

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **March 31, 2022**

OR

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

For the transition period from _____ to _____

Commission file number **001-40771**

GENERATION INCOME PROPERTIES, INC.

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

**401 E. Jackson Street
Suite 3300
Tampa, FL**
(Address of principal executive offices)

47-4427295
(I.R.S. employer
identification no.)

33602
(Zip code)

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

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

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

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

The registrant had 2,250,756 shares of Common Stock, par value \$0.01 per share, outstanding as of May 11, 2022.

GENERATION INCOME PROPERTIES, INC.

TABLE OF CONTENTS

	<u>Page</u>
PART I.	<u>FINANCIAL INFORMATION</u>
Item 1.	<u>Financial Statements</u>
	<u>Generation Income Properties, Inc. Consolidated Balance Sheets</u>
	<u>March 31, 2022 (unaudited) and December 31, 2021</u>
	<u>Generation Income Properties, Inc. Consolidated Statements of Operations</u>
	<u>Three Months Ended March 31, 2022 and 2021 (unaudited)</u>
	<u>Generation Income Properties, Inc. Consolidated Statements of Cash Flows</u>
	<u>Three Months Ended March 31, 2022 and 2021 (unaudited)</u>
	<u>Generation Income Properties, Inc. Consolidated Statements of Changes in Stockholders' Equity for the Three Months Ended March 31, 2022 and 2021</u>
	<u>(unaudited)</u>
	<u>Notes to Unaudited Consolidated Financial Statements</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
Item 4.	<u>Controls and Procedures</u>
PART II.	<u>OTHER INFORMATION</u>
Item 1.	<u>Legal Proceedings</u>
Item 1A.	<u>Risk Factors</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
Item 3.	<u>Defaults Upon Senior Securities</u>
Item 4.	<u>Mine Safety Disclosures</u>
Item 5.	<u>Other Information</u>
Item 6.	<u>Exhibits</u>
	<u>SIGNATURES</u>

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

Generation Income Properties, Inc. Consolidated Balance Sheets

	As of March 31, 2022 (Unaudited)	As of December 31, 2021
Assets		
Investment in real estate		
Property and improvements	\$ 52,267,674	\$ 41,025,309
Tenant improvements	907,382	482,701
Acquired lease intangible assets	4,677,928	3,304,014
Less accumulated depreciation and amortization	(3,943,236)	(3,512,343)
Total investments	53,909,748	41,299,681
Investment in tenancy-in-common	733,635	725,082
Cash and cash equivalents	4,607,952	10,589,576
Restricted cash	34,500	34,500
Deferred rent asset	174,364	156,842
Prepaid expenses	494,709	237,592
Deferred financing costs	26,023	-
Accounts receivable	95,414	88,661
Escrow deposit and other assets	197,486	288,782
Right of use asset, net	6,297,087	-
Total Assets	\$ 66,570,918	\$ 53,420,716
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable	\$ 94,816	\$ 201,727
Accrued expenses	305,964	134,816
Acquired lease intangible liabilities, net	718,864	577,388
Insurance payable	288,693	33,359
Deferred rent liability	247,746	228,938
Right of use liability, net	6,313,954	-
Mortgage loans, net of unamortized discount of \$682,898 and \$637,693 at March 31, 2022 and December 31, 2021, respectively	35,027,836	28,969,295
Total liabilities	42,997,873	30,145,523
Redeemable Non-Controlling Interests	10,746,509	9,621,159
Stockholders' Equity		
Common stock, \$0.01 par value, 100,000,000 shares authorized; 2,247,768 shares issued and outstanding at March 31, 2022 and 2,172,950 issued and outstanding at December 31, 2021	22,477	21,729
Additional paid-in capital	18,804,217	19,051,929
Accumulated deficit	(6,000,158)	(5,419,624)
Total Generation Income Properties, Inc. stockholders' equity	12,826,536	13,654,034
Total Liabilities and Stockholders' Equity	\$ 66,570,918	\$ 53,420,716

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

Generation Income Properties, Inc. Consolidated Statements of Operations (unaudited)

	Three Months ended March 31,	
	2022	2021
Revenue		
Rental income	\$ 1,181,935	\$ 936,888
Expenses		
General, administrative and organizational costs	341,680	188,417
Building expenses	253,391	180,553
Depreciation and amortization	430,893	379,511
Interest expense, net	330,294	354,989
Compensation costs	279,742	155,121
Total expenses	1,636,000	1,258,591
Operating loss	(454,065)	(321,703)
Equity in income of investment in tenancy-in-common	8,552	-
Net Loss	\$ (445,513)	\$ (321,703)
Less: Net income attributable to non-controlling interest	135,021	150,826
Net Loss attributable to Generation Income Properties, Inc.	\$ (580,534)	\$ (472,529)
Total Weighted Average Shares of Common Stock Outstanding – Basic	2,196,056	579,642
Total Weighted Average Shares of Common Stock Outstanding – Diluted	2,196,056	579,642
Basic Loss Per Share Attributable to Common Stockholders	\$ (0.26)	\$ (0.82)
Diluted Loss Per Share Attributable to Common Stockholders	\$ (0.26)	\$ (0.82)

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

Generation Income Properties, Inc. Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended March 31,	
	2022	2021
CASHFLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (445,513)	\$ (321,703)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation	316,901	277,311
Amortization of acquired lease intangible assets	113,992	102,200
Amortization of debt issuance costs	33,673	31,103
Amortization of below market leases	(23,841)	(33,161)
Amortization of above market ground lease	(43)	-
Common stock issued for services	-	33,000
Restricted stock unit compensation	93,926	49,