions to its stockholders.

One of the factors that investors may consider in deciding whether to buy or sell shares of our common stock is our distribution rate as a percentage of our share price, relative to market interest rates. If market interest rates increase, prospective investors may demand a higher distribution rate on shares of common stock or seek alternative investments paying higher distributions or interest. As a result, interest rate fluctuations and capital market conditions can affect the market price of shares of our common stock. For instance, if interest rates rise without an increase in our distribution rate, the market price of shares of our common stock

could decrease because potential investors may require a higher distribution yield on shares of our common stock as market rates on interest-bearing instruments such as bonds rise. In addition, to the extent we have variable rate debt, rising interest rates would result in increased interest expense on our variable rate debt, thereby adversely affecting our cash flow and its ability to service our indebtedness and make distributions to our stockholders.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us and our business. If few analysts commence coverage of us, or if analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price for our common stock would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause the price and trading volume for our common stock to decline.

We have broad discretion in the use of the net proceeds from past and future offerings and may not use them effectively.

We will have broad discretion in the application of any net proceeds of past and future offerings, including working capital, possible acquisitions of other Investments, and other general corporate purposes, and we may spend or invest these proceeds in a way with which our stockholders disagree. The failure by our management to apply these funds effectively could adversely affect our business and financial condition. Pending their use, we may invest the net proceeds from offerings in a manner that does not produce income or that loses value. These investments may not yield a favorable return to our investors.

Any additional funding resulting from the sale of our common stock will result in dilution to existing stockholders.

We may have to raise additional capital in order for our business plan to succeed. Our most likely source of additional capital will be through the sale of additional shares of common stock. Such stock issuances will cause stockholders' interests in our company to be diluted. Such dilution will negatively affect the value of an investor's shares.

Risks Associated with Debt Financing

Risks Associated with Debt Financing

We have used and may continue to use mortgage and other debt financing to acquire properties or interests in properties and otherwise incur other indebtedness, which increases our expenses and could subject us to the risk of losing properties in foreclosure if our cash flow is insufficient to make loan payments.

We are permitted to acquire real properties and other real estate-related investments, including entity acquisitions, by assuming either existing financing secured by the asset or by borrowing new funds. In addition, we may incur or increase our mortgage debt by obtaining loans secured by some or all of our assets to obtain funds to acquire additional investments or to pay distributions to our stockholders. We also may borrow funds, if necessary, to satisfy the requirement that we distribute at least 90% of our annual "REIT taxable income," or otherwise as is necessary or advisable to assure that we maintain our qualification as a REIT for federal income tax purposes.

There is no limit on the amount we may invest in any single property or other asset or on the amount we can borrow to purchase any individual property or other investment. If we mortgage a property and have insufficient cash flow to service the debt, we risk an event of default which may result in our lenders foreclosing on the properties securing the mortgage.
If we cannot repay or refinance loans incurred to purchase our properties, or interests therein, then we may lose our interests in the properties secured by the loans we are unable to repay or refinance.

High levels of debt or increases in interest rates could increase the amount of our loan payments, which could reduce the cash available for distribution to stockholders.

Our policies do not limit us from incurring debt. For purposes of calculating our leverage, we assume full consolidation of all of our real estate investments, whether or not they would be consolidated under GAAP, include assets we have classified as held for sale, and include any joint venture level indebtedness in our total indebtedness.

High debt levels will cause us to incur higher interest charges, resulting in higher debt service payments, and may be accompanied by restrictive covenants. Interest we pay reduces cash available for distribution to stockholders. Additionally, with respect to our variable rate debt, increases in interest rates increase our interest costs, which reduces our cash flow and our ability to make distributions to you. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum return on such investments and could result in a loss. In addition, if we are unable to service our debt payments, our lenders may foreclose on our interests in the real property that secures the loans we have entered into.

High mortgage rates may make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire, our cash flow from operations and the amount of cash distributions we can make.

To qualify as a REIT, we will be required to distribute at least 90% of our annual taxable income (excluding net capital gains) to our stockholders in each taxable year, and thus our ability to retain internally generated cash is limited. Accordingly, our ability to acquire properties or to make capital improvements to or remodel properties will depend on our ability to obtain debt or equity financing from third parties or the sellers of properties. If mortgage debt is unavailable at reasonable rates, we may not be able to finance the purchase of properties. If we place mortgage debt on properties, we run the risk of being unable to refinance the properties when the debt becomes due or of being unable to refinance on favorable terms. If interest rates are higher when we refinance the properties, our income could be reduced. We may be unable to refinance properties. If any of these events occurs, our cash flow would be reduced. This, in turn, would reduce cash available for distribution to you and may hinder our ability to raise capital by issuing more stock or borrowing more money.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to you.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. Loan documents we enter into may contain covenants that limit our ability to further mortgage the property, discontinue insurance coverage, or replace our property manager. These or other limitations may limit our flexibility and prevent us from achieving our operating plans.

Our ability to obtain financing on reasonable terms would be impacted by negative capital market conditions.

Recently, domestic and international financial markets have experienced unusual volatility and uncertainty. Although this condition occurred initially within the “subprime” single-family mortgage lending sector of the credit market, liquidity has tightened in overall financial markets, including the investment grade debt and equity capital markets. Consequently, there is greater uncertainty regarding our ability to access the credit market in order to attract financing on reasonable terms. Investment returns on our assets and our ability to make acquisitions could be adversely affected by our inability to secure financing on reasonable terms, if at all.

Some of our mortgage loans may have “due on sale” provisions, which may impact the manner in which we acquire, sell and/or finance our properties.

In purchasing properties subject to financing, we may obtain financing with “due-on-sale” and/or “due-on-encumbrance” clauses. Due-on sale clauses in mortgages allow a mortgage lender to demand full repayment of the mortgage loan if the borrower sells the mortgaged property. Similarly, due-on-encumbrance clauses allow a mortgage lender to demand full repayment if the borrower uses the real estate securing the mortgage loan as security for another loan. In such event, we may be required to sell our properties on an all-cash basis, which may make it more difficult to sell the property or reduce the selling price.

Lenders may be able to recover against our other investments under our mortgage loans.

In financing our acquisitions, we will seek to obtain secured nonrecourse loans. However, only recourse financing may be available, in which event, in addition to the investment securing the loan, the lender would have the ability to look to our other assets for satisfaction of the debt if the proceeds from the sale or other disposition of the Investment securing the loan are insufficient to fully repay it. Also, in order to facilitate the sale of an investment, we may allow the buyer to purchase the Investment subject to an existing loan whereby we remain responsible for the debt.

If we are required to make payments under any “bad boy” carve-out guaranties that we may provide in connection with certain mortgages and related loans, our business and financial results could be materially adversely affected.

In obtaining certain nonrecourse loans, we may provide standard carve-out guaranties. These guaranties are only applicable if and when the borrower directly, or indirectly through agreement with an affiliate, joint venture partner or other third party, voluntarily files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper (commonly referred to as "bad boy" guaranties). Although we believe that "bad boy" carve-out guaranties are not guaranties of payment in the event of foreclosure or other actions of the foreclosing lender that are beyond the borrower's control, some lenders in the real estate industry have recently sought to make claims for payment under such guaranties. In the event such a claim were made against us under a "bad boy" carve-out guaranty following foreclosure on mortgages or related loan, and such claim were successful, our business and financial results could be materially adversely affected.

Interest-only indebtedness may increase our risk of default and ultimately may reduce our funds available for distribution to our stockholders.

We may finance our property acquisitions using interest-only mortgage indebtedness. During the interest-only period, the amount of each scheduled payment will be less than that of a traditional amortizing mortgage loan. The principal balance of the mortgage loan will not be reduced (except in the case of prepayments) because there are no scheduled monthly payments of principal during this period. After the interest-only period, we will be required either to make scheduled payments of amortized principal and interest or to make a lump-sum or "balloon" payment at maturity. These required principal or balloon payments will increase the amount of our scheduled payments and may increase our risk of default under the related mortgage loan. If the mortgage loan has an adjustable interest rate, the amount of our scheduled payments also may increase at a time of rising interest rates. Increased payments and substantial principal or balloon maturity payments will reduce the funds available for distribution to our stockholders because cash otherwise available for distribution will be required to pay principal and interest associated with these mortgage loans.

We may enter into derivative or hedging contracts that could expose us to contingent liabilities and certain risks and costs in the future.

Part of our investment strategy may involve entering into derivative or hedging contracts that could require us to fund cash payments in the future under certain circumstances, such as the early termination of the derivative agreement caused by an event of default or other early termination event, or the decision by a counterparty to request margin securities it is contractually owed under the terms of the derivative contract. The amount due would be equal to the unrealized loss of the open swap positions with the respective counterparty and could also include other fees and charges. These economic losses would be reflected in our financial results of operations, and our ability to fund these obligations will depend on the liquidity of our assets and access to capital at the time, and the need to fund these obligations could adversely impact our financial condition and results of operations.

Further, the cost of using derivative or hedging instruments increases as the period covered by the instrument increases and during periods of rising and volatile interest rates. We may increase our derivative or hedging activity and thus increase our related costs during periods when interest rates are volatile or rising and hedging costs have increased.

In addition, hedging instruments involve risk since they often are not traded on regulated exchanges, guaranteed by an exchange or its clearing house, or regulated by any U.S. or foreign governmental authorities. Consequently, in many cases, there are no requirements with respect to record keeping, financial responsibility or segregation of customer funds and positions. Furthermore, the enforceability of agreements underlying derivative transactions may depend on compliance with applicable statutory and commodity and other regulatory requirements and, depending on the identity of the counterparty, applicable international requirements. The business failure of a hedging counterparty with whom we enter into a hedging transaction will most likely result in a default. Default by a party with whom we enter into a hedging transaction may result in the loss of unrealized profits and force us to cover our resale commitments, if any, at the then current market price. Although generally we will seek to reserve the right to terminate our hedging positions, it may not always be possible to dispose of or close out a hedging position without the consent of the hedging counterparty, and we may not be able to enter into an offsetting contract in order to cover our risk. We cannot be assured that a liquid secondary market will exist for hedging instruments purchased or sold, and we may be required to maintain a position until exercise or expiration, which could result in losses.

Complying with REIT requirements may limit our ability to hedge risk effectively.

The REIT provisions of the Code may limit our ability to hedge the risks inherent to our operations. From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging transactions may include entering into interest rate swaps, caps and floors, options to purchase these items, and futures and forward contracts. Any income or gain derived by us from transactions that hedge certain risks, such as the risk of changes in interest rates, will not be treated as gross

income for purposes of either the 75% or the 95% income test, as defined below in "Material Federal Income Tax Considerations — Gross Income Tests," unless specific requirements are met. Such requirements include that the hedging transaction be properly identified within prescribed time periods and that the transaction either (1) hedges risks associated with indebtedness issued by us that is incurred to acquire or carry real estate assets or (2) manages the risks of currency fluctuations with respect to income or gain that qualifies under the 75% or 95% income test (or assets that generate such income). To the extent that we do not properly identify such transactions as hedges, hedge with other types of financial instruments, or hedge other types of indebtedness, the income from those transactions is not likely to be treated as qualifying income for purposes of the 75%- and 95%-income tests. As a result of these rules, we may have to limit the use of hedging techniques that might otherwise be advantageous, which could result in greater risks associated with interest rate or other changes than we would otherwise incur.

Interest rates might increase.

Based on historical interest rates, current interest rates are low and, as a result, it is likely that the interest rates available for future real estate loans and refinances will be higher than the current interest rates for such loans, which may have a material and adverse impact on our company and our Investments. If there is an increase in interest rates, any debt servicing on Investments could be significantly higher than currently anticipated, which would reduce the amount of cash available for distribution to the stockholders. Also, rising interest rates may affect the ability of our management to refinance an Investment. Investments may be less desirable to prospective purchasers in a rising interest rate environment and their values may be adversely impacted by the reduction in cash flow due to increased interest payments.

We may use floating rate, interest-only or short-term loans to acquire investments.

Our management has the right, in its sole discretion, to negotiate any debt financing, including obtaining (i) interest-only, (ii) floating rate and/or (iii) short-term loans to acquire Investments. If our management obtains floating rate loans, the interest rate would not be fixed but would float with an established index (probably at higher interest rates in the future). No principal would be repaid on interest-only loans. Finally, we would be required to refinance short-term loans at the end of a relatively short period. The credit markets have recently been in flux and are experiencing a malaise. No assurance can be given that our management would be able to refinance with fixed-rate permanent loans in the future, on favorable terms or at all, to refinance the short-term loans. In addition, no assurance can be given that the terms of such future loans to refinance the short-term loans would be favorable to our company.

We may use leverage to make investments.

Our management, in its sole discretion, may leverage the Investments. As a result of the use of leverage, a decrease in revenues of a leveraged Investment may materially and adversely affect that investment's cash flow and, in turn, our ability to make distributions. No assurance can be given that future cash flow of a particular Investment will be sufficient to make the debt service payments on any borrowed funds for that Investment and also cover operating expenses. If the investment's revenues are insufficient to pay debt service and operating expenses, we would be required to use net income from other Investments, working capital or reserves, or seek additional funds. There can be no assurance that additional funds will be available, if needed, or, if such funds are available, that they will be available on terms acceptable to us.

Leveraging an investment allows a lender to foreclose on that Investment.

Lenders to an investment, even non-recourse lenders, are expected in all instances to retain the right to foreclose on that investment if there is a default in the loan terms. If this were to occur, we would likely lose our entire investment in that investment.

Lenders may have approval rights with respect to an encumbered investment.

A lender to an investment will likely have numerous other rights, which may include the right to approve any change in the property manager for a particular investment.

Availability of financing and market conditions will affect the success of our company.

Market fluctuations in real estate financing may affect the availability and cost of funds needed in the future for investments. In addition, credit availability has been restricted in the past and may become restricted again in the future. Restrictions upon the availability of real estate financing or high interest rates for real estate loans could adversely affect the investments and our ability to execute its investment goals.

Federal Income Tax Risks

Failure to qualify as a REIT would adversely affect our operations and our ability to make distributions.

We intend to elect to be taxed as a REIT beginning with the tax year ended December 31, 2019 or such later date as is determined by our board of directors. Our qualification as a REIT will depend upon our ability to meet, through investments, actual operating results, distributions and satisfaction of specific rules, the various tests imposed by the Internal Revenue Code. We intend to structure our activities in a manner designed to satisfy all of these requirements. However, if certain of our operations were to be recharacterized by the Internal Revenue Service, such recharacterization could jeopardize our ability to satisfy all of the requirements for qualification as a REIT. We will not apply for a ruling from the Internal Revenue Service regarding our status as a REIT. Future legislative, judicial or administrative changes to the federal income tax laws could be applied retroactively, which could result in our disqualification as a REIT.

If we fail to qualify as a REIT for any taxable year, we will be subject to federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

We may have difficulty satisfying the requirement that we not be closely held.

One of the requirements for REIT qualification is that we not be closely held. For these purposes, we will be closely held if five or fewer individuals (including certain entities treated as individuals for this purpose) own (or are treated as owning under applicable attribution rules) more than 50% by value of our stock at any time during the second half of the taxable year. This requirement does not apply during our first REIT year. To the extent that we first elect to be taxed as a REIT for our taxable year ending December 31, 2019 or December 31, 2020, the closely held test should become relevant in July of 2020 or 2021, respectively. Our articles of incorporation generally restrict any person from owning or being treated as owning more than 9.8% of our stock, limiting the amount of our stock any five persons could own or be treated as owning 49% of our stock, in order to prevent us from failing the closely held requirement. As permitted in our articles of incorporation, however, our Board has waived these limits for Mr. Sobelman who currently owns one million shares of our common stock. Our Board does not intend to reduce our ownership limit below 9.8% to a percentage that will ensure that four persons owning shares at such limit plus Mr. Sobelman will not own or be treated as owning more than 50% of our shares. Instead, the Board's waiver to Mr. Sobelman is conditioned upon his agreement that if we would otherwise fail the closely held test on June 15, 2020, we will automatically redeem such number of Mr. Sobelman's shares for consideration of $.01 per share as will permit us to satisfy the closely held test. If we fail to monitor our share ownership or to implement the redemption provision in the waiver to Mr. Sobelman, or the Internal Revenue Service does not respect the effective date of any redemptions, we may fail to qualify as a REIT.

Re-characterization of sale-leaseback transactions may cause us to lose our REIT status.

We may purchase properties and lease them back to the sellers of such properties. While we will use our best efforts to structure any such sale-leaseback transaction so that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for federal income tax purposes, the IRS could challenge such characterization. In the event that any sale-leaseback transaction is challenged and re-characterized as a financing transaction or loan for federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the REIT qualification "asset tests" or the "income tests" and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year.

In certain circumstances, we may be subject to federal and state income taxes as a REIT, which would reduce our cash available for distribution to you.

Even if we qualify and maintain our status as a REIT, we may be subject to federal income taxes or state taxes. For example, net income from the sale of properties that are "dealer" properties sold by a REIT (a "prohibited transaction" under the Internal Revenue Code) will be subject to a 100% tax. We may not be able to make sufficient distributions to avoid excise taxes applicable to REITs. We may also decide to retain capital gains we earn from the sale or other disposition of our property and pay income tax directly on such gain. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. We may also be subject to state and local taxes on our income or property, either directly or at the level of Generation Income Properties,

L.P. or at the level of the other entities through which we indirectly own our assets. Any federal or state taxes we pay will reduce our cash available for distribution to you.

REIT distribution requirements could adversely affect our liquidity.

In order to maintain our REIT status and to meet the REIT distribution requirements, we may need to borrow funds on a short-term basis or sell assets, even if the then-prevailing market conditions are not favorable for these borrowings or sales. To qualify as a REIT, we generally must distribute to our stockholders at least 90% of our net taxable income each year, excluding capital gains. In addition, we will be subject to corporate income tax to the extent we distribute less than 100% of our net taxable income including any net capital gain. We intend to make distributions to our stockholders to comply with the requirements of the Internal Revenue Code for REITs and to minimize or eliminate our corporate income tax obligation to the extent consistent with our business objectives. Our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt service or amortization payments. The insufficiency of our cash flows to cover our distribution requirements could have an adverse impact on our ability to raise short- and long-term debt or sell equity securities in order to fund distributions required to maintain our REIT status. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years.

Further, amounts distributed will not be available to fund investment activities. We expect to fund our investments by raising equity capital and through borrowings from financial institutions and the debt capital markets. If we fail to obtain debt or equity capital in the future, it could limit our ability to grow, which could have a material adverse effect on the value of our common stock.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum tax rate applicable to "qualified dividend income" payable to U.S. stockholders that are taxed at individual rates is 20% (exclusive of the application of the net investment tax). Dividends payable by REITs, however, generally are not eligible for the reduced rates on qualified dividend income. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are taxed at individual rates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock.

We may be unable to generate sufficient revenue from operations, operating cash flow or portfolio income to pay our operating expenses, and our operating expenses could rise, diminishing our ability to pay distributions to our stockholders.

As a REIT, we are generally required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and not including net capital gains, each year to our stockholders. To qualify for the tax benefits accorded to REITs, we have and intend to continue to make distributions to our stockholders in amounts such that we distribute all or substantially all our net taxable income each year, subject to certain adjustments. However, our ability to make distributions may be adversely affected by the risk factors described herein. Our ability to make and sustain cash distributions is based on many factors, including the return on our investments, the size of our investment portfolio, operating expense levels, and certain restrictions imposed by Maryland law. Some of the factors are beyond our control and a change in any such factor could affect our ability to pay future dividends. No assurance can be given as to our ability to pay distributions to our stockholders. In the event of a downturn in our operating results and financial performance or unanticipated declines in the value of our asset portfolio, we may be unable to declare or pay quarterly distributions or make distributions to our stockholders. The timing and amount of distributions are in the sole discretion of our board of directors, which considers, among other factors, our earnings, financial condition, debt service obligations and applicable debt covenants, REIT qualification requirements and other tax considerations and capital expenditure requirements as our board of directors may deem relevant from time to time.

Legislative or regulatory action could adversely affect investors.

Because our operations are governed to a significant extent by the federal tax laws, new legislative or regulatory action could adversely affect investors.

You are urged to consult with your own tax advisor with respect to the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our common stock. You should also note that our counsel's tax opinion assumes that no legislation will be enacted after the date of this prospectus that will be applicable to an investment in our shares, and that future legislation may affect this tax opinion.

Foreign purchasers of our common stock may be subject to FIRPTA tax upon the sale of their shares.

A foreign person disposing of a U.S. real property interest, including shares of a U.S. corporation whose assets consist principally of U.S. real property interests, is generally subject to the Foreign Investment in Real Property Tax of 1980, as amended, known as FIRPTA, on the gain recognized on the disposition. Such FIRPTA tax does not apply, however, to the disposition of stock in a REIT if the REIT is "domestically controlled." A REIT is "domestically controlled" if less than 50% of the REIT's stock, by value, has been owned directly or indirectly by persons who are not qualifying U.S. persons during a continuous five-year period ending on the date of disposition or, if shorter, during the entire period of the REIT's existence. We cannot assure you that we will qualify as a "domestically controlled" REIT. If we were to fail to so qualify, gain realized by foreign investors on a sale of our shares would be subject to FIRPTA tax, unless our shares were regularly traded on an established securities market and the foreign investor did not at any time during a specified testing period directly or indirectly own more than 5% of the value of our outstanding common stock. See "Federal Income Tax Considerations — Special Tax Considerations for Non-U.S. Stockholders — Sale of our Shares by a Non-U.S. Stockholder."

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are an internally managed, Maryland corporation focused on acquiring retail, office and industrial real estate located in major U.S. markets. The founding member of our management team is David Sobelman, our President. David Sobelman founded Generation Income Properties after serving twelve years in roles such as investor, asset manager, broker, owner, analyst and advisor; all within the single tenant, net lease commercial real estate investment market.

We initiated operations during the year ended December 31, 2017 and we intend to elect to be taxed as a REIT commencing with the taxable year ending December 31, 2020 or 2021.

Our Investments

We have purchased three assets:

- Single tenant retail condo (3,000 square feet) located 3707-3711 14th Street, NW, Washington, D.C., for $2.6 million including fees, costs and other expenses that is leased to 7-Eleven Corporation in June 2017.
- Single tenant retail building (2,200 square feet) stand-alone property located at at 1300 South Dale Mabry Highway in Tampa, Florida for $3.6 million with a corporate Starbucks Coffee as the tenant in April 2018.
- Single tenant industrial building (59,000 square feet) located at 15091 Alabama Highway 20, in Huntsville, AL for $8.4 million in December 2018 that is leased to the Pratt and Whitney Corporation.

Distributions

From inception through the filing date, we have distributed approximately $159,000 to common stockholders. Because we have not yet generated a profit, distributions have been made from offering proceeds.

Results of Operations

On February 29, 2016, our Offering was qualified by the SEC and subsequently the Company has spent the majority of its efforts on fundraising operations and implementing our business plan. Our financial statements are presented for the twelve-month periods ending December 31, 2018 and December 31, 2017.

Operating Revenue

During the year ended December 31, 2018 and December 31, 2017, we generated rental revenue of $296,330 and $66,718, respectively. The increase in rental revenue is due to the Company owning three properties in 2018 versus one property in 2017.

Operating Expenses

For the year ended December 31, 2018, we incurred general, administrative and organizational expenses of $396,832, which included professional fees, marketing expenses and other costs associated with running our business. For the year ended December 31, 2017, we incurred general, administrative and organizational expenses of $114,503 which included professional fees, marketing expenses and other costs associated with running our business. The $282,000 increase in expenses is due in part to increased costs to operate a publicly held company, including finance and accounting consultants, legal expenses and other non-capitalizable costs for acquiring property.

For the twelve months ended December 31, 2018 and 2017, we incurred depreciation and amortization expense of $153,569 and $45,654, respectively. For the twelve months ended December 31, 2018 and 2017, we incurred interest expense of $145,107 and $2,714, respectively. The increase in depreciation and interest expense is due to the purchase of two additional properties during 2018.

For the twelve months ended December 31, 2018 and 2017, we incurred compensation expense of $81,377 and $0, respectively. The increase in compensation costs is due to our President being paid annual compensation of $100,000 starting April 2018.

Income Tax Benefit

We did not record an income tax benefit for the year ended December 31, 2018 or 2017 because we have been in a net loss situation since inception and have recorded a valuation allowance to offset any tax benefits generated by the operating losses.

Net Loss

During the year ended December 31, 2018, we generated a net loss of $487,268 as compared to a net loss of $96,153 for the year ended December 31, 2017.

Liquidity and Capital Resources

We require capital to fund our investment activities and operating expenses. Our capital sources may include net proceeds from our Offering, cash flow from operations and borrowings under credit facilities.

We are currently dependent upon the net proceeds from our initial Offering to conduct our operations. We currently obtain the capital required to primarily invest in and manage a diversified portfolio of commercial net lease real estate investments and conduct our operations from the proceeds of our Offering, debt financing, preferred minority interest obtained from third parties and from any undistributed funds from our operations.

As of December 31, 2018, we anticipate that proceeds from our Offering combined with the revenue generated from investment properties and proceeds from credit facilities will provide sufficient liquidity to meet future funding commitments as of December 31, 2018 for the next 12 months. If we are unable to raise additional funds, we will make fewer investments resulting in less diversification in terms of the type, number, and size of investments we make. Our inability to raise substantial, additional funds would increase our fixed operating expenses as a percentage of gross income, reducing our net income and limiting our ability to make distributions.

For the year ending December 31, 2018 and 2017, we had $642,132 and $482,879, respectively, of cash on hand and in our corporate bank accounts primarily from the proceeds of capital raised in our Offering and from cash generated from our rental operations. For the year ended December 31, 2018 and ending December 31, 2017, we had total current liabilities (excluding the current portion of the acquired lease intangible liability which consists of accounts payable, accrued expenses and money owed to our President and related party expenses he incurred on behalf of the Company) of $378,570 and $140,865, respectively.

We may selectively employ some leverage to enhance total returns to our stockholders. During the period when we are acquiring our initial portfolio, portfolio-wide leverage may be higher. Our target portfolio-wide leverage after we have acquired an initial substantial portfolio of diversified investments may be greater than expected leverage over the long-term. As of December 31, 2018, we had $9.8 million in outstanding borrowings, compared to no borrowings other than those owed to related parties as of December 31, 2017.

	Year ended December 31,	
	2018	2017
Promissory note issued for $3,700,000 by a financial institution, bearing interest at 4.6289% adjusted monthly based on 30 day LIBOR plus 225 basis points and interest payments due monthly of approximately $14,000. Note was issued on April 4, 2018 and matures on April 4, 2020 and can be prepaid at any time without penalty. Secured by our 7-Eleven property and our Starbucks property.	$ 3,684,039	$ —
Promissory note issued for $6,100,000 by a financial institution, bearing interest at 4.7394%, adjusted monthly based on 30 day LIBOR plus 225 basis points, interest and principal payments due monthly of approximately $25,000. Note was issued on December 20, 2018 and matures on December 19, 2020 and can be prepaid at any time without penalty. Secured by our Pratt and Whitney property.	6,100,000	—
Less debt issuance costs	(69,256)	—
	$ 9,714,783	$ —

The Company incurred and paid $82,457 of debt issuance costs during 2018 and amortized $13,201 to interest expense.

Both loans are subject to certain loan covenants such as debt service ratio of 1:1 to 1:0. The debt service ratio covenant is applicable to the $6.1 million loan starting December 31, 2019 and applicable to the $3.7 million loan starting December 31, 2018. The $3.7 million loan is also subject to and minimum debt to equity ratio of 50% starting December 31, 2018. The Company was in compliance for both covenants for the $3.7 million loan as of December 31, 2018.

Both of our promissory notes are guaranteed by our President.

Minimum required principal payments on the Company's debt as of December 31, 2018 are as follows:

Years Ending December 31,	
2019	$ —
2020	9,784,039
	$ 9,784,039

In June 2017, we received a $5,000,000 revolving line of credit from a commercial bank. We have not utilized any of our line of credit as of the date of this filing. The line is guaranteed by our President and matures in June 2019.

We intend to repay amounts outstanding under any credit facilities as soon as reasonably possible. No assurance can be given that we will be able to obtain additional credit facilities. We anticipate arranging and utilizing additional revolving credit facilities to potentially fund future acquisitions (following investment of the net proceeds of our Offering), return on investment initiatives and working capital requirements.

Market Outlook

We continue to believe that the existing trend is to purchase U.S. net lease properties that provide the highest return possible, which in our estimation causes investors to purchase assets in less desirable locations with lower real estate values. In our estimation, this leaves an opportunity to purchase prime net lease real estate assets that are not being sought out by institutional owners. With the vast number of similar REITs currently seeking assets that provide an immediate return, we believe that many assets are being overlooked. By contrast, we will be searching for assets that have the highest potential for long-term real estate appreciation, followed by a high credit rated tenant with a long-term, net lease. Other REITs, and even some private investors, are placing their investment focus on the initial return that is received when purchasing a specific property. Therefore, we believe that the market opportunity lies within uncovering assets that are overlooked by other institutional and private investors as they may not fit within their short-term higher return parameters.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Recent Developments

Private Investment Placement

On April 25, 2019, we raised $1,000,000 by issuing 200,000 Units with each Unit being comprised of one share of our common stock and one warrant to purchase one share of our common stock (the "Common Warrants"). Each Unit was sold for a price of $5.00 per Unit. The shares of our common stock and Common Warrants included in the Units, were offered together, but the securities included in the Units are issued separately.

The Common Warrants are immediately exercisable at a price of $5.00 per share of Common Stock, subject to adjustment in certain circumstances, and will expire seven years from the date of issuance.

Item 3. Directors and Officers

Mr. Sobelman serves as our sole executive officer and director. The Board has no nominating, auditing or compensation committees. We have a board of independent advisors that have no voting rights and are not currently compensated. Information as to our director and executive officer is as follows:

Name	Age	Director/Officer Since	Hours Per Week Devoted to Company	Position
David Sobelman	47	2015	20 - 30	Chairman of the Board of Directors, President, Secretary and Treasurer

Biographical Information

The following are biographical summaries of the experience of our director and executive officer and members of our board of advisors:

David Sobelman serves as chairman of our board of directors and our president, secretary, and treasurer. He founded Generation Income Properties, Inc. after serving almost 13 years in different capacities within the net lease commercial real estate market. In June 2017, Mr. Sobelman started 3 Properties, LLC, a commercial real estate brokerage firm focused solely on the net lease market. Mr. Sobelman has held various roles within the single tenant, net lease commercial real estate investment market, including investor, asset manager, broker, owner, analyst and advisor. In 2005, David began working with Calkain Companies LLC, a real estate brokerage and advisory firm. During his tenure, Calkain grew from two employees to over 40, and became one of the leading single tenant, net lease firms in the country. Prior to Mr. Sobelman's career in single tenant, net lease investments, he served as a member of The White House staff, and was subsequently appointed to work for the Secretary of the Department of Health and Human Services. Mr. Sobelman co-wrote *The Little Book of Triple Net Lease Investing*, the first book ever written on the single tenant, triple-net lease investment market, which is currently in its second edition. Mr. Sobelman is a featured speaker at conferences in the United States and abroad and has been quoted in articles in The Wall Street Journal, Forbes, Fortune and various regional real estate trade publications. Mr. Sobelman received a bachelor of science degree from the University of Florida and is an alumnus of the Harvard Business School Executive Education Real Estate Management Program.

Compensation of Executive Officers

As of April 1, 2018, we entered into an agreement to start paying our President a salary of $100,000 per year. No other salaries are being paid at the present time, and no other compensation was paid to our President in cash, or otherwise, for services performed for the year ending December 31, 2018 or 2017. The employment agreement between the President and the Company is currently being finalized. There will be no accruals for past salary.

The table below summarizes all compensation awarded to, earned by, or paid to our named executive officer for all services rendered in all capacities to us for the years ending December 31, 2018 and 2017.

Summary Compensation Table

Name And Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
David Sobelman President	2018	75,000	0	0	0	0	0	0	75,000
	2017	0	0	0	0	0	0	0	0

There are no other stock option plans, retirement, pension, or profit sharing plans for the benefit of our officer and director other than as described herein.

Long-Term Incentive Plans and Awards

Upon completion of our Offering, we may cause our Operating Partnership to grant 200,000 LTIP units to Mr. Sobelman. If the size of our Offering changes, the aggregate number of LTIP units to be granted to Mr. Sobelman will change to equal 5% of the common shares issued in our offering. These LTIP units will vest ratably on each of the first three anniversaries of the date of grant. The LTIP units, whether vested or unvested, will receive the same per-unit distributions as common units of our Operating Partnership, which distributions generally will equal per share distributions on our common shares.

Our Board has not adopted a long-term incentive plan to provide compensation intended to serve as incentive or payment for performance. No individual grants or agreements regarding future payouts under non-stock price-based plans have been made or promised to our sole director and officer other than for the 200,000 LTIP units in our Operating Partnership or any employee or consultant since our inception; accordingly, no future payouts under non-stock price-based plans or agreements have been granted or entered into or exercised by our sole director and officer or employees or consultants since we were founded.

Compensation of Board of Advisors

We don’t currently compensate members of our board of advisors. However, our advisors are reimbursed for reasonable out-of-pocket expenses incurred on our behalf.

We may, in our discretion, grant restricted stock or options and other equity awards to members of the board of advisors from time to time.

Director Compensation

Our sole director is not compensated by us for acting as such. He is reimbursed for reasonable out-of-pocket expenses incurred. There are no arrangements pursuant to which our sole director is or will be compensated in the future for any services provided as a director.

We do not have any agreements for compensating our directors for their services in their capacity as directors, although such directors are expected in the future to receive stock options to purchase shares of our common stock as awarded by our Board.

Item 4. Security Ownership of Management and Certain Securityholders

The following table sets forth the beneficial ownership of our common shares as of April 29, 2019, for the total number of shares owned beneficially by our sole officer and director, individually and as a group, and the owners of 10% or more of our total outstanding shares. To our knowledge, each person that beneficially owns our common shares has sole voting and disposition power with regard to such shares.

Unless otherwise indicated below, each person or entity has an address in care of our principal executive offices at 401 East Jackson Street, Suite 3300 Tampa, FL 33602.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of All Shares
David Sobelman	800,000	44.1%
John Robert Sierra Sr Revocable Family Trust	300,000	14.7%
Steven Westphal	200,000	9.8%
All Officers and Directors as a Group (1 person)	800,000	44.1%

Item 5. Interest of Management and Others in Certain Transactions

For information responsive to this Item, please see *"Note 4 — Related Party Transactions* in Item 7 *"Financial Statements"* below.

Item 6. Other Information

None

Item 7. Financial Statements

Generation Income Properties, Inc.

Index to Consolidated Financial Statements

December 31, 2018 and 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Generation Income Properties, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Generation Income Properties, Inc. and its subsidiaries (collectively, the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes (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, 2018 and 2017, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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 Public Company Accounting Oversight Board (United States) ("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 and in accordance with auditing standards generally accepted in the United States of America. 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 regarding 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/ MaloneBailey, LLP
www.malonebailey.com
We have served as the Company's auditor since 2017.
Houston, Texas
April 30, 2019

Generation Income Properties, Inc.

Consolidated Balance Sheets

	As of December 31,	
	2018	**2017**
ASSETS		
Investment in real estate		
Property	$ 13,460,084	$ 2,432,570
Tenant improvements	235,673	146,765
Acquired lease intangible assets	932,449	121,017
Less accumulated depreciation and amortization	(199,223)	(45,654)
Total investments	14,428,983	2,654,698
Cash	642,132	482,879
Deferred rent	18,008	—
Prepaid expenses	9,850	—
Line of credit costs - net	16,624	21,489
Escrow deposit and other assets	111,512	200,561
TOTAL ASSETS	**$ 15,227,109**	**$ 3,359,627**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	$ 30,339	$ 3,768
Accrued expenses	348,231	50,000
Due to stockholder and related party	—	87,097
Acquired lease intangible liability, net	102,405	116,530
Mortgage loans, net of unamortized discount of $69,256 and $0 at December 31, 2018 and 2017, respectively	9,714,783	—
Total liabilities	10,195,758	257,395
Stockholders' Equity		
Common stock, $0.01 par value, 100,000,000 shares authorized; 1,838,767 shares issued and outstanding at December 31, 2018 and 1,710,807 at December 31, 2017	18,398	17,108
Additional paid-in capital	3,844,336	3,466,927
Accumulated deficit	(997,017)	(381,803)
Total Generation Income Properties, Inc. stockholder's equity	2,865,717	3,102,232
Non-Controlling interest	2,165,634	—
Total stockholders' equity	5,031,351	3,102,232
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 15,227,109**	**$ 3,359,627**

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

Generation Income Properties, Inc.

Consolidated Statements of Operations

	Years ended December 31,	
	2018	**2017**
REVENUE		
Rental revenue	$ 296,330	$ 66,718
EXPENSES		
General, administrative and organizational costs	396,832	114,503
Depreciation and amortization	153,569	45,654
Interest expense, net	145,107	2,714
Compensation costs	81,377	—
Total expenses	776,885	162,871
NET LOSS	$ (480,555)	$ (96,153)
Less: Net loss attributable to Non-Controlling interest	(24,735)	—
Net Loss attributable to Generation Income Properties, Inc.	$ (455,820)	$ (96,153)
TOTAL WEIGHTED AVERAGE SHARES OF COMMON SHARES OUTSTANDING	1,812,660	1,587,939
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (0.25)	$ (0.06)

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

Generation Income Properties, Inc.

Consolidated Statements of Stockholders' Equity

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Generation Income Stockholder's Equity	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance, December 31, 2016	**1,176,700**	**$ 11,767**	**$ 881,733**	**$ (285,650)**	**$ 607,850**	**$ —**	**$ 607,850**
Common stock issued for cash	534,107	5,341	2,585,194	—	2,590,535	—	2,590,535
Net loss for the year ended December 31, 2017	—	—	—	(96,153	(96,153)	—	(96,153)
Balance, December 31, 2017	**1,710,807**	**17,108**	**3,466,927**	**(381,803)**	**3,102,232**	**—**	**3,102,232**
Non-controlling interest issued for cash	—	—	—	—	—	2,197,082	2,197,082
Distribution on non-controlling interest	—	—	—	—	—	(6,713)	(6,713)
Common stock issued for cash	128,960	1,290	643,510	—	644,800	—	644,800
Offering costs	—	—	(266,101)	—	(266,101)	—	(266,101)
Net loss for the year ended December 31, 2018	—	—	—	(455,820)	(455,820)	(24,735)	(480,555)
Dividends paid	—	—	—	(159,394)	(159,394)	—	(159,394)
Balance, December 31, 2018	**1,839,767**	**$ 18,398**	**$ 3,844,336**	**$ (997,017)**	**$ 2,865,717**	**$ 2,165,634**	**$ 5,031,351**

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

Generation Income Properties, Inc.

Consolidated Statements of Cash Flows

	Years ended December 31,	
	2018	**2017**
OPERATING ACTIVITIES		
Net loss	**$ (480,555)**	**$ (96,153)**
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation	124,562	38,736
Amortization of debt issuance costs	18,066	2,714
Amortization of acquired lease intangible assets	29,007	6,918
Amortization of below market leases	(14,125)	(7,062)
Changes in operating assets and liabilities		
Accounts receivable	561	(561)
Other assets	(1,512)	—
Deferred rent	(18,008)	—
Prepaid expense	(9,850)	—
Accounts payable and accrued expenses	243,889	3,328
Net cash used in operating activities	**(107,965)**	**(52,080)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of land, buildings, other tangible and intangible assets	(11,927,854)	(2,574,833)
Pre-acquisition costs for purchase of properties	—	(1,927)
Escrow deposits for purchase of properties	90,000	(200,000)
Net cash used in investing activities	**(11,837,854)**	**(2,776,760)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of stock	644,800	2,670,535
Proceeds from issuance of non-controlling interest	2,197,082	—
Debt borrowings	9,800,000	—
Debt repayments	(15,961)	—
Dividends paid	(159,394)	—
Stock issuance cost paid in cash	(191,901)	(30,000)
(Repayments) borrowings on related party payable	(87,097)	2,805
Debt issuance costs paid in cash	(82,457)	(24,203)
Net cash provided by financing activities	**12,105,072**	**2,619,137**
NET INCREASE (DECREASE) IN CASH	159,253	(209,703)
CASH - BEGINNING OF YEAR	482,879	692,582
CASH - END OF YEAR	**$ 642,132**	**$ 482,879**
NON-CASH TRANSACTIONS		
Stock issuance costs on account	124,200	50,000
Payments on non-controlling interest	6,713	—
CASH TRANSACTIONS		
Interest paid	123,323	—

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

Note 1 – Organization

Generation Income Properties, Inc. (the "Company") was formed as a Maryland corporation on June 19, 2015 to opportunistically acquire and invest in freestanding, single-tenant commercial properties located primarily in major cities in the United States. The Company is internally managed and intends on net leasing properties to investment grade tenants.

The Company formed Generation Income Properties L.P. (the "Operating Partnership") in October 2015. Substantially all of the Company's assets will be held by, and operations will be conducted through the Operating Partnership. The Company will be the general partner of the Operating Partnership with an ownership of 99.99%. The Company formed a Maryland entity GIP REIT OP Limited LLC in 2018 that owns 0.01% of the Operating Partnership.

On March 8, 2017, the Company formed GIPDC 3707 14th ST, LLC, a wholly owned subsidiary of the Operating Partnership, and closed an acquisition for approximately $2.6 million including closing costs.

On June 13, 2017, the Company formed GIPFL 1300 S Dale Mabry, LLC, a wholly owned subsidiary of our Operating Partnership, which had no activity during the year ended December 31, 2017 but closed an acquisition on April 4, 2018 for approximately $3.6 million including closing costs.

On November 29, 2018, the Company formed GIPAL JV 15091 SW ALABAMA 20, which closed an acquisition on December 20, 2018 for approximately $8.4 million including closing costs. The Company entered into a joint venture with TC Huntsville, LLC ("TC Huntsville") contributed $2.2 million to help purchase this acquisition. TC Huntsville will be paid each month in cash a 10% return on their investment and earn an additional deferred 10% return that is paid at the end of the term of this agreement. As of December 31, 2018, the Company has accrued $6,713 distribution to TC Huntsville. The Company and TC Huntsville will generally share profits and losses on a 50/50 basis. The Company is the general manager of the property and has operating decision on all aspects of this venture. As such the Company consolidates this joint venture.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying balance sheet, statement of operations and statement of cash flows and related notes to the financial statements of the Company are prepared on the accrual basis of accounting and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company adopted the calendar year as its basis of reporting.

Consolidation

The accompanying consolidated financial statements include the accounts of Generation Income Properties, Inc. and the Operating Partnership and all of the direct and indirect wholly-owned subsidiaries of the Operating Partnership and the Company's subsidiaries. All significant inter-company balances and transactions have been eliminated in the consolidated financial statements.

Cash

Cash consists of amounts that the Company has on deposit with a major commercial financial institution.

Use of Estimates

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, the 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.

Income Taxes

The Company intends to operate and be taxed as a real estate investment trust ("REIT") under Section 856 through 860 of the Internal Revenue Code ("Code"), commencing with our taxable year ending December 31, 2019. To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of its taxable income to its stockholders. As a REIT, the Company generally is not subject to federal corporate income tax on that portion of its taxable income that is currently distributed to stockholders.

We account for deferred income taxes using the asset and liability method and recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our financial statements or tax returns. Under this method, we determine deferred tax assets and liabilities based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Any increase or decrease in the deferred tax liability that results from a change in circumstances, and that causes us to change our judgment about expected future tax consequences of events, is included in the tax provision when such changes occur. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards. A valuation allowance is provided if we believe it is more likely than not that all or some portion of the deferred tax asset will not be realized. Any increase or decrease in the valuation allowance that results from a change in circumstances, and that causes us to change our judgment about the realizability of the related deferred tax asset, is included in the tax provision when such changes occur.

Revenue Recognition

We recognize rental income and other investment income as earned over the terms of the related leases and notes, respectively.

We have determined that all of our leases should be accounted for as operating leases. Our operating leases generally contain provisions for specified rent increases during the lifetime of the lease. Revenue under lease arrangements with minimum fixed and determinable increases is recognized over the non-cancellable term of the lease on a straight-line basis.

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which outlines a comprehensive model for entities to use in accounting for revenue arising from contracts with customers. ASU 2014-09 states that "an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services." While ASU 2014-09 specifically references contracts with customers, it may apply to certain other transactions such as the sale of real estate or equipment. ASU 2014-09 is effective for the Company beginning January 1, 2018. In addition, the FASB has begun to issue targeted updates to clarify specific implementation issues of ASU 2014-09. These updates include ASU 2016-08, *Principal versus Agent Considerations (Reporting Revenue Gross versus Net),* ASU 2016-10, *Identifying Performance Obligations and Licensing,* and ASU 2016-12, *Narrow-Scope Improvements and Practical Expedients*. The Company adopted ASU 2014-09 and its subsequent updates in accordance with the modified retrospective approach. The Company has completed its analysis of ASU 2014-09 and its related updates and has determined that its adoption did not have a material impact on our consolidated financial statements, as all of our revenue consists of rental income from leasing arrangements which are specifically excluded from ASU 2014-09 and its updates.

Escrow Deposit

The Company records deposits for purchases of property at cost. As of December 31, 2018, the Company had $110,000 deposit in escrow deposits for a property, which was subsequently returned in fiscal year 2019 when the deal to purchase the property was cancelled. As of December 31, 2017, the Company had $200,000 in escrow deposits for a property purchased on April 4, 2018.

Real Estate

Acquisitions of real estate are recorded at cost. Depreciation is provided over the estimated useful life (40-50 years) using the straight-line method and intangible over the remaining lease term.

Purchase Price Assignment

The Company assigns the purchase price of real estate to tangible and intangible assets and liabilities based on fair value. Tangible assets consist of land and buildings. Intangible assets and liabilities consist of the value of in-place leases and below market leases assumed with the acquisition. The Company assessed whether the purchase of the building falls within the definition of a business under ASC 805 and concluded that all asset transactions were an asset acquisition, therefore it was recorded at the purchase price, including capitalized acquisition costs, which is allocated to land, building, tenant improvements and intangible assets and liabilities based upon their relative fair values at the date of acquisition.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations – Clarifying the Definition of a Business. ASU 2017-01 clarifies that to be considered a business, the elements must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The new standard illustrates the circumstances under which real estate with in-place leases would be considered a business and provides guidance for the identification of assets and liabilities in purchase accounting. ASU 2017-01 is effective for periods beginning after December 15, 2017 and early adoption is permitted. The Company early adopted the new standard as of December 31, 2017 and accounted for the real estate acquisition during 2017 and 2018 as an asset acquisition, not a business combination.

The fair value of the below market lease is the present value of the difference between the contractual amount to be paid pursuant to the in-place lease and the estimated current market lease rate expected over the remaining non-cancelable life of the lease. The capitalized below market lease values are amortized as an increase to rental income over the remaining term of the lease.

Intangible Assets

Line of Credit Costs

Costs incurred related to line of credit costs have been capitalized and are amortized over the term of the respective agreement using the straight-line method. Amortization expense related to line of credit costs were $4,864 and $2,714 for the year ended December 31, 2018 and December 31, 2017, respectively.

In-Place Leases

In-place lease assets and liabilities result when we assume a lease as part of a facility purchase or business combination. The fair value of in-place leases consists of the following components, as applicable (1) the estimated cost to replace the leases (including loss of rent, estimated commissions and legal fees paid in similar leases), and (2) the above or below market cash flow of the leases, determined by comparing the projected cash flows of the leases in place at the time of acquisition to projected cash flows of comparable market-rate leases (referred to as Lease Intangibles). Lease Intangible assets and liabilities are classified as lease contracts above and below market value, respectively, in other assets and accrued expenses and other liabilities on our Consolidated Balance Sheets, and amortized on a straight-line basis as decreases and increases, respectively, to rental income over the estimated remaining term of the underlying leases. Should a tenant terminate the lease, the unamortized portion of the lease intangible is recognized immediately as income or expense. For additional information, see Note 4 – Intangibles.

Earnings per Share

In accordance with ASC 260, basic earnings/loss per share ("EPS") is computed by dividing net loss attributable to the Company that is available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of warrants), and convertible debt, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive. As of December 31, 2018 and December 31, 2017, there were no common stock dilutive instruments.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"), which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will be effective for the Company beginning January 1, 2019. The new standard was adopted using a modified retrospective method. Based on the election of the package of practical expedients, the Company has determined that its leases where it is the lessor will continue to be accounted for as operating leases under the new standard. Further, the Company has elected the practical expedient to not separate non-lease components from lease components. Therefore, as of January 1, 2019, for the Company's leases where it is the lessor, the Company does not anticipate changes in the accounting for its lease revenues and expenses. The Company's office lease where it is the lessee is scoped out from ASU 2016-02 as it is a month-month lease

Note 3 – Investments in Real Estate

The Company's real estate is comprised of the following:

	December 31, 2018	December 31, 2017
Property	$ 13,460,084	$ 2,432,570
Tenant improvement	235,673	146,765
Acquired lease intangible assets	932,449	121,017
Total	14,628,206	2,700,352
Less: Accumulated depreciation and amortization	(199,223)	(45,654)
Total real estate, net	$ 14,428,983	$ 2,654,698

The purchase price of the asset acquisition was allocated to land, building, tenant improvement and acquired lease intangible assets and liabilities based on management's estimate.

Acquisitions:

Fiscal Year 2018

During the year ended December 31, 2018, the Company acquired the following retail properties:

Property and Location	Percent Acquired	Date of Acquisition	Purchase Price	Debt Assumed
Starbucks – Tampa, FL	100%	4/4/2018	$ 3,463,500	$ —
Pratt and Whitney – Huntsville, AL	100%	12/20/2018	8,307,750	—

The acquisitions were accounted for as an asset acquisition as the underlying property did not meet the definition of a business as the Company early adopted ASU No. 2017-01, Business Combinations – Clarifying the Definition of a Business.

The following table summarizes the aggregate purchase price assignment for 2018:

	Starbucks	Pratt & Whitney
Building	$ 2,162,245	$ 6,962,169
Acquired lease intangible asset - in-place lease	167,147	644,285
Land	1,138,023	760,881
Tenant improvements	88,908	—
Total purchase price, including closing costs	$ 3,556,323	$ 8,367,335

Fiscal Year 2017

During the year ended December 31, 2017, the Company acquired the following retail properties:

Property and Location	Percent Acquired	Date of Acquisition	Purchase Price	Debt Assumed
7-Eleven - Washington, D.C.	100%	6/29/2017	$ 2,480,000	$ —

This acquisition was accounted for as an asset acquisition as the underlying property did not meet the definition of a business as the Company early adopted ASU No. 2017-01, Business Combinations – Clarifying the Definition of a Business.

The following table summarizes the aggregate purchase price assignment:

Property	$ 2,432,570
Acquired lease intangible asset - in-place lease	121,017
Acquired lease intangible liability - below market lease	(123,592)
Tenant improvements	146,765
Total purchase price, including closing costs	$ 2,576,760

Note 4 – Acquired Lease Intangible Asset, net

Intangible assets, net is comprised of the following:

	December 31, 2018	December 31, 2017
In-place lease	$ 932,449	$ 121,017
Less: Accumulated amortization	(35,925)	(6,918)
Total intangible assets, net	$ 896,524	$ 114,099

Note 5 – Acquired Lease Intangible Liability, net

Acquired lease intangible liability is comprised of the following:

	December 31, 2018	December 31, 2017
Acquired lease intangible liability	$ 123,592	$ 123,592
Less: recognized rental income	(21,187)	(7,062)
Total below market lease, net	$ 102,405	$ 116,530

Note 6 – Debt

	Year ended December 31, 2018	2017
Promissory note issued for $3,700,000 by a financial institution, bearing interest at 4.6289% adjusted monthly based on 30 day LIBOR plus 225 basis points and interest payments due monthly of approximately $14,000. Note was issued on April 4, 2018 and matures on April 4, 2020 and can be prepaid at any time without penalty. Secured by our 7-Eleven property and our Starbucks property.	$ 3,684,039	$ —
Promissory note issued for $6,100,000 by a financial institution, bearing interest at 4.7394%, adjusted monthly based on 30 day LIBOR plus 225 basis points, interest and principal payments due monthly of approximately $25,000. Note was issued on December 20, 2018 and matures on December 19, 2020 and can be prepaid at any time without penalty. Secured by our Pratt and Whitney property.	6,100,000	—
Less debt issuance costs	(69,256)	—
	$ 9,714,783	$ —

Both of our promissory notes are guaranteed by our President.

The Company incurred and paid $82,457 of debt issuance costs during 2018 and amortized $13,201 to interest expense.

Both loans are subject to certain loan covenants such as debt service ratio of 1:1 to 1:0. The debt service ratio covenant is applicable to the $6.1 million loan starting December 31, 2019 and applicable to the $3.7 million loan starting December 31, 2018. The $3.7 million loan is also subject to and minimum debt to equity ratio of 50% starting December 31, 2018. The Company was in compliance for both covenants for the $3.7 million loan as of December 31, 2018.

Minimum required principal payments on the Company's debt as of December 31, 2018 are as follows:

Years Ending December 31,	
2019	$ —
2020	9,784,039
	$ 9,784,039

In June 2017, we received a $5,000,000 revolving line of credit from a commercial bank. We have not utilized any of our line of credit as of the date of this filing. The line is guaranteed by Mr. Sobelman, our chairman and President and matures in June 2019. We intend to repay amounts outstanding under any credit facilities as soon as reasonably possible. No assurance can be given that we will be able to obtain additional credit facilities. We anticipate arranging and utilizing additional revolving credit facilities to potentially fund future acquisitions (following investment of the net proceeds of our Offering), return on investment initiatives and working capital requirements.

Note 7 – Equity

The Company is authorized to issue up to 100,000,000 shares of common stock and 10,000,000 of undesignated preferred stock. No preferred shares have been issued as of the date of this report. Holders of the Company's common stock are entitled to receive dividends when authorized by the Company's Board of Directors.

During the year ended December 31, 2018, the Company received equity subscriptions for which $644,800 of funds have been received from investors and 128,960 shares of common stock have been issued. The Company incurred stock issuance costs of approximately $266,000 of which $141,000 was paid and $124,000 was accrued for as of December 31, 2018. The $50,000 of stock issuance costs accrued at December 31, 2017 was paid in 2018.

During the year ended December 31, 2017, the Company received equity subscriptions for which $2,670,535 of funds have been received from investors and 534,107 shares of common stock have been issued. The Company incurred stock issuance costs of $80,000 of which $30,000 was paid and $50,000 was accrued for as of December 31, 2017.

On February 15, 2017, the Company, at a Special Meeting of the Board of Directors, approved an extension of the offering period of the Company's Offering qualified by the Securities and Exchange Commission on February 29, 2016. The offering of 4,000,000 shares of the Company's common stock was extended to the earlier period of: (i) the date when the sale of all 4,000,000 shares is completed, or (ii) the two-year anniversary of the date the Offering Statement filed on Form 1-A of Regulation A of the Securities Act of 1933 was qualified. The Offering was closed on July 1, 2018.

Note 8 – Related-Party Transactions

For the year ended December 31, 2018 and 2017, the Company's President, David Sobelman paid $0 and $0, respectively, for expenses incurred on behalf of the Company; amounts to be reimbursed to Mr. Sobelman, totaled $nil as of December 31, 2018 and $84,292 as of December 31, 2017. These expenses were reimbursed as per a verbal agreement between the Company and our President, without interest with the proceeds received upon the sale of the Company's common stock as part of its Offering. In addition, the Company owed 3 Properties, LLC, a real estate brokerage firm owned by Mr. Sobelman, $2,805 for expenses paid for by 3 Properties on the Company's behalf as of December 31, 2017 but was repaid in 2018.

Note 9 – Leases

Fiscal Year 2018

On April 4, 2018, the Company purchased an asset. The initial lease term runs from April 1, 2018 to March 31, 2028 (10 years) with an option to renew four 5 year terms for a total of 30 years. The lease includes a 10% rental increase every five years in the initial lease term. The Company recognizes rental income on a straight-line basis over the term of the lease.

On December 20, 2018, the Company assumed the lease for property it acquired. The amended lease term runs from January 2, 2018 to January 29, 2029 (approximately 10 years) with an option to renew for two 5 year terms for a total of 20 years. The lease includes a 5% rental increase after each of the renewal periods. The Company recognizes rental income on a straight-line basis over the term of the lease.

Fiscal Year 2017

On June 29, 2017, the Company assumed the lease for the property it acquired. The initial lease term runs from January 1, 2016 to March 31, 2026 (10 years) with an option to renew for two 5 year terms for a total of 20 years. The lease includes a 10% rental increase every five years in the primary term, and during the renewal periods. As of the date of purchase, the lease had eight years and nine months on the initial term of the lease. The Company recognizes rental income on a straight-line basis over the term of the lease.

Future Minimum Rents

The following table presents future minimum base rental cash payments due to the Company over the next six calendar years and thereafter as of December 31, 2018.

	Future Minimum Base Rent Payments
December 31, 2019	$ 985,000
December 31, 2020	985,000
December 31, 2021	994,000
December 31, 2022	997,000
December 31, 2023	1,011,000
Thereafter	4,628,000
	$ 9,600,000

Note 10 – Income Taxes

The Company performs an evaluation of the realizability of its deferred tax assets on a semi-annual basis. The Company considers all positive and negative evidence available in determining the potential of realizing deferred tax assets, including the scheduled reversal of temporary differences, recent and projected future taxable income and prudent and feasible tax planning strategies. The estimates and assumptions used by the Company in computing the income taxes reflected in the accompanying consolidated financial statements could differ from the actual results reflected in the income tax returns filed during the subsequent year. Adjustments are recorded based on filed returns when finalized or the related adjustments are identified.

Under ASC 740-10-30-5, *Income Taxes*, deferred tax assets should be reduced by a valuation allowance if, based on the weight of available evidence, it is more-likely-than-not (i.e., a likelihood of more than 50%) that some portion or all of the deferred tax assets will not be realized. The Company considers all positive and negative evidence available in determining the potential realization of deferred tax assets including, primarily, the recent history of taxable earnings or losses. Based on operating losses reported by the Company during 2018, 2017 and 2016, the Company concluded there was not sufficient positive evidence to overcome this recent operating history. As a result, the Company believes that a valuation allowance is necessary based on the more-likely-than-not threshold noted above. The Company recorded a valuation allowance of approximately of $288,804 as of December 31, 2018 and $110,507 as of December 31, 2017 equal to its deferred tax asset at that time. The valuation allowance reflects the decrease in deferred tax assets resulting from the Tax Cuts and Jobs Act of 2017. The Company's net operating losses as of December 31, 2018 was $714,100.

Significant components of the tax expense (benefit) recognized in the accompanying consolidated statements of operations for the period December 31, 2018 and December 31, 2017 are as follows:

	Year Ended December 31, 2018	Year Ended December 31, 2017
Current tax benefit		
Federal	$ (126,654)	$ (47,305)
State	(26,205)	(6,175)
Total current tax benefit	(152,859)	(53,480)
Deferred tax expense	6,802	17,433
Rate change adjustment	—	46,860
Valuation allowance (expense)	146,057	(10,813)
Income tax benefit	$ —	$ —

The reconciliation of the income tax computed at the combined federal and state statutory rate of 30.1% as of December 31, 2018 and 37.6% as of December 31, 2017 to the income tax benefit is as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
Benefit on net loss	$ (146,467)	30.1%	$ (36,182)	37.6%
Nondeductible expenses	410	-0.1%	135	-0.1%
Rate change adjustment	—	—%	46,860	-48.7%
Valuation allowance (expense)	146,057	-30.0%	(10,813)	11.2%
Tax benefit/effective rate	$ —	—%	$ —	—%

The significant components of the Company's deferred tax liabilities and assets as of December 31, 2017 and December 31, 2016 are as follows:

	As of December 31, 2018	As of December 31, 2017
Deferred tax assets:	$	$
Tax expense for debt issuance costs	30,839	6,916
Loss carryforwards	181,000	36,021
Organizational costs	77,045	67,570
Total deferred tax asset	288,884	110,507
Valuation allowance	(288,804)	(110,507)
Net deferred tax asset	$ —	$ —

The Company's federal and state tax returns for the 2016 through 2018 tax years generally remain subject to examination by U.S. and various state authorities.

Note 11 – Subsequent Events

Private Investment Placement

On April 25, 2019, the Company raised $1,000,000 by issuing 200,000 Units with each Unit being comprised of one share of its Common Stock, and one warrant to purchase one share of its Common Stock (the "Common Warrants"). Each Unit was sold for a price of $5.00 per Unit. The shares of the Company's Common Stock and Common Warrants included in the Units, were offered together, but the securities included in the Units are issued separately.

The Common Warrants are immediately exercisable at a price of $5.00 per share of Common Stock, subject to adjustment in certain circumstances, and will expire seven years from the date of issuance.

Item 8. Exhibits

Exhibit Number	Description
2.1	Articles of Amendment and Restatement of Generation Income Properties, Inc., incorporated by reference to Exhibit 2.1 of our Form 1-A/A filed on January 28, 2016
2.2	Bylaws of Generation Income Properties, Inc., incorporated by reference to Exhibit 2.2 of our Form 1-A filed on September 16, 2015
3.1	Founder Stock Purchase Agreement, incorporated by reference to Exhibit 3.1 of our Form 1-A filed on September 16, 2015
3.2	Ownership Limit Waiver Agreement, incorporated by reference to Exhibit 3.2 of our Form 1-A filed on September 16, 2015
3.3	Form of Stock Certificate, incorporated by reference to Exhibit 3.3 of our Form 1-A filed on September 16, 2015
3.4	Second Amended and Restated Founder Stock Purchase Agreement, incorporated by reference to Exhibit 3.4 of our Form 1-A POS Amendment 1 filed on March 29, 2018
3.5	Second Amended and Restated Ownership Limit Waiver Agreement, incorporated by reference to Exhibit 3.5 of our Form 1-A POS Amendment 1 filed on March 29, 2018
4.1	Form of Subscription agreement, incorporated by reference to Exhibit 4.1 of our Form 1-A filed on September 16, 2015
4.2 *	Securities Purchase Agreement, dated April 17, 2019
4.3 *	Common Stock Purchase Warrant, dated April 17, 2019
6.1	Form of Real Estate Purchase and Sale Agreement of Washington, D.C. property by GIPDC 3707 14th ST, LLC, incorporated by reference to Exhibit 6.1 of our Form 1-SA filed on September 29, 2017
6.2	Amended and Restatement Agreement of Limited Partnership of Generation Income Properties, L.P., incorporated by reference to Exhibit 6.2 of our Form 1-A POS Amendment 1 filed on March 29, 2018
6.3 *	Form of Real Estate Purchase and Sale Agreement of Tampa, Florida property by GIPFL 1300 S Dale Mabry, LLC, dated June 6, 2017
6.4 *	Form of Real Estate Purchase and Sale Agreement of Huntsville, Alabama property by GIPAL JV 15091 SW ALABAMA 20, dated October 19, 2018
15.1	Appendix A Prior Performance Tables, incorporated by reference to Exhibit 15.1 of our Form 1-A/A filed on January 28, 2016

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENERATION INCOME PROPERTIES, INC.

Date: April 30, 2019

By: /s/ *David Sobelman*
Name: David Sobelman
Title: Chief Executive Officer
Chief Financial Officer

Pursuant to the requirements of Regulation A, this report has been signed below by the following persons on behalf of the issuer in the capacities and on the dates indicated.

/s/ David Sobelman David Sobelman	Chief Executive Officer, Chief Financial Officer, and Director (Principal Executive Officer, Principal Financial Officer, and Principal Accounting Officer)	April 30, 2019

Exhibit 4.2

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the "**Agreement**") is dated of April 17, 2019 and is by and among **Generation Income Properties, Inc.**, a Maryland corporation (the "**Company**"), and the purchaser(s) identified on the signature pages hereto (each a "**Buyer**" and collectively, the "**Buyers**").

RECITALS

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "**1933 Act**"), and Rule 506 of Regulation D promulgated thereunder, the Company desires to offer, issue and sell to the Buyers (the "**Offering**"), and the Buyers, severally and not jointly, desire to purchase from the Company, units of the Company (the "**Units**"), with each Unit consisting of one share of the Company's common stock, par value $0.01 per share (the "**Common Stock**"), and one warrant to purchase one share of Common Stock at an exercise price equal to $5.00 per warrant in the form attached hereto as **Exhibit A** (the "**Warrants**").

WHEREAS, for purposes of this Agreement, the Units, the Common Stock, the Warrants and the shares of Common Stock into which the Warrants are exercisable are hereinafter collectively referred to as the "**Securities**".

NOW, **THEREFORE**, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the Company and each of the Buyers agree as follows:

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE.

(a) Purchase and Sale. The Recitals to this Agreement are hereby incorporated into this Agreement as if fully set forth herein. Subject to the terms and conditions set forth in this Agreement, at the Closing, the Company shall issue and sell to each Buyer, and each Buyer shall, severally and not jointly, purchase from the Company, the number of Units set forth on such Buyer's signature page to this Agreement.

(b) Closing. The closing of the purchase of the Securities by the Buyers as contemplated by this Agreement (the "**Closing**") shall occur at the offices of Foley & Lardner LLP, 100 N. Tampa Street, Suite 2700, Tampa, FL 33602 or such other place as the parties may agree. The "**Closing Date**" means the Business Day on which all of the closing conditions set forth in this Agreement are satisfied or waived or such other date as the parties may mutually

agree in writing; provided that the Closing Date shall not be later than three (3) Business Days after the date of this Agreement. As used herein "**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed.

(c) Payment of Purchase Price; Delivery of Securities. On the Closing Date, (i) each Buyer shall pay its respective purchase price, consisting of $5.00 per Unit (the "**Purchase Price**") for the number of Units set forth on such Buyer's signature page to this Agreement, to the Company by wire transfer of immediately available funds in accordance with the Company's written wire instructions and (ii) the Company shall issue the Units to each Buyer. Each Buyer understands that the shares of Common Stock and Warrants will be issued separately but can only be purchased together as Units and on the Closing Date, the Company shall issue and deliver to each Buyer one or more stock certificates evidencing the aggregate number of shares of Common Stock purchased by such Buyers hereunder and/or the Company shall issue and deliver to each Buyer one or more Warrants evidencing the Warrants purchased by such Buyers hereunder.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer, severally and not jointly, represents and warrants to the Company with respect to only itself that:

(a) Organization; Authority. Such Buyer (if an entity) is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents (as defined below) to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution. Such Buyer (i) is acquiring the Securities for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, such Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption from registration under the 1933 Act. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities to the public or otherwise in violation of applicable securities laws. Such Buyer further understands that there is currently no trading market for any of the Securities, including the Common Stock, and a trading market may never develop. "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(c) Accredited Investor Status and Purchase Price Matters. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D. The aggregate Purchase Price being paid by such Buyer for the Securities is less than ten percent (10%) of the

greater of such Buyer's: (1) annual income or net worth if a natural person (with annual income and net worth for such natural person Buyer determined as provided in Rule 501 of Regulation D) or (2) revenue or net assets for such Buyer's most recently completed fiscal year-end if a non-natural person.

(d) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information. Such Buyer and its advisors, if any, acknowledge that they have been furnished with, or provided access to, all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities which have been requested by such Buyer, including access via EDGAR to the Company's most recent Annual Report on Form 1-K, Semiannual Reports on Form 1-SA and Current Event Reports on Form 1-U (collectively, the "**Publicly Available Information**"). Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of, and receive answers from, the Company concerning the offer and sale of the Securities and to obtain any additional information such Buyer has requested which is necessary to verify the accuracy of the information furnished to such Buyer concerning the Company and the offering. Such Buyer acknowledges that such Buyer is basing its decision to invest in the Securities on its own due diligence and, except as specifically set forth in this Agreement, has not relied upon any representations made by any Person. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities. Each Buyer further acknowledges that the offering contained in the Transaction Documents does not constitute a securities recommendation or other form of financial product advice.

(f) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. Such Buyer understands that except as provided in this Agreement: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel to such Buyer, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the 1933 Act (or a successor

rule thereto) (collectively, "**Rule 144**"); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC promulgated thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(h) Validity; Enforcement. The execution and delivery of the Transaction Documents to which such Buyer is a party and the consummation by it of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of such Buyer and no further consent or authorization of such Buyer or its members (or shareholders) is required. Each Transaction Document to which such Buyer is a party has been duly executed by such Buyer and, when delivered by such Buyer in accordance with the terms hereof or thereof, will constitute the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with its terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the consummation by such Buyer of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of such Buyer, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Buyer to perform its obligations hereunder.

(j) Certain Trading Activities. Such Buyer has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Buyer, engaged in any Short Sales (as defined below) involving the Company's securities during the period commencing on the day that is thirty (30) days prior to the date of this Agreement through the Closing Date. "**Short Sales**" means all "short sales" as defined in Rule 200 promulgated under Regulation SHO under the Securities Exchange Act of 1934, as amended (the "**1934 Act**").

(k) Experience of Such Buyer. Such Buyer, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Buyer is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(l) General Solicitation. Such Buyer is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(m) Foreign Corrupt Practices. None of such Buyer or any of its subsidiaries or, to the knowledge of such Buyer, any director, officer, agent, employee or other Person acting on behalf of such Buyer or any of its subsidiaries has, in the course of its actions for, or on behalf of, such Buyer or any of its subsidiaries or affiliates (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(n) Illegal or Unauthorized Payments; Political Contributions. Neither Buyer nor any of its subsidiaries, to such Buyer's knowledge (after reasonable inquiry of its executive officers and directors), any of the officers, directors, employees, agents or other representatives of such Buyer or any of its subsidiaries or any other business entity or enterprise with which such Buyer or any subsidiary is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (a) as a kickback or bribe to any Person or (b) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Buyer or any of its subsidiaries.

(o) Money Laundering. Such Buyer and its subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as disclosed in the Company's Publicly Available Information, the Company hereby makes the following representations and warranties to the Buyers. For purposes of this Section 3, the phrase "to the knowledge of the Company" or any phrase of similar import shall be deemed to refer to the actual knowledge of David Sobelman, the Company's Chairman of the Board of Directors, President, Secretary and Treasurer.

(a) Organization and Qualification. Each of the Company and each of its Subsidiaries (as defined below) are entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed, and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and as presently proposed to be conducted. Each of the Company and each of its Subsidiaries is duly qualified as a foreign entity to do business and is in good standing in every

jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents or (iii) the authority or ability of the Company to perform any of its obligations under any of the Transaction Documents. "**Subsidiaries**" means any Person in which the Company, directly or indirectly, (I) owns a majority of the outstanding capital stock or holds a majority of equity or similar interest of such Person or (II) controls or operates all or any material part of the business, operations or administration of such Person, and each of the foregoing, is individually referred to herein as a "**Subsidiary**."

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by the Company's board of directors and (other than the filing with the SEC of one or more registration statements in accordance with the requirements of this Agreement and any other filings as may be required by any state securities agencies (collectively, the "**Required Approvals**")), no further filing, consent or authorization is required by the Company, its board of directors or its stockholders or other governing body of the Company. This Agreement has been, and the other Transaction Documents will be prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law. "**Transaction Documents**" means, collectively, this Agreement, the Warrants and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

(c) Issuance of Securities. The issuance of the Securities hereunder has been duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof. Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act. Upon receipt of the Securities, each Buyer will have good and marketable title to the Securities.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the

Common Stock) will not (i) result in a violation of the Articles of Incorporation (as defined below) or other organizational documents of the Company or any of its Subsidiaries, or Bylaws (as defined below), (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, (iii) subject to the Required Approvals, result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, foreign, federal and state securities laws and regulations applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, other than, in the case of clause (ii) above, such conflicts, defaults or rights that could not reasonably be expected to have a Material Adverse Effect.

(e) Consents. The Company is not required to obtain any consent from, authorization or order of, or make any filing or registration with (other than the filing of the Required Approvals), any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its obligations under, or contemplated by, the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company is required to obtain at or prior to the applicable Closing have been obtained or effected on or prior to the applicable Closing Date, and neither the Company nor any of its Subsidiaries are aware of any facts or circumstances which might prevent the Company from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents.

(f) No General Solicitation; No Placement Agent's Fees . Neither the Company, nor any of its affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. Neither the Company nor any of its Subsidiaries has engaged any placement agent or other financial agent in connection with the offer or sale of the Securities.

(g) No Integrated Offering. None of the Company or its Subsidiaries or, to the knowledge of the Company, any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of stockholders of the Company under any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation. None of the Company or its Subsidiaries or, to the knowledge of the Company, any Person acting on their behalf will take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(h) Absence of Existing Defaults and Conflicts. Neither the Company nor any Subsidiary is in violation of its Articles of Incorporation or other organizational documents of the Company or any of its Subsidiaries, or Bylaws (or with the giving of notice or lapse of time would be in default) under, except as described in the SEC Documents, any existing material obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument to which any of them is a party or by which any of them is bound or to which any of the properties of any of them is subject, except such defaults that would not, singularly or in the aggregate, have a Material Adverse Effect.

(i) SEC Documents; Financial Statements. During the one (1) year prior to the date hereof, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of Regulation A promulgated under the Securities Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of Regulation A and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude the footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate).

(j) Absence of Certain Changes. Since the date of the Company's most recent audited financial statements contained in an Annual Report on Form 1-K (the "**Form 1-K**"), except as disclosed in the SEC Documents filed subsequent to such Form 1-K, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations, or financial condition of the Company and its Subsidiaries, taken as a whole. Since the date of the Company's most recent audited financial statements contained in the Form 1-K, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any material assets outside of the ordinary course of business or (iii) made any capital expenditures outside of the ordinary course of business. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual

knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, on a consolidated basis, are not, and after giving effect to the transactions contemplated hereby to occur at the applicable Closing will not be, Insolvent (as defined below). "**Insolvent**" means, with respect to the Company and its Subsidiaries, on a consolidated basis, (i) the present fair saleable value of the Company's and its Subsidiaries' assets is less than the amount required to pay the Company's and its Subsidiaries' total Indebtedness (as defined below), (ii) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (iii) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature. Neither the Company nor any of its Subsidiaries has engaged in any business or in any transaction, and is not about to engage in any business or in any transaction, for which the Company's or such Subsidiary's remaining assets constitute unreasonably small capital.

(k) No Undisclosed Liabilities. No liability has occurred or exists, or is reasonably expected to occur or exist, with respect to the Company, any of its Subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations or financial condition that, to the Company's knowledge, (i) would have a material adverse effect on any Buyer's investment hereunder or (ii) would have a Material Adverse Effect.

(l) Conduct of Business; Regulatory Permits. Neither the Company nor any of its Subsidiaries is in violation of any term of or in default under its Articles of Incorporation, Bylaws, any certificate of designation, preferences or rights of any outstanding series of preferred stock of the Company or any of its Subsidiaries or Bylaws or their organizational charter, certificate of formation or certificate of incorporation or bylaws, respectively. Neither the Company nor any of its Subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries will conduct its business in violation of any of the foregoing, except in all cases for possible violations which could not, individually or in the aggregate, have a Material Adverse Effect. The Company and each of its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(m) Corrupt Practices. Neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or other Person acting on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its Subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(n) Sarbanes-Oxley Act. Except as set forth in the SEC Documents, the Company and each Subsidiary is in material compliance with all applicable requirements of the Sarbanes-Oxley Act of 2002 and all applicable rules and regulations promulgated by the SEC thereunder to the extent applicable to the Company.

(o) Transactions With Affiliates. Except as disclosed in the SEC Documents, none of the officers, directors, employees or affiliates of the Company or any of its Subsidiaries is presently a party to any transaction with the Company or any of its Subsidiaries (other than for ordinary course services as employees, officers or directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, employee or affiliate or, to the knowledge of the Company or any of its Subsidiaries, any corporation, partnership, trust or other Person in which any such officer, director, employee or affiliate has a substantial interest or is an employee, officer, director, trustee or partner.

(p) Equity Capitalization. Except as disclosed in the SEC Documents, (i) none of the Company's or any Subsidiary's capital stock is subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company or any Subsidiary; (ii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its Subsidiaries (other than as may be issued from time to time under any equity incentive plan maintained); (iii) there are no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is or may become bound; (iv) there are no financing statements securing obligations in any amounts filed in connection with the Company or any of its Subsidiaries; (v) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except pursuant to this Agreement); (vi) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (vii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; (viii) neither the Company nor any Subsidiary has any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement; and (ix) neither the Company nor any of its Subsidiaries have any liabilities or obligations required to be disclosed in the SEC Documents which are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's or its Subsidiaries' respective businesses and which, individually or in the aggregate, do not or could not have a Material Adverse Effect. The SEC Documents contain true, correct and complete copies of the Company's Articles of Incorporation, as amended and as in effect on the date hereof (the "**Articles of Incorporation**"), and the Company's bylaws, as amended and as in effect on the date hereof (the "**Bylaws**").

(q) Indebtedness and Other Contracts. Neither the Company nor any of its Subsidiaries (i) except as disclosed in the SEC Documents, has any outstanding Indebtedness (as defined below), (ii) except as disclosed in the SEC Documents, is a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) except as disclosed in the SEC Documents, is in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, or (iv) except as disclosed in the SEC Documents, is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. For purposes of this Agreement: (x) "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with generally accepted accounting principles) (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above. "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(r) Absence of Litigation. Except as disclosed in the SEC Documents, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, the Common Stock or any of the Company's or its Subsidiaries' executive officers or directors which is outside of the ordinary course of business or individually or in the aggregate material to the Company or any of its Subsidiaries. There has not been, and to the knowledge of the Company,

there is not pending or contemplated, any investigation by the SEC involving the Company, any of its Subsidiaries or any current or former director or executive officer of the Company or any of its Subsidiaries. The SEC has not issued any active stop order or other order suspending the effectiveness of any registration statement filed by the Company under the 1933 Act or the 1934 Act.

(s) Insurance. The Company and each of its Subsidiaries are insured against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for, and neither the Company nor any such Subsidiary has any reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(t) Employee Relations. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. No executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) or other key employee of the Company or any of its Subsidiaries has notified the Company or any such Subsidiary that such officer intends to leave the Company or any such Subsidiary or otherwise terminate such officer's employment with the Company or any such Subsidiary. To the knowledge of the Company, no executive officer or other key employee of the Company or any of its Subsidiaries is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer or other key employee (as the case may be) does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(u) Title. The Company and its Subsidiaries have good and marketable title in fee simple to all real property, and have good and marketable title to all personal property, owned by them which is material to the business of the Company and its Subsidiaries, in each case, free and clear of all liens, encumbrances and defects except those that do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. Any real property and facilities held under lease by the Company or any of its Subsidiaries are in full force and effect, with such exceptions as would not reasonably be expected to have a Material Adverse Effect.

(v) Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, original works, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property

rights and all applications and registrations therefor ("**Intellectual Property Rights**") necessary to conduct their respective businesses as now conducted and as presently proposed to be conducted. None of the Company's or its Subsidiaries' Intellectual Property Rights have expired, terminated or been abandoned, or are expected to expire, terminate or be abandoned, within two (2) years from the date of this Agreement, except where such expiration, termination or abandonment would not have a Material Adverse Effect. The Company has no knowledge of any infringement by the Company or any of its Subsidiaries of Intellectual Property Rights of others. There is no claim, action or proceeding being made or brought, or to the knowledge of the Company or any of its Subsidiaries, being threatened, against the Company or any of its Subsidiaries regarding their Intellectual Property Rights. The Company is not aware of any facts or circumstances which might give rise to any of the foregoing infringements or claims, actions or proceedings. The Company and each of its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights, except where failure to take such measures would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(w) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all Environmental Laws (as defined below), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. "**Environmental Laws**" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(x) Tax Status. Except for occurrences that would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the Company and each of its Subsidiaries (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company and its Subsidiaries know of no basis for any such claim. The Company intends to operate and be taxed as a real estate investment trust under Section 856 through 860 of the Internal Revenue Code, commencing with its taxable year ended December 31, 2018.

(y) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company or any of its Subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its SEC Documents and is not so disclosed or that otherwise could be reasonably likely to have a Material Adverse Effect.

(z) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities will not be, an "investment company," an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(aa) Illegal or Unauthorized Payments; Political Contributions. Neither the Company nor any of its Subsidiaries nor, to the Company's knowledge (after reasonable inquiry of its executive officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any of its Subsidiaries or any other business entity or enterprise with which the Company or any Subsidiary is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (a) as a kickback or bribe to any Person or (b) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its Subsidiaries.

(bb) Money Laundering. The Company and its Subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations.

(cc) No Disqualification Events. None of the Company, nor to the knowledge of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

4. COVENANTS.

(a) Commercially Reasonable Efforts. Each Buyer shall use its commercially reasonable efforts to timely satisfy each of the conditions to be satisfied by it as provided in Section 6 of this Agreement. The Company shall use its commercially reasonable efforts to timely satisfy each of the conditions to be satisfied by it as provided in Section 7 of this Agreement.

(b) Form D and Blue Sky. The Company shall file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to each Buyer promptly after filing. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to, qualify the Securities for sale to the Buyers at such Closing pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States (or to obtain an exemption from such qualification) and shall provide confirmation of any such action, if applicable, so taken to the Buyer on or prior to such Closing Date. Without limiting any other obligation of the Company under this Agreement, the Company shall timely make all filings and reports relating to the offer and sale of the Securities required under all applicable securities laws (including, without limitation, all applicable federal securities laws and all applicable "Blue Sky" laws), and the Company shall comply in all material respects with all applicable federal, foreign, state and local laws, statutes, rules, regulations and the like relating to the offering and sale of the Securities to the Buyers.

(c) Reporting Status. The Company shall file all reports required to be filed with the SEC pursuant to Regulation A until such times as such reporting obligation ceases.

(d) Use of Proceeds. The Company shall use the proceeds from the sale of the Securities for general corporate purposes.

(e) Financial Information. The Company agrees to send the following to each Buyer during such time a Buyer is a stockckolder, unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, within one (1) Business Day after the filing thereof with the SEC, copies of any notices and other information made available or given to the stockholders of the Company generally, contemporaneously with the making available or giving thereof to the stockholders.

(f) Registration. The Company will file a registration statement with the SEC on Form 1-A, Form S-1 or other appropriate form in the sole discretion of the Company (the "**Registration Statement**") to register the Common Stock and the shares of Common Stock issuable upon exercise of the Warrants purchased pursuant to this Offering (excluding for this purpose any shares of Common Stock issued or issuable pursuant to any anti-dilution protections set forth in this Agreement) (collectively, the "**Registrable Securities**") within one year after the Closing Date for the Offering (the "**Registration Filing Date**") and will use commercially reasonable efforts to ensure that registration of the Registrable Securities becomes effective as soon as practical after the Registration Filing Date and thereafter to keep the Registration Statement effective until the one year anniversary of the Registration Filing Date. The Buyers each consent to the disclosure of its name and details of its purchase in the Registration Statement. The Company shall pay all fees and expenses incident to the performance of or compliance with this Agreement by the Company, including without limitation (a) all registration and filing fees and expenses, including without limitation those related to filings with the SEC, in connection with applicable state securities or "Blue Sky" laws, (b) printing expenses (it being understood that the Company, at its option, may provide the Buyer with electronic copies of any prospectus or supplement), (c) fees and disbursements of counsel for the Company and (d) fees and expenses of all other Persons retained by the Company in connection with the

consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing, each Buyer shall pay any and all costs, fees, discounts or commissions attributable to the sale of its respective shares of Common Stock received upon the exercise of the Warrants and all fees and expenses of its counsel and other advisors. Notwithstanding the foregoing, in the event the Registration Statement is, at the Company's option, prepared and filed on Form 1-A, the number of Registrable Securities included for registration therein shall be reduced to such number that is equal to or less than $15 million dollars in market value (which shall be determined in accordance with Regulation A).

(g) Compliance with Regulation A. In the event that the Registration Statement is prepared and filed on Form 1-A, each Buyer agrees to comply with any limitations on the amount of sales that may be made in compliance with Regulation A, including a limit on the number of sales by such Buyer's that may make in any twelve-month period (whether as an Affiliate or a non-Affiliate), and each Buyer shall reasonably cooperate with the Company with respect to such compliance by providing the Company with advance notice of any planned sales under the Registration Statement and details regarding any such sales (or planned sales) made thereunder.

(h) Certain Trading Activities. Each Buyer will not, directly or indirectly, nor will any Person acting on behalf of Buyer or pursuant to any understanding with such Buyer, engage in any Short Sales involving the Company's securities.

5. TRANSFER AGENT INSTRUCTIONS; LEGENDS.

(a) Transfer Agent Instructions. The Company represents and warrants that no instruction other than the stop transfer instructions to give effect to Section 2(g) hereof, will be given by the Company to its transfer agent (if the Company utilizes a third party transfer agent) with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If a Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly issue, or instruct its transfer agent to issue, one or more certificates or credit shares to the applicable balance accounts at The Depository Trust Company ("**DTC**") in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Common Stock sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144 or another exemption from registration, the Company or the transfer agent, as applicable, shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(c) below. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to each Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(a) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(a), that each Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

(b) Legends. Each Buyer understands that the Securities have been issued pursuant to an exemption from registration or qualification under the 1933 Act and applicable state securities laws, and except as set forth below, the Securities shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

(c) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(b) above or any other legend (i) following a sale of such Securities pursuant to a registration statement covering the resale of such Securities under the 1933 Act, (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company) or (iii) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall use commercially reasonable efforts following the delivery by a Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 5(c), as directed by such Buyer, either: (A) provided that the Company or its Company's transfer agent is participating in the DTC Fast Automated Securities Transfer Program, credit the aggregate number of shares of Common Stock to which such Buyer shall be entitled to such Buyer's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system or (B) if the Company or its Company's transfer agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to such Buyer, a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of such Buyer or its designee.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL. The obligation of the Company hereunder to issue and sell the applicable Securities to each Buyer at

the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(a) Such Buyer shall have executed each of the other Transaction Documents to which it is a party (are which are required to be executed by such Buyer at the Closing) and delivered the same to the Company.

(b) Such Buyer and each other Buyer shall have delivered to the Company the Purchase Price for the Securities being purchased at the Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(c) Such Buyer shall have executed and delivered, to the reasonable satisfaction of the Company, such questionnaires and documents in support thereof that Company or its agents deem reasonably necessary (or prudent) to comply with the requirements of Regulation D with respect to the transactions contemplated by this Agreement.

(d) The representations and warranties of such Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the applicable Closing Date.

7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE. The obligation of each Buyer hereunder to purchase its applicable Securities at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(a) The Company shall have duly executed and delivered to such Buyer each of the Transaction Documents to which it is a party and the Company shall have duly executed and cause to be delivered to such Buyer such aggregate number of shares of Common Stock and/or Warrants as set on such Buyer's signature page to this Agreement and the Company shall have complied in all respects with all obligations under this Agreement and the other Transaction Documents. Notwithstanding the foregoing, the Company shall be entitled to deliver copies of the Common Stock and Warrants at Closing, with an obligation to deliver the originals to Buyer promptly following the Closing.

(b) The Company shall have delivered to such Buyer a certificate, in the form reasonably acceptable to such Buyer, executed by the Secretary of the Company and dated as of the applicable Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's board of directors in a form reasonably acceptable to such Buyer, (ii) Articles of Incorporation and (iii) the Bylaws of the Company, in each case, as in effect at the Closing.

(c) Each and every representation and warranty of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except that (1) representations and warranties that speak as of a specific date shall be true and correct in all material respects as of such date and (2) representations and warranties that are qualified by material, Material Adverse Effect or other similar materiality qualifiers shall be true and correct in all respects) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date, including, without limitation the issuance of all Securities prior to the date of such Closing as required by the Transaction Documents and the Company has a sufficient number of duly authorized shares of Common Stock reserved for issuance as may be required to fulfill its obligations pursuant to the Transaction Documents. Such Buyer shall have received a certificate, executed by an officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form reasonably acceptable to such Buyer.

(d) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities.

(e) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents, and no actions, suits or proceedings shall be in progress or pending by any Person that seeks to enjoin, prohibit or otherwise adversely affect any of the transactions contemplated by the Transaction Documents.

(f) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect and the Company has not filed for nor is it subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company.

(g) Since the date of execution of this Agreement, the Company has timely filed all SEC Documents.

(h) As of the Closing Date, neither the Company nor any Subsidiary is in violation of its Articles of Incorporation or other organizational documents of the Company or any of its Subsidiaries, or, except as disclosed in SEC documents, with the giving of notice or lapse of time would be in default, under any existing material obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument to which any of them is a party or by which any of them is bound or to which any of the properties of any of them is subject, except such defaults that would not, singularly or in the aggregate, have a Material Adverse Effect.

(i) The Company shall have delivered to such Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement reasonably required to consummate the transactions contemplated hereby.

8. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or under any of the other Transaction Documents or in connection herewith or therewith or with any transaction contemplated hereby or thereby or discussed herein or therein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall (i) limit, or be deemed to limit, in any way any right to serve process in any manner permitted by law or (ii) operate, or shall be deemed to operate, to preclude any Buyer or the Company, as applicable, from bringing suit or taking other legal action against any Buyer or the Company, as applicable, in any other jurisdiction to collect on an obligation to such other party or to enforce a judgment or other court ruling in favor of such party. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the

words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments. This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, their affiliates and Persons acting on their behalf solely with respect to the matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties solely with respect to the matters covered herein and therein; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Buyer has entered into with, or any instruments any Buyer has received from, the Company or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by such Buyer in the Company or (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries, or any rights of or benefits to any Buyer or any other Person, in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and any Buyer, or any instruments any Buyer received from the Company and/or any of its Subsidiaries prior to the date hereof, and all such agreements and instruments shall continue in full force and effect. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. Provisions of this Agreement may be amended only with the written consent of the Company and each Buyer. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents. The Company has not, directly or indirectly, made any agreements with any Buyers relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any

commitment or promise or has any other obligation to provide any financing to the Company, any Subsidiary or otherwise.

(g) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

(h) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including, as contemplated below, any assignee or transferee of any of the Securities. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of each of the Buyers (which may be granted or withheld in such Buyer's sole discretion). A Buyer may assign some or all of its rights hereunder in connection with any permitted assignment or transfer of any of its Securities without the consent of the Company, in which event such assignee or transferee (as the case may be) shall be deemed to be a Buyer hereunder with respect to such assigned rights.

(i) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 8(l).

(j) Survival. The representations, warranties, agreements and covenants shall survive each Closing. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(k) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(l) Indemnification. In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless each Buyer of any Securities and all of their

stockholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in any of the Transaction Documents, (b) any breach of any covenant, agreement or obligation of the Company contained in any of the Transaction Documents or (c) any cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company or any Subsidiary) or which otherwise involves such Indemnitee that arises out of or results from (i) the execution, delivery, performance or enforcement of any of the Transaction Documents, (ii) the status of such Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents (unless such action is based primarily upon a breach of such Buyer's representations, warranties or covenants under the Transaction Documents or any violations by such Buyer of state or federal securities laws or any conduct by such Buyer which constitutes fraud, gross negligence or willful misconduct). To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(i) Promptly after receipt by an Indemnitee under this Section 9(l) of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Section 9(l), deliver to the Company a written notice of the commencement thereof, and the Company shall have the right to participate in, and, to the extent the Company so desires, to assume control of the defense thereof with counsel mutually satisfactory to the Company and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the Company if: (i) the Company has agreed in writing to pay such fees and expenses; (ii) the Company shall have failed promptly to assume the defense of such Indemnified Liability and to employ counsel reasonably satisfactory to such Indemnitee in any such Indemnified Liability; or (iii) the named parties to any such Indemnified Liability (including any impleaded parties) include both such Indemnitee and the Company, and such Indemnitee shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnitee and the Company (in which case, if such Indemnitee notifies the Company in writing that it elects to employ separate counsel at the expense of the Company, then the Company shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Company), provided further, that in the case of clause (iii) above the Company shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnitee. The Indemnitee shall reasonably cooperate with the Company in connection with any negotiation or defense of any such action or Indemnified Liability by the Company and shall furnish to the Company all

information reasonably available to the Indemnitee which relates to such action or Indemnified Liability. The Company shall keep the Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Company shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Company shall not unreasonably withhold, delay or condition its consent. The Company shall not, without the prior written consent of the Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Indemnified Liability or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnitee. Following indemnification as provided for hereunder, the Company shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the Company within a reasonable time of the commencement of any such action shall not relieve the Company of any liability to the Indemnitee under this Section 9(l), except to the extent that the Company is materially and adversely prejudiced in its ability to defend such action.

(ii) The indemnification required by this Section 9(l) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred.

(iii) Notwithstanding any provision in this Agreement or any other Transaction Documents, the aggregate indemnification obligations of the Company pursuant to this Section 9(l) shall not exceed 100% of the aggregate Purchase Price actually paid by the Buyers.

(iv) The sole and exclusive remedies for any breach of any representation, warranty, covenant or agreement hereunder shall be the indemnification provided by this Section 9(l), and each Buyer expressly waives any other rights or remedies it may have; provided, however, that equitable relief, including the remedies of specific performance and injunction, shall be available with respect to any matter where money damages would not be sufficient to compensate a Buyer or to preserve the rights of a Buyer pending resolution of a dispute, and this Section 9(l) shall not relieve the Company from liability for willful misconduct, bad faith, fraud or willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

(l) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, shares of Common Stock and any other numbers in this Agreement that relate to the Common Stock shall be automatically adjusted for stock splits, stock dividends, stock combinations and other similar transactions that occur with respect to the Common Stock after the date of this Agreement.

[*signature pages follow*]

IN WITNESS WHEREOF, the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

Generation Income Properties, Inc.

By: /s/ David Sobelman
Name: David Sobelman
Title: President

Address and facsimile for notice:

_____
_____
_____

(with a copy to):

Foley & Lardner LLP
Attn: Curt P. Creely
100 N. Tampa Street, Suite 2700
Tampa, FL 33602

[BUYER SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Buyer: John Robert Sierra, Sr. Revocable Family Trust

Signature of Authorized Signatory of Buyer: /s/ John Robert Sierra, Sr

Name of Authorized Signatory: John Robert Sierra, Sr

Title of Authorized Signatory: Chairman and Chief Executive Officer

Email Address of Authorized Signatory:XXXXX

Facsimile Number of Authorized Signatory: XXX-XXX-XXXX

Address for Notice to Buyer:
509 Guisando de Avila
Suite 200
Tampa, FL 33613

Address for Delivery of Securities to Buyer (if not same as address for notice):
_____
_____
_____

Subscription Amount: $5.00 per Unit, with each Unit consisting of one share of Common Stock and one Warrant to purchase one share of Common Stock

Number of Units Purchased: 200,000

EIN Number: XXX-XX-XXXX

EXHIBIT A
(Form of Warrant)

Exhibit 4.3

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

COMMON STOCK PURCHASE WARRANT

GENERATION INCOME PROPERTIES, INC.

Warrant Shares: 200,000 Date: April 17, 2019

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, John Robert Sierra, Sr. Revocable Trust or its assigns (the "Holder") is entitled, upon the terms and subject to the conditions hereinafter set forth, at any time on or after the date of this Warrant as set forth above (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on the seventh (7^{th}) anniversary of the Initial Exercise Date unless earlier terminated as provided herein (the "Termination Date") but not thereafter, to subscribe for and purchase from Generation Income Properties, Inc., a Maryland corporation (the "Company"), up to 200,000 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Sale" means (i) a sale or transfer of 50% or more of the equity securities of the Company to transferees that are not Affiliates of the respective transferors, (ii) the sale or disposition of all or substantially all of the Company's assets, (iii) any merger, consolidation, or other business combination of the Company with an entity

that is not an Affiliate of the Company, or (iv) any other transaction or reorganization that the Board of Directors of the Company believes in good faith is in the nature of a transaction described in the foregoing clauses of this paragraph.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fair Market Value" means (i) If the Common Stock is publicly traded, the per share fair market value of the Common Stock shall be the average of the closing prices of the Common Stock as quoted on the Over-the-Counter Bulletin Board, or the principal exchange on which the Common Stock is listed, in each case for the five (5) Trading Days immediately preceding the date of determination of fair market value; or (ii) if the Common Stock is not so publicly traded, the per share fair market value of the Common Stock shall be such fair market value as is determined in good faith by the Board of Directors of the Company after taking into consideration factors it deems appropriate, including, without limitation, recent sale and offer prices of the capital stock of the Company in private transactions negotiated at arm's length.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Trading Day" means a day on which the Nasdaq Capital Market is open for trading or if the Common Stock is listed and traded on a Trading Market that is not the Nasdaq Capital Market, a day on which the Trading Market that the Common Stock is actually is listed is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing.

"Transfer Agent" means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer of immediately available funds or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is available for use and specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares

purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be $5.00 per share, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If, following the date that is six months following the Initial Exercise Date hereof, there is no effective registration statement registering or Regulation A offering memorandum, or the prospectus contained therein is not available, for the resale of the Warrant Shares by a Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

A = the Fair Market Value of one share of Common Stock determined on the date the Notice of Exercise is both executed and delivered pursuant to Section 2(a);

B = the Exercise Price of this Warrant, as adjusted hereunder; and

X = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard

Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

v. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to

receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Fundamental Transaction. If, at any time while this Warrant is outstanding (except in connection with a Sale Notice, as described below), (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents

with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(iii), this Section 3(b) shall not apply to such proposed Company Sale.

c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

d) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

iii. Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant Agreement, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale (a "Sale Notice"). If provided, the Sale Notice will include the latest draft of the proposed definitive purchase agreement or merger agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than

fifteen (15) Business Days prior to the anticipated closing date of the Company Sale. In the event that the Company does not receive a Notice of Exercise within fifteen (15) Business Days after delivering the Sale Notice, then this Warrant will automatically terminate and be of no further force and effect as of the closing date of the Company Sale. For avoidance of doubt, Section 3(b) shall not apply in the event of Sale Notice with respect to a Company Sale that would otherwise be considered a Fundamental Transaction.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Notwithstanding anything to the contrary contained herein, this Warrant and the Warrant Shares shall not be sold or transferred unless either (i) they first shall have been registered under the Securities Act, or (ii) such sale or transfer shall be exempt from the registration requirements of the Securities Act and the Company shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Securities Act. Notwithstanding the foregoing, no registration or opinion of counsel shall be required for (i) a transfer by a Holder which is an entity to a wholly owned subsidiary of such entity, a transfer by a Holder which is a partnership to a partner of such partnership or a retired partner of such partnership or to the estate of any such partner or retired partner, or a transfer by a Holder which is a limited liability company to a member of such limited liability company or a retired member or to the estate of any such member or retired member, provided that the transferee in each case agrees in writing to be subject to the terms of this Section 4, or (ii) a transfer made in accordance with Rule 144 under the Securities Act. Any certificate that may be issued representing Warrant Shares shall bear a restrictive legend regarding no registration under the Securities Act.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting the rights of a Holder to receive Warrant Shares on a "cashless exercise," and to receive the cash payments contemplated pursuant to Sections 2(d)(i) and 2(d)(iv), in no event will the Company be required to net cash settle a Warrant exercise.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of

this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York,

Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. Notwithstanding the foregoing, nothing in this paragraph shall limit or restrict the federal district court in which a Holder may bring a claim under the federal securities laws.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 401 East Jackson Street, Suite 3300, Tampa, FL 33602, Attention: David Sobleman, email address: ds@gipreit.com, or such other email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Event Report on Form 1-U or a similar method.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any

Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

GENERATION INCOME PROPERTIES, INC.

By: /s/ David Sobleman
Name: David Sobelman
Title: President

NOTICE OF EXERCISE

TO: GENERATION INCOME PROPERTIES, INC.

(1) The undersigned hereby elects to purchase 200,000 Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

John Robert Sierra, Sr. Revocable Family Trust

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the "Securities Act"); and

(b) (i) the undersigned is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned's financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: John Robert Sierra, Sr. Revocable Family Trust
Signature of Authorized Signatory of Investing Entity: /s/ John Robert Sierra, Sr.
Name of Authorized Signatory: John Robert Sierra, Sr
Title of Authorized Signatory: Chairman and Chief Executive Officer
Date: April 17, 2019

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

The undersigned hereby agrees that it will not sell, assign or transfer the right, title and interest in and to the Warrant unless applicable federal and state securities laws have been complied with.

Dated: _____
_____ __, _____

Holder's Signature: _____

Holder's Address: _____

Exhibit 6.3

S. DALE MABRY HIGHWAY & NEPTUNE STREET

TAMPA, FLORIDA

(STARBUCKS)

PURCHASE AND SALE AGREEMENT

BETWEEN

J SQUARE DALE MABRY, LLC

AND

GENERATION INCOME PROPERTIES, L.P.

June_, 2017

SCHEDULE OF EXHIBITS

Exhibit "A"	Description of Land
Exhibit "B"	List of Personal Property
Exhibit "C"	List of Existing Commission Agreements
Exhibit "D"	List of Existing Title Exceptions

SCHEDULE OF AGREED-UPON FORM CLOSING DOCUMENTS

Schedule 1	Form of Special Warranty Deed
Schedule 2	Form of Assignment and Assumption of Leases and Security Deposits
Schedule 3	Form of Bill of Sale to Personal Property
Schedule 4	Form of General Assignment of Seller's Interest in Intangible Property
Schedule 5	Form of Seller's Affidavit (for Purchaser's Title Insurance Purposes)
Schedule 6	Form of Seller's Certificate (as to Seller's Representations and Warranties)
Schedule 7	Form of Seller's FIRPTA Affidavit
Schedule 8	Form of Purchaser's Certificate (as to Purchaser's Representations and Warranties)

PURCHASE AND SALE AGREEMENT

S. DALE MABRY HIGHWAY & NEPTUNE STREET, TAMPA FLORIDA (STARBUCKS)

THIS PURCHASE AND SALE AGREEMENT (the **"Agreement"),** made and entered into this ____ day of June, 2017, by and between J SQUARE DALE MABRY, LLC, a Florida limited liability company **("Seller"),** and GENERATION INCOME PROPERTIES L.P., a Delaware limited partnership **("Purchaser").**

W-I-T-N-E-S-S-E-T-H-:

WHEREAS, Seller desires to sell certain real property on which Seller is obligated to develop a "Starbucks" (as more particularly described herein) located in Hillsborough County, Florida, together with certain related personal and intangible property, and Purchaser desires to purchase such real, personal and intangible property; and

WHEREAS, the parties hereto desire to provide for said sale and purchase on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE I.
DEFINITIONS

For purposes of this Agreement, each of the following capitalized terms shall have the meaning ascribed to such terms as set forth below:

"Additional Earnest Money" shall mean the sum of Ninety Thousand and No/100 Dollars ($90,000.00 U.S.).

"Affiliate" shall mean a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Person in question.

"As-Built Survey" shall have the meaning ascribed thereto m Section 4.2(f) of this Agreement.

"Assignment and Assumption of Leases" shall mean the form of assignment and assumption of Lease and Security Deposit to be executed and delivered by Seller and Purchaser at the Closing in the form attached hereto as **SCHEDULE 2.**

"Bill of Sale" shall mean the form of bill of sale to the Personal Property to be executed and delivered by Seller to Purchaser at the Closing in the form attached hereto as **SCHEDULE 3.**

"Broker" shall have the meaning ascribed thereto in Section I 0.1of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banking institutions in the State of Florida are authorized by law or executive action to close.

"Closing" shall mean the consummation of the purchase and sale of the Property pursuant to the terms of this Agreement.

"Closing Date" shall have the meaning ascribed thereto in Section 2.5 of this Agreement. Lease.

"Commencement Date" shall have the meaning ascribed thereto in Section 2.2 of the

"Commission Agreements" shall have the meaning ascribed thereto in Section 4.1(g) of this Agreement, and such agreements are more particularly described on **EXHIBIT "C"** attached hereto and made a part hereof.

"Deed" shall mean the form of deed attached hereto as **SCHEDULE 1.**

"Earnest Money" shall mean the Initial Earnest Money, together with any Additional Earnest Money and any Second Additional Earnest Money actually paid by Purchaser (or which Purchaser is obligated to pay) to Escrow Agent hereunder, and together with all interest which accrues thereon as provided in Section 2.3(c) hereof.

"Effective Date" shall mean the last date upon which Purchaser and Seller shall have executed this Agreement and shall have delivered at least one (1) fully executed counterpart of this Agreement to the other party.

"Environmental Law" shall mean any law, ordinance, rule, regulation, order, judgment, injunction or decree relating to pollution or substances or materials which are considered to be hazardous or toxic, including, without limitation, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Emergency Planning and Community Right to Know Act, any state and local environmental law, all amendments and supplements to any of the foregoing and all regulations and publications promulgated or issued pursuant thereto.

"Environmental Reports" shall mean the Phase I Environmental Site Assessment, Project No. APEN-16-0012, dated May 2, 2016, prepared by Andreyev Engineering, Inc.; Phase II Environmental Site Assessment, Project No. APEN-16-0066, dated May 19, 2016, prepared by Andreyev Engineering, Inc.; Pre-Demolition Asbestos Assessment Report, Project # 1701004, dated January 11, 2017, prepared by Monitoring and Analysis Technologies, Inc.; Addendum to Demolition Asbestos Assessment Report, Project# 1701004, dated March 7, 2017, prepared by Monitoring and Analysis Technologies, Inc.

"Escrow Agent" shall mean Johnson, Pope, Bokor, Ruppel and Bums, LLP at its office at 333 Third Avenue North, Suite 200, St. Petersburg, Florida 33701.

"FIRPTA Affidavit" shall mean the form of FIRPTA Affidavit to be executed and delivered by Seller to Purchaser at Closing in the form attached hereto as **SCHEDULE 7.**

"General Assignment" shall have the meaning ascribed thereto in Section 5. I(g) of this Agreement.

"Hazardous Substances" shall mean any and all pollutants, contaminants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized under any Environmental Law (including, without limitation, lead paint, asbestos, urea formaldehyde foam insulation, petroleum, polychlorinated biphenyls, mold and fungus).

"Improvements" shall mean all buildings, structures, improvements, drainage facilities, parking, drive-through facilities and any other items constituting "Landlord's Work" (as such term in defined in the Lease) that Seller, as landlord under the Lease, is obligated to construct and install on the Land pursuant to the terms and conditions of the Lease.

"Initial Earnest Money" shall mean the sum of Ten Thousand and No/100 Dollars ($10,000.00 U.S.).

"Inspection Period" shall mean the period expiring at 6:00 P.M. Eastern Standard Time on the date which is thirty (30) days after the Seller's Disclosure Materials Delivery Date.

"Intangible Property" shall mean all intangible property, if any, owned by Seller and related to the Land and Improvements, including without limitation, Seller's rights and interests, if any, in and to the following: (i) all assignable plans and specifications and other architectural and engineering drawings for the Land and Improvements; (iii) all assignable warranties or guaranties given or made in respect of the Improvements or Personal Property; and (iv) all transferable consents, authorizations, variances or waivers, development rights, concurrency reservations, impact fee credits, licenses, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality solely in respect of the Land or Improvements.

"Land" shall mean that certain parcel of real property located in the City of Tampa, Hillsborough County, Florida, which are more particularly described on **EXHIBIT "A"** attached hereto and made a part hereof, together with all rights, privileges and easements appurtenant to said real property, and all right, title and interest of Seller, if any, in and to any land lying in the bed of any street, road, alley or right-of-way, open or closed, adjacent to or abutting the Land.

"Lease" shall mean that certain Commercial Lease entered by and betweenJ Square Realty and Development Corp., a Florida corporation, as landlord, and Starbucks Corporation, a Washington corporation, as tenant, as amended by that certain First Amendment to Commercial Lease, dated December 23, 2016, and as assigned by J Square Realty and Development Corp. to Seller effective December 28, 2016 by that certain Assignment of Lease recorded in O.R. Book 24666, Page 1837 of the Public Records of Hillsborough County, Florida on January 13, 2017.

"Parking License" shall mean that certain Parking License Agreement entered into by and betweenJ Square Realty and Development Corp. and Neptune Office Place, LLC, dated December 13, 2016, and assigned to Seller by that certain Assignment of Parking License recorded in O.R. Book 24666, Page 1868 of the Public Records of Hillsborough County, Florida on January 13, 2017, with respect to the parking of vehicles of Tenant's employees on land adjacent to the Property.

"Monetary Objection " or "Monetary Objections" shall mean (a) any mortgage or similar security instrument encumbering all or any part of the Property, (b) any mechanic's, materialman's or similar lien, (c) the lien of ad valorem real or personal property taxes, assessments and governmental charges affecting all or any portion of the Property which are delinquent, and (d) any judgment of record against Seller in the county or other applicable jurisdiction in which the Property is located.

"Permitted Exceptions" shall mean, collectively, (a) liens for taxes, assessments and governmental charges not yet due and payable or due and payable but not yet delinquent, (b) the Lease, and (c) such other easements, restrictions and encumbrances that are approved by Purchaser pursuant to Section 3.4 of this Agreement.

"Person" shall means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or government (whether federal, state, county, city or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Personal Property" shall mean all furniture (including common area furnishings and interior landscaping items), carpeting, draperies, appliances, personal property (excluding any computer software which is licensed to Seller), machinery, apparatus and equipment owned by Seller and currently used exclusively in the operation, repair and maintenance of the Land and Improvements and situated thereon, as generally described on **EXHIBIT "B"** attached hereto and made a part hereof, and all non-confidential books, records and files (excluding any attorney work product or attorney-client privileged documents) relating to the Land and Improvements. The Personal Property does *not* include any property owned by tenants, contractors or licensees.

"Property" shall have the meaning ascribed thereto in Section 2.1 of this Agreement. "Purchase Price" shall be the applicable amount specified in Section 2.4 of this Agreement.

"Purchaser's Certificate" shall have the meaning ascribed thereto in Section 5.2(c) of this Agreement.

"Rent Commencement Date" shall have the meaning ascribed thereto in Section 3.1 of the Lease.

"Right of First Offer" shall mean that certain right of first offer granted to Tenant pursuant to Section 26 of the Lease.

"Second Additional Earnest Money" shall mean the sum of One Hundred Thousand and No/100 Dollars ($100,000.00 U.S.).

"Security Deposit" shall mean any security deposits, rent or damage deposits or similar amounts (other than rent paid for the month in which the Closing occurs) actually held by Seller with respect to the Lease.

"Seller's Affidavit" shall mean the form of owner's affidavit to be given by Seller at Closing to the Title Company in the form attached hereto as **SCHEDULE 5.**

"Seller's Certificate" shall mean the form of certificate to be executed and delivered by Seller to Purchaser at the Closing with respect to the truth and accuracy of Seller's warranties and representations contained in this Agreement in the form attached hereto as **SCHEDULE 6.**

"Seller's Disclosure Materials Delivery Date" shall have the meaning ascribed thereto in Section 3.2(a) of this Agreement.

"Survey" shall have the meaning ascribed thereto in Section 3.4(e) of this Agreement.

"Taxes" shall have the meaning ascribed thereto in Section 5.4(a) of this Agreement.

"Tenant" shall mean Starbucks Corporation, a Washington corporation.

"Tenant Estoppel Certificate" shall mean the certificate to be obtained from the Tenant under the Lease in the form required by Purchaser and its lender. A Tenant Estoppel Certificate in the form required under the Lease shall be deemed acceptable, provided the facts certified in such estoppel are reasonably satisfactory to Purchaser.

"Tenant Inducement Costs" shall mean any out-of-pocket payments required under the Lease to be paid by Seller or for the benefit of the Tenant which is in the nature of a tenant inducement, including specifically, but without limitation, tenant improvement costs, lease buyout payments, and moving, design, refurbishment allowances and costs. The term "Tenant Inducement Costs" shall *not* include loss of income resulting from any free rental period, it being understood and agreed that Seller shall bear the loss resulting from any free rental period until the Closing Date and that Purchaser shall bear such loss from and after the Closing Date.

"Tenant Notice of Sale" shall have the meaning ascribed thereto in Section 5.1(n) of this Agreement.

"Title Company" shall mean Fidelity National Title Insurance Company or other national title insurance company acceptable to Purchaser.

"Title Commitment" shall have the meaning ascribed thereto m Section 3.4 of this Agreement.

ARTICLE 2.
PURCHASE AND SALE

2.1 **Agreement to Sell and Purchase.** Subject to and in accordance with the terms and provisions of this Agreement, Seller agrees to sell and Purchaser agrees to purchase, the following property (collectively, the "Property"):

(a) the Land;

(b) the Improvements;

(c) all of Seller's right, title and interest in and to the Lease, any guaranties of the Lease and the Security Deposits;

(d) the Personal Property;

(e) the Intangible Property; and

(f) all of Seller's right, title and interest in and to the Parking License.

2.2 **Permitted Exceptions.** The Property shall be conveyed subject to the Permitted Exceptions.

2.3 **Earnest Money.**

(a) Within the two (2) business days of the Effective Date, Purchaser shall deposit the Initial Earnest Money to Escrow Agent by federal wire transfer payable to Escrow Agent, which Initial Earnest Money shall be held and released by Escrow Agent in accordance with the terms of this Agreement.

(b) Within two (2) business days after the last day of the Inspection Period, Purchaser shall deposit the Additional Earnest Money with Escrow Agent.

(c) Within two (2) business days after the Commencement Date, Purchaser shall deposit the Second Additional Earnest Money with Escrow Agent.

(d) The Earnest Money shall be applied to the Purchase Price at the Closing and shall otherwise be held, refunded, or disbursed in accordance with the terms of this Agreement. All interest and other income from time to time earned on the Initial Earnest Money, the Additional Earnest Money and the Second Additional Earnest Money shall be earned for the account of Purchaser, and shall be a part of the Earnest Money; and the **"Earnest Money"** hereunder shall be comprised of the Initial Earnest Money, the Additional Earnest Money, the Second Additional Earnest Money and all such interest and other income.

2.4 **Purchase Price.** Subject to adjustment and credits as otherwise specified in this Section 2.4 and elsewhere in this Agreement, the purchase price (the "Purchase Price") to be paid by Purchaser to Seller for the Property shall be either: (i) Three Million Four Hundred Seventy-Five Thousand and no/100 Dollars ($3,475,000.00 U.S.), if the Conditions Precedent set forth in Sections 6.l(a) and (b) are satisfied before May 15, 2018 and the remaining Conditions Precedent are fully satisfied or waived by the Closing Date, or (ii) Three Million Three Hundred Eighteen Thousand and no/I 00 Dollars ($3,3 I 8,000.00 U.S.), if the Conditions Precedent set forth in Section 6.1(a) and (b) are satisfied after May 15, 2018. The applicable Purchase Price shall be paid by Purchaser to Seller at the Closing as follows:

(a) The Earnest Money shall be paid by Escrow Agent to Seller at Closing; and

(b) An amount equal to the applicable Purchase Price shall be paid by Purchaser to Seller at the Closing by wire transfer of immediately available federal funds to an account designated by Seller, less the amount of the Earnest Money paid by Escrow Agent to Seller at Closing, and subject to prorations, adjustments and credits as otherwise specified in this Agreement.

2.5 Closing. The consummation of the sale by Seller and purchase by Purchaser of the Property (the **"Closing")** shall be conducted by depositing the closing deliveries set forth in Article 5 hereof with the Escrow Agent on or before the date which is (i) thirty-five (35) days after the date that each of the Conditions Precedent set forth in Section 6.1(a) and (b) below have been fully satisfied and completed, and (ii) the remaining Conditions Precedent set forth in Section 6.1 below are fully satisfied and completed, subject to extensions as specifically provided herein (the **"Closing Date").**

ARTICLE 3.
Purchaser's Inspection and Review Rights

3.1 Due Diligence Inspections.

(a) From and after the Effective Date until the Closing Date or earlier termination of this Agreement, Seller shall permit Purchaser and its authorized representatives, upon at least twenty-four (24) hours prior written notice to Seller (at least ninety-six (96) hours prior written notice to Seller after the Commencement Date), to inspect the Property to perform due diligence, soil analysis and environmental investigations, at such times during normal business hours as Purchaser or its representatives may request. All such inspections shall be performed in such a manner to minimize any interference with Seller's development of the Improvements and, in each case, in compliance with Seller's rights and obligations as landlord under the Lease. Further, Purchaser shall use commercially reasonable efforts to not (i) affect, interrupt or interfere with Tenant's construction of improvements at the Property or its use, business or operations on the Property or (ii) obstruct visibility of or access to the Property. All inspection fees, appraisal fees, engineering fees and all other costs and expenses of any kind incurred by Purchaser relating to the inspection of the Property shall be solely Purchaser's expense. Seller or its representatives shall have the right to accompany Purchaser and Purchaser representatives in connection with any inspections and other activities on the Property.

In the event Purchaser desires to conduct a Phase 11 environmental site assessment or any other form of invasive testing at the Property, Purchaser shall (i) conduct such assessment before Tenant opens for business, (ii) attempt to conduct such assessment in landscaped or non-paved areas of the Property to the greatest extent possible, and (iii) not conduct such assessment from within inside the building to be constructed on the Land.

(b) To the extent that Purchaser or any of its representatives, agents, consultants or contractors damages or disturbs the Property or any portion thereof, Purchaser shall return the same to substantially the same condition which existed immediately prior to such damage or disturbance. Purchaser hereby agrees to and shall indemnify, defend and hold harmless Seller from and against any and all expense, loss or damage which Seller may incur (including, without limitation, reasonable attorney's fees actually incurred) as a result of any act or omission of Purchaser or its representatives, agents or contractors, other than any expense, loss or damage to the extent arising from any act or omission of Seller and other than any expense, loss or damage resulting from the discovery or release of any Hazardous Substances at the Property (other than Hazardous Substances brought on to the Property by Purchaser or its representatives, agents or contractors).

(c) Purchaser shall keep the results of all inspections conducted pursuant to this Agreement confidential and shall not disclose such results except (i) to such of Purchaser's employees, consultants, attorneys, affiliates and advisors who have a need to know the information in connection with the contemplated transaction and who have agreed, in writing, to be bound by the terms of this confidentiality provision, (ii) to the permitted assignee of Purchaser and to such of its members, managers or general partners and their employees, consultants, attorneys, affiliates and advisors who have a need to know the information in connection with the contemplated transaction and who have agreed, in writing, to be bound by the terms of this confidentiality provision, (iii) to any lender or investor or any prospective lender or investor of Purchaser or any permitted assignee and who have agreed, in writing, to be bound by the terms of this confidentiality provision, (iv) to the extent the same shall be or have otherwise become publicly available other than as a result of a disclosure by Purchaser, its permitted assignee or affiliates, (v) to the extent required to be disclosed by law or during the course of or in connection with any litigation, hearing or other legal proceeding, or (vi) with the written consent of Seller, as the case may be; it being expressly acknowledged and agreed by Purchaser that the foregoing confidentiality agreements shall survive the termination of this Agreement.

(d) Purchaser shall not permit any construction, mechanic's, materialman's or other lien to be filed against any of the Property as the result of any work, labor, service or materials performed or furnished, by, for or to Purchaser, its employees, agents and/or contractors. If any such lien shall at any time be filed against the Property, Purchaser shall, without expense to Seller, cause the same to be discharged of record by payment, bonds, order of a court of competent jurisdiction or otherwise, within thirty (30) days of the filing thereof. Purchaser shall indemnify, defend and hold harmless Seller against any and all claims, losses, damages, costs and expenses (including, but not limited to, attorneys' fees and costs), arising out of the filing of any such liens and/or the failure of Purchaser to cause the discharge thereof as same is provided herein.

(e) Purchaser shall procure (or shall cause its agents or representatives entering the Property to procure) and continue in force and effect from and after the date Purchaser first desires to enter the Property, and continuing throughout the term of this Agreement, the following insurance coverages placed with a responsible insurance company licensed to do business in the State of Florida having an A.M. Best's rating of "A-IX" or better: comprehensive general liability insurance with a combined single limit of not less than $1,000,000.00 per occurrence or commercial general liability insurance with limits of not less than $1,000,000.00 per occurrence and in the aggregate. To the extent such $1,000,000.00 limit of liability is shared with multiple properties, a per location aggregate shall be included. Seller and/or its designees shall be included as additional insureds under such comprehensive general liability or commercial general liability coverage. Purchaser shall deliver to Seller a certificate of such insurance evidencing such coverage prior to the date Purchaser is permitted to enter the Property. Such insurance may not be cancelled or amended except upon thirty (30) days' prior written notice to Seller. The minimum levels of insurance coverage to be maintained by Purchaser hereunder shall not limit Purchaser's liability under this Section 3.1.

(f) Purchaser hereby expressly acknowledges and agrees that Purchaser has or will have, prior to the Closing Date, thoroughly inspected and examined the Property. Purchaser hereby further acknowledges and agrees that Purchaser is relying solely upon its own inspections and the representations of the Seller expressly contained herein and that Purchaser is otherwise purchasing the Property on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis, without representations, warranties or covenants, express or implied, of any kind or nature except as agreed to herein, including, but not limited to, the zoning of the Property, the tax consequences to Purchaser, the physical condition of the Property, environmental compliance, governmental approvals and compliance of the Property with any and all applicable rules, regulations, ordinances and statutes. The express intention of Purchaser and Seller is that Purchaser shall purchase the Property from Seller without any representations, warranties or covenants, express or implied, from or of Seller except as agreed to herein. Purchaser hereby waives and relinquishes all rights and privileges arising out of, or with respect to or in relation to, any representations, warranties or covenants, whether express or implied, which may have been made or given, or which may be deemed to have been made or given by Seller, except as agreed to herein. Except as agreed to herein, without limiting the generality of the foregoing, Purchaser hereby further acknowledges and agrees that warranties of merchantability and fitness for a particular purpose are excluded from the transactions contemplated hereby, as are any warranties arising from a course of dealing or usage or trade, and that Seller has not represented or warranted, and Seller does not hereby represent or warrant, that the Property now or in the future will meet or comply with the requirements of any health, environmental or safety code or regulation of the United States of America, the state where the Property is located, or any other authority or jurisdiction.

3.2 Seller's Deliveries to Purchaser; Purchaser's Access to Seller's Property Records.

(a) Within five (5) days of the Effective Date, Seller shall deliver to Purchaser or make available to Purchaser the following (collectively, the **"Seller's Disclosure Materials")** to the extent in Seller's possession:

(i) Copies of the Lease and all guarantees and letter agreements relating thereto existing as of the Effective Date.

(ii) Copies of the Parking License, including all amendments and letter agreements relating thereto existing as of the Effective Date.

(iii) Copies of any Commission Agreements.

(iv) A copy of Seller's (or its affiliate's) current policy of title insurance with respect to the Land with copies of all matters listed as title exceptions in such policy.

(v) A copy of any surveys of the Property.

(vi) Copy of current insurance coverage and insurance bill with respect to the Property.

(vii) Copies of any existing environmental reports or other materials related to investigations, studies or correspondence with governmental agencies concerning the presence or absence of Hazardous Substances on, in or under the Property, including the Environmental Reports.

(viii) Copies of any permits, licenses, or other similar documents in Seller's possess10n relating to the development of the Improvements.

(ix) Copies of all available construction plans and specifications in Seller's possess10n relating to the development of the Improvements.

(x) Copies of any written notices received by Seller from any third party or governmental authority.

Seller shall notify Purchaser in writing upon the completion of its delivery of the Seller's Disclosure Material to Purchaser (the receipt of such written notice by Purchaser shall constitute the **"Seller's Disclosure Materials Delivery Date").** Thereafter, Seller shall have a continuing duty, within five (5) days of Seller's receipt of any Seller's Disclosure Material, to make supplemental deliveries to Purchaser through the date of the final Closing of any addition or modification to the Seller's Disclosure Materials, that come into Seller's possession.

3.3 Termination of Agreement. Purchaser shall have until the expiration of the Inspection Period to determine, in Purchaser's sole opinion and discretion, the suitability of the Property for acquisition by Purchaser or Purchaser's permitted assignee. Purchaser shall have the right to terminate this Agreement at any time on or before said time and date of expiration of the Inspection Period by giving written notice to Seller of such election to terminate. If Purchaser so elects to terminate this Agreement pursuant to this Section 3.3, Purchaser shall immediately return to Seller any hard-copies of documents, plans, studies or other materials related to the Property that were provided by Seller to Purchaser, and upon Purchaser returning such materials to Seller, Escrow Agent shall pay the Initial Earnest Money to Purchaser, whereupon, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement. I f Purchaser fails to so terminate this Agreement prior to the expiration of the Inspection Period, Purchaser shall have no further right to terminate this Agreement pursuant to this Section 3.3.

3.4 **Title and Survey.** Within ten (10) days after the Effective Date, Seller shall obtain and deliver to Purchaser an ALTA Form 2006 Commitment **("Title Commitment")** for an owner's title insurance policy **("Title Policy")** issued by the Title Company in an amount no less than the Purchase Price, together with all exception documents referenced in Schedule B, Section of the Title Commitment. The Title Commitment shall evidence that Seller is vested with fee simple title to the Land, free and clear of all liens, encumbrances, exceptions or qualifications whatsoever save and except for (a) the Permitted Exceptions, (b) the existing title exceptions set forth on Exhibit "D," and (c) those exceptions to title which are to be discharged by Seller at or before Closing, including the Monetary Objections. The Title Commitment shall also evidence that upon the execution, delivery and recordation of the deed to be delivered at the Closing provided for hereunder and the satisfaction of all requirements specified in Schedule B, Section 1 of the Title Commitment, Purchaser shall acquire fee simple title to the Land, subject only to the Permitted Exceptions.

(a) If Purchaser determines that the Title Commitment does not meet the requirements specified above, or that title to the Land is unsatisfactory to Purchaser for reasons other than the existence of Permitted Exceptions or exceptions which are to be discharged by Seller at or before Closing, then Purchaser shall notify Seller of those liens, encumbrances, exceptions or qualifications to title which either are not Permitted Exceptions, are unsatisfactory to Purchaser or are not contemplated by this Agreement to be discharged by Seller at or before Closing, and any such liens, encumbrances, exceptions or qualifications shall be hereinafter referred to as **"Title Defects."** Purchaser's failure to deliver notification to Seller of the Title Defects within the Inspection Period shall be deemed to constitute acceptance of such matters. Seller shall notify Purchaser in writing no later than five (5) days after Seller's receipt of Purchaser's notice setting forth the existence of any Title Defects and indicate to Purchaser that Seller either (i) intends to cure the Title Defects within the applicable cure period, or (ii) intends not to cure some or all of such exceptions, identifying which of the Title Defects Seller intends to cure and/or not cure (Seller being under no obligation to cure Title Defects other than the Monetary Objections).

(b) Seller shall have thirty (30) days, or such longer period as Purchaser may grant in its sole and absolute discretion, following receipt of written notice of the existence of Title Defects in which to undertake a good faith, diligent and continuous commercially reasonable effort and, in fact, cure or eliminate the Title Defects which Seller has elected to cure to the satisfaction of Purchaser and the Title Company in such manner as to permit the Title Company to either endorse the Title Commitment or issue a replacement commitment to delete the Title Defects therefrom. Seller's failure to cure any such Title Defect shall not constitute a default by Seller as long as Seller undertakes a good faith, diligent and continuous commercially reasonable effort to cure or eliminate same.

(c) Within ten (10) days after the Commencement Date, Seller shall obtain and deliver to Purchaser an update to the Title Commitment. Any matters disclosed which were not exceptions in the Title Commitment shall automatically be deemed Title Defects which Seller shall be obligated to cure unless such matters were placed of record with Purchaser's joinder and consent, which consent shall not be unreasonably withheld, conditioned or delayed, or unless such matters otherwise relate solely to the development of the Property as a Starbucks store in compliance with the Lease, including, without limitation, utility easements, and Seller has provided Purchaser with written notice of such matters; provided, however, such instruments shall not create an economic liability on the owner of the Property or negatively affect the value of the Property, without Buyer's prior written consent, which consent shall not be unreasonably withheld, conditioned or denied. The cure of any such new Title Defects shall be effected within such time periods as were provided in connection with curing Title Defects under the initial Title Commitment. If Seller shall in fact cure or eliminate the new Title Defects, the Closing shall take place on the date specified in this Agreement. If Seller does not cure or eliminate the new Title Defects, Purchaser may elect to terminate this Agreement or proceed to Closing as provided in Section 3.4(d) below.

(d) If Seller is unable to cure or eliminate any Title Defects (including any new Title Defects revealed by the updated Title Commitment to be provided to Purchaser as set forth in Section 3.4(c) above) within the time allowed, Purchaser may elect to terminate this Agreement within ten (10) days following the expiration of the curative period by giving written notice of termination to Seller, or, alternatively, Purchaser may elect to close its purchase of the Property, accepting the conveyance of the Property subject to the Title Defects, in which event the Closing shall take place on the date specified in this Agreement, subject to any delays provided for above. If, by giving written notice to Seller within the time allowed, Purchaser elects to terminate this Agreement because of the existence of uncured Title Defects, the Earnest Money shall be returned to Purchaser and upon such return the obligations of the parties under this Agreement shall be terminated. The foregoing right of Purchaser to terminate this Agreement upon the failure to cure a Title Defect which Seller is obligated to cure shall not be deemed to limit the Purchaser's rights and remedies to which Purchaser might otherwise be entitled for the breach by Seller of any of its covenants, duties or obligations hereunder, or for the falsehood of any of the Seller's material representations; provided, however, Seller shall not be liable to Purchaser for damages unless Seller willfully and intentionally causes a new Title Defect to be placed upon the Property in contravention of this Agreement and fails to cure or eliminate such Title Defect.

(e) Purchaser may, at Purchaser's expense, within the Inspection Period, obtain a boundary survey of the Land **("Survey").** The Survey shall be prepared by a land surveyor duly licensed and registered as such in the State of Florida, shall be certified by such surveyor to Purchaser, Purchaser's counsel, Seller, Seller's counsel and the Title Company, shall set forth the legal description of the Land and shall otherwise be in a form satisfactory to the Title Company to eliminate the standard survey exceptions from the Title Policy to be issued at Closing. Purchaser shall notify Seller in writing within the period for Purchaser to notify Seller of any Title Defects specifying any matters shown on the Survey which adversely affect the title to the Land or constitute a zoning violation and the same shall thereupon the deemed to be Title Defects hereunder and Seller shall elect to cure or not cure the same as provided in Section 3.4(a) of this Agreement and if Seller elects to undertake the cure thereof it shall do so within the time and in the manner provided in Section 3.4(b) of this Agreement.

ARTICLE 4.
REPRESENTATIONS, WARRANTIES AND OTHER AGREEMENTS

4.1 Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Purchaser:

(a) Organization, Authorization and Consents. Seller is a duly organized and validly existing limited liability company under the laws of the State of Florida. Seller has the right, power and authority to enter into this Agreement and to convey the Property in accordance with the terms and conditions of this Agreement, to engage in the transactions contemplated in this Agreement and to perform and observe the terms and provisions hereof.

(b) Action of Seller, Etc. Seller has taken all necessary action to authorize the execution, delivery and performance of this Agreement by Seller, and upon the execution and delivery of any document to be delivered by Seller on or prior to the Closing, this Agreement and such document shall constitute the valid and binding obligation and agreement of Seller, enforceable against Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors.

(c) No Violations of Agreements. Neither the execution, delivery or performance of this Agreement by Seller, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under, or result in the creation of any lien, charge or encumbrance upon the Property or any portion thereof pursuant to the terms of any indenture, deed to secure debt, mortgage, deed of trust, note, evidence of indebtedness or any other material agreement or instrument by which Seller is bound.

(d) Litigation. No investigation, action or proceeding is pending or, to Seller's knowledge, threatened, which (i) if determined adversely to Seller, materially affects the use or value of the Property, or (ii) questions the validity of this Agreement or any action taken or to be taken pursuant hereto, or (iii) involves condemnation or eminent domain proceedings involving the Property or any portion thereof.

(e) Existing Leases. (i) Other than the Lease and the Parking License, Seller has not entered into any contract or agreement with respect to the occupancy or sale of the Property or any portion or portions thereof which will be binding on Purchaser after the Closing; (ii) the Lease has not been amended except as evidenced by amendments similarly delivered and constitute the entire agreement between Seller and the Tenant thereunder; and (iii) to Seller's knowledge, there are no existing defaults by Seller or Tenant under the Lease.

(t) Parking License. The Parking License has not been amended except as evidenced by amendments similarly delivered and constitutes the entire agreement between Seller and the landowner thereunder, and to Seller's knowledge, there are no existing defaults by Seller or the landowner under the Parking License.

(g) Leasing Commissions. (i) There are no lease brokerage agreements, leasing commission agreements or other agreements providing for payments of any amounts for leasing activities or procuring tenants with respect to the Property or any portion or portions thereof other than as disclosed in **EXHIBIT "C"** attached hereto (the **"Commission Agreements");** and that all leasing commissions, brokerage fees and management fees accrued or due and payable under the Commission Agreements, as of the date hereof and at the Closing have been or shall be paid in full; and Seller shall terminate the Commission Agreements as to the Property and the Lease and pay all sums that may be due thereunder at Closing at no cost to Purchaser. Seller acknowledges and agrees that in no event either prior to or after Closing shall Purchaser be responsible for any sums due under any Commission Agreement.

(h) Taxes and Assessments. Seller has not filed, and has not retained anyone to file, notices of protests against, or to commence action to review, real property tax assessments against the Property. The Land is assessed as a separate tax lot or tax parcel, independent of any other parcels or assets not being conveyed hereunder, and has been validly, finally and unappealably subdivided from all other property for conveyance purposes. Seller has no knowledge and Seller has not received notice of any assessments by a public body, whether municipal, county or state, imposed, contemplated or confirmed and ratified against any of the Property for public or private improvements which are now or hereafter payable.

(i) Environmental Matters. To Seller's knowledge, based solely on the Environmental Reports and except as otherwise disclosed in such Environmental Reports: (i) no Hazardous Substances have been discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape on, in, or under the Property; (ii) no asbestos or asbestos containing materials have been installed, used, incorporated into, or disposed of on the Property except in accordance with all laws, rules, regulations and ordinances pertaining to same; (iii) no PCB's have been located on or in the Property; (iv) no underground storage tanks are located on the Property or were located on the Property and were subsequently removed or filled; and (v) no tenant or other Person has notified Seller of the presence of any mold or fungus on the Property. Seller has received no written notification that any governmental or quasi-governmental authority has determined that there are any violations of any Environmental Law with respect to the Property, nor has Seller received any written notice from any governmental or quasi-governmental authority with respect to a violation or suspected violation of any Environmental Law on or at the Property. To Seller's knowledge, the Property has not previously been used as a landfill, a cemetery, or a dump for garbage or refuse by Seller or any of its Affiliates or by any other Person. No tenant has the right to generate, store or dispose of Hazardous Substances at the Property or use or transport Hazardous Substances on or from the Property except as otherwise provided in the Lease.

(j) Compliance with Laws. There are no violations of law, municipal or county ordinances, or other legal requirements with respect to the Property or any portion thereof.

(k) Easements and Other Agreements. Seller has no knowledge of any default in complying with the terms and provisions of any of the terms, covenants, conditions, restrictions or easements constituting a Permitted Exception.

(l) Other Agreements. Except for the Lease, the Commission Agreements, the License Agreement, the Permitted Exceptions and the existing title exceptions set forth in **Exhibit "D"** attached hereto and made a part hereof, there are no leases, management agreements, brokerage agreements, leasing agreements, licensing agreements, easement agreements, or other agreements or instruments in force or effect that (i) grant to any person or any entity any right, title, interest or benefit in and to all or any part of the Property or any rights relating to the use, operation, management, maintenance or repair of all or any part of the Property, or (ii) establish, in favor of the Property, any right, title, interest in any other real property relating to the use, operation, management, maintenance or repair of all or any part of the Property which, in either event, will survive the Closing or be binding upon Purchaser other than those which Purchaser has agreed in writing to assume prior to Closing.

(m) Condemnation. Seller has no knowledge of the commencement of any actual or threatened proceedings for taking by condemnation or eminent domain of any part of the Property.

(n) Zoning. By the time of Closing, the construction and proposed use of the Improvements and the Property will be in compliance with all zoning, subdivision and building codes and all other legal requirements, without reliance on any "non-conforming use" or other exception other than the existing PD zoning for the Property. Purchaser acknowledges that construction of improvements by Tenant is not within Seller's control and any breach of this representation with respect to Tenant's work and permitting related to Tenant's operations at the Property shall not constitute a Seller default.

(o) Insurance. Seller has not received any written notice from the respective insurance carriers which issued any of the insurance policies required to be obtained and maintained by Seller under the Lease or the License Agreement stating that any of the policies or any of the coverage provided thereby will not or may not be renewed. Except as provided in Section 5.4(g) below, Seller shall terminate all of such insurance policies as of Closing and Purchaser shall have no obligations for payments that may come due under any of Seller's insurance policies for periods of time either prior to or after Closing.

(p) Submission Items. All materials, information, records, and documentation delivered or to be delivered to Purchaser by Seller pursuant to this Agreement, including the Seller's Disclosure Materials, are or upon submission will be complete, accurate, true and correct in all material respects.

(q) Commitments to Governmental Authority. No commitments have been made to any governmental authority, developer, utility company, school board, church or other religious body or any property owners' association or to any other organization, group or individual relating to the Property which would impose an obligation upon Purchaser or its successors and assigns to make any contribution or dedications of money or land or to construct, install or maintain any improvements of a public or private nature on or off the Property. The provisions of this section shall not apply to any local real estate taxes assessed against the Property.

(r) Personal Property. All items of Personal Property, if any, are owned outright by Seller, free and clear of any security interest, lien or encumbrance.

(s) No Rights to Purchase. Except for this Agreement, Seller has not entered into, and has no actual knowledge of any other agreement, commitment, option, right of first refusal or any other agreement, whether oral or written, with respect to the purchase, assignment or transfer of all or any portion of the Property (other than the Right of First Offer).

The representations and warranties made in this Agreement by Seller shall be continuing and shall be deemed remade in all material respects by Seller as of the Closing Date, with the same force and effect as if made on, and as of, such date. All representations and warranties made in this Agreement by Seller shall survive the Closing for a period of one (I) year (the "Limitation Period"), and upon expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Purchaser gives Seller written notice prior to the expiration of said one (I) year period of such alleged breach with reasonable detail as to the nature of such breach. Notwithstanding anything to the contrary contained in this Agreement, there shall be no survival limitation with respect to acts involving fraud or intentional misrepresentation on behalf of Seller. If, subject to the terms, conditions and applicable limitations provided herein: (a) Purchaser makes a claim against Seller with regard to a representation or warranty which expressly survives Closing, and (b) Purchaser obtains a final and non-appealable judgment against Seller which remains unpaid for a period of thirty (30) days, then Seller agrees that Purchaser shall have the right to trace the Purchase Price to the extent necessary to satisfy such claim. Seller acknowledges and agrees that Purchaser has relied and has the right to rely upon the foregoing in connection with Purchaser's consummation of the transaction set forth in this Agreement.

Subject to the immediately preceding paragraph and the last paragraph of this Section 4.I, Seller hereby agrees to indemnify, protect, defend (through attorneys reasonably acceptable to Purchaser) and hold harmless Purchaser and its subsidiaries, affiliates, officers, directors, agents, employees, successors and assigns from and against any and all claims, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees actually incurred) (i) which may be asserted against or suffered by Purchaser or the Property after the Closing Date as a result or on account of any breach of any representation, warranty or covenant on the part of Seller made herein or in any instrument or document delivered by Seller pursuant hereto or (ii) which may at any time following the Closing Date be asserted against or suffered by Purchaser arising out of or resulting from any matter pertaining to the operation of the Property prior to the Closing Date (whether asserted or accruing before or after Closing).

For purposes of this Section 4.1, Seller's knowledge means the current, actual knowledge of Jay Miller without duty of inquiry or investigation and does not include knowledge imputed to Seller from any other person or entity. In no event shall said person have any personal liability hereunder. If prior to the Closing, Seller or Purchaser first obtains knowledge that any of the representations or warranties made herein by Seller are untrue, inaccurate or incorrect in any material respect, such party shall immediately give the other party written notice thereof within five (5) Business Days of obtaining such knowledge (but, in any event, prior to the Closing). In such event, Seller shall the obligation to use commercially reasonable efforts to attempt to cure such misrepresentation or breach and shall, at its option, be entitled to extend the Closing Date for a reasonable period of time (not to exceed 30 days) for the purpose of such cure. If Seller is unable to so cure any such misrepresentation or breach of warranty, Purchaser, as its sole remedy for any and all such materially untrue, inaccurate or incorrect representations or warranties, shall elect either (i) to waive such misrepresentations or breaches of representations and warranties and consummate the transaction contemplated hereby without any reduction of or credit against the Purchase Price and without any right to make a claim against Seller with respect thereto, or (ii) to terminate this Agreement in its entirety by written notice given to Seller and, thereafter, neither party shall have any further rights or obligations hereunder except as provided in any section hereof that by its terms expressly provides that it survives any termination of this Agreement. The Seller shall not be liable under this Section 4.1 or Section 8.2 for any Losses due to any inaccuracy in or breach of any of the representations or warranties contained in this Agreement if the Purchaser had knowledge of such inaccuracy or breach prior to the Closing and Purchaser elected to close the transaction notwithstanding such knowledge. Notwithstanding any of the foregoing terms conditions of this Section 4.1 to the contrary, the right of Purchaser to terminate this Agreement upon the failure of Seller to cure any misrepresentation or breach of warranty as provided herein shall not be deemed to limit the Purchaser's rights and remedies to which Purchaser might otherwise be entitled for an intentional or willful breach of Seller's material representations and warranties.

Furthermore, no claim for a breach of any representations and warranties set forth in this Section 4.1 shall be actionable or payable (a) unless the valid claims for all such breaches collectively aggregate Twenty-Five Thousand and No/100 Dollars ($10,000.00) or more ("Basket"), in which event the full amount of such valid claims shall be actionable up to, but not exceeding, the amount of the Cap (as defined below), and (b) unless written notice containing a description of the specific nature of such breach is given by Purchaser to Seller prior to the expiration of the Limitation Period and an action is commenced by Purchaser against Seller with respect to any such claims within ten (10) days after expiration of the Limitation Period. Seller shall not be liable to Purchaser to the extent Purchaser's claim (including costs of recovery [e.g., attorney's fees]) is actually recovered from any other party pursuant to any insurance policy, service contract, warranty or guaranty. As used herein, the term "Cap" shall mean the total aggregate amount of Three Hundred Thousand and *Noll* 00 Dollars ($300,000.00). In no event shall Seller's aggregate liability to Purchaser exceed the Cap, and Purchaser hereby waives and disclaims any right to damages or compensation in excess of the Cap. This paragraph shall survive Closing. Notwithstanding anything to the contrary contained in this Agreement, there shall be no Basket or Cap or other limitations on Purchaser's rights and remedies with respect to acts involving fraud or intentional misrepresentation on behalf of Seller.

4.2 Covenants and Agreements of Seller.

(a) Seller's Continued Performance under the Lease. Seller shall continue to perform in all material respects all of its obligations under the Lease consistent with the terms and conditions of the Lease, including development and construction of the Improvements. Seller shall keep Purchaser reasonably informed as to the status of Seller's development and construction of the Improvements.

(b) Leasing and Licensing Arrangements. During the pendency of this Agreement, Seller will not enter into any lease or license affecting the Property, or modify or amend in any material respect, or terminate, the Lease or Parking License without Purchaser's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any such requests by Seller shall be accompanied by a copy of any proposed modification or amendment of the Lease or Parking License or of any new lease or license that Seller wishes to execute between the Effective Date and the Closing Date. Purchaser acknowledges that Seller may, subject to foregoing terms and conditions of this Section 4.2(b), enter into a parking license similar to the Parking License with the owner of the Wright's Gourmet store to the north of the Property.

(c) New Contracts and Easements. During the pendency of this Agreement, Seller will not enter into any contract or easement, or modify, amend, renew or extend any existing contract or easement, that will be an obligation on or otherwise affecting the Property or any part thereof subsequent to the Closing without Purchaser's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed, except contracts entered into in the ordinary course of business that shall be terminated at Closing without penalty or premium to Purchaser or utility easements in connection with the development of the Property.

(d) Tenant Estoppel Certificates. Seller shall use commercially reasonable efforts to obtain and deliver to Purchaser prior to Closing an original written Tenant Estoppel Certificate signed by Tenant as provided for in Section 6.1(f).

(e) Waiver of Right of First Offer. Within one (1) day after the date Purchaser deposits the Initial Earnest Money with Escrow Agent, Seller shall provide Tenant with written notice of this Agreement consistent with the terms and conditions of Section 26 of the Lease (the **"ROFO Notice"),** and Seller shall provide a copy of same to Purchaser when made. Seller shall keep Purchaser reasonably informed as to the status of Tenant's response to the ROFO Notice. If Tenant (i) responds to the ROFO Notice by informing Seller that it does not elect to exercise the Right of First Offer as it pertains to this transaction, or (ii) fails to respond in writing to the ROFO Notice within the required time frame set forth in the Lease in order to exercise the Right of First Offer, then, as a condition precedent to Purchaser's obligation to close on the sale and purchase of the Property pursuant to this Agreement, Seller shall execute and deliver to Purchaser, on or before expiration of the inspection Period, an original, executed affidavit in form reasonably acceptable to the Title Company attesting to Seller's delivery of the ROFO Notice pursuant to the Lease and either Tenant's election not to exercise the Right of First Refusal or Tenant's failure to timely respond to same so as to allow the Title Company to issue the Title Policy without exception for the Right of First Refusal **("Seller's ROFR Affidavit").** In the event Seller is unable to obtain and deliver to Purchaser the Seller's ROFR Affidavit, or if Tenant has elected in writing to exercise its Right of First Offer, then Purchaser shall have the right to terminate this Agreement by providing written notice to Seller, in which case all Earnest Money deposited by Purchaser shall be immediately returned to Purchaser and the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement. In the event Tenant elects in writing to exercise its Right of First Offer and Purchaser does not elect to terminate this Agreement within ten (10) days after written notice of same by Seller to Purchaser, then Seller shall have the right to terminate this Agreement by providing written notice to Purchaser, in which case all Earnest Money deposited by Purchaser shall be immediately returned to Purchaser and the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, in the event the Closing does not occur within 365 days after the time period that Tenant has rejected or was deemed to have rejected its Right of First Offer as it pertains to this transaction, then Seller shall be obligated to send Tenant a new ROFO Notice, in which case the foregoing terms, conditions and rights set forth in this Section 4.2(e) shall apply to the new ROFO Notice.

(f) As-Built Survey. Within ten (10) days after the Commencement Date, Seller shall, at Seller's expense, obtain and deliver to Purchaser an as-built boundary survey of the Property depicting all of the Improvements on the Land **("As-Built Survey").** The Survey shall be prepared by a land surveyor duly licensed and registered as such in the State of Florida, shall be certified by such surveyor to Purchaser, Seller, Seller's counsel and the Title Company, shall set forth the legal description of the Land and shall otherwise be in a form satisfactory to the Title Company to eliminate the standard survey exceptions from the Title Policy to be issued at Closing. Purchaser shall have a period of ten (10) days after receipt of the As-Built Survey to notify Seller in writing of any new Title Defects that were not previously disclosed or set forth on the Survey (or on the survey provided by Seller to Purchaser pursuant to Section 3.2(a)(v) if Purchaser does not obtain the Survey pursuant to Section 3.(e)) and which adversely affect the title to the Land or constitute a zoning violation **("New Survey Objections").** Seller shall, within ten (10) days after Seller's receipt of Purchaser's notice of New Survey Objections, respond to Purchaser in writing that Seller either (i) agrees to cure such New Survey Objections at no cost or expense to Purchaser (collectively, the **"Survey Cure Actions"),** or (ii) does not agree to undertake the Survey Cure Actions. In the event Seller elects option (ii) above, Purchaser shall have then have the option to either (a) proceed with Closing notwithstanding the New Survey Objections and in such event the parties shall proceed with Closing, subject to the terms and conditions of this Agreement, or (b) terminate this Agreement whereupon Escrow Agent shall promptly refund to Purchaser the Earnest Money, and upon such termination the parties shall have no further obligations or liability hereunder except for those which expressly survive termination. Purchaser shall provide Seller with written notice of Purchaser's election, if any, within ten (10) days after Purchaser's receipt of Seller's written response, failing which it shall be deemed that Purchaser has elected option (b) above. In the event Seller elects option (i) above, Seller shall have thirty (30) days, or such longer period as Purchaser may grant in its sole and absolute discretion, following receipt of written notice of the existence of the New Survey Objections in which to undertake a good faith, diligent and continuous effort and, in fact, cure or eliminate the New Survey Objections. If Seller is unable to cure or eliminate any the New Survey Objections within the foregoing 30-day time period, Purchaser may elect to terminate this Agreement within ten (10) days following the expiration of the curative period by giving written notice of termination to Seller, or, alternatively, Purchaser may elect to close its purchase of the Property, accepting the conveyance of the Property subject to the New Survey Objections, in which event the Closing shall take place on the date specified in this Agreement. If, by giving written notice to Seller within the time allowed, Purchaser elects to terminate this Agreement because of the existence of uncured New Survey Objections, the Earnest Money shall be returned to Purchaser and upon such return the obligations of the parties under this Agreement shall be terminated, except those obligations that expressly survive the termination of this Agreement.

(g) New or Updated Environmental Report. Within thirty (30) days after the Commencement Date, Purchaser may obtain and deliver to Seller an updated or new Phase I and/or a Phase II environmental site assessment report for the Property (individually, **Purchaser's Environmental Report** and collectively, **"Purchaser's Environmental Reports").** In the event Purchaser's Environmental Reports reveals the presence of any Hazardous Substances affecting the Property that were not disclosed in any prior Phase I or Phase II environmental site assessment report obtained by Purchaser during the Inspection Period, if any, or in any environmental site assessment report delivered to Purchaser as part of Seller's Disclosure Materials, and such Hazardous Substances are at levels which exceed the state or federal standards applicable to the Property and require environmental remediation, then Seller shall, within ten (IO) days after Seller's receipt of Purchaser's Environmental Reports, respond to Purchaser in writing that Seller either (i) agrees to undertake such actions specified in Purchaser's Environmental Reports to remediate such conditions at no cost or expense to Purchaser (collectively, the **"Remediation Actions"),** or (ii) does not agree to undertake the Remediation Actions. In the event Seller elects option (ii) above, Purchaser shall have then have the option to either (a) proceed with Closing notwithstanding any required environmental condition and in such event the parties shall proceed with Closing, subject to the terms and conditions of this Agreement), or (b) terminate this Agreement whereupon Escrow Agent shall promptly refund to Purchaser the Earnest Money, and upon such termination the parties shall have no further obligations or liability hereunder except for those which expressly survive termination. Purchaser shall provide Seller with written notice of Purchaser's election, if any, within ten (IO) days after Purchaser's receipt of Seller's written response, failing which it shall be deemed that Purchaser has elected option (b) above. In the event Seller elects option (i) above, Seller shall have a period of thirty (30) days from the date of delivery of Seller's response to Purchaser's Environmental Reports (or such longer period of time as may be mutually agreed upon between Purchaser and Seller in writing) in which to perform the Remediation Actions. If Seller fully performs the Remediation Actions, as confirmed by Purchaser's environmental consultant, Purchaser shall proceed toward Closing (subject to any other termination rights of Purchaser specifically set forth herein) in accordance with the provisions set forth herein. In the event Seller elects option (i) above, but fails to fully perform the Remediation Actions, as confirmed by Purchaser's environmental consultant, then at Purchaser's option, Purchaser may terminate this Agreement, whereupon Escrow Agent shall promptly refund to Purchaser the Earnest Money, and upon such termination the parties shall have no further obligations or liability hereunder except for those which expressly survive termination.

(f) Notices. Seller shall, immediately upon Seller's obtaining knowledge thereof, provide Purchaser with a written notice of any event which has a material adverse effect on the Property.

(g) Notices of Violation. As soon as Seller has knowledge or immediately upon receipt of written notice thereof, Seller shall provide Purchaser with written notice of any violation of any legal requirements or insurance requirements affecting the Property, any service of process relating to the Property or which affects Seller's ability to perform its obligations under this Agreement, any complaints or allegations of default received from Tenant, the landowner under the Parking License or any other correspondence or notice received by Seller which has or has the potential to have a material adverse effect on the Property.

4.3 Representations and Warranties of Purchaser.

(a) Organization, Authorization and Consents. Purchaser is a duly organized and validly existing corporation under the laws of the State of Delaware. Purchaser has the right, power and authority to enter into this Agreement and to purchase the Property in accordance with the terms and conditions of this Agreement, to engage in the transactions contemplated in this Agreement and to perform and observe the terms and provisions hereof.

(b) Action of Purchaser, Etc. Purchaser has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and upon the execution and delivery of any document to be delivered by Purchaser on or prior to the Closing, this Agreement and such document shall constitute the valid and binding obligation and agreement of Purchaser, enforceable against Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors.

(c) No Violations of Agreements. Neither the execution, delivery or performance of this Agreement by Purchaser, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under the terms of any indenture, deed to secure debt, mortgage, deed of trust, note, evidence of indebtedness or any other agreement or instrument by which Purchaser is bound.

(d) Litigation. No investigation, action or proceeding is pending or, to Purchaser's knowledge, threatened, which questions the validity of this Agreement or any action taken or to be taken pursuant hereto.

The representations and warranties made in this Agreement by Purchaser shall be continuing and shall be deemed remade by Purchaser as of the Closing Date, with the same force and effect as if made on, and as of, such date. All representations and warranties made in this Agreement by Purchaser shall survive the Closing for a period of one (1) year, and upon expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Seller gives Purchaser written notice prior to the expiration of said one (1) year period of such alleged breach with reasonable detail as to the nature of such breach. Notwithstanding anything to the contrary contained in this Agreement, there shall be no survival limitation with respect to acts involving fraud or intentional misrepresentation on behalf of Purchaser.

Subject to the immediately preceding paragraph and the last paragraph of this Section 4.3, Purchaser hereby agrees to indemnify, protect, defend (through attorneys reasonably acceptable to Seller) hold harmless Seller and its subsidiaries, affiliates, officers, directors, agents, employees, successors and assigns from and against any and all claims, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees actually incurred) which may at any time (i) be asserted against or suffered by Seller after the Closing Date as a result or on account of any breach of any warranty, representation or covenant on the part of Purchaser made herein or in any instrument or document delivered pursuant hereto or (ii) following the Closing Date be asserted against or suffered by Seller arising out of or resulting from any matter pertaining to the operation or ownership of the Property by Purchaser from and after the Closing Date.

For purposes of this Section 4.3, Seller's knowledge means the current, actual knowledge of David Sobelman without duty of inquiry or investigation and does not include knowledge imputed to Purchaser from any other person or entity. In no event shall said person have any personal liability hereunder.

Furthermore, no claim for a breach of any representations and warranties set forth in this Section 4.3 shall be actionable or payable (a) unless the valid claims for all such breaches collectively aggregate the Basket, in which event the full amount of such valid claims shall be actionable up to, but not exceeding, the amount of the Cap, and (b) unless written notice containing a description of the specific nature of such breach is given by Seller to Purchaser prior to the expiration of the Limitation Period and an action is commenced by Purchaser against Seller with respect to any such claims within ten (10) days after expiration of the Limitation Period. Purchaser shall not be liable to Seller to the extent Seller's claim (including costs of recovery [e.g., attorney's fees]) is actually recovered from any other party pursuant to any insurance policy, service contract, warranty or guaranty. In no event shall Purchaser's aggregate liability to Seller exceed the Cap, and Seller hereby waives and disclaims any right to damages or compensation in excess of the Cap. This paragraph shall survive Closing. Notwithstanding anything to the contrary contained in this Agreement, there shall be no Basket or Cap or other limitations on Seller's rights and remedies with respect to acts involving fraud or intentional misrepresentation on behalf of Purchaser.

ARTICLE 5.
CLOSING DELIVERIES, CLOSING COSTS AND PRORATIONS

5.1 **Seller's Closing Deliveries.** For and in consideration of, and as a condition precedent to Purchaser's delivery to Seller of the Purchase Price, Seller shall obtain or execute and deliver to Purchaser or the Title Company (as applicable) at Closing the following documents, all of which shall be duly executed, acknowledged and notarized where required:

(a) Deed. A special warranty deed to the Land and Improvements, in the form attached hereto as **SCHEDULE 1** (the **"Deed"),** subject only to the Permitted Exceptions;

(b) Bill of Sale. A bill of sale for the Personal Property in the form attached hereto as **SCHEDULE 3** (the **"Bill of Sale"),** with warranty as to the title of the Personal Property;

(c) Assignment and Assumption of Leases and Security Deposits. An assignment and assumption of Lease and Security Deposits and, to the extent required elsewhere in this Agreement in the form attached hereto as **SCHEDULE 2** (the **"Assignment and Assumption of Lease");**

(d) Memorandum of Assignment of Lease. A memorandum of assignment of Lease in form acceptable to Seller and Purchaser (the **"Memorandum of Assignment of Lease");**

(e) General Assignment. An assignment of the Intangible Property in the form attached hereto as **SCHEDULE 5** (the **"General Assignment");**

(f) Seller's Affidavit. An owner's affidavit in the form attached hereto as **SCHEDULE 6 ("Seller's Affidavit");**

(g) Seller's Certificate. A certificate in the form attached hereto as **SCHEDULE 7 ("Seller's Certificate"),** evidencing the reaffirmation of the truth and accuracy in all material respects of Seller's representations, warranties, and agreements set forth in Section 4.1 hereof;

(h) FIRPTA Certificate A FIRPTA Certificate in the form attached hereto as **SCHEDULES;**

(i) Evidence of Authority Such documentation as may reasonably be required by Purchaser's title insurer to establish that this Agreement, the transactions contemplated herein, and the execution and delivery of the documents required hereunder, are duly authorized, executed and delivered;

(i) Settlement Statement A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement;

(k) Surveys and Plans. Such surveys, site plans, plans and specifications, and other matters relating to the Property as are in the possession of Seller to the extent not theretofore delivered to Purchaser;

(1) Acceptance of Delivery. A copy of the written notice of delivery and acceptance of the premises with Landlord's Work (as defined in the Lease) substantially complete executed by Tenant pursuant to the Lease;

(m) Lease. To the extent the same are in Seller's possession, original executed counterparts of the Lease;

(n) Notice of Sale to Tenant. Seller will join with Purchaser in executing a notice, in form and content reasonably satisfactory to Seller and Purchaser (the **"Tenant Notice of Sale"),** which Purchaser shall send to Tenant under the Lease informing such tenant of the sale of the Property and of the assignment to and assumption by Purchaser of Seller's interest in the Leases and the Security Deposits and directing that all rent and other sums payable for periods after the Closing under such Lease shall be paid as set forth in said notices;

(o) Keys. All of the keys to any door or lock on the Property in Seller's possession, if any; and

(p) Other Documents. Such other documents as shall be reasonably requested by Purchaser's counsel or the Title Company to effectuate the purposes and intent of this Agreement.

5.2 Purchaser's Closing Deliveries. Purchaser shall obtain or execute and deliver to Seller or the Title Company (as applicable) at Closing the following documents, all of which shall be duly executed, acknowledged and notarized where required:

(a) Assignment and Assumption of Lease. An Assignment and Assumption of Lease;

(b) Memorandum of Assignment of Lease. A Memorandum of Assignment of Lease;

(c) General Assignment. A General Assignment;

(d) Purchaser's Certificate. A certificate in the form attached hereto as **SCHEDULE 9 ("Purchaser's Certificate"),** evidencing the reaffirmation of the truth and accuracy in all material respects of Purchaser's representations, warranties and agreements contained in Section 4.3 of this Agreement;

(e) Notice of Sale to Tenant. The Tenant Notice of Sale, as contemplated in Section 5. l(n) hereof;

(f) Settlement Statement A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement;

(g) Other Documents. Such other documents as shall be reasonably requested by Seller's counsel or the Title Company to effectuate the purposes and intent of this Agreement.

5.3 Closing Costs. Seller shall pay the cost of the documentary stamps or transfer taxes imposed by the State of Florida or the county in which the Land is located upon the conveyance of the Property pursuant hereto, the cost of the Title Commitment and the Title Policy, including title examination fees related thereto and any updates to the Title Commitment, the As-Built Survey, the attorneys' fees of Seller, and all other costs and expenses incurred by Seller in closing and consummating the purchase and sale of the Property pursuant hereto. Purchaser shall pay the cost of the Survey, all recording fees on all instruments to be recorded in connection with this transaction, the cost of any endorsements to the Title Policy, the cost of any loan policy of title insurance and endorsements thereto with respect to any loan obtained by Purchaser, the attorneys' fees of Purchaser, and all other costs and expenses incurred by Purchaser in the performance of Purchaser's due diligence inspection of the Property and in closing and consummating the purchase and sale of the Property pursuant hereto.

5.4 Prorations and Credits. The items in this Section 5.4 shall be prorated between Seller and Purchaser or credited, as specified:

(a) Taxes. All general real estate taxes imposed by any governmental authority **("Taxes")** for the year in which the Closing occurs shall be prorated between Seller and Purchaser as of the Closing. If the Closing occurs prior to the receipt by Seller of the tax bill for the calendar year or other applicable tax period in which the Closing occurs, Taxes shall be prorated for such calendar year or other applicable tax period based upon the amount equal to the prior year's tax bill.

(b) Reproration of Taxes. After receipt of final Taxes and other bills, Purchaser shall prepare and present to Seller a calculation of the reproration of such Taxes and other items, based upon the actual amount of such items charged to or received by the parties for the year or other applicable fiscal period. The parties shall make the appropriate adjusting payment between them within thirty (30) days after presentment to Seller of Purchaser's calculation and appropriate back-up information. Purchaser shall provide Seller with appropriate backup materials related to the calculation, and Seller may inspect Purchaser's books and records related to the Property to confirm the calculation. The provisions of this Section 5.4(b) shall survive the Closing for a period of one (1) year after the Closing Date. Notwithstanding the foregoing, Purchaser shall be solely responsible for and shall assume any and all ad valorem taxes (and increases thereto), relating to a change in usage or ownership of the Property on or after the Closing Date (including any rollback taxes), whether by reason of this conveyance or otherwise, including, without limitation, any increase in Taxes due to a reassessment of the Property as a result of the conveyance of the Property to Purchaser pursuant to this Agreement.

Pursuant to the Lease, Tenant is obligated to reimburse the landlord thereunder for Taxes related to the period after the Rent Commencement Date. Upon receipt of such reimbursement, Purchaser shall promptly remit to Seller the portion of such reimbursement related to the period prior to the Closing Date. The provisions of this paragraph shall survive the Closing.

(c) Rents, Income and Other Expenses. Rents and any other amounts payable by Tenant under the Lease shall be prorated as of the Closing Date and be adjusted against the Purchase Price on the basis of a schedule which shall be prepared by Seller and delivered to Purchaser for Purchaser's review and approval prior to Closing. Purchaser shall receive at Closing a credit for Purchaser's pro rata share of the rents, additional rent, common area maintenance charges, tenant reimbursements and escalations, and all other payments payable for the month of Closing and for all other rents and other amounts that apply to periods from and after the Closing, but which are received by Seller prior to Closing. Purchaser agrees to pay to Seller, upon receipt, any rents or other payments by Tenants under the Lease that apply to periods prior to Closing but are received by Purchaser after Closing; provided, however, that any delinquent rents or other payments by Tenant shall be applied first to any current amounts owing by Tenant, then to delinquent rents in the order in which such rents are most recently past due, with the balance, if any, paid over to Seller to the extent of delinquencies existing at the time of Closing to which Seller is entitled; it being understood and agreed that Purchaser shall not be legally responsible to Seller for the collection of any rents or other charges payable with respect to the Lease or any portion thereof, which are delinquent or past due as of the Closing Date; but Purchaser agrees that Purchaser shall send monthly notices prepared by Seller for a period of three (3) consecutive months in an effort to collect any rents and charges not collected as of the Closing Date. Any reimbursements payable by Tenant under the terms of the Lease as of the Closing Date, which reimbursements pertain to such Tenant's pro rata share of increased operating expenses or common area maintenance costs incurred with respect to the Property at any time prior to the Closing, shall be prorated upon Purchaser's actual receipt of any such reimbursements, on the basis of the number of days of Seller and Purchaser's respective ownership of the Property during the period in respect of which such reimbursements are payable; and Purchaser agrees to pay to Seller Seller's pro rata portion of such reimbursements within thirty (30) days after Purchaser's receipt thereof. Conversely, if Tenant under any such Lease shall become entitled at any time after Closing to a refund of Tenant reimbursements actually paid by such Tenant prior to Closing, then, Seller shall, within thirty (30) days following Purchaser's demand therefor, pay to Purchaser any amount equal to Seller's pro rata share of such reimbursement refund obligations, said proration to be calculated on the same basis as hereinabove set forth. Seller hereby waives its right to file any administrative or legal action against Tenant under the Leases for sums due Seller for periods attributable to Seller's ownership of the Property, except that Seller shall be entitled to continue to pursue any legal proceedings commenced prior to Closing; but shall not be permitted to commence or pursue any legal proceedings against any Tenant seeking eviction of such Tenant or the termination of the Lease unless consented to by Purchaser in writing. Seller shall be responsible for collecting and remitting all sales and use taxes that are due or become due on rent payments under the Lease received by Seller prior to Closing. Purchaser shall be responsible for collecting and remitting all sales and use taxes that become due on rent payments under the Lease received by Purchaser after Closing. The provisions of this Section 5.4(c) shall survive the Closing.

(d) Security Deposits. Purchaser shall receive a credit at Closing for all Security Deposits (and any interest thereon required to be reimbursed to any tenant) pursuant to Leases or pursuant to applicable law. Seller agrees to and does hereby indemnify, defend and hold Purchaser harmless from and against any liability or expense incurred by Purchaser by reason of any Security Deposit (and interest thereon, if required by law) actually collected by Seller and not actually paid (or credited) to Purchaser at the Closing. Purchaser agrees to and does hereby indemnify and hold Seller harmless from and against any liability or expense incurred by Seller by reason of any Security Deposit (and interest thereon, if required by law) which is paid (or credited) to Purchaser at the Closing and which Purchaser does not properly refund to the Tenant. The provisions of this Section 5.4(d) shall survive the Closing.

(e) Intentionally Deleted.

(f) Special Assessments. Certified, confirmed and ratified special assessment liens as of date of Closing (and not as of the date of this Agreement) shall be paid by Seller or Purchaser shall receive a credit therefor. Pending liens as of date of Closing shall be assumed by Purchaser; provided, however, that where the improvement, for which the special assessment was levied, has been substantially completed as of the date of this Agreement, such pending liens shall be considered as certified, confirmed or ratified and Seller shall, at Closing, be charged an amount equal to the estimated amount of the assessment for the improvement. If any special assessment liens are due in installments Seller shall be required to pay any installment due as of the Closing Date and Purchaser shall be responsible for all such installments due after the date of Closing.

(g) Insurance. In the event Seller obtains insurance coverages required to be obtained by landlord under the Lease, and such insurance policy(ies) name both Seller and Purchaser as insured parties and will continue in effect after the Closing with Purchaser as a named insured, then, notwithstanding the provisions of Section 4.l(o) above, Seller shall not be required to terminate such insurance policies as of Closing. In such event, the premiums for such insurance policy(ies) shall be prorated between Seller and Purchaser as of the Closing based on the number of days in the policy period before and after the Closing. Seller shall provide Purchaser with copies of such insurance policy(ies) within five (5) days of obtaining same. If, pursuant to the Lease, Tenant is obligated to reimburse the landlord thereunder for the premium payable for such policy(ies), upon receipt of such reimbursement, Purchaser shall promptly remit to Seller the portion of such reimbursement related to the period prior to the Closing Date. Effective as of the Closing Date, Seller shall be removed as a named insured by endorsement to the applicable insurance policies (and if the Closing does not occur for any reason, Purchaser shall be removed as a named insured). Seller shall use commercially reasonable efforts post-Closing to cause the insurance company to remove Seller as a named insured from the applicable insurance policy(ies) effective as of the Closing Date. The provisions of this Section 5.4(g) shall survive Closing.

ARTICLE 6.
CONDITIONS TO CLOSING

6.1 Conditions Precedent to Purchaser's Obligations. The obligations of Purchaser hereunder to consummate the transaction contemplated hereunder shall in all respects be conditioned upon the satisfaction of each of the following conditions on or before Closing or on or before such time specified in this Agreement (whichever is applicable), any of which may be waived by Purchaser in its sole discretion by written notice to Seller at or prior to the Closing Date (collectively, the **"Conditions Precedent"):**

(a) Seller shall have completed all of Landlord's Work consistent with the terms and conditions of the Lease and Tenant has accepted possession of the Improvements as evidenced in writing by Tenant.

(b) The Rent Commencement Date has occurred as evidenced in writing by Tenant.

(c) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including, but not limited to Section 5.1 hereof.

(d) Seller shall have performed, in all material respects, all covenants, agreements and undertakings of Seller contained in this Agreement.

(e) All representations and warranties of Seller as set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of Closing.

(f) At least five (5) business days prior to the Closing, Seller shall obtain and deliver to Purchaser an original executed Tenant Estoppel Certificate from Tenant in form required by the Lease and reasonably satisfactory to Purchaser and its lender. The Tenant Estoppel Certificate shall (i) be dated within thirty-five (35) days prior to the Closing Date, (ii) confirm the material terms of the applicable Lease, as contained in the copy of the Lease delivered to Purchaser hereunder, and (iii) confirm the absence of any defaults under the Lease as of the date thereof.

(g) The delivery by the Title Company of a "marked up" Title Commitment, subject only to the Permitted Exceptions, with gap coverage, deleting all requirements and deleting the standard exceptions.

In the event any of the conditions in this Section 6.1 have not been satisfied (or otherwise waived in writing by Purchaser) on or before the time period specified herein (as same may be extended or postponed as provided in this Agreement), Purchaser shall have the right to terminate this Agreement by written notice to Seller given prior to the Closing, whereupon (i) Escrow Agent shall return the Earnest Money to Purchaser; and (ii) except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement.

ARTICLE 7.
CASUALTY AND CONDEMNATION

7.1 **Casualty.** Risk of loss up to and including the Closing Date shall be borne by Seller. In the event of any immaterial damage or destruction to the Property or any portion thereof, Seller and Purchaser shall proceed to close under this Agreement, and Purchaser will receive (and Seller will assign to Purchaser at the Closing Seller's rights under insurance policies to receive) any insurance proceeds due Seller as a result of such damage or destruction and assume responsibility for such repair, and Purchaser shall receive a credit at Closing for any deductible, uninsured or coinsured amount under said insurance policies. For purposes of this Agreement, the term "immaterial damage or destruction" shall mean such instances of damage or destruction: (i) which can be repaired or restored at a cost of Twenty-Five Thousand and No/I 00 Dollars ($25,000.00) or less; (ii) which can be restored and repaired within sixty (60) days from the date of such damage or destruction; and (iii) in which Seller's rights under its insurance policy covering the Property are assignable to Purchaser and will continue pending restoration and repair of the damage or destruction.

In the event of any material damage or destruction to the Property or any portion thereof, Purchaser may, at its option, by notice to Seller given within the earlier of twenty (20) days after Purchaser is notified by Seller of such damage or destruction, or the Closing Date, but in no event less than ten (10) days after Purchaser is notified by Seller of such damage or destruction (and if necessary the Closing Date shall be extended to give Purchaser the full 10-day period to make such election): (i) terminate this Agreement, whereupon Escrow Agent shall immediately return the Earnest Money to Purchaser, or (ii) proceed to close under this Agreement, receive (and Seller will assign to Purchaser at the Closing Seller's rights under insurance policies to receive) any insurance proceeds due Seller as a result of such damage or destruction (less any amounts reasonably expended for restoration or collection of proceeds) and assume responsibility for such repair, and Purchaser shall receive a credit at Closing for any deductible amount under said insurance policies. If Purchaser fails to deliver to Seller notice of its election within the period set forth above, Purchaser will conclusively be deemed to have elected to proceed with the Closing as provided in clause (ii) of the preceding sentence. If Purchaser elects clause (ii) above, Seller will cooperate with Purchaser after the Closing to assist Purchaser in obtaining the insurance proceeds from Seller's insurers. For purposes of this Agreement "material damage or destruction" shall mean all instances of damage or destruction that are not immaterial, as defined herein.

7.2 **Condemnation.** If, prior to the Closing, all or any part of the Property is subjected to a bona fide threat of condemnation by a body having the power of eminent domain or is taken by eminent domain or condemnation (or sale in lieu thereof), or if Seller has received written notice that any condemnation action or proceeding with respect to the Property is contemplated by a body having the power of eminent domain, Seller shall give Purchaser immediate written notice of such threatened or contemplated condemnation or of such taking or sale, and Purchaser may by written notice to Seller given within thirty (30) days after the receipt of such notice from Seller, elect to cancel this Agreement. If Purchaser chooses to cancel this Agreement in accordance with this Section 7.2, then the Earnest Money shall be returned immediately to Purchaser by Escrow Agent and the rights, duties, obligations, and liabilities of the parties hereunder shall immediately terminate and be of no further force and effect, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement. If Purchaser does not elect to cancel this Agreement in accordance herewith, this Agreement shall remain in full force and effect and the sale of the Property contemplated by this Agreement, less any interest taken by eminent domain or condemnation, or sale in lieu thereof, shall be effected with no further adjustment and without reduction of the Purchase Price, and at the Closing, Seller shall assign, transfer, and set over to Purchaser all of the right, title, and interest of Seller in and to any awards applicable to the Property that have been or that may thereafter be made for such taking. At such time as all or a part of the Property is subjected to a bona fide threat of condemnation and Purchaser shall not have elected to terminate this Agreement as provided in this Section 7.2 (and either the 30-day period within which Purchaser has a right to terminate this Agreement pursuant to this Section 7.2 has expired or Purchaser has agreed to waive its right to terminate this Agreement), and provided that the Inspection Period has expired and Purchaser has delivered the Additional Earnest Money and the Second Additional Earnest Money, if applicable, to Escrow Agent, (i) Purchaser shall thereafter be permitted to participate in the proceedings as if Purchaser were a party to the action, and (ii) Seller shall not settle or agree to any award or payment pursuant to condemnation, eminent domain, or sale in lieu thereof without obtaining Purchaser's prior written consent thereto in each case.

ARTICLE 8.
DEFAULT AND REMEDIES

8.1 **Purchaser's Default.** If Purchaser fails to consummate this transaction for any reason other than Seller's default, failure of a condition to Purchaser's obligation to close or the exercise by Purchaser of an express right of termination granted herein, Seller shall be entitled, as its sole remedy hereunder, to terminate this Agreement and to receive and retain the Earnest Money as full liquidated damages for such default of Purchaser, the parties hereto acknowledging that it is impossible to estimate more precisely the damages which might be suffered by Seller upon Purchaser's default, and that said Earnest Money is a reasonable estimate of Seller's probable loss in the event of default by Purchaser. Seller's retention of said Earnest Money is intended not as a penalty, but as full liquidated damages. The right to retain the Earnest Money as full liquidated damages is Seller's sole and exclusive remedy in the event of default hereunder by Purchaser, and Seller hereby waives and releases any right to (and hereby covenants that it shall not) sue the Purchaser: (a) for specific performance of this Agreement, or (b) to recover actual damages in excess of the Earnest Money.

8.2 **Seller's Default.** If Seller fails to perform any of its obligations under this Agreement for any reason other than Purchaser's default or the permitted termination of this Agreement by Purchaser as expressly provided herein, Purchaser shall be entitled, as its remedy, either (a) to terminate this Agreement and receive the return of the Earnest Money from Escrow Agent, together with Purchaser's actual out-of-pocket costs and expenses incurred with respect to this transaction (not to exceed $25,000) which shall be reimbursed by Seller to Purchaser within ten (10) business days after Purchaser's delivery of commercially reasonable documentation supporting such costs and expenses (in such event, the right to retain the Earnest Money plus costs shall be full liquidated damages and, except as set forth herein, shall be Purchaser's sole and exclusive remedy in the event of a default hereunder by Seller, and Purchaser hereby waives and releases any right to (and hereby covenants that it shall not) sue Seller for damages), or (b) to enforce specific performance of Seller's obligation to execute and deliver the documents required to convey the Property to Purchaser in accordance with this Agreement. If specific performance is not available to Purchaser as a result of Seller having sold the Property or any portion thereof to another party, or as a result of a willful and intentional act or omission of Seller, then, in addition to Purchaser's termination right and reimbursement referenced, Purchaser shall have all remedies available at law or in equity.

8.3 **Fraud/Misrepresentation.** Notwithstanding anything contained in Section 8.1 or 8.2 above, either party may pursue the other party for any legal or equitable remedy which may be available as a result of fraud committed by the other party or a willful and intentional misrepresentation made by the other party.

ARTICLE 9.
ASSIGNMENT

9.1 **Assignment.** Subject to the next following sentence, this Agreement and all rights and obligations hereunder shall not be assignable by any party without the written consent of the other. Notwithstanding the foregoing to the contrary, this Agreement and Purchaser's rights hereunder may be transferred and assigned to any entity that is an Affiliate of Purchaser. Any assignee or transferee under any such assignment or transfer by Purchaser as to which Seller's written consent has been given or as to which Seller's consent is not required hereunder shall expressly assume all of Purchaser's duties, liabilities and obligations under this Agreement by written instrument delivered to Seller as a condition to the effectiveness of such assignment or transfer. In no event shall Purchaser be released from any of its obligations or liabilities hereunder. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. This Agreement is not intended and shall not be construed to create any rights in or to be enforceable in any part by any other persons.

ARTICLE IO.
BROKERAGE COMMISSIONS

IO.I **Brokers.** Seller shall and does hereby indemnify and hold Purchaser harmless from and against any and all liability, loss, cost, damage, and expense, including reasonable attorneys' fees actually incurred and costs of litigation, Purchaser shall ever suffer or incur because of any claim by any agent, salesman, or broker, whether or not meritorious, for any fee, commission or other compensation with regard to this Agreement or the sale and purchase of the Property contemplated hereby, and arising out of any acts or agreements of Seller. Likewise, Purchaser shall and does hereby indemnify and hold Seller free and harmless from and against any and all liability, loss, cost, damage, and expense, including reasonable attorneys' fees actually incurred and costs of litigation, Seller shall ever suffer or incur because of any claim by any agent, salesman, or broker, whether or not meritorious, for any fee, commission or other compensation with respect to this Agreement or the sale and purchase of the Property contemplated hereby and arising out of the acts or agreements of Purchaser. This Section 10.1 shall survive the Closing or any earlier termination of this Agreement.

ARTICLE 11.
MISCELLANEOUS

11.1 **Notices.** Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by overnight courier, hand, facsimile transmission, by email or sent by U.S. registered or certified mail, return receipt requested, postage prepaid, to the addresses, facsimile numbers or email addressed set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

PURCHASER: Generation Income Properties, L.P.
400 N. Tampa Street, Suite 2660
Tampa, Florida 33602
Attention: David Sobelman
Facsimile: (813) 282-6000
Email: ds@gipreit.com

with a copy to: Shumaker, Loop & Kendrick, LLP
101 E. Kennedy Blvd., Suite 2800
Tampa, Florida 33602
Attention: Timothy M. Hughes, Esq.
Facsimile (813) 229-1660
Email: thughes@slk-law.com

SELLER: J Square Dale Mabry, LLC
721 First Avenue North
St. Petersburg, Florida 33701
Attention: Jay Miller
Email: jmiller@j2developers.com

with a copy to: Johnson, Pope, Bokor, Ruppel & Bums, LLP
333 3rd Avenue North
St. Petersburg, Florida 33701
Attention: Howard S. Miller, Esq.
Facsimile: (727) 800-5981
Email: howardm@jpfirm.com

Any notice or other communication (i) mailed as hereinabove provided shall be deemed effectively given or received on the third (3rd) business day following the postmark date of such notice or other communication, (ii) sent by overnight courier or by hand shall be deemed effectively given or received upon receipt, and (iii) sent by facsimile or email transmission shall be deemed effectively given or received on the day of transmission of such notice and electronic confirmation of such transmission is received by the transmitting party provided a copy of such notice or other communication is also delivered by mail or overnight courier as provided above. Any notice or other communication given in the manner provided above by counsel for either party shall be deemed to be notice or such other communication from the party represented by such counsel.

11.2 **Possession.** Full and exclusive possession of the Property, subject to the Permitted Exceptions and the rights of the Tenant under the Lease, shall be delivered by Seller to Purchaser on the Closing Date.

11.3 **Time Periods.** If the time period by which any right, option, or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday, or holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day.

11.4 **Severability.** This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

11.5 **Construction.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that this Agreement may have been prepared by counsel for one of the parties, it being mutually acknowledged and agreed that Seller and Purchaser and their respective counsel have contributed substantially and materially to the preparation and negotiation of this Agreement. Accordingly, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

11.6 **Survival.** The provisions of this Article 11 and all other provisions in this Agreement which expressly provide that they shall survive the Closing (subject to any specific limitations) or any earlier termination of this Agreement shall not be merged into the execution and delivery of the Deed.

11.7 **General Provisions.** No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon Seller or Purchaser unless such amendment is in writing and executed by both Seller and Purchaser. Subject to the provisions of Section 9.1 hereof, the provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns. Time is of the essence in this Agreement. The headings inserted at the beginning of each paragraph are for convenience only, and do not add to or subtract from the meaning of the contents of each paragraph. This Agreement shall be construed and interpreted under the laws of the State of Florida. Except as otherwise provided herein, all rights, powers, and privileges conferred hereunder upon the parties shall be cumulative but not restrictive to those given by law. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender shall include all genders, and all references herein to the singular shall include the plural and vice versa.

11.8 **Attorney's Fees.** If Purchaser or Seller brings an action at law or equity against the other in order to enforce the provisions of this Agreement or as a result of an alleged default under this Agreement, the prevailing party in such action shall be entitled to recover court costs and reasonable attorney's fees (at all levels of trial and appeal) actually incurred from the other.

11.9 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when taken together shall constitute one and the same original. To facilitate the execution and delivery of this Agreement, the parties may execute and exchange counterparts of the signature pages by facsimile or by scanned image (e.g., .pdf file extension) as an attachment to an email and the signature page of either party to any counterpart may be appended to any other counterpart.

11.10 **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 public health unit.

11.11 **Escrow Terms.** The Earnest Money shall be held in escrow by Escrow Agent on the following terms and conditions:

(a) Escrow Agent shall deliver the Earnest Money to Seller or Purchaser, as the case may be, in accordance with the provisions of this Agreement. Escrow Agent shall invest the Earnest Money in a money market account with a national banking association or other bank acceptable to Seller and Purchaser.

(b) Any notice to or demand upon Escrow Agent shall be in writing and shall be sufficient only if received by Escrow Agent within the applicable time periods set forth herein, if any. Notices to or demands upon Escrow Agent shall be mailed or delivered by overnight courier to it at 333 3rd Avenue North, St. Petersburg, Florida 33701, Attn: Howard S. Miller, Esq., or served personally upon Escrow Agent with receipt acknowledged in writing by Escrow Agent. Notices from Escrow Agent to Seller or Purchaser shall be mailed to them at the addresses for each party shown in Section 11.1 of this Agreement.

(c) In the event that litigation is instituted relating to this escrow, the parties hereto agree that Escrow Agent shall be held harmless from any attorneys' fees, court costs and expenses relating to that litigation to the extent that litigation does not arise as a result of the Escrow Agent's acts or omissions. To the extent that Escrow Agent holds Earnest Money under the terms of this escrow, the parties hereto, other than Escrow Agent, agree that Escrow Agent may charge the Earnest Money with any such attorneys' fees, court costs and expenses as they are incurred by Escrow Agent. In the event that conflicting demands are made on Escrow Agent, or Escrow Agent, in good faith, believes that any demands with regard to the Earnest Money are in conflict or are unclear or ambiguous, Escrow Agent may bring an interpleader action in an appropriate court. Such action shall not be deemed to be the "fault" of Escrow Agent, and Escrow Agent may lay claim to or against the Earnest Money for its reasonable costs and attorneys' fees in connection with same, through final appellate review. To that end, the parties hereto, other than Escrow Agent, agree to indemnify Escrow Agent for all such attorneys' fees, court costs and expenses.

(d) Without limitation, Escrow Agent shall not be liable for any loss or damage resulting from the following: (a) the financial status or insolvency of any other party, or any misrepresentation made by any other party; (b) any legal effect, insufficiency or undesirability of any instrument deposited with or delivered by or to Escrow Agent or exchanged by the parties hereunder, whether or not Escrow Agent prepared such instrument; (c) the default, error, action or omission of any other party to this Agreement or any actions taken by Escrow Agent in good faith, except for Escrow Agent's gross negligence or willful misconduct; (d) any loss or impairment of the Earnest Money that has been deposited in escrow while the Earnest Money is in the course of collection or while the Earnest Money is on deposit in a financial institution if such loss or impairment results from the failure, insolvency or suspension of a financial institution, or any loss or impairment of the Earnest Money due to the invalidity of any draft, check, document or other negotiable instrument delivered to Escrow Agent; (e) the expiration of any time limit or other consequence of delay, unless a properly executed settlement instruction, accepted by Escrow Agent has instructed the Escrow Agent to comply with said time limit; and (f) Escrow Agent's compliance with any legal process, subpoena, writ, order, judgment or decree of any court, whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.

(e) Escrow Agent shall not have any duties or responsibilities, except those set forth in this Section and shall not incur any liability in acting upon any signature, notice, demand, request, waiver, consent, receipt or other paper or document believed by Escrow Agent to be genuine. Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions hereof has been duly authorized to do so, or is otherwise acting or failing to act under this Section except in the case of Escrow Agent's gross negligence or willful misconduct. Upon completion of the disbursement of the Earnest Money, Escrow Agent shall be automatically released and discharged of its escrow obligations hereunder.

(f) The terms and provisions of this Article shall create no right in any person, firm or corporation other than the parties and their respective successors and permitted assigns and no third party shall have the right to enforce or benefit from the terms hereof.

(g) Escrow Agent has executed this Agreement for the sole purpose of agreeing to act as such in accordance with the terms of this Agreement.

Seller and hereby agree that such law firm may continue to representing sweller in this or any other matter, including litigation.

IN WITNESS WHEREOF, the parties hereto have executed thisI Agreement as of the day, month and year first above written.

SELLER:

J SQUARE DALE MABRY LLC, a Florida limited liability company

By: /s/ Jay Miller
Name: President of J Square Realty & Development Corp.
Title: Manager

Date of Execution:
June 6, 2017

PURCHASER:

GENERATION INCOME Properties, L.P.
a Delaware limited partnership

By: Generation Income Properties, Inc.
Its Sole General Partner

By: /s/ David Sobelman
Name: David Sobleman
Title: President

Date of Execution:
June 6, 2017

IN WITNESS WHEREOF, the undersigned Escrow Agent has bined in the execution and delivery hereof solely for the purpose of evidencing its rights a • obligations under the provisions of Section 11.11 hereof. i

ESCROW AGENT:

JOHNSON, POPE, BOKOR, RUPPEL & BURNS, LLP

By: /s/ Howard Miller
Name: Howard S. Miller, Esq.
Title: Partner

EXHIBIT "A"

DESCRIPTION OF THE LAND

Tax Parcel Number: 119911-0000

That certain tract of land situated in the County of Hillsborough, State of Florida, and more particularly described as follows:

LEGAL DESCRIPTION: (AS SURVEYED)

THAT PART OF LOTS 6 THROUGH 10, INCLUSIVE OF ELISE H. KRUSE ACREAGE SUBDIVISION, AS PER PLAT THEREOF RECORDED IN PLAT BOOK 20, ON PAGE 9, OF THE PUBLIC RECORDS OF HILLSBOROUGH COUNTY, FLORIDA, **AND** THE VACATED STREET, (50 **FEET** WIDE), ABUTTING **SAID** LOTS ON **THE NORTH** AND ABBUTING LOTS 1 THROUGH 5 OF **SAID ELISE** H. KRUSE **ACREAGE** SUBDIVISION ON THE SOUTH, **DESCRIBED AS FOLLOWS;**
COMMENCE **AT** THE NORTHEAST **CORNER OF LOT** 1 OF SAID **ELISE H.** KRUSE **ACREAGE** SUBDIVISION; **THENCE** S00-20' **19"E, ALONG THE EASTERLY** BOUNDARY LINE **OF SAID LOT** 1, FOR A DISTANCE OF **130.39** FEET TO A FOUND 1/2" IRON ROD WITH NO IDENTIFICATION AND THE POINT OF BEGINNING; THENCE S00*24'06"E, ALONG THE EASTERLY BOUNDARY LINE OF LOT 10 OF SAID ELISE H. KRUSE ACREAGE SUBDIVISION AND THE NORTHERLY EXTENSION THEREOF, FOR A DISTANCE OF 98.60 FEET TO A FOUND 1 /2" IRON ROD WITH NO IDENTIFICATION; THENCE ss9·39'03"w, FOR A DISTANCE OF 301.47 FEET TO A FOUND RAILROAD SPIKE WITH NO IDENTIFICATION AND THE EASTERLY RIGHT OF WAY LINE OF SOUTH DALE MABRY HIGHWAY; THENCE Noo·oo·oo"w (AS A REFERENCE BEARING), ALONG THE SAID EASTERLY RIGHT OF WAY LINE, FOR A DISTANCE OF 100.86 FEET TO A FOUND PARKER KALON NAIL AND DISK WITH NO IDENTIFICATION; THENCE S89'55'13"E, FOR A DISTANCE OF 300.77 FEET TO THE POINT OF BEGINNING.
CONTAINING 30,030 SQUARE FEET, MORE OR LESS.

EXHIBIT "B"

LIST OF PERSONAL PROPERTY

EXHIBIT "C"

LIST OF
EXISTING COMMISSION AGREEMENTS

I. Commission Agreements Entered Into By Seller During Its Ownership of Property:

See **EXHIBIT "C-1"** attached hereto and made a part hereof.

EXHIBIT C-1

UST OF COMMISSION AGREEMENTS

1. Commission Agreement by and between J Square Realty Associates and/or affiliates and Insite Real Estate, Inc., dated May 13, 2016.

EXHIBIT "D"

LIST OF
EXISTING TITLE EXCEPTIONS

1. Lease Agreement by and between J Square Realty and Development Corp., a Florida corporation, Lessor, and Starbucks Corporation, a Washington corporation, Lessee, dated August 20, 2016, as evidenced by that certain Memorandum of Lease recorded October 5, 2016, in Official Records Book 24434, Page 166, as affected by Assignment of Lease recorded January 13, 2017 in OR Book 24666, Page 1837, as subordinated by Subordination, Non-Disturbance and Attornment Agreement recorded February 1, 2017 in Official Records Book 24703, Page 5, of the Public Records of Hillsborough County, Florida.

2. Lease Agreement by and between J Square Realty and Development Corp., a Florida corporation, Lessor, and Starbucks Corporation, a Washington corporation, Lessee, dated August 20, 2016, as evidenced by that certain Memorandum of Lease recorded November 4, 2016, in Official Records Book 24505, Page 1853, as affected by Assignment of Lease recorded January 13, 2017 in OR Book 24666, Page 1837, as subordinated by Subordination, Non-Disturbance and Attornrnent Agreement recorded February 1, 2017 in Official Records Book 24703, Page 5, of the Public Records of Hillsborough County, Florida.

3. Memorandum of Agreement recorded January 13, 2017 in Official Records Book 24666, Page 1863, of the Public Records of Hillsborough County, Florida.

4. Assignment of Parking License recorded January 13, 2017 in Official Records Book 24666, Page 1868, of the Public Records of Hillsborough County, Florida.

5. Easement and restriction set forth in Deed recorded April 27, 1955 in Deed Book 1872, Page 245.

6. Easement reserved in Deed recorded April 22, 1955 in Deed Book 1872, Page 400.

7. Agreement for Easement and Right of Way recorded December 13, 1955 in Deed Book 2002, Page 222, Public Records of Hillsborough county, Florida.

8. Covenants, Conditions and Easements set forth in Agreement recorded in Official Records Book 225, Page 151, modified by Modification to Agreement recorded in Official Records Book 3480 page 774.

SCHEDULE I

FORM OF SPECIAL WARRANTY DEED

This instrument prepared by
and after recording return to:
Timothy M. Hughes, Esq.
SHUMAKER
101 East Kennedy Boulevard
Suite 2800
Tampa, Florida 33602
Phone: (813) 229-7600

Total Consideration Paid $____
Documentary Stamp Tax Paid: $___

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made as of _____ 20___, by _____ a _____, whose address is _____ (hereinafter referred to as ***"Grantor"***) to _____ a _____, whose address is----------"(hereinafter referred to as ***"Grantee"***).

(Whenever used herein, the terms "Grantor" ond "Grantee" shall be deemed to include oil of the parties to this instrument ond the successors ond assigns of each party.)

WITNESSETH:

THAT, the Granter, for Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, sells, conveys, confirms, remises, releases and transfers unto the Grantee all that certain land situate in County, Florida, legally described on **Exhibit A** hereto;

TOGETHER WITH all tenements, hereditaments and appurtenances, and every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in anywise appertaining (collectively, the ***"Property").***

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Granter does hereby covenant with the Grantee that the Granter is lawfully seized of the Property in fee simple; that it has good, right and lawful authority to sell and convey the Property; that it warrants the title to the Property and will defend the same, subject to and except for the matters referred to on **Exhibit "B"** attached hereto, against the lawful claims of all persons claiming by, through or under the Granter, but against none other; provided, however, reference to the matters set forth on **Exhibit "B"** attached hereto shall not serve to reimpose same.

IN WITNESS WHEREOF, the Granter has caused this Special Warranty Deed to be executed and delivered as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

WITNESS:

_____

Printed
Name: _____

_____

Printed
Name: _____

GRANTOR:

_____

a _____

By: _____

Printed
Name: _____

Title: _____

STATE OF
FLORIDA
COUNTY
OF _____

The foregoing instrument was acknowledged before me this_____ day of _____20 ___, by_____
as_____of _____, a _____, on behalf of the_____ He/She (check one) (_) is personally known to me or (_) has produced_____as identification.

{NOTARIAL SEAL)

_____

Notary Public

_____

(Type, Print or Stamp Name)

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

PERMITTED ENCUMBRANCES

SCHEDULE2

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASE AND SECURITY DEPOSIT

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSIT

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND SECURITY DEPOSIT**("Assignment")** is made and entered into as of the_____ day of_____, 2017, by and_____ between_____a **("Assignor"), and ,a ("Assignee").**

W I T N E S S E T H:

WHEREAS, contemporaneously with the execution hereof, Assignor has conveyed to Assignee certain real property commonly known as "_____" located in _____County, Florida, and more particularly described on **Exhibit "A"** attached hereto (the**"Property")** ; and

WHEREAS, in connection with said conveyance, Assignor desires to transfer and assign to Assignee all of Assignor's right, title and interest in and to that certain _ affecting the Property, together with the security deposits associated therewith, and, subject to the terms and conditions hereof, Assignee desires to assume Assignor's obligations in respect of said lease and the security deposits.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) in hand paid to Assignor by Assignee, Assignee's purchase of the Property and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Assignor and Assignee, Assignor and Assignee hereby covenant and agree as follows:

1. Assignor hereby unconditionally and absolutely assigns, transfers, sets over and conveys to Assignee all of Assignor's right, title and interest as landlord in and to the Lease and all of the rights, benefits and privileges of the landlord thereunder, including without limitation all of Assignor's right, title and interest in and to all security deposits and rentals thereunder.

2. Assignee hereby assumes all liabilities and obligations of Assignor under the Lease which arise on or after the date hereof and agrees to perform all obligations of Assignor under the Lease which are to be performed or which become due on or after the date hereof (except those obligations for which Assignee is indemnified pursuant to Section 3 below for which Assignor shall remain liable and except for those obligations arising due to acts or omissions occurring prior to the date hereof).

3. Assignor shall indemnify and hold Assignee harmless from any claim, liability, cost or expense (including without limitation reasonable attorneys' fees and costs) arising out of (a) any obligation or liability of the landlord or lessor under the Lease which was to be performed or which became due during the period in which Assignor owned the Property, and (b) any obligation or liability of landlord under the Lease arising after the date hereof relating to acts or omissions occurring prior to the date hereof during the period Assignor owned the Property.

4. Assignee shall indemnify and hold Assignor harmless from any claim, liability, cost or expense (including without limitation reasonable attorneys' fees) arising out of Assignee's failure to perform any obligations or liability of the landlord under the Lease arising on or after the date upon which the Lease is assumed by Assignee hereunder.

5. Notwithstanding any provision of this Assignment to the contrary, Assignee shall assume and be responsible for landlord's obligations under Section 4.1 the Lease to correct any latent defects with respect to the structural elements, roof, and mechanical systems of the Building (as defined in the Lease) which Tenant notifies landlord of on and after the date hereof to the extent and only to the extent Assignor has assigned all of its right, title and interest in and to any warranties and assurances pertaining to such Improvements that Assignor has or will receive under any agreements with or purchase from any contractor, subcontractor, supplier, manufacturer or other third party including, but not limited to, any warranties and assurances that Assignor may have under that certain AlA (Document AIOI - 2007) Standard Form of Agreement between Owner and Contractor, and AIA (Document A201 2007) General Conditions of the Contract for Construction, entered into by and between Assignor and ABI Companies, Inc., dated May 12, 2017. To the extent that the consent of any contractor, subcontractor, supplier, manufacturer or other third party is necessary to effectuate the foregoing assignment of warranties and assurances, Assignor shall use commercially reasonable efforts to obtain such consent as and when requested by Assignee. The provisions of this Section 5 shall survive this Assignment.

6. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee, their respective legal representatives, successors and assigns. This Assignment may be executed in counterparts, each of which shall be deemed an original and all of such counterparts together shall constitute one and the same Assignment.

IN WITNESS WHEREOF, the duly authorized representatives of Assignor and Assignee have caused this Assignment to be properly executed under seal as of this day and year first above written.

ASSIGNOR:

J SQUARE DALE MABRY, LLC, a Florida limited liability company

By: _____
Name: _____
Its: _____

ASSIGNEE:

_____,a

By: _____

Name: _____

Title: _____

EXHIBIT A

Legal Description

EXHIBIT C

Lease Commission Agreements

SCHEDULE3

FORM OF BILL OF SALE TO PERSONAL PROPERTY

BILL OF SALE

THIS BILL OF SALE **("Bill of Sale")** is made and entered into as of the ____ day of _____, 2017, by_____, a_____ **("Seller"),** for the benefit of_____., a _____**("Purchaser").**

WIT NE S S E T H:

WHEREAS, contemporaneously with the execution hereof, Seller has conveyed to Purchaser certain improved real property commonly known as "__" located in _____ County, Florida and more particularly described on **Exhibit "A"** attached hereto (the **"Property");** and

WHEREAS, in connection with said conveyance, Seller desires to transfer and convey to Purchaser all of Seller's right, title and interest in and to certain tangible personal property, inventory and fixtures located in and used exclusively in connection with the ownership, maintenance or operation of the Property and the Improvements thereon;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/IO0 Dollars ($10.00) in hand paid to Seller by Purchaser, the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Seller and Purchaser, it is hereby agreed as follows:

1. All capitalized terms not defined herein shall have the meanings ascribed to such terms as set forth in that certain Purchase and Sale Agreement dated as of ,2017, between Seller and Purchaser (the **"Sales Contract").**

2. Seller hereby unconditionally and absolutely transfers, conveys and sets over to Purchaser, without warranty or representation of any kind, express or implied, except as set forth specifically herein or in the Sales Contract, all right, title and interest of Seller in any and all furniture (including common area furnishings and interior landscaping items), carpeting, draperies, appliances, personal property (excluding any computer software which either is licensed to Seller or Seller deems proprietary), machinery, apparatus and equipment owned by Seller and currently used exclusively in the operation, repair and maintenance of the Land and Improvements and situated thereon, including, without limitation, all of Seller's right, title and interest in and to those items of tangible personal property set forth on **Exhibit "B"** attached hereto (the **"Personal Property").** The Personal Property does *not* include any property owned by tenants, contractors or licensees. The Personal Property shall be deemed to include said items only to the extent they are transferable or assignable to Purchaser.

3. Seller covenants to Purchaser that Seller is the lawful owner of the Personal Property; that, except for tangible personal property taxes for the year 20_ and subsequent years, the Personal Property is free from all encumbrances; that Seller has the right to sell the Personal Property, and that Seller will warrant and defend the sale of the Personal Property hereby made, unto Purchaser against the lawful claims and demands of all persons lawfully claiming by, through or under Seller, but against none other.

4. This Bill of Sale shall inure to the benefit of Purchaser, and be binding upon Seller, and their respective legal representatives, transfers, successors and assigns.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed under seal as of this day and year first above written.

_____

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description

Exhibit “B”

List of Personal Property

SCHEDULE4

FORM OF GENERAL ASSIGNMENT OF
SELLER'S INTEREST IN INTANGIBLE PROPERTY

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT **("Assignment")** is made and entered into as of the day of _____ 2017 by _____ a _____ ("Assignor") to_____, a_____ ("Assignee").

W I T N E S S E T H:

WHEREAS, contemporaneously with the execution hereof, Assignor has conveyed to Assignee certain real property commonly known as "_____" located in _____County, Florida, and more particularly described on

Exhibit "A" attached hereto and made a part hereof (the**"Property");** and

WHEREAS, in connection with said conveyance, Assignor desires to transfer and assign to Assignee all of Assignor's right, title and interest (if any) in and to all assignable entitlements and other intangible property used and owned by Assignor (if any) in connection with the Property.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/I 00 Dollars ($10.00) in hand paid to Assignor by Assignee, the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Assignor and Assignee, Assignor and Assignee hereby covenant and agree as follows:

2. Assignor hereby unconditionally and absolutely assigns, transfers, sets over and conveys to Assignee, to the extent assignable, and without warranty or representation of any kind, express or implied, except as set forth below and except for any warranty or representation contained in that certain Purchase and Sale Agreement dated as of **_____**, 20I 7, between Assignor and Assignee (the **"Contract")** applicable to the property assigned herein, all of Assignor's right, title and interest (if any) in and to all intangible property, if any, owned by Assignor related to the real property and improvements constituting the Property, including, without limitation, Assignor's rights and interests in and to the following (i) all assignable plans and specifications and other architectural and engineering drawings for the Land and Improvements (as defined in the Contract); (ii) all assignable warranties or guaranties given or made in respect of the Improvements or Personal Property (as defined in the Contract); and (iii) all transferable consents, authorizations, concurrency reservations, development rights, variances or waivers, licenses, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality solely in respect of the Land or Improvements (collectively, the **"Intangible Property").**

The term **"Intangible Property"** shall be deemed to include only the items specifically described herein and then only to the extent that same (a) are owned by Assignor, (b) are transferable or assignable to Assignee, and (c) relate solely to the occupancy, use, maintenance and operation of the Land or Improvements.

2. This Assignment shall inure to the benefit and be binding upon Assignor and Assignee and their respective legal representatives, successors and assigns.

IN WITNESS WHEREOF, the duly authorized representative of Assignor has caused this Assignment to be properly executed under seal as of this day and year first above written.

ASSIGNOR:

_____

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description

SCHEDULES

FORM OF SELLER'S AFFIDAVIT
(FOR PURCHASER'S TITLE INSURANCE PURPOSES)

SELLER'S AFFIDAVIT

STATE OF _____

COUNTY OF _____

Personally appeared before me, the undersigned deponent who being duly sworn, deposes and says on oath for and on behalf of the Owner (as defined below) the following to the best of his knowledge and belief:

1. That the undersigned 1s the _____ of _____ a _____(hereinafter referred to as*"Owner")* and as such officer of the Owner, the undersigned has personal knowledge of the facts sworn to in this Affidavit.

2. That Owner is the owner of certain real property located in _____ County, Florida, being described on **EXHIBIT A,** attached hereto and made a part hereof (hereinafter referred to as the *"Property"),* subject, to the undersigned's knowledge, to those matters set forth on the Title Commitment attached hereto as **EXHIBIT B** and made a part hereof.

3. That Owner is in possession of the Property, and to the best knowledge and belief of the undersigned, no other parties have any claim to possession of the Property, except as set forth on **EXHIBIT B** hereto.

4. That the undersigned is not aware of and has received no notice of any pending suits, proceedings, judgments, bankruptcies, liens or executions against the Owner which affect title to the Property.

5. That, to the undersigned's knowledge, except as may be set forth on**EXHIBIT B** hereto, there are no unpaid or unsatisfied security deeds, mortgages, claims of lien, special assessments for sewer or streets, or ad valorem taxes which constitute a lien against the Property or any part thereof.

6. That no improvements or repairs have been made upon the Property at the instance of Owner within the ninety-five (95) days immediately preceding the date hereof for which the cost has not been paid and there are no outstanding bills for labor or materials used in making improvements or repairs on the Property at the instance of Owner or for services of architects, surveyors, or engineers incurred in connection therewith at the instance of Owner.

7. That to the undersigned's knowledge there are no boundary disputes affecting the Property.

9. To the undersigned's knowledge, there are no matters pending by or against Owner that could give rise to a lien that could attach to the Property between _____ at a.m., the date of the last certification (the "Last Certification Date") of _____Title Insurance Company (the "Title Company") Title Insurance Commitment No. _____ "Deed") from Owner to (the "Commitment") and the date of the recording of the deed (the ("Purchaser"). Subsequent to the Last Certification Date Owner has not executed, and will not execute, any instrument that would adversely affect the title to the Property except as contained in the Commitment. Owner will indemnify and hold the Title Company harmless from all liens or title defects created by or against Owner subsequent to the Last Certification Date and prior to recordation of the Deed (provided, however, that the Title Company promptly records the Deed). Owner is executing this Affidavit, in part, for the purpose, allowing immediate disbursement of the proceeds of the sale of the Property, and inducing the Title Company to insure against defects in title arising subsequent to the Last Certification Date but prior to recordation of the Deed.

10. That this Affidavit is made to induce _____ Title Insurance Company to insure title to the Property, without exception other than as set forth on **EXHIBIT B** hereto, relying on information in this document.

Sworn to and subscribed before me,
this___ day of_____,20__

By _____
Name: _____
Title: _____

_____
Notary Public

My Commission Expires:

_____

(NOTARIAL SEAL)

EXHIBIT A

Legal Description

EXHIBIT B

Existing Encumbrances

SCHEDULE6

FORM OF SELLER'S CERTIFICATE
{AS TO SELLER'S REPRESENTATIONS AND WARRANTIES)

SELLER'S CERTIFICATE AS TO REPRESENTATIONS

THIS SELLER'S CERTIFICATE AS TO REPRESENTATIONS (this **"Certificate")** 1s given and made by a _____**("Seller"),** this day of_____, 20_, for the benefit of _____,a _____ **("Purchaser").**

Pursuant to the provisions of that certain Purchase and Sale Agreement, dated as of _____, 2017, between Seller and Purchaser (the **"Contract"),** for the purchase and sale of certain real property commonly known as "_____ " located in _____,_____ County, Florida, and more particularly described on **EXHIBIT "A"** attached hereto and made a part hereof (the **"Property"),** Seller certifies all of the representations and warranties of Seller contained in Section 4.1 of the Contract remain true and correct in all material respects as of the date hereof; and

The representations and warranties contained herein shall, subject to the limitations set forth in Section 4.1 of the Contract, survive for a period of one (1) year after the date hereof, and upon the expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Purchaser shall give Seller written notice prior to the expiration of said one (1) year period of such alleged breach with reasonable detail as to the nature of such breach.

IN WITNESS WHEREOF, Seller has caused this Certificate to be executed by its duly authorized representative as of the day and year first above written.

_____,a _____

By _____

Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION

SCHEDULE7

FORM OF SELLER'S FIRPTA AFFIDAVIT

FIRPTA AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF)
_____

KNOW ALL MEN BY THESE PRESENTS:

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform _____, a_____ ("Transferee") that withholding of tax 1s not required upon the disposition of a U.S. real property interest by _____, a _____ ("Transferor"), Transferor hereby certifies the following:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's U.S. employer identification number is:_____

3. Transferor is not a "disregarded entity" as defined m IRS Regulation l.1445-2(b)(iii); and

4. Transferor's office address is: _____

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification 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.

Executed this___ day of _____ ,20_____

TRANSFEROR:

_____

a _____

By: _____
Printed Name: _____
TitIe: _____

The foregoing instrument was acknowledged before me this___ day of _____ 20___ , by_____,as _____of_____ ,a_____,on behalf of the He/She (check one) ( ) is personally known to me or ( ) produced _____as identification.

(NOTARIAL SEAL)

_____
Notary Public

_____
(Type, Print or Stamp Name)

SCHEDULES

FORM OF PURCHASER'S CERTIFICATE
***(AS* TO PURCHASER'S REPRESENTATIONS AND WARRANTIES)**

PURCHASER'S CERTIFICATE AS TO REPRESENT ATIONS

THIS PURCHASER'S CERTIFICATE AS TO REPRESENTATIONS (this **"Certificate")** is given and made by _____,a _____**("Purchaser"),** this _____ day of _____, 20__, for the benefit of _____, a _____**("Seller").**

Pursuant to the prov1s10ns of that certain Purchase and Sale Agreement, dated as of _____2017, between Seller and Purchaser (the **"Contract"),** for the purchase and sale of certain real property commonly known as "_____" located in _____, _____ County, Florida and more particularly described on **EXHIBIT "A"** attached hereto (the **"Property"),** Purchaser certifies that all of the representations and warranties of Purchaser contained in the Contract remain true and correct in all material respects as of the date hereof; and

The representations and warranties contained herein shall, subject to the limitations set forth in Section 4.3 of the Contract, survive for a period of one (1) year after the date hereof, and upon the expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Seller shall give Purchaser written notice prior to the expiration of said one (1) year period of such alleged breach with reasonable detail as to the nature of such breach.

IN WITNESS WHEREOF, Purchaser has caused this Certificate to be executed by its duly authorized representative as of the day and year first above written.

"PURCHASER"

By: _____
Name: _____
Title: _____

EXHIBIT “A”

LEGAL DESCRIPTION

Exhibit 6.4

PURCHASE AND SALE AGREEMENT

BETWEEN

INVESTHSV, LLC, an Alabama limited liability company, as Seller

and

GENERATION INCOME PROPERTIES, L.P., a Delaware limited partnership, as Purchaser

October 19, 2018

Subject Property:

Pratt & Whitney Facility
15091 SW Alabama 20
Huntsville, Alabama

SCHEDULE OF EXHIBITS

SCHEDULE OF AGREED-UPON FORM CLOSING DOCUMENTS

PURCHASE AND SALE AGREEMENT

15091 SW Alabama 20
Huntsville, Alabama

THIS PURCHASE AND SALE AGREEMENT (the "**Agreement**"), made and entered into this ____ day of October, 2018, by and between INVESTHSV, LLC, an Alabama limited liability company (" **Seller**"), and GENERATION INCOME PROPERTIES L.P., a Delaware limited partnership ("**Purchaser**").

W I T N E S E T H:

WHEREAS, Seller desires to sell certain real property on which an office building and related infrastructure and support improvements (as more particularly described herein) are located in Hunstville, Limestone County, Alabama, together with certain related personal and intangible property, and Purchaser desires to purchase such real, personal and intangible property, on the terms and conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1.
DEFINITIONS

For purposes of this Agreement, each of the following capitalized terms shall have the meaning ascribed to such terms as set forth below:

"Additional Earnest Money" shall mean the sum of Fifty Thousand and No/100 Dollars ($50,000.00 U.S.).

"Affiliate" shall mean a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Person in question.

"Assignment and Assumption of Leases" shall mean the form of assignment and assumption of Lease and Security Deposit to be executed and delivered by Seller and Purchaser at the Closing in the form attached hereto as **Schedule 2**.

"Bill of Sale" shall mean the form of bill of sale to the Personal Property to be executed and delivered by Seller to Purchaser at the Closing in the form attached hereto as **Schedule 3**.

"Broker" shall have the meaning ascribed thereto in Section 10.1of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banking institutions in the State of Alabama are authorized by law or executive action to close.

"Closing" shall mean the consummation of the purchase and sale of the Property pursuant to the terms of this Agreement.

"Closing Date" shall have the meaning ascribed thereto in Section 2.5 of this Agreement.

"Commission Agreements" shall have the meaning ascribed thereto in Section 4.1(g) of this Agreement, and such agreements are more particularly described on **Exhibit "C"** attached hereto and made a part hereof.

"Deed" shall mean the form of deed attached hereto as **Schedule 1**.

"Earnest Money" shall mean the Initial Earnest Money, together with any Additional Earnest Money actually paid by Purchaser (or which Purchaser is obligated to pay) to Escrow Agent hereunder, and together with all interest which accrues thereon as provided in Section 2.3(c) hereof.

"Effective Date" shall mean the last date upon which Purchaser and Seller shall have executed this Agreement and shall have delivered at least one (1) fully executed counterpart of this Agreement to the other party.

"Environmental Law" shall mean any law, ordinance, rule, regulation, order, judgment, injunction or decree relating to pollution or substances or materials which are considered to be hazardous or toxic, including, without limitation, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Emergency Planning and Community Right to Know Act, any state and local environmental law, all amendments and supplements to any of the foregoing and all regulations and publications promulgated or issued pursuant thereto.

"Environmental Reports" shall mean that certain Phase I Environmental Site Assessment dated September 11, 2006, prepared by Real Estate Advisory, L.L.C., for Lehman Brothers Bank, FSB.

"Escrow Agent" shall mean First American Title Insurance Company.

"FIRPTA Affidavit " shall mean the form of FIRPTA Affidavit to be executed and delivered by Seller to Purchaser at Closing in the form attached hereto as **Schedule 7.**

"General Assignment" shall have the meaning ascribed thereto in Section 5.1(g) of this Agreement.

"Hazardous Substances" shall mean any and all pollutants, contaminants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized under any Environmental Law (including, without limitation, lead paint, asbestos, urea formaldehyde foam insulation, petroleum, polychlorinated biphenyls, mold and fungus).

"Improvements" shall mean all buildings, structures, improvements, drainage facilities, parking, equipment, apparatus and any other items constructed and/or installed on the Land.

"Initial Earnest Money" shall mean the sum of Fifty Thousand and No/100 Dollars ($50,000.00 U.S.).

"Inspection Period" shall mean the period expiring at 6:00 P.M. Eastern Standard Time on the date which is thirty (30) days after the Effective Date.

"Intangible Property" shall mean all intangible property, if any, owned by Seller and related to the Land and Improvements, including without limitation, Seller's rights and interests, if any, in and to the following: (i) all assignable plans and specifications and other architectural and engineering drawings for the Land and Improvements; (iii) all assignable warranties or guaranties given or made in respect of the Improvements or Personal Property; and (iv) all transferable consents, authorizations, variances or waivers, development rights, concurrency reservations, impact fee credits, licenses, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality solely in respect of the Land or Improvements.

"Land" shall mean that certain parcel of real property located in the City of Huntsville, Limestone County, Alabama, which is more particularly described on **Exhibit "A"** attached hereto and made a part hereof, together with all rights, privileges and easements appurtenant to said real property, and all right, title and interest of Seller, if any, in and to any land lying in the bed of any street, road, alley or right-of-way, open or closed, adjacent to or abutting the Land.

"Lease" shall (collectively) mean that certain Lease entered into by and between Greenbrier Partners, LLC, as landlord, and CTA, Inc., as tenant, dated September 24, 2003, with respect to the Property, together with any documents incorporated by reference therein, and all amendments or modifications with respect thereto, including without limitation that certain Amendment to Lease Agreement dated June 17, 2004, that certain Addendum to Lease dated June 30, 2006 by and between Greenbrier Partners, LLC, as Lessor, Pratt & Whitney Automation, Inc., successor in interest to CTA, Inc., and InvestHSV, LLC, and that certain Second Addendum to Lease dated May 5, 2017 by and between Pratt & Whitney Automation, Inc., as Lessee, and InvestHSV, LLC, as Lessor.

"Monetary Objection" or "Monetary Objections" shall mean (a) any mortgage, deed of trust or similar security instrument encumbering all or any part of the Property, (b) any mechanic's, materialman's or similar lien, (c) the lien of ad valorem real or personal property taxes, assessments and governmental charges affecting all or any portion of the Property which are delinquent, and (d) any judgment of record against Seller in the county or other applicable jurisdiction in which the Property is located.

"Option Agreement" shall have the meaning ascribed thereto in Section 5.1(q) of this Agreement.

"Option Parcel" shall mean that certain approximately 2.95 acre of real property legally described in**Exhibit "D"** attached hereto, which as of the Effective Date is owned by Seller.

"Permitted Exceptions" shall mean, collectively, (a) liens for taxes, assessments and governmental charges not yet due and payable or due and payable but not yet delinquent, (b) the Lease, and (c) such other easements, restrictions and encumbrances that are approved by Purchaser pursuant to Section 3.4 of this Agreement.

"Person" shall means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or government (whether federal, state, county, city or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Personal Property" shall mean all furniture (including common area furnishings and interior landscaping items), carpeting, draperies, appliances, personal property (excluding any computer software which is licensed to Seller), machinery, apparatus and equipment owned by Seller and currently used exclusively in the operation, repair and maintenance of the Land and Improvements and situated thereon, as generally described on **Exhibit "B"** attached hereto and made a part hereof, and all non-confidential books, records and files (excluding any attorney work product or attorney-client privileged documents) relating to the Land and Improvements. The Personal Property does *not* include any property owned by tenants, contractors or licensees.

"Property" shall have the meaning ascribed thereto in Section 2.1 of this Agreement.

"Purchase Price" shall be the applicable amount specified in Section 2.4 of this Agreement.

"Purchaser's Certificate" shall have the meaning ascribed thereto in Section 5.2(c) of this Agreement.

"Right of First Offer" shall collectively mean any right of first refusal or right of first offer with respect to the Property that has been granted to a third party, including the Tenant.

"Security Deposit" shall mean any security deposits, rent or damage deposits or similar amounts (other than rent paid for the month in which the Closing occurs) actually held by Seller with respect to the Lease.

"Seller's Affidavit " shall mean the form of owner's affidavit to be given by Seller at Closing to the Title Company in the form attached hereto as **Schedule 5**.

"Seller's Certificate" shall mean the form of certificate to be executed and delivered by Seller to Purchaser at the Closing with respect to the truth and accuracy of Seller's warranties and representations contained in this Agreement in the form attached hereto as **Schedule 6**.

"Seller's Disclosure Materials" shall have the meaning ascribed thereto in Section 3.2(a) of this Agreement.

"Survey" shall have the meaning ascribed thereto in Section 3.4(e) of this Agreement.

"Taxes" shall have the meaning ascribed thereto in Section 5.4(a) of this Agreement.

"Tenant" shall mean Pratt & Whitney Automation, Inc., a Delaware corporation.

"Tenant Approvals and Consents" shall mean any prior approvals, consents or requirements of Tenant that may be necessary under the Lease or reasonably requested by Purchaser in order to consummate the transaction contemplated by this Agreement, including, without limitation, all Tenant approvals, consents and requirements set forth in the Lease (if any) and all documentation required to be signed by the Tenant, Seller and Purchaser to effectuate same (if any).

"Tenant Estoppel Certificate" shall mean a certificate to be obtained by Seller from the Tenant and certified to Purchaser and its lender in substantially the same form attached hereto as **Schedule 7**.

"Tenant Inducement Costs" shall mean any out-of-pocket payments required under the Lease to be paid by Seller or for the benefit of the Tenant which is in the nature of a tenant inducement, including specifically, but without limitation, tenant improvement costs, lease buyout payments, and moving, design, refurbishment allowances and costs. The term "Tenant Inducement Costs" shall *not* include loss of income resulting from any free rental period, it being understood and agreed that Seller shall bear the loss resulting from any free rental period until the Closing Date and that Purchaser shall bear such loss from and after the Closing Date.

"Tenant Notice of Sale" shall have the meaning ascribed thereto in Section 5.1(n) of this Agreement.

"Title Company" shall mean First American Title Insurance Company.

"Title Commitment" shall have the meaning ascribed thereto in Section 3.4 of this Agreement.

"2006 Agreement" shall have the meaning ascribed thereto in Section 4.1(r) of this Agreement.

ARTICLE 2.
PURCHASE AND SALE

2.1 Agreement to Sell and Purchase. Subject to and in accordance with the terms and provisions of this Agreement, Seller agrees to sell and Purchaser agrees to purchase, the following property (collectively, the "Property"):

(a) the Land;

(b) the Improvements;

(c) all of Seller's right, title and interest in and to the Lease, any guaranties of the Lease and any Security Deposits;

(d) the Personal Property; and

(e) the Intangible Property.

2.2 **Permitted Exceptions**. The Property shall be conveyed subject only to the Permitted Exceptions.

2.3 **Earnest Money**.

(a) Within the three (3) business days of the Effective Date, Purchaser shall deposit the Initial Earnest Money to Escrow Agent by federal wire transfer payable to Escrow Agent, which Initial Earnest Money shall be held and released by Escrow Agent in accordance with the terms of this Agreement.

(b) Within three (3) business days after the last day of the Inspection Period, Purchaser shall deposit the Additional Earnest Money with Escrow Agent.

(c) The Earnest Money shall be applied to the Purchase Price at the Closing and shall otherwise be held, refunded, or disbursed in accordance with the terms of this Agreement. All interest and other income from time to time earned on the Initial Earnest Money and the Additional Earnest Money shall be earned for the account of Purchaser, and shall be a part of the Earnest Money; and the "Earnest Money" hereunder shall be comprised of the Initial Earnest Money and the Additional Earnest Money, and all such interest and other income.

2.4 **Purchase Price**. Subject to adjustment and credits as otherwise specified in this Section 2.4 and elsewhere in this Agreement, the purchase price (the "Purchase Price") to be paid by Purchaser to Seller for the Property shall be Eight Million Three Hundred Seven Thousand Seven Hundred Fifty and no/100 Dollars ($8,307,750.00 U.S.). The applicable Purchase Price shall be paid by Purchaser to Seller at the Closing as follows:

(a) The Earnest Money shall be paid by Escrow Agent to Seller at Closing; and

(b) An amount equal to the applicable Purchase Price shall be paid by Purchaser to Seller at the Closing by wire transfer of immediately available federal funds to an account designated by Seller, less the amount of the Earnest Money paid by Escrow Agent to Seller at Closing, and subject to prorations, adjustments and credits as otherwise specified in this Agreement.

2.5 **Closing**. The consummation of the sale by Seller and purchase by Purchaser of the Property (the "Closing") shall be conducted by depositing the closing deliveries set forth in Article 5 hereof with the Escrow Agent on or before the date which is thirty (30) days after the expiration of the Inspection Period, subject to extension for satisfaction of each of the Conditions Precedent set forth in Section 6.1 below (the "Closing Date").

ARTICLE 3.
Purchaser's Inspection and Review Rights

3.1 Due Diligence Inspections.

(a) From and after the Effective Date until the Closing Date or earlier termination of this Agreement, Seller shall permit Purchaser and its authorized representatives, upon at least twenty-four (24) hours prior written notice to Seller to inspect the Property to perform due all diligence, studies, appraisals, inspections, soil analysis and environmental investigations and tests, at such times during normal business hours as Purchaser or its representatives may request. All such inspections shall be performed in compliance with Seller's rights and obligations as landlord under the Lease. Further, Purchaser shall use commercially reasonable efforts to not affect, interrupt or interfere with Tenant's use, business or operations on the Property. All inspection fees, appraisal fees, engineering fees and all other costs and expenses of any kind incurred by Purchaser relating to the inspection of the Property shall be solely Purchaser's expense. Seller or its representatives shall have the right to accompany Purchaser and Purchaser representatives in connection with any inspections and other activities on the Property.

(b) To the extent that Purchaser or any of its representatives, agents, consultants or contractors damages or disturbs the Property or any portion thereof, Purchaser shall return the same to substantially the same condition which existed immediately prior to such damage or disturbance. Purchaser hereby agrees to and shall indemnify, defend and hold harmless Seller from and against any and all expense, loss or damage which Seller may incur (including, without limitation, reasonable attorney's fees actually incurred) as a result of any act or omission of Purchaser or its representatives, agents or contractors, other than any expense, loss or damage to the extent arising from any act or omission of Seller and other than any expense, loss or damage resulting from the discovery or release of any Hazardous Substances at the Property (other than Hazardous Substances brought on to the Property by Purchaser or its representatives, agents or contractors).

(c) Purchaser shall keep the results of all inspections conducted pursuant to this Agreement confidential and shall not disclose such results except (i) to such of Purchaser's employees, consultants, attorneys, affiliates and advisors who have a need to know the information in connection with the contemplated transaction and who have agreed, in writing, to be bound by the terms of this confidentiality provision, (ii) to the permitted assignee of Purchaser and to such of its members, managers or general partners and their employees, consultants, attorneys, affiliates and advisors who have a need to know the information in connection with the contemplated transaction and who have agreed, in writing, to be bound by the terms of this confidentiality provision, (iii) to any lender or investor or any prospective lender or investor of Purchaser or any permitted assignee and who have agreed, in writing, to be bound by the terms of this confidentiality provision, (iv) to the extent the same shall be or have otherwise become publicly available other than as a result of a disclosure by Purchaser, its permitted assignee or affiliates, (v) to the extent required to be disclosed by law or during the course of or in connection with any litigation, hearing or other legal proceeding, or (vi) with the written consent of Seller, as the case may be; it being expressly acknowledged and agreed by Purchaser that the foregoing confidentiality agreements shall survive the termination of this Agreement.

(d) Purchaser shall not permit any construction, mechanic's, materialman's or other lien to be filed against any of the Property as the result of any work, labor, service or materials performed or furnished, by, for or to Purchaser, its employees, agents and/or contractors. If any such lien shall at any time be filed against the Property, Purchaser shall, without expense to Seller, cause the same to be discharged of record by payment, bonds, order of a court of competent jurisdiction or otherwise, within thirty (30) days of the filing thereof. Purchaser shall indemnify, defend and hold harmless Seller against any and all claims, losses, damages, costs and expenses (including, but not limited to, attorneys' fees and costs), arising out of the filing of any such liens and/or the failure of Purchaser to cause the discharge thereof as same is provided herein.

(e) Purchaser shall procure (or shall cause its agents or representatives entering the Property to procure) and continue in force and effect from and after the date Purchaser first desires to enter the Property, and continuing throughout the term of this Agreement, the following insurance coverages placed with a responsible insurance company licensed to do business in the State of Alabama having an A.M. Best's rating of "A-IX" or better: comprehensive general liability insurance with a combined single limit of not less than $1,000,000.00 per occurrence or commercial general liability insurance with limits of not less than $1,000,000.00 per occurrence and in the aggregate. To the extent such $1,000,000.00 limit of liability is shared with multiple properties, a per location aggregate shall be included. Seller and/or its designees shall be included as additional insureds under such comprehensive general liability or commercial general liability coverage. Purchaser shall deliver to Seller a certificate of such insurance evidencing such coverage prior to the date Purchaser is permitted to enter the Property. Such insurance may not be cancelled or amended except upon thirty (30) days' prior written notice to Seller. The minimum levels of insurance coverage to be maintained by Purchaser hereunder shall not limit Purchaser's liability under this Section 3.1.

3.2 Seller's Deliveries to Purchaser; Purchaser's Access to Seller's Property Records

(a) Seller has delivered to Purchaser or has made available to Purchaser the following (collectively, the "Seller's Disclosure Materials") to the extent in Seller's possession or within Seller's reasonable control:

(i) A copy of the Lease, including all documents incorporated therein by reference, and all letter agreements or amendments relating thereto existing as of the Effective Date.

(ii) A copy of any guaranties of the Lease.

(iii) All records of any operating costs and expenses for the Property and any prior appraisals of all or any part of the Property.

(iv) Copies of the financial statements or other financial information of the Tenant (and the Lease guarantors, if any).

(v) A copy of any and all agreements pertaining to the Property, Tenant (other than the Lease), including any service or maintenance agreements.

(vi) A copy of Seller's (or its affiliate's) current policy of title insurance with respect to the Land with copies of all matters listed as title exceptions in such policy.

(vii) A copy of any surveys of the Property.

(viii) Copy of current insurance coverage and insurance bill with respect to the Property.

(ix) Copies of any Rights of First Offer.

(x) Copies of any existing environmental reports or other materials related to investigations, studies or correspondence with governmental agencies concerning the presence or absence of Hazardous Substances on, in or under the Property, including the Environmental Reports.

(xi) Copies of any permits, licenses, or other similar documents in Seller's possession relating to the development of the Improvements.

(xii) Copies of all available construction plans and specifications in Seller's possession relating to the development of the Improvements.

(xiii) Copies of any written notices received by Seller from Tenant, any third party or any governmental authority.

(xiv) A copy of the 2006 Agreement.

Seller shall have a continuing duty, within five (5) days of Seller's receipt of any Seller's Disclosure Material, to make supplemental deliveries to Purchaser through the date of the final Closing of any addition or modification to the Seller's Disclosure Materials that come into Seller's possession. Except as otherwise specifically set forth herein, Seller's Disclosure Materials have been provided to Purchaser without any representation or warranty of any kind and are merely provided to Purchaser for Purchaser's informational purposes. Until Closing, Purchaser shall maintain all Seller's Disclosure Materials as confidential information. If the purchase and sale of the Property is not consummated in accordance with this Agreement, regardless of the reason or the party at fault, Purchaser shall immediately re-deliver to Seller all copies of the Seller's Disclosure Materials.

3.3 **Termination of Agreement**. Purchaser shall have until the expiration of the Inspection Period to determine, in Purchaser's sole opinion and discretion, the suitability of the Property for acquisition by Purchaser or Purchaser's permitted assignee. Purchaser shall have the right to terminate this Agreement at any time on or before said time and date of expiration of the Inspection Period by giving written notice to Seller of such election to terminate. If Purchaser so elects to terminate this Agreement pursuant to this Section 3.3, Purchaser shall immediately return to Seller all of Seller's Disclosure Materials, and upon Purchaser returning such materials to Seller, Escrow Agent shall pay the Initial Earnest Money to Purchaser, whereupon, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement. If Purchaser fails to so terminate this Agreement prior to the expiration of the Inspection Period, Purchaser shall have no further right to terminate this Agreement pursuant to this Section 3.3.

3.4 **Title and Survey**. Within ten (10) days after the Effective Date, Seller shall obtain and deliver to Purchaser an ALTA Form 2006 Commitment (" Title Commitment") for an owner's title insurance policy ("Title Policy") issued by the Title Company in an amount no less than the Purchase Price, together with all exception documents referenced in Schedule B, Section of the Title Commitment. The Title Commitment shall evidence that Seller is vested with fee simple title to the Land, free and clear of all liens, encumbrances, exceptions or qualifications whatsoever save and except for (a) the Permitted Exceptions, and (b) those exceptions to title which are to be discharged by Seller at or before Closing, including the Monetary Objections. The Title Commitment shall also evidence that upon the execution, delivery and recordation of the deed to be delivered at the Closing provided for hereunder and the satisfaction of all requirements specified in Schedule B, Section 1 of the Title Commitment, Purchaser shall acquire fee simple title to the Land, subject only to the Permitted Exceptions.

(a) If Purchaser determines that the Title Commitment does not meet the requirements specified above, or that title to the Land is unsatisfactory to Purchaser for reasons other than the existence of Permitted Exceptions or exceptions which are to be discharged by Seller at or before Closing, then Purchaser shall notify Seller of those liens, encumbrances, exceptions or qualifications to title which either are not Permitted Exceptions, are unsatisfactory to Purchaser or are not contemplated by this Agreement to be discharged by Seller at or before Closing, and any such liens, encumbrances, exceptions or qualifications shall be hereinafter referred to as **"**Title Defects**."** Purchaser's failure to deliver notification to Seller of the Title Defects within twenty (20) days after Purchaser's receipt of the Title Commitment and Survey shall be deemed to constitute acceptance of such matters. Seller shall notify Purchaser in writing no later than five (5) days after Seller's receipt of Purchaser's notice setting forth the existence of any Title Defects and indicate to Purchaser that Seller either (i) intends to cure the Title Defects within the applicable cure period, or (ii) intends not to cure some or all of such exceptions, identifying which of the Title Defects Seller intends to cure and/or not cure (Seller being under no obligation to cure Title Defects other than the Monetary Objections).

(b) Seller shall have thirty (30) days, or such longer period as Purchaser may grant in its sole and absolute discretion, following receipt of written notice of the existence of Title Defects in which to undertake a good faith, diligent and continuous commercially reasonable effort and, in fact, cure or eliminate the Title Defects which Seller has elected to cure to the satisfaction of Purchaser and the Title Company in such manner as to permit the Title Company to either endorse the Title Commitment or issue a replacement commitment to delete the Title Defects therefrom. Seller's failure to cure any such Title Defect shall not constitute a default by Seller as long as Seller undertakes a good faith, diligent and continuous commercially reasonable effort to cure or eliminate same.

(c) Within ten (10) days prior to Closing, Seller shall obtain and deliver to Purchaser an update to the Title Commitment (the "Updated Title Commitment"). Any matters disclosed in the Updated Title Commitment which were not exceptions in the Title Commitment shall automatically be deemed Title Defects which Seller shall be obligated to cure unless such matters were placed of record with Purchaser's joinder and consent, or unless such matters otherwise relate solely to the development of the Property in compliance with the Lease, including, without limitation, utility easements, and Seller has provided Purchaser with written notice of such matters; provided, however, such instruments shall not create an economic liability on the owner of the Property or negatively affect the value of the Property, without Purchaser's prior written consent. The cure of any such new Title Defects shall be effected within such time periods as were provided in connection with curing Title Defects under the initial Title Commitment. If Seller shall in fact cure or eliminate the new Title Defects, the Closing shall take place on the date specified in this Agreement. If Seller does not cure or eliminate the new Title Defects, Purchaser may elect to terminate this Agreement or proceed to Closing as provided in Section 3.4(d) below.

(d) If Seller is unable to cure or eliminate any Title Defects (including any new Title Defects revealed by the Updated Title Commitment to be provided to Purchaser as set forth in Section 3.4(c) above) within the time allowed, Purchaser may elect to terminate this Agreement within ten (10) days following the expiration of the curative period by giving written notice of termination to Seller, or, alternatively, Purchaser may elect to close its purchase of the Property, accepting the conveyance of the Property subject to such Title Defect(s), in which event the Closing shall take place on the date specified in this Agreement, subject to any delays provided for above. If, by giving written notice to Seller within the time allowed, Purchaser elects to terminate this Agreement because of the existence of uncured Title Defects, the Earnest Money shall be returned to Purchaser and upon such return the obligations of the parties under this Agreement shall be terminated. The foregoing right of Purchaser to terminate this Agreement upon the failure to cure a Title Defect which Seller is obligated to cure shall not be deemed to limit the Purchaser's rights and remedies to which Purchaser might otherwise be entitled for the breach by Seller of any of its covenants, duties or obligations hereunder, or for the falsehood of any of the Seller's material representations.

(e) Purchaser may, at Purchaser's expense, within the Inspection Period, obtain a boundary survey of the Land ("Survey"). The Survey shall be prepared by a land surveyor duly licensed and registered as such in the State of Alabama, shall be certified by such surveyor to Purchaser, Purchaser's counsel, Seller, Seller's counsel and the Title Company, shall set forth the legal description of the Land and shall otherwise be in a form satisfactory to the Title Company to eliminate the standard survey exceptions from the Title Policy to be issued at Closing. Purchaser shall notify Seller in writing within the period for Purchaser to notify Seller of any Title Defects specifying any matters shown on the Survey which adversely affect the title to the Land or constitute a zoning violation and the same shall thereupon the deemed to be Title Defects hereunder and Seller shall elect to cure or not cure the same as provided in Section 3.4(a) of this Agreement and if Seller elects to undertake the cure thereof it shall do so within the time and in the manner provided in Section 3.4(b) of this Agreement.

ARTICLE 4.
REPRESENTATIONS, WARRANTIES AND OTHER AGREEMENTS

4.1 Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Purchaser:

(a) Organization, Authorization and Consents. Seller is a duly organized and validly existing limited liability company under the laws of the State of Alabama. Seller has the right, power and authority to enter into this Agreement and to convey the Property in accordance with the terms and conditions of this Agreement, to engage in the transactions contemplated in this Agreement and to perform and observe the terms and provisions hereof.

(b) Action of Seller, Etc. Seller has taken all necessary action to authorize the execution, delivery and performance of this Agreement by Seller, and upon the execution and delivery of any document to be delivered by Seller on or prior to the Closing, this Agreement and such document shall constitute the valid and binding obligation and agreement of Seller, enforceable against Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors.

(c) No Violations of Agreements. Neither the execution, delivery or performance of this Agreement by Seller, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under, or result in the creation of any lien, charge or encumbrance upon the Property or any portion thereof pursuant to the terms of any indenture, deed to secure debt, mortgage, deed of trust, note, evidence of indebtedness or any other material agreement or instrument by which Seller is bound.

(d) Litigation. No investigation, action or proceeding is pending or, to Seller's knowledge, threatened, which (i) if determined adversely to Seller, materially affects the use or value of the Property, or (ii) questions the validity of this Agreement or any action taken or to be taken pursuant hereto, or (iii) involves condemnation or eminent domain proceedings involving the Property or any portion thereof.

(e) Existing Leases. (i) Other than the Lease, Seller has not entered into any contract or agreement with respect to the occupancy or sale of the Property or any portion or portions thereof which will be binding on Purchaser after the Closing; (ii) the Lease has not been amended except as evidenced by amendments similarly delivered and constitute the entire agreement between Seller and the Tenant thereunder; and (iii) to Seller's knowledge, there are no existing defaults by Seller or Tenant under the Lease.

(f) Leasing Commissions. (i) There are no lease brokerage agreements, leasing commission agreements or other agreements providing for payments of any amounts for leasing activities or procuring tenants with respect to the Property or any portion or portions thereof other than as disclosed in **Exhibit "C"** attached hereto (the "Commission Agreements"); and that all leasing commissions, brokerage fees and management fees accrued or due and payable under the Commission Agreements, as of the date hereof and at the Closing have been or shall be paid in full; and Seller shall terminate the Commission Agreements as to the Property and the Lease and pay all sums that may be due thereunder at Closing at no cost to Purchaser. Seller acknowledges and agrees that in no event either prior to or after Closing shall Purchaser be responsible for any sums due under any Commission Agreement.

(g) Taxes and Assessments. Seller has not filed, and has not retained anyone to file, notices of protests against, or to commence action to review, real property tax assessments against the Property. The Land is assessed as a separate tax lot or tax parcel, independent of any other parcels or assets not being conveyed hereunder, and has been validly, finally and unappealably subdivided from all other property for conveyance purposes. Seller has no knowledge and Seller has not received notice of any assessments by a public body, whether municipal, county or state, imposed, contemplated or confirmed and ratified against any of the Property for public or private improvements which are now or hereafter payable.

(h) Environmental Matters. To Seller's knowledge, except as disclosed in the Environmental Reports: (i) no Hazardous Substances have been discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape on, in, or under the Property; (ii) no asbestos or asbestos containing materials have been installed, used, incorporated into, or disposed of on the Property except in accordance with all laws, rules, regulations and ordinances pertaining to same; (iii) no PCB's have been located on or in the Property; (iv) no underground storage tanks are located on the Property or were located on the Property and were subsequently removed or filled; and (v) no tenant or other Person has notified Seller of the presence of any mold or fungus on the Property. Seller has received no written notification that any governmental or quasi-governmental authority has determined that there are any violations of any Environmental Law with respect to the Property, nor has Seller received any written notice from any governmental or quasi-governmental authority with respect to a violation or suspected violation of any Environmental Law on or at the Property. To Seller's knowledge, the Property has not previously been used as a landfill, a cemetery, or a dump for garbage or refuse by Seller or any of its Affiliates or by any other Person. No tenant has the right to generate, store or dispose of Hazardous Substances at the Property or use or transport Hazardous Substances on or from the Property except as otherwise provided in the Lease.

(i) Compliance with Laws. To Seller's knowledge, there are no violations of law, municipal or county ordinances, or other legal requirements with respect to the Property or any portion thereof.

(j) Easements and Other Agreements. Seller has no knowledge of any default in complying with the terms and provisions of any of the terms, covenants, conditions, restrictions or easements constituting a Permitted Exception.

(k) Other Agreements. Except for the Lease, the Commission Agreements and the Permitted Exceptions, there are no leases, management agreements, service agreements, brokerage agreements, leasing agreements, licensing agreements, easement agreements, or other agreements or instruments in force or effect that (i) grant to any person or any entity any right, title, interest or benefit in and to all or any part of the Property or any rights relating to the use, operation, management, maintenance or repair of all or any part of the Property, or (ii) establish, in favor of the Property, any right, title, interest in any other real property relating to the use, operation, management, maintenance or repair of all or any part of the Property which, in either event, will survive the Closing or be binding upon Purchaser other than those which Purchaser has agreed in writing to assume prior to Closing.

(l) Condemnation. Seller has no knowledge of the commencement of any actual or threatened proceedings for taking by condemnation or eminent domain of any part of the Property.

(m) Intentionally deleted.

(n) Insurance. Seller has not received any written notice from the respective insurance carriers which issued any of the insurance policies required to be obtained and maintained by Seller under the Lease stating that any of the policies or any of the coverage provided thereby will not or may not be renewed. Except as provided in Section 5.4(g) below, Seller shall terminate all of such insurance policies as of Closing and Purchaser shall have no obligations for payments that may come due under any of Seller's insurance policies for periods of time either prior to or after Closing.

(o) Submission Items. All materials, information, records, and documentation delivered or to be delivered to Purchaser by Seller pursuant to this Agreement, including the Seller's Disclosure Materials, are or upon submission will be, to Seller's Knowledge complete, accurate, true and correct in all material respects.

(p) Commitments to Governmental Authority. No commitments have been made to any governmental authority, developer, utility company, school board, church or other religious body or any property owners' association or to any other organization, group or individual relating to the Property which would impose an obligation upon Purchaser or its successors and assigns to make any contribution or dedications of money or land or to construct, install or maintain any improvements of a public or private nature on or off the Property. The provisions of this section shall not apply to any local real estate taxes assessed against the Property.

(q) Personal Property. All items of Personal Property, if any, are owned outright by Seller, free and clear of any security interest, lien or encumbrance.

(r) No Rights to Purchase. Except for this Agreement, the Option Agreement, and the right of first refusal in favor of Pratt Whitney as set out in that certain August 11, 2006 Agreement among Seller, InvestHSV Land, LLC, and Pratt Whitney (the "2006 Agreement"), Seller has not entered into, and has no actual knowledge of any other agreement, commitment, option, right of first refusal or any other agreement, whether oral or written, with respect to the purchase, assignment or transfer of all or any portion of the Property or the Option Parcel.

The representations and warranties made in this Agreement by Seller shall be continuing and shall be deemed remade in all material respects by Seller as of the Closing Date, with the same force and effect as if made on, and as of, such date. All representations and warranties made in this Agreement by Seller shall survive the Closing for a period of three (3) years (the "Limitation Period"), and upon expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Purchaser gives Seller written notice prior to the expiration of said three (3) year period of such alleged breach with reasonable detail as to the nature of such breach. Notwithstanding anything to the contrary contained in this Agreement, there shall be no survival limitation with respect to acts involving fraud or intentional misrepresentation on behalf of Seller. If, subject to the terms, conditions and applicable limitations provided herein: (a) Purchaser makes a claim against Seller with regard to a representation or warranty which expressly survives Closing, and (b) Purchaser obtains a final and non-appealable judgment against Seller which remains unpaid for a period of thirty (30) days, then Seller agrees that Purchaser shall have the right to trace the Purchase Price to the extent necessary to satisfy such claim. Seller acknowledges and agrees that Purchaser has relied and has the right to rely upon the foregoing in connection with Purchaser's consummation of the transaction set forth in this Agreement.

Subject to the immediately preceding paragraph, Seller hereby agrees to indemnify, protect, defend (through attorneys reasonably acceptable to Purchaser) and hold harmless Purchaser and its subsidiaries, affiliates, officers, directors, agents, employees, successors and assigns from and against any and all claims, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees actually incurred) (i) which may be asserted against or suffered by Purchaser or the Property after the Closing Date as a result or on account of any breach of any representation, warranty or covenant on the part of Seller made herein or in any instrument or document delivered by Seller pursuant hereto or (ii) which may at any time following the Closing Date be asserted against or suffered by Purchaser arising out of or resulting from any matter pertaining to the operation of the Property prior to the Closing Date (whether asserted or accruing before or after Closing). For purposes of this Section 4.1, Seller's knowledge means the current, actual knowledge of Michael R. Patterson without duty of inquiry or investigation and does not include knowledge imputed to Seller from any other person or entity. In no event shall said person have any personal liability hereunder.

4.2 Covenants and Agreements of Seller.

(a) Seller's Continued Performance under the Lease. Seller shall continue to perform in all material respects all of its obligations under the Lease consistent with the terms and conditions of the Lease, including development and construction of the Improvements. Seller shall keep Purchaser reasonably informed as to the status of Seller's development and construction of the Improvements as and when reasonably request by Purchaser.

(b) Leasing and Licensing Arrangements. During the pendency of this Agreement, Seller will not enter into any lease or license affecting the Property, or modify or amend in any material respect, or terminate the Lease without Purchaser's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any such requests by Seller shall be accompanied by a copy of any proposed modification or amendment of the Lease or of any new lease or license that Seller wishes to execute between the Effective Date and the Closing Date.

(c) New Contracts and Easements. During the pendency of this Agreement, Seller will not enter into any contract or easement, or modify, amend, renew or extend any existing contract or easement, that will be an obligation on or otherwise affect the Property or any part thereof subsequent to the Closing without Purchaser's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed, except contracts entered into in the ordinary course of business that shall be terminated at Closing without penalty or premium to Purchaser.

(d) Tenant Estoppel Certificate. Seller shall use commercially reasonable efforts to obtain and deliver to Purchaser prior to Closing an original written Tenant Estoppel Certificate signed by Tenant as provided for in Section 6.1(g).

(e) Waiver of Right of First Offer. Within one (1) day after the date Purchaser deposits the Initial Earnest Money with Escrow Agent, Seller shall provide the holder of any Right of First Offer ("ROFO Holder") with written notice of this Agreement consistent with the terms and conditions of any Right of First Offer (the "ROFO Notice"), and Seller shall provide a copy of same to Purchaser when made. Seller shall keep Purchaser reasonably informed as to the status of the ROFO Holder's response to the ROFO Notice. If the ROFO Holder (i) responds to the ROFO Notice by informing Seller that it does not elect to exercise the Right of First Offer as it pertains to this transaction, or (ii) fails to respond in writing to the ROFO Notice within the required time frame set forth in the Right of First Offer in order to exercise the Right of First Offer, then, as a condition precedent to Purchaser's obligation to close on the sale and purchase of the Property pursuant to this Agreement, Seller shall execute and deliver to Purchaser, on or before expiration of the Inspection Period, an original, executed affidavit in form reasonably acceptable to the Title Company attesting to Seller's delivery of the ROFO Notice pursuant to the Right of First Offer and either the ROFO Holder's election not to exercise the Right of First Refusal or the ROFO Holder's failure to timely respond to same so as to allow the Title Company to issue the Title Policy without exception for the Right of First Refusal ("Seller's ROFR Affidavit"). In the event Seller is unable to obtain and deliver to Purchaser the Seller's ROFR Affidavit, or if the ROFO Holder has elected in writing to exercise its Right of First Offer, then Purchaser shall have the right to terminate this Agreement by providing written notice to Seller, in which case all Earnest Money deposited by Purchaser shall be immediately returned to Purchaser and the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, in the event the Closing does not occur within the applicable time period under the Right of First Refusal in which is Seller is free to sell and convey the Property to Purchaser, then Seller shall be obligated to send the ROFO Holder a new ROFO Notice, in which case the foregoing terms, conditions and rights set forth in this Section 4.2(e) shall apply to the new ROFO Notice.

(f) Tenant Approvals and Consents. Within three (3) business days after the date Purchaser deposits the Additional Earnest Money with Escrow Agent, Seller shall provide the Tenant with written notice of this Agreement and shall continuously pursue in good faith and with commercially reasonable diligence to obtain all of the Tenant's Approvals and Consents. Seller shall provide to Purchaser a copy of such initial written notice sent to Tenant when made and Seller shall keep Purchaser reasonably informed as to the status of obtaining the Tenant's Approvals and Consents as and when reasonably requested by Purchaser. In the event Seller is unable to obtain and deliver to Purchaser all of the Tenant's Approvals and Consents within sixty (60) days after Purchaser deposits the Additional Earnest Money with Escrow Agent, then Purchaser shall have the right to terminate this Agreement by providing written notice to Seller, in which case the Earnest Money deposited by Purchaser shall be immediately returned to Purchaser and the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement.

(g) Intentionally Deleted.

(h) Notices. Seller shall, immediately upon Seller's obtaining knowledge thereof, provide Purchaser with a written notice of any event which has a material adverse effect on the Property.

(i) Notices of Violation. As soon as Seller has knowledge or immediately upon receipt of written notice thereof, Seller shall provide Purchaser with written notice of any violation of any legal requirements or insurance requirements affecting the Property, any service of process relating to the Property or which affects Seller's ability to perform its obligations under this Agreement, any complaints or allegations of default received from Tenant, the landowner under the Parking License or any other correspondence or notice received by Seller which has or has the potential to have a material adverse effect on the Property.

4.3 Representations and Warranties of Purchaser.

(a) Organization, Authorization and Consents. Purchaser is a duly organized and validly existing limited partnership under the laws of the State of Delaware. Purchaser has the right, power and authority to enter into this Agreement and to purchase the Property in accordance with the terms and conditions of this Agreement, to engage in the transactions contemplated in this Agreement and to perform and observe the terms and provisions hereof.

(b) Action of Purchaser, Etc. Purchaser has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and upon the execution and delivery of any document to be delivered by Purchaser on or prior to the Closing, this Agreement and such document shall constitute the valid and binding obligation and agreement of Purchaser, enforceable against Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors.

(c) No Violations of Agreements. Neither the execution, delivery or performance of this Agreement by Purchaser, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under the terms of any indenture, deed to secure debt, mortgage, deed of trust, note, evidence of indebtedness or any other agreement or instrument by which Purchaser is bound.

(d) Litigation. No investigation, action or proceeding is pending or, to Purchaser's knowledge, threatened, which questions the validity of this Agreement or any action taken or to be taken pursuant hereto.

The representations and warranties made in this Agreement by Purchaser shall be continuing and shall be deemed remade by Purchaser as of the Closing Date, with the same force and effect as if made on, and as of, such date. All representations and warranties made in this Agreement by Purchaser shall survive the Closing for a period of three (3) years, and upon expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Seller gives Purchaser written notice prior to the expiration of said three (3) year period of such alleged breach with reasonable detail as to the nature of such breach. Notwithstanding anything to the contrary contained in this Agreement, there shall be no survival limitation with respect to acts involving fraud or intentional misrepresentation on behalf of Purchaser.

Subject to the immediately preceding paragraph, Purchaser hereby agrees to indemnify, protect, defend (through attorneys reasonably acceptable to Seller) hold harmless Seller and its subsidiaries, affiliates, officers, directors, agents, employees, successors and assigns from and against any and all claims, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees actually incurred) which may at any time (i) be asserted against or suffered by Seller after the Closing Date as a result or on account of any breach of any warranty, representation or covenant on the part of Purchaser made herein or in any instrument or document delivered pursuant hereto or (ii) following the Closing Date be asserted against or suffered by Seller arising out of or resulting from any matter pertaining to the operation or ownership of the Property by Purchaser from and after the Closing Date. For purposes of this Section 4.3, Purchaser's knowledge means the current, actual knowledge of David Sobelman ("**Sobelman**") without duty of inquiry or investigation and does not include knowledge imputed to Purchaser from any other person or entity. In no event shall said person have any personal liability hereunder.

ARTICLE 5.
CLOSING DELIVERIES, CLOSING COSTS AND PRORATIONS

5 . 1 Seller's Closing Deliveries. For and in consideration of, and as a condition precedent to Purchaser's delivery to Seller of the Purchase Price, Seller shall obtain or execute and deliver to Purchaser or the Title Company (as applicable) at Closing the following documents, all of which shall be duly executed, acknowledged and notarized where required:

(a) Deed. A general warranty deed to the Land and Improvements, in the form attached hereto as **Schedule 1** (the "Deed"), subject only to the Permitted Exceptions;

(b) Bill of Sale. A bill of sale for the Personal Property in the form attached hereto as **Schedule 3** (the "Bill of Sale"), with warranty as to the title of the Personal Property;

(c) Assignment and Assumption of Leases and Security Deposits. An assignment and assumption of Lease and Security Deposits and, to the extent required elsewhere in this Agreement in the form attached hereto as **Schedule 2** (the "Assignment and Assumption of Lease");

(d) Tenant Estoppel Certificate. The original, executed Tenant Estoppel Certificate;

(e) Subordination, Non-Disturbance and Attornment Agreement. An original Subordination, Non-Disturbance and Attornment Agreement executed by Tenant in form acceptable to Purchaser's lender (the "SNDA");

(f) General Assignment. An assignment of the Intangible Property in the form attached hereto as **Schedule 5** (the "General Assignment");

(g) Seller's Affidavit. An owner's affidavit in the form attached hereto as **Schedule 6** or in similar form as may be required by Escrow Agent to issue the Title Policy in favor of Purchaser subject only to the Permitted Exceptions ("Seller's Affidavit");

(h) Seller's Certificate. A certificate in the form attached hereto as **Schedule 7** ("Seller's Certificate"), evidencing the reaffirmation of the truth and accuracy in all material respects of Seller's representations, warranties, and agreements set forth in Section 4.1 hereof;

(i) FIRPTA Certificate A FIRPTA Certificate in the form attached hereto as **Schedule 8**;

(j) Evidence of Authority Such documentation as may reasonably be required by the Title Company to establish that this Agreement, the transactions contemplated herein, and the execution and delivery of the documents required hereunder, are duly authorized, executed and delivered;

(k) Settlement Statement A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement;

(l) Surveys and Plans. Such surveys, site plans, plans and specifications, and other matters relating to the Property as are in the possession of Seller to the extent not theretofore delivered to Purchaser;

(m) The Seller's ROFR Affidavit. The original executed Seller's ROFR Affidavit.

(n) Lease. To the extent the same are in Seller's possession, original executed counterparts of the Lease;

(o) Keys. All of the keys to any door or lock on the Property in Seller's possession, if any;

(p) Other Documents. Such other documents as shall be reasonably requested by Purchaser's counsel or the Title Company to effectuate the purposes and intent of this Agreement, including without limitation broker's lien affidavits; and

(q) Option to Purchase the Option Parcel. An Exclusive Option to Purchase Agreement (the "Option Agreement") in a form to be negotiated in good faith and agreed-upon by Seller and Purchaser prior to expiration of the Inspection Period, setting forth the terms and conditions pursuant to which Seller agrees to sell and Purchaser agrees to purchase, the Option Parcel. Seller and Purchaser agree that the Option Agreement shall: (1) reflect a purchase price for the Option Parcel of Three Hundred Ninety-Two Thousand Two Hundred Forty-Four and No/100 Dollars ($392,244.00); (2) provide a period of sixty (60) months from the Closing Date during which Purchaser may exercise the option to purchase the Option Parcel; (3) include a form of Memorandum of Option Agreement which shall be executed by Seller and Purchaser and recorded in the Public Records of Limestone County, Alabama upon Closing; and (4) shall include provisions with respect to the 2006 Agreement, including without limitation Seller's obligations to comply with any right of first refusal contained therein. The general terms and conditions of the Option Agreement shall be substantially consistent with the general terms and conditions of this Agreement.

(r) Tenant Approvals and Consents. The original executed Tenant Approvals and Consents.

5.2 Purchaser's Closing Deliveries. Purchaser shall obtain or execute and deliver to Seller or the Title Company (as applicable) at Closing the following documents, all of which shall be duly executed, acknowledged and notarized where required:

(a) Assignment and Assumption of Lease. The Assignment and Assumption of Lease;

(b) Memorandum of Assignment of Lease. The Memorandum of Assignment of Lease;

(c) General Assignment. The General Assignment;

(d) Purchaser's Certificate. A certificate in the form attached hereto as **Schedule 9** ("Purchaser's Certificate"), evidencing the reaffirmation of the truth and accuracy in all material respects of Purchaser's representations, warranties and agreements contained in Section 4.3 of this Agreement;

(e) Settlement Statement A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement;

(f) Option Agreement. The Option Agreement and Memorandum of Option Agreement.

(g) Other Documents. Such other documents as shall be reasonably requested by Seller's counsel or the Title Company, including broker's lien affidavits, to effectuate the purposes and intent of this Agreement.

5.3 **Closing Costs**. Seller shall pay the cost of the documentary/revenue stamps, transfer taxes, excise taxes imposed by the State of Alabama or the county in which the Land is located upon the conveyance of the Property pursuant hereto, the cost of the Title Commitment and the Title Policy, including title examination fees related thereto and any updates to the Title Commitment prior to Closing, the attorneys' fees of Seller, and all other costs and expenses incurred by Seller in closing and consummating the purchase and sale of the Property pursuant hereto. Purchaser shall pay the cost of the Survey, all recording fees on all instruments to be recorded in connection with this transaction, the cost of any endorsements to the Title Policy, the cost of any loan policy of title insurance and endorsements thereto with respect to any loan obtained by Purchaser, the attorneys' fees of Purchaser, and all other costs and expenses incurred by Purchaser in the performance of Purchaser's due diligence inspection of the Property and in closing and consummating the purchase and sale of the Property pursuant hereto.

5.4 **Prorations and Credits**. The items in this Section 5.4 shall be prorated between Seller and Purchaser or credited, as specified:

(a) Taxes. All general real estate taxes imposed by any governmental authority ("Taxes") for the year in which the Closing occurs shall be prorated between Seller and Purchaser as of the Closing. If the Closing occurs prior to the receipt by Seller of the tax bill for the calendar year or other applicable tax period in which the Closing occurs, Taxes shall be prorated for such calendar year or other applicable tax period based upon the amount equal to the prior year's tax bill.

(b) Reproration of Taxes. After receipt of final Taxes and other bills, Purchaser shall prepare and present to Seller a calculation of the reproration of such Taxes and other items, based upon the actual amount of such items charged to or received by the parties for the year or other applicable fiscal period. The parties shall make the appropriate adjusting payment between them within thirty (30) days after presentment to Seller of Purchaser's calculation and appropriate back-up information. Purchaser shall provide Seller with appropriate backup materials related to the calculation, and Seller may inspect Purchaser's books and records related to the Property to confirm the calculation. The provisions of this Section 5.4(b) shall survive the Closing for a period of one (1) year after the Closing Date.

(c) Rents, Income and Other Expenses. Rents and any other amounts payable by Tenant under the Lease shall be prorated as of the Closing Date and be adjusted against the Purchase Price on the basis of a schedule which shall be prepared by Seller and delivered to Purchaser for Purchaser's review and approval prior to Closing. Purchaser shall receive at Closing a credit for Purchaser's pro rata share of the rents, additional rent, Taxes, common area maintenance charges, tenant reimbursements and escalations, and all other payments payable for the month of Closing and for all other rents and other amounts that apply to periods from and after the Closing, but which are received by Seller prior to Closing. Purchaser agrees to pay to Seller, upon receipt, any rents or other payments by Tenants under the Lease that apply to periods prior to Closing but are received by Purchaser after Closing; provided, however, that any delinquent rents or other payments by Tenant shall be applied first to any current amounts owing by Tenant, then to delinquent rents in the order in which such rents are most recently past due, with the balance, if any, paid over to Seller to the extent of delinquencies existing at the time of Closing to which Seller is entitled; it being understood and agreed that Purchaser shall not be legally responsible to Seller for the collection of any rents or other charges payable with respect to the Lease or any portion thereof, which are delinquent or past due as of the Closing Date; but Purchaser agrees that Purchaser shall send monthly notices prepared by Seller for a period of three (3) consecutive months in an effort to collect any rents and charges not collected as of the Closing Date. Any reimbursements payable by Tenant under the terms of the Lease as of the Closing Date, which reimbursements pertain to such Tenant's pro rata share of increased operating expenses or common area maintenance costs incurred with respect to the Property at any time prior to the Closing, shall be prorated upon Purchaser's actual receipt of any such reimbursements, on the basis of the number of days of Seller and Purchaser's respective ownership of the Property during the period in respect of which such reimbursements are payable; and Purchaser agrees to pay to Seller Seller's pro rata portion of such reimbursements within thirty (30) days after Purchaser's receipt thereof. Conversely, if Tenant shall become entitled at any time after Closing to a refund of Tenant reimbursements actually paid by such Tenant prior to Closing, then, Seller shall, within thirty (30) days following Purchaser's demand therefor, pay to Purchaser any amount equal to Seller's pro rata share of such reimbursement refund obligations, said proration to be calculated on the same basis as hereinabove set forth. Seller hereby waives its right to file any administrative or legal action against Tenant under the Lease for sums due Seller for periods attributable to Seller's ownership of the Property, except that Seller shall be entitled to continue to pursue any legal proceedings commenced prior to Closing; but shall not be permitted to commence or pursue any legal proceedings against any Tenant seeking eviction of such Tenant or the termination of the Lease unless consented to by Purchaser in writing. Seller shall be responsible for collecting and remitting all sales and use taxes that are due or become due on rent payments under the Lease received by Seller prior to Closing. Purchaser shall be responsible for collecting and remitting all sales and use taxes that become due on rent payments under the Lease received by Purchaser after Closing. The provisions of this Section 5.4(c) shall survive the Closing.

(d) Security Deposits. Purchaser shall receive a credit at Closing for all Security Deposits (and any interest thereon required to be reimbursed to any tenant) pursuant to the Lease or pursuant to applicable law. Seller agrees to and does hereby indemnify, defend and hold Purchaser harmless from and against any liability or expense incurred by Purchaser by reason of any Security Deposit (and interest thereon, if required by law) actually collected by Seller and not actually paid (or credited) to Purchaser at the Closing. Purchaser agrees to and does hereby indemnify and hold Seller harmless from and against any liability or expense incurred by Seller by reason of any Security Deposit (and interest thereon, if required by law) which is paid (or credited) to Purchaser at the Closing and which Purchaser does not properly refund to the Tenant. The provisions of this Section 5.4(d) shall survive the Closing.

(e) Intentionally Deleted

(f) Special Assessments. Certified, confirmed and ratified special assessment liens as of date of Closing (and not as of the date of this Agreement) shall be paid by Seller, or Purchaser shall receive a credit therefor. Pending liens as of date of Closing shall be assumed by Purchaser; provided, however, that where the improvement, for which the special assessment was levied, has been substantially completed as of the date of this Agreement, such pending liens shall be considered as certified, confirmed or ratified and Seller shall, at Closing, be charged an amount equal to the estimated amount of the assessment for the improvement. If any special assessment liens are due in installments Seller shall be required to pay any installment due as of the Closing Date and Purchaser shall be responsible for all such installments due after the date of Closing.

(g) Insurance. In the event Seller obtains insurance coverages required to be obtained by landlord under the Lease, and such insurance policy(ies) name both Seller and Purchaser as insured parties and will continue in effect after the Closing with Purchaser as a named insured, then, notwithstanding the provisions of Section 4.1(o) above, Seller shall not be required to terminate such insurance policies as of Closing. In such event, the premiums for such insurance policy(ies) shall be prorated between Seller and Purchaser as of the Closing based on the number of days in the policy period before and after the Closing. Seller shall provide Purchaser with copies of such insurance policy(ies) within five (5) days of obtaining same. If, pursuant to the Lease, Tenant is obligated to reimburse the landlord thereunder for the premium payable for such policy(ies), upon receipt of such reimbursement, Purchaser shall promptly remit to Seller the portion of such reimbursement related to the period prior to the Closing Date. Effective as of the Closing Date, Seller shall be removed as a named insured by endorsement to the applicable insurance policies (and if the Closing does not occur for any reason, Purchaser shall be removed as a named insured). Seller shall use commercially reasonable efforts post- Closing to cause the insurance company to remove Seller as a named insured from the applicable insurance policy(ies) effective as of the Closing Date. The provisions of this Section 5.4(g) shall survive Closing.

ARTICLE 6.
CONDITIONS TO CLOSING

6 . 1 Conditions Precedent to Purchaser's Obligations. The obligations of Purchaser hereunder to consummate the transaction contemplated hereunder shall in all respects be conditioned upon the satisfaction of each of the following conditions on or before Closing or on or before such time specified in this Agreement (whichever is applicable), any of which may be waived by Purchaser in its sole discretion by written notice to Seller at or prior to the Closing Date (collectively, the "Conditions Precedent"):

(a) No material adverse change in the condition of the Property has occurred since the Effective Date of this Agreement.

(b) Seller shall have completed all of Improvements consistent with the terms and conditions of the Lease and Tenant has accepted possession of the Improvements as evidenced by Tenant in the Tenant Estoppel Certificate.

(c) The Rent Commencement Date has occurred as evidenced by Tenant in the Tenant Estoppel Certificate.

(d) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including, but not limited to Section 5.1 hereof.

(e) Seller shall have performed, in all material respects, all covenants, agreements and undertakings of Seller contained in this Agreement.

(f) All representations and warranties of Seller as set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of Closing.

(g) At least five (5) business days prior to the Closing, Purchaser has received an original executed Tenant Estoppel Certificate from Tenant in the form attached hereto to as **Schedule 7** or which otherwise provides certifications reasonably satisfactory to Purchaser and its lender, which at a minimum shall (i) be dated within thirty-five (35) days prior to the Closing Date, (ii) confirm the material terms of the applicable Lease, as contained in the copy of the Lease delivered to Purchaser hereunder, and (iii) confirm the absence of any defaults by Seller and Tenant under the Lease as of the date thereof.

(h) The delivery by the Title Company of a "marked up" Title Commitment, subject only to the Permitted Exceptions, with gap coverage, deleting all requirements and deleting the standard exceptions.

(i) Purchaser's satisfaction with the form of Option Agreement, Memorandum of Option Agreement, and the Tenant Approvals and Consents.

In the event any of the conditions in this Section 6.1 have not been satisfied (or otherwise waived in writing by Purchaser) on or before the time period specified herein (as same may be extended or postponed as provided in this Agreement), Purchaser shall have the right to terminate this Agreement by written notice to Seller given prior to the Closing, whereupon (i) Escrow Agent shall return the Earnest Money to Purchaser; and (ii) except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement. The provisions of this Section 6.1 shall supersede the provisions of Section 8.2 of this Agreement.

ARTICLE 7.
CASUALTY AND CONDEMNATION

7.1 **Casualty**. Risk of loss up to and including the Closing Date shall be borne by Seller. In the event of any immaterial damage or destruction to the Property or any portion thereof, Seller and Purchaser shall proceed to close under this Agreement, and Purchaser will receive (and Seller will assign to Purchaser at the Closing Seller's rights under insurance policies to receive) any insurance proceeds due Seller as a result of such damage or destruction and assume responsibility for such repair, and Purchaser shall receive a credit at Closing for any deductible, uninsured or coinsured amount under said insurance policies. For purposes of this Agreement, the term "immaterial damage or destruction" shall mean such instances of damage or destruction: (i) which can be repaired or restored at a cost of Five Thousand and No/100 Dollars ($5,000.00) or less; (ii) which can be restored and repaired within sixty (60) days from the date of such damage or destruction; and (iii) in which Seller's rights under its insurance policy covering the Property are assignable to Purchaser and will continue pending restoration and repair of the damage or destruction.

In the event of any material damage or destruction to the Property or any portion thereof, Purchaser may, at its option, by notice to Seller given within the earlier of twenty (20) days after Purchaser is notified by Seller of such damage or destruction, or the Closing Date, but in no event less than ten (10) days after Purchaser is notified by Seller of such damage or destruction (and if necessary the Closing Date shall be extended to give Purchaser the full 10-day period to make such election): (i) terminate this Agreement, whereupon Escrow Agent shall immediately return the Earnest Money to Purchaser, or (ii) proceed to close under this Agreement, receive (and Seller will assign to Purchaser at the Closing Seller's rights under insurance policies to receive) any insurance proceeds due Seller as a result of such damage or destruction (less any amounts reasonably expended for restoration or collection of proceeds) and assume responsibility for such repair, and Purchaser shall receive a credit at Closing for any deductible amount under said insurance policies. If Purchaser fails to deliver to Seller notice of its election within the period set forth above, Purchaser will conclusively be deemed to have elected to proceed with the Closing as provided in clause (ii) of the preceding sentence. If Purchaser elects clause (ii) above, Seller will cooperate with Purchaser after the Closing to assist Purchaser in obtaining the insurance proceeds from Seller's insurers. For purposes of this Agreement "material damage or destruction" shall mean all instances of damage or destruction that are not immaterial, as defined herein.

7.2 Condemnation. If, prior to the Closing, all or any part of the Property is subjected to a bona fide threat of condemnation by a body having the power of eminent domain or is taken by eminent domain or condemnation (or sale in lieu thereof), or if Seller has received written notice that any condemnation action or proceeding with respect to the Property is contemplated by a body having the power of eminent domain, Seller shall give Purchaser immediate written notice of such threatened or contemplated condemnation or of such taking or sale, and Purchaser may by written notice to Seller given within thirty (30) days after the receipt of such notice from Seller, elect to cancel this Agreement. If Purchaser chooses to cancel this Agreement in accordance with this Section 7.2, then the Earnest Money shall be returned immediately to Purchaser by Escrow Agent and the rights, duties, obligations, and liabilities of the parties hereunder shall immediately terminate and be of no further force and effect, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement. If Purchaser does not elect to cancel this Agreement in accordance herewith, this Agreement shall remain in full force and effect and the sale of the Property contemplated by this Agreement, less any interest taken by eminent domain or condemnation, or sale in lieu thereof, shall be effected with no further adjustment and without reduction of the Purchase Price, and at the Closing, Seller shall assign, transfer, and set over to Purchaser all of the right, title, and interest of Seller in and to any awards applicable to the Property that have been or that may thereafter be made for such taking. At such time as all or a part of the Property is subjected to a bona fide threat of condemnation and Purchaser shall not have elected to terminate this Agreement as provided in this Section 7.2 (and either the 30-day period within which Purchaser has a right to terminate this Agreement pursuant to this Section 7.2 has expired or Purchaser has agreed to waive its right to terminate this Agreement), and provided that the Inspection Period has expired and Purchaser has delivered the Additional Earnest Money to Escrow Agent, (i) Purchaser shall thereafter be permitted to participate in the proceedings as if Purchaser were a party to the action, and (ii) Seller shall not settle or agree to any award or payment pursuant to condemnation, eminent domain, or sale in lieu thereof without obtaining Purchaser's prior written consent thereto in each case.

ARTICLE 8.
DEFAULT AND REMEDIES

8 . 1 **Purchaser's Default**. If Purchaser fails to consummate this transaction for any reason other than Seller's default, failure of a condition to Purchaser's obligation to close or the exercise by Purchaser of an express right of termination granted herein, Seller shall be entitled, as its sole remedy hereunder, to terminate this Agreement and to receive and retain the Earnest Money as full liquidated damages for such default of Purchaser, the parties hereto acknowledging that it is impossible to estimate more precisely the damages which might be suffered by Seller upon Purchaser's default, and that said Earnest Money is a reasonable estimate of Seller's probable loss in the event of default by Purchaser. Seller's retention of said Earnest Money is intended not as a penalty, but as full liquidated damages. The right to retain the Earnest Money as full liquidated damages is Seller's sole and exclusive remedy in the event of default hereunder by Purchaser, and Seller hereby waives and releases any right to (and hereby covenants that it shall not) sue the Purchaser: (a) for specific performance of this Agreement, or (b) to recover actual damages in excess of the Earnest Money.

8 . 2 **Seller's Default**. If Seller fails to perform any of its obligations under this Agreement for any reason other than Purchaser's default or the permitted termination of this Agreement by Purchaser as expressly provided herein, Purchaser shall be entitled, as its remedy, either (a) to terminate this Agreement and receive the return of the Earnest Money from Escrow Agent, and in such event, the right to retain the Earnest Money shall be full liquidated damages and, except as set forth herein, shall be Purchaser's sole and exclusive remedy in the event of a default hereunder by Seller, and Purchaser hereby waives and releases any right to sue Seller for damages), or (b) to enforce specific performance of Seller's obligation to execute and deliver the documents required to convey the Property to Purchaser in accordance with this Agreement. If specific performance is not available to Purchaser as a result of Seller having sold the Property or any portion thereof to another party, or as a result of a willful and intentional act or omission of Seller, then, in addition to Purchaser's termination right and reimbursement referenced, Purchaser shall have all remedies available at law or in equity. Notwithstanding anything to the contrary contained herein, it shall not be a default by Seller if Seller is unable, after commercially reasonable efforts, to deliver the Tenant Estoppel Certificate required by Section 6.1(g), but Purchaser shall not be obligated to close without it.

8.3 **Fraud/Misrepresentation**. Notwithstanding anything contained in Section 8.1 or 8.2 above, either party may pursue the other party for any legal or equitable remedy which may be available as a result of fraud committed by the other party or a willful and intentional misrepresentation made by the other party.

ARTICLE 9.
ASSIGNMENT

9.1 **Assignment**. Subject to the next following sentence, this Agreement and all rights and obligations hereunder shall not be assignable by any party without the written consent of the other. Notwithstanding the foregoing to the contrary, this Agreement and Purchaser's rights hereunder may be transferred and assigned to any entity that is an Affiliate of Purchaser. Any assignee or transferee under any such assignment or transfer by Purchaser as to which Seller's written consent has been given or as to which Seller's consent is not required hereunder shall expressly assume all of Purchaser's duties, liabilities and obligations under this Agreement by written instrument delivered to Seller as a condition to the effectiveness of such assignment or transfer. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. This Agreement is not intended and shall not be construed to create any rights in or to be enforceable in any part by any other persons.

ARTICLE 10.
BROKERAGE COMMISSIONS

10.1 **Brokers**. All negotiations relative to this Agreement and the purchase and sale of the Property as contemplated by and provided for in this Agreement have been conducted by and between Seller and Purchaser without the assistance or intervention of any person or entity as agent or broker other than 3 Properties, LLC, as Purchaser's agent ("Purchaser's Broker"), and Crunkleton & Associates ("Seller's Broker", and together with Purchaser's Broker, the "Brokers"). Seller and Purchaser warrant and represent to each other that, other than the Brokers, Seller and Purchaser have not entered into any agreement or arrangement and have not received services from any other broker, realtor, or agent or any employees or independent contractors of any other broker, realtor or agent, and that, there are and will be no broker's, realtor's or agent's commissions or fees payable in connection with this Agreement or the purchase and sale of the Property by reason of their respective dealings, negotiations or communications other than amounts due to Purchaser's Broker. Seller agrees to pay Purchaser's Broker a commission of one and one-half percent (1.5%) of the Purchase Price at Closing, and Seller's Broker a commission of one and one-half percent (1.5%) of the Purchase Price at Closing. Seller and Purchaser agree to hold each other harmless from and to indemnify the other against any liabilities, damages, losses, costs, or expenses incurred by the other in the event of the breach or inaccuracy of any covenant, warranty or representation made by it in this Section 10.1. Purchaser hereby discloses to Seller and Seller hereby acknowledges that Sobelman, the President of Purchaser, is a licensed real estate broker. The provisions of this Section 10.1 shall survive the Closing or earlier termination of this Agreement.

ARTICLE 11.
MISCELLANEOUS

11.1 **Notices**. Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by overnight courier, hand, facsimile transmission, by email or sent by U.S. registered or certified mail, return receipt requested, postage prepaid, to the addresses, facsimile numbers or email addressed set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

PURCHASER: Generation Income Properties, L.P.
401 East Jackson Street, Suite 3300
Tampa, Florida 33602
Attention: David Sobelman
Facsimile: (813) 448-1234
Email: ds@gipreit.com

with a copy to: Trenam Law
200 Central Avenue, Suite 1600
St. Petersburg, Florida 33701
Attention: Timothy M. Hughes, Esq.
Facsimile: (727) 502-3408
Email: thughes@trenam.com

SELLER: InvestHSV, LLC
201 Williams Avenue, Suite 260
Huntsville, AL
Attention: Michael R. Patterson
Email: mpatterson@gwjproperties.com

with a copy to: Maynard Cooper, P.C.
655 Gallatin Street S.W.
Huntsville, Alabama 35801
Attn: Daniel M. Wilson, Esq.
Facsimile: 256-512-5756
Email: dwilson@maynardcooper.com

Any notice or other communication (i) mailed as hereinabove provided shall be deemed effectively given or received on the third (3rd) business day following the postmark date of such notice or other communication, (ii) sent by overnight courier or by hand shall be deemed effectively given or received upon receipt, and (iii) sent by facsimile or email transmission shall be deemed effectively given or received on the day of transmission of such notice and electronic confirmation of such transmission is received by the transmitting party. Any notice or other communication given in the manner provided above by counsel for either party shall be deemed to be notice or such other communication from the party represented by such counsel.

11.2 Possession. Full and exclusive possession of the Property, subject to the Permitted Exceptions and the rights of the Tenant under the Lease, shall be delivered by Seller to Purchaser on the Closing Date.

11.3 Time Periods. If the time period by which any right, option, or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday, or holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day.

11.4 Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

11.5 **Construction**. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that this Agreement may have been prepared by counsel for one of the parties, it being mutually acknowledged and agreed that Seller and Purchaser and their respective counsel have contributed substantially and materially to the preparation and negotiation of this Agreement. Accordingly, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

11.6 **Survival**. The provisions of this Article 11 and all other provisions in this Agreement which expressly provide that they shall survive the Closing (subject to any specific limitations) or any earlier termination of this Agreement shall not be merged into the execution and delivery of the Deed.

11.7 **General Provisions**. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon Seller or Purchaser unless such amendment is in writing and executed by both Seller and Purchaser. Subject to the provisions of Section 9.1 hereof, the provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns. Time is of the essence in this Agreement. The headings inserted at the beginning of each paragraph are for convenience only, and do not add to or subtract from the meaning of the contents of each paragraph. This Agreement shall be construed and interpreted under the laws of the State of Alabama. Except as otherwise provided herein, all rights, powers, and privileges conferred hereunder upon the parties shall be cumulative but not restrictive to those given by law. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender shall include all genders, and all references herein to the singular shall include the plural and vice versa.

11.8 **Attorney's Fees**. If Purchaser or Seller brings an action at law or equity against the other in order to enforce the provisions of this Agreement or as a result of an alleged default under this Agreement, the prevailing party in such action shall be entitled to recover court costs and reasonable attorney's fees (at all levels of trial and appeal) actually incurred from the other.

11.9 **Counterparts**. This Agreement may be executed in one or more counterparts, each of which when taken together shall constitute one and the same original. To facilitate the execution and delivery of this Agreement, the parties may execute and exchange counterparts of the signature pages by facsimile or by scanned image (e.g., .pdf file extension) as an attachment to an email and the signature page of either party to any counterpart may be appended to any other counterpart.

11.10 **Escrow Terms**. The Earnest Money shall be held in escrow by Escrow Agent on the following terms and conditions:

(a) Escrow Agent shall deliver the Earnest Money to Seller or Purchaser, as the case may be, in accordance with the provisions of this Agreement. Escrow Agent shall invest the Earnest Money in a money market account with a national banking association or other bank acceptable to Seller and Purchaser.

(b) Any notice to or demand upon Escrow Agent shall be in writing and shall be sufficient only if received by Escrow Agent within the applicable time periods set forth herein, if any. Notices to or demands upon Escrow Agent shall be mailed or delivered by overnight courier to First American Title Insurance Company, , c/o Maynard, Cooper & Gale, P.C., its agent, 655 Gallatin Street, Huntsville, AL 35801, or served personally upon Escrow Agent with receipt acknowledged in writing by Escrow Agent. Notices from Escrow Agent to Seller or Purchaser shall be mailed to them at the addresses for each party shown in Section 11.1 of this Agreement.

(c) In the event that litigation is instituted relating to this escrow, the parties hereto agree that Escrow Agent shall be held harmless from any attorneys' fees, court costs and expenses relating to that litigation to the extent that litigation does not arise as a result of the Escrow Agent's acts or omissions. To the extent that Escrow Agent holds Earnest Money under the terms of this escrow, the parties hereto, other than Escrow Agent, agree that Escrow Agent may charge the Earnest Money with any such attorneys' fees, court costs and expenses as they are incurred by Escrow Agent. In the event that conflicting demands are made on Escrow Agent, or Escrow Agent, in good faith, believes that any demands with regard to the Earnest Money are in conflict or are unclear or ambiguous, Escrow Agent may bring an interpleader action in an appropriate court. Such action shall not be deemed to be the "fault" of Escrow Agent, and Escrow Agent may lay claim to or against the Earnest Money for its reasonable costs and attorneys' fees in connection with same, through final appellate review. To that end, the parties hereto, other than Escrow Agent, agree to indemnify Escrow Agent for all such attorneys' fees, court costs and expenses.

(d) Without limitation, Escrow Agent shall not be liable for any loss or damage resulting from the following: (a) the financial status or insolvency of any other party, or any misrepresentation made by any other party; (b) any legal effect, insufficiency or undesirability of any instrument deposited with or delivered by or to Escrow Agent or exchanged by the parties hereunder, whether or not Escrow Agent prepared such instrument; (c) the default, error, action or omission of any other party to this Agreement or any actions taken by Escrow Agent in good faith, except for Escrow Agent's gross negligence or willful misconduct; (d) any loss or impairment of the Earnest Money that has been deposited in escrow while the Earnest Money is in the course of collection or while the Earnest Money is on deposit in a financial institution if such loss or impairment results from the failure, insolvency or suspension of a financial institution, or any loss or impairment of the Earnest Money due to the invalidity of any draft, check, document or other negotiable instrument delivered to Escrow Agent; (e) the expiration of any time limit or other consequence of delay, unless a properly executed settlement instruction, accepted by Escrow Agent has instructed the Escrow Agent to comply with said time limit; and (f) Escrow Agent's compliance with any legal process, subpoena, writ, order, judgment or decree of any court, whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.

(e) Escrow Agent shall not have any duties or responsibilities, except those set forth in this Section and shall not incur any liability in acting upon any signature, notice, demand, request, waiver, consent, receipt or other paper or document believed by Escrow Agent to be genuine. Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions hereof has been duly authorized to do so, or is otherwise acting or failing to act under this Section except in the case of Escrow Agent's gross negligence or willful misconduct. Upon completion of the disbursement of the Earnest Money, Escrow Agent shall be automatically released and discharged of its escrow obligations hereunder.

(f) The terms and provisions of this Article shall create no right in any person, firm or corporation other than the parties and their respective successors and permitted assigns and no third party shall have the right to enforce or benefit from the terms hereof.

(g) Escrow Agent has executed this Agreement for the sole purpose of agreeing to act as such in accordance with the terms of this Agreement.

11.11 Seller's Tax Deferred Exchange. Seller may convey the Property or any portion thereof or interest therein as part of one or more Internal Revenue Code Section 1031 Tax Deferred Exchanges for its benefit. In such event, Seller shall be assigning all contract rights and obligations hereunder to a qualified intermediary, as a part of, and in furtherance of, such tax deferred exchange. Purchaser agrees to assist and cooperate in any such exchange, and Purchaser further agrees to execute any and all documents as are reasonably necessary in connection with any such exchange. Purchaser shall not be obligated to incur any cost or expense in connection with any such exchange, other than that which Purchaser elects to incur to have its counsel review the documents and instruments incident thereto. As part of any such exchange, Seller shall convey the real property described herein directly to Purchaser and Purchaser shall not be obligated to acquire or convey any other property as part of any such exchange.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

SELLER:

INVESTHSV, LLC, an Alabama limited liability company

By: /s/ David Sobelman
Name: David Sobelman_____
Title: President_____

Date of Execution:
October 19, 2018

PURCHASER:

GENERATION INCOME PROPERTIES, L.P.,
a Delaware limited partnership

By: Generation Income Properties, Inc.,
Its Sole General Partner

By: /s/ David Sobelman
Name: David Sobelman
Title: President

Date of Execution:
October 19, 2018

IN WITNESS WHEREOF, the undersigned Escrow Agent has joined in the execution and delivery hereof solely for the purpose of evidencing its rights and obligations under the provisions of Section 11.10 hereof.

ESCROW AGENT:

First American Title Insurance Company
By: MAYNARD, COOPER & GALE, P.C., its agent

By: /s/ Daniel Wilson
Name: Daniel Wilson
Title: Shareholder

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

All that certain lot or parcel of land situated in Limestone County, State of Alabama, together with all and singula rights, privileges, tenements, hereditaments and appurtenances pertaining thereto, described as follows:

All that part of the northeast quarter of Section 4, Township 5 South, Range 3 West, Limestone County, Alabama and being a part of Lot 3 of Greenbrier Patch Subdivision a Resubdivsion of Lot 3 and Lot 8 of a Resubdivision of Lot 3 and Lot 8 of a Resubdivision of Lot 1 and Lot 8 of a Resubdivision of Lot 1 of a Resubdivision of Lot 1 of a Resubdivision of Lot 1 of Greenbrier Patch as recorded in Plat Book G, Page 192 in the Office of the Judge of the Probate Court of Limestone County, Alabama and particularly described as:

Beginning at a concrete monument found at the northwestmost corner of the above said Lot 3 and on the southerly right-of-way line of I-565; thence N 65°54'55" E along the southerly right-of-way of I-565 a distance of 325.00 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E" at the northcastmost corner of said Lot 3; thence S 24°05'05" E along the easterly boundary said Lot 3 a distance of 325.00 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E*; thence continue S 24°05'05" E along the extension of the easterly boundary said Lot 3 a distance of 298.02 feet to a 5/8 inch capped rebar set and stamped "G. W, Jones & Sons C.E. Inc. CA-00020E" at the toe of a detention pond; thence southeasterly along the toc of that said detention pond a distance of 165.33 along a non-radial curve to the right that has a radius of 115.03 feet and a chord bearing S 85°31'40" E a distance of 151.46 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E*; thence southeasterly along the toe of that said detention pond a distance of 153.15 along another non-radial curve to the right that has a radius of 208 88 feet and a chord bearing $ 00°31'40" E a distance of 149.74 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones St Sons C.E. Inc. CA-00020E" on the south boundary of said Lot 3; thence N 89°00'19" W along the south boundary of said Lot 3 a distance of 144.09 feet to a capped rebar found and stamped "Civil Solutions CA-0564 LS"; thence N 01°09'13" E along the southerly boundary of said Lot 3 a distance of 134.44 feet to a capped rebar found and stamped "Civil Solutions CA-0564 LS"; thence S 72°56'34" W along the southerly boundary of said Lot 3 a distance of 466 65 feet to a concrete monument found at the southwest corner of said Lot 3; thence N 01°09'08" E along the west boundary of said Lot 3 a distance of 323.90 feet to a concrete monument found; thence N 24°04'34" W along the west boundary of said Lot 3 a distance of 299.92 feet to the point of beginning end containing 5.80 acres, more or less.

EXHIBIT "B"

LIST OF PERSONAL PROPERTY

All furniture (including common area furnishings and interior landscaping items), carpeting, draperies, appliances, personal property (excluding any computer software which is licensed to Seller), machinery, apparatus and equipment owned by Seller and currently used exclusively in the operation, repair and maintenance of the Land and Improvements and situated thereon (if any).

EXHIBIT "C"

LIST OF
EXISTING COMMISSION AGREEMENTS

I. The following described Commission Agreements entered into by Seller during its ownership of the Property:

None.

EXHIBIT "D"

LEGAL DESCRIPTION OF THE OPTION PARCEL

All that certain lot or parcel of land situated in Limestone County, State of Alabama, together with all and singular rights, privileges, tenements, hereditaments and appurtenances pertaining thereto, described as follows:

All that part of the northeast quarter of Section 4, Township 5 South, Range 3 West, Limestone County, Alabama and being a part of Lot 3 of Greenbrier Patch Subdivision a Resubdivision of Lot 3 and Lot 8 of a Resubdivision of Lot 3 and Lot 8 of a Resubdivision of Lot 1 and Lot 8 of a Resubdivision of Lot 1 of a Resubdivision of Lot 1 of a Resubdivision of Lot 1 of Greenbrier Patch as recorded in Plat Book G, Page 192 in the Office of the Judge of the Probate Court of Limestone County, Alabama and particularly described as:

Commencing at a concrete monument found at the northwestmost corner of the above said Lot 3 and on the southerly right-of-way line of I-565; thence N 65°54'55" E along the southerly right-of-way of I-565 a distance of 325.00 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E" at the northeastmost corner of said Lot 3; thence S 24°05'05" E along the easterly boundary said Lot 3 a distance of 325.00 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E" to the point of beginning; thence N 73°37'30" E along the northerly boundary of said Lot 3 a distance of 415.07 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E Inc. CA-00020E" at the northeast corner of said Lot 3; thence S 00°51'49" E along the easterly boundary said Lot 3 a distance of 220.07 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E" on the northerly right-of-way line of Success Drive; thence southwesterly and southeasterly a distance of 188.50 along the westerly right-of-way line of Success Drive and the curve of the cul-de-sac to the left that has a radius of 60.00 feet and a chord bearing S 00°51'49" E a distance of 120.00 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E" on the southerly right-of-way line of Success Drive; thence S 00°51'49" E along the easterly boundary said Lot 3 a distance of 212.93 feet to a capped rebar found and stamped "Civil Solutions CA.-0564 LS" at the southeast corner of said Lot 3; thence **N** 89°00'19" W along the south boundary of said Lot 3 a distance of 132.59 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E Inc. CA-00020E" at the toe of a detention pond; thence northwesterly along the toc of that said detention pond a distance of 153.15 along a non-radial curve to the left that has a radius of 208.88 feet and a chord bearing N 00°31'40" W a distance of 149.74 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E" on the south boundary of said Lot 3; thence northwesterly along the toe of that said detention pond a distance of 165.33 along another new-radial curve to the left that has a radius of 115.03 feet end a chord bearing N 85°31'40" W a distance of 151.46 feet to a 5/8 inch capped rebar set and stamped "G. W. Jones & Sons C.E. Inc. CA-00020E"; thence N 24°05'05" W along the southerly extension of the easterly boundary said Lot 3 a distance of 298.02 feet to the point of beginning and containing 2.95 acres, more or less.

SCHEDULE 1

FORM OF GENERAL WARRANTY DEED
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL*)

Prepared by and
after recording return to:
Timothy M. Hughes, Esq.

200 Central Avenue
Suite 1600
St. Petersburg, Florida 33701
Phone: (727) 896-7171

Excise Tax Paid: $_____
Tax Lot No. _____
Parcel Identifier No._____
Verified by Dare County on the ___ day of 20__ by _____

GENERAL WARRANTY DEED

THIS GENERAL WARRANTY DEED is made as of _____, 20____, by _____, a _____, whose address is _____ (hereinafter referred to as **"*Grantor*"**) to _____, a _____, whose address is _____, (hereinafter referred to as **"*Grantee*"**).

(Whenever used herein, the terms "Grantor" and "Grantee" shall be deemed to include all of the parties to this instrument and the successors and assigns of each party.)

WITNESSETH:

THAT, the Grantor, for Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, sells, conveys, confirms, remises, releases and transfers unto the Grantee all that certain land situate in Limestone County, Alabama, legally described on **Exhibit A** hereto;

TOGETHER WITH all tenements, hereditaments and appurtenances, and every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in anywise appertaining (collectively, the "***Property***").

All or a portion of the Property herein conveyed does not include the primary residence of the Grantor.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor does hereby covenant with the Grantee that the Grantor is lawfully seized of the Property in fee simple; that it has good, right and lawful authority to sell and convey the Property; that it warrants the title to the Property and will defend the same, subject only to and except for the matters referred to on **Exhibit "B"** attached hereto, against the lawful claims of all persons whomsoever; provided, however, reference to the matters set forth on **Exhibit "B"** attached hereto shall not serve to reimpose same.

IN WITNESS WHEREOF, the Grantor has caused this General Warranty Deed to be executed and delivered as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

WITNESS:

_____
Printed Name: _____

_____
Printed Name: _____

GRANTOR:

_____
a _____

By: _____
Printed Name: _____
Title: _____

STATE OF _____)
COUNTY OF_____)

[insert form of Alabama acknowledgement]

_____
(Official Stamp-Seal)

_____
Official Signature of Notary Public

_____
(Type, Print or Stamp Name)
My commission expires:_____

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

PERMITTED ENCUMBRANCES

SCHEDULE 2

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASE AND SECURITY DEPOSIT
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL*)

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSIT

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND SECURITY DEPOSIT (**"Assignment"**) is made and entered into as of the _____ day of _____, 20__, by and between , a _____ (**"Assignor"**), and_____, a _____ (**"Assignee"**).

W I T N E S S E T H:

WHEREAS, contemporaneously with the execution hereof, Assignor has conveyed to Assignee certain real property commonly known as "_____" located in Huntsville, Limestone County, Alabama, and more particularly described on **Exhibit "A"** attached hereto (the **"Property"**) ; and

WHEREAS, in connection with said conveyance, Assignor desires to transfer and assign to Assignee all of Assignor's right, title and interest in and to that certain _____ affecting the Property, together with the security deposits associated therewith, and, subject to the terms and conditions hereof, Assignee desires to assume Assignor's obligations in respect of said lease and the security deposits.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) in hand paid to Assignor by Assignee, Assignee's purchase of the Property and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Assignor and Assignee, Assignor and Assignee hereby covenant and agree as follows:

1. Assignor represents and warrants that a true, correct and complete copy of the Lease is attached hereto as Exhibit B. Assignor hereby unconditionally and absolutely assigns, transfers, sets over and conveys to Assignee all of Assignor's right, title and interest as landlord in and to the Lease and all of the rights, benefits and privileges of the landlord thereunder, including without limitation all of Assignor's right, title and interest in and to all security deposits and rentals thereunder.

2. Assignee hereby assumes all liabilities and obligations of Assignor under the Lease which arise on or after the date hereof and agrees to perform all obligations of Assignor under the Lease which are to be performed or which become due on or after the date hereof (except those obligations for which Assignee is indemnified pursuant to Section 3 below for which Assignor shall remain liable and except for those obligations arising due to acts or omissions occurring prior to the date hereof).

3. Assignor shall indemnify and hold Assignee harmless from any claim, liability, cost or expense (including without limitation reasonable attorneys' fees and costs) arising out of (a) any obligation or liability of the landlord or lessor under the Lease which was to be performed or which became due during the period in which Assignor owned the Property, and (b) any obligation or liability of landlord under the Lease arising after the date hereof relating to acts or omissions occurring prior to the date hereof during the period Assignor owned the Property.

4. Assignee shall indemnify and hold Assignor harmless from any claim, liability, cost or expense (including without limitation reasonable attorneys' fees) arising out of Assignee's failure to perform any obligations or liability of the landlord under the Lease arising on or after the date upon which the Lease is assumed by Assignee hereunder.

5. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee, their respective legal representatives, successors and assigns. This Assignment may be executed in counterparts, each of which shall be deemed an original and all of such counterparts together shall constitute one and the same Assignment.

IN WITNESS WHEREOF, the duly authorized representatives of Assignor and Assignee have caused this Assignment to be properly executed under seal as of this day and year first above written.

ASSIGNOR:
_____, a _____

By: _____
Name: _____
Its: _____

ASSIGNEE:
_____, a _____

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description

SCHEDULE 3

FORM OF BILL OF SALE TO PERSONAL PROPERTY
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL*)

BILL OF SALE

THIS BILL OF SALE (**"Bill of Sale"**) is made and entered into as of the _____ day of _____, 20___, by _____, a (**"Seller"),** for the benefit of _____., a _____ (**"Purchaser"**).

W I T N E S S E T H:

WHEREAS, contemporaneously with the execution hereof, Seller has conveyed to Purchaser certain improved real property commonly known as " " located in Huntsville, Limestone County, Alabama and more particularly described on **Exhibit "A"** attached hereto (the "**Property**"); and

WHEREAS, in connection with said conveyance, Seller desires to transfer and convey to Purchaser all of Seller's right, title and interest in and to certain tangible personal property, inventory and fixtures located in and used exclusively in connection with the ownership, maintenance or operation of the Property and the Improvements thereon;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) in hand paid to Seller by Purchaser, the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Seller and Purchaser, it is hereby agreed as follows:

1. All capitalized terms not defined herein shall have the meanings ascribed to such terms as set forth in that certain Purchase and Sale Agreement dated as of _____ __, 2018, between Seller and Purchaser (the **"Sales Contract"**).

2. Seller hereby unconditionally and absolutely transfers, conveys and sets over to Purchaser, without warranty or representation of any kind, express or implied, except as set forth specifically herein or in the Sales Contract, all right, title and interest of Seller in any and all furniture (including common area furnishings and interior landscaping items), carpeting, draperies, appliances, personal property (excluding any computer software which either is licensed to Seller or Seller deems proprietary), machinery, apparatus and equipment owned by Seller and currently used exclusively in the operation, repair and maintenance of the Land and Improvements and situated thereon, including, without limitation, all of Seller's right, title and interest in and to those items of tangible personal property set forth on **Exhibit "B"** attached hereto (the "**Personal Property**"). The Personal Property does *not* include any property owned by tenants, contractors or licensees.

3. Seller covenants to Purchaser that Seller is the lawful owner of the Personal Property; that, except for tangible personal property taxes for the year 20__ and subsequent years, the Personal Property is free from all encumbrances; that Seller has the right to sell the Personal Property, and that Seller will warrant and defend the sale of the Personal Property hereby made, unto Purchaser against the lawful claims of all persons whomsoever. Other than as specifically set forth in this Bill of Sale, the Personal Property is conveyed "AS IS, WHERE IS" and without warranty or representation of any kind.

4. This Bill of Sale shall inure to the benefit of Purchaser, and be binding upon Seller, and their respective legal representatives, transfers, successors and assigns.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed under seal as of this day and year first above written.

_____,

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description

Exhibit "B"

List of Personal Property

SCHEDULE 4

FORM OF GENERAL ASSIGNMENT OF
SELLER'S INTEREST IN INTANGIBLE PROPERTY
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL*)

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (**"Assignment"**) is made and entered into as of the _____ day of _____, 20___ by _____ a ("Assignor") to _____, a _____ ("Assignee").

W I T N E S S E T H:

WHEREAS, contemporaneously with the execution hereof, Assignor has conveyed to Assignee certain real property located in Huntsville, Limestone County, Alabama, and more particularly described on **Exhibit "A"** attached hereto and made a part hereof (the **"Property"**); and

WHEREAS, in connection with said conveyance, Assignor desires to transfer and assign to Assignee all of Assignor's right, title and interest (if any) in and to all assignable entitlements and other intangible property used and owned by Assignor (if any) in connection with the Property.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) in hand paid to Assignor by Assignee, the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Assignor and Assignee, Assignor and Assignee hereby covenant and agree as follows:

1 . Assignor hereby unconditionally and absolutely assigns, transfers, sets over and conveys to Assignee, to the extent assignable, with those warranties and representations contained in that certain Purchase and Sale Agreement dated as of _____ __, 2018, between Assignor and Assignee (the **"Contract"**) applicable to the property assigned herein, all of Assignor's right, title and interest in and to all intangible property, if any, owned by Assignor related to the real property and improvements constituting the Property, including, without limitation, Assignor's rights and interests in and to the following (i) all assignable plans and specifications and other architectural and engineering drawings for the Land and Improvements (as defined in the Contract); (ii) all assignable warranties or guaranties given or made in respect of the Improvements or Personal Property (as defined in the Contract); and (iii) all transferable consents, authorizations, concurrency reservations, development rights, variances or waivers, licenses, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality solely in respect of the Land or Improvements (collectively, the "**Intangible Property**").

The term "**Intangible Property**" shall be deemed to include only the items specifically described herein and then only to the extent that same (a) are owned by Assignor, (b) are transferable or assignable to Assignee, and (c) relate solely to the occupancy, use, maintenance and operation of the Land or Improvements.

2. This Assignment shall inure to the benefit and be binding upon Assignor and Assignee and their respective legal representatives, successors and assigns.

IN WITNESS WHEREOF, the duly authorized representative of Assignor has caused this Assignment to be properly executed under seal as of this day and year first above written.

ASSIGNOR:

_____,

By: _____

Name: _____

Title: _____

Exhibit "A"

Legal Description

SCHEDULE 5

FORM OF SELLER'S AFFIDAVIT
(FOR PURCHASER'S TITLE INSURANCE PURPOSES)
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL AND TITLE COMPANY*)

SELLER'S AFFIDAVIT

STATE OF _____

COUNTY OF _____

Personally appeared before me, the undersigned deponent who being duly sworn, deposes and says on oath for and on behalf of the Owner (as defined below) the following to the best of his knowledge and belief:

1. That the undersigned is the _____ of , a _____ (hereinafter referred to as "*Owner*") and as such officer of the Owner, the undersigned has personal knowledge of the facts sworn to in this Affidavit.

2. That Owner is the owner of certain real property located in Limestone County, Alabama, being described on **Exhibit A**, attached hereto and made a part hereof (hereinafter referred to as the "*Property*"), subject, to the undersigned's knowledge, to those matters set forth on the Title Commitment attached hereto as **Exhibit B** and made a part hereof.

3. That Owner is in possession of the Property, and to the best knowledge and belief of the undersigned, no other parties have any claim to possession of the Property, except as set forth on **Exhibit B** hereto.

4. That the undersigned is not aware of and has received no notice of any pending suits, proceedings, judgments, bankruptcies, liens or executions against the Owner which affect title to the Property.

5. That, to the undersigned's knowledge, except as may be set forth on**Exhibit B** hereto, there are no unpaid or unsatisfied security deeds, mortgages, claims of lien, special assessments for sewer or streets, or ad valorem taxes which constitute a lien against the Property or any part thereof.

6. That no improvements or repairs have been made upon the Property at the instance of Owner within the 6 months immediately preceding the date hereof for which the cost has not been paid and there are no outstanding bills for labor or materials used in making improvements or repairs on the Property at the instance of Owner or for services of architects, surveyors, or engineers incurred in connection therewith at the instance of Owner.

7. That to the undersigned's knowledge there are no boundary disputes affecting the Property.

9. To the undersigned's knowledge, there are no matters pending by or against Owner that could give rise to a lien that could attach to the Property between _____ at a.m., the date of the last certification (the "Last Certification Date") of _____ Title Insurance Company (the "Title Company") Title Insurance Commitment No. _____ (the "Commitment") and the date of the recording of the deed (the "Deed") from Owner to _____ ("Purchaser"). Subsequent to the Last Certification Date Owner has not executed, and will not execute, any instrument that would adversely affect the title to the Property except as contained in the Commitment. Owner will indemnify and hold the Title Company harmless from all liens or title defects created by or against Owner subsequent to the Last Certification Date and prior to recordation of the Deed (provided, however, that the Title Company promptly records the Deed). Owner is executing this Affidavit, in part, for the purpose, allowing immediate disbursement of the proceeds of the sale of the Property, and inducing the Title Company to insure against defects in title arising subsequent to the Last Certification Date but prior to recordation of the Deed.

10. That this Affidavit is made to induce Title Insurance Company to insure title to the Property, without exception other than as set forth on **Exhibit B** hereto, relying on information in this document.

Sworn to and subscribed before me,
this___ day of_____,
20__.

By: _____
Name: _____
Title: _____

_____
Notary Public

My Commission Expires:

_____

(NOTARIAL SEAL)

EXHIBIT A

Legal Description

SCHEDULE 6

FORM OF SELLER'S CERTIFICATE
(AS TO SELLER'S REPRESENTATIONS AND WARRANTIES)
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL*)

SELLER'S CERTIFICATE AS TO REPRESENTATIONS

THIS SELLER'S CERTIFICATE AS TO REPRESENTATIONS (this **"Certificate"**) is given and made by _____ a (**"Seller"**), this ___ day of _____, 20__, for the benefit of _____, a _____ (**"Purchaser"**).

Pursuant to the provisions of that certain Purchase and Sale Agreement, dated as of _____, 2018, between Seller and Purchaser (the **"Contract"**), for the purchase and sale of certain real property located in Huntsville, Limestone County, Alabama, and more particularly described on **Exhibit "A"** attached hereto and made a part hereof (the **"Property"**), Seller certifies all of the representations and warranties of Seller contained in Section 4.1 of the Contract remain true and correct in all material respects as of the date hereof; and

The representations and warranties contained herein shall, subject to the limitations set forth in Section 4.1 of the Contract, survive for a period of three (3) years after the date hereof, and upon the expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Purchaser shall give Seller written notice prior to the expiration of said three (3) year period of such alleged breach with reasonable detail as to the nature of such breach.

IN WITNESS WHEREOF, Seller has caused this Certificate to be executed by its duly authorized representative as of the day and year first above written.

_____, a

By: _____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION

SCHEDULE 7

FORM OF TENANT ESTOPPEL CERTIFICATE
(*subject to review and approval of local co-counsel*)

TENANT ESTOPPEL CERTIFICATE

TO: _____
_____
_____
_____

PRATT & WHITNEY AUTOMATION, INC., as successor in interest to CTA, Inc. (the "**Lessee**") is the Lessee under that certain Lease dated September 24, 2003, between **INVESTHSV, L.L.C.**, an Alabama limited liability company, as successor in interest to Greenbrier Partners, LLC (the "**Lessor**"), and the Lessee, as amended by that certain Amendment to Lease Agreement dated June 17, 2004, as further amended by that certain Addendum to Lease dated June 30, 2006, and as further amended by that certain Second Amendment to Lease dated May 5, 2017 (as amended, collectively, the "**Lease**").

The Lessee hereby certifies that:

1. The Lease is presently in full force and effect and has not been modified. A true, correct and complete copy of the Lease is attached hereto as Exhibit A.

2. To the best of the Lessee's knowledge, neither the Lessee nor the Lessor is in default under any of the terms, covenants or provisions of the Lease, and the Lessee knows of no event which, but for the passage of time, or the giving of notice, or both, would constitute an event of default by the Lessee or the Lessor under the Lease.

3. Neither the Lessee nor the Lessor has commenced any action or received any notice for the purpose of terminating the Lease.

4. The Lease constitutes the entire agreement between the Lessor and the Lessee with respect to the subject matter of the Lease and the occupancy, use or enjoyment of the premises thereby demised.

5. The Lessee agrees to provide the Lender with copies of all notices required to be given by the Lessee to the Lessor, and further agrees that the Lender shall have the right, but not the obligation, to cure an event of default under the Lease within a reasonable amount of time after receipt of a notice of default.

6. The Lease commenced on September 24, 2003, and the current Rent under the Lease is $57,083.00 per month. The Lease calls for the occupancy of approximately 29,000 rentable square feet in Building 1, and 34,000 rentable square feet in Building 2 (the "Premises") located at 15091 Alabama Highway 20, Huntsville, Limestone County, Alabama. The Lease expires on January 31, 2029, and contains two (2) renewal options for additional periods of five (5) years each, subject to the terms and conditions of the Lease.

7. The Lessee is not, as of the date of this Certificate, in default in the performance of said Lease nor has the Lessee committed any breach of the Lease.

8. No rent has been paid in advance under the Lease, except the rent for the current month, and Lessee agrees that it will not pay any rent more than one month in advance.

9. As of the date of this Certificate, the Lessee has no defense or offsets that could be asserted with respect to the Lease.

10. Notwithstanding anything in the Lease to the contrary, Lessee has not deposited a security deposit with Lessor, and no claim shall be asserted against the Lender for the return of any security deposit paid by Lessee unless Lender shall have received said security deposit from Lessor.

11. The Lessee has delivered this Lessee's Estoppel Certificate with the understanding that the Lender will rely upon it in making the aforementioned loan.

Dated this _____ day of _____, 2_____.

TENANT: _____

By: _____
Title: _____

SCHEDULE 8

FORM OF SELLER'S FIRPTA AFFIDAVIT
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL*)

FIRPTA AFFIDAVIT

STATE OF)
_____
) KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF)
_____

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform _____, a _____ ("Transferee") that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, a _____ ("Transferor"), Transferor hereby certifies the following:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's U.S. employer identification number is: _____.

3. Transferor is not a "disregarded entity" as defined in IRS Regulation 1.1445-2(b)(iii); and

4. Transferor's office address is: _____.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification 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.

Executed this _____ day of _____, 20____.

TRANSFEROR:

_____

a _____

By: _____
Printed Name: _____
Title: _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as _____ of _____, a _____, on behalf of the _____. He/She (check one) ( ) is personally known to me or ( ) produced _____ as identification.

(NOTARIAL SEAL)

_____
Notary Public

_____
(Type, Print or Stamp Name)

SCHEDULE 9

FORM OF PURCHASER'S CERTIFICATE
(AS TO PURCHASER'S REPRESENTATIONS AND WARRANTIES)
(*SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL*)

PURCHASER'S CERTIFICATE AS TO REPRESENTATIONS

THIS PURCHASER'S CERTIFICATE AS TO REPRESENTATIONS (this **"Certificate"**) is given and made by _____, a _____ (**"Purchaser"**), this ___ day of _____, 20___, for the benefit of _____, a (**"Seller"**).

Pursuant to the provisions of that certain Purchase and Sale Agreement, dated as of , 2018, between Seller and Purchaser (the **"Contract"**), for the purchase and sale of certain real property located in Huntsville, Limestone County, Alabama and more particularly described on **Exhibit "A"** attached hereto (the **"Property"**), Purchaser certifies that all of the representations and warranties of Purchaser contained in the Contract remain true and correct in all material respects as of the date hereof; and

The representations and warranties contained herein shall, subject to the limitations set forth in Section 4.3 of the Contract, survive for a period of three (3) years after the date hereof, and upon the expiration thereof shall be of no further force or effect except to the extent that with respect to any particular alleged breach, Seller shall give Purchaser written notice prior to the expiration of said three (3) year period of such alleged breach with reasonable detail as to the nature of such breach.

IN WITNESS WHEREOF, Purchaser has caused this Certificate to be executed by its duly authorized representative as of the day and year first above written.

"PURCHASER"

By: _____
Name: _____
Title: _____

EXHIBIT “A”

LEGAL DESCRIPTION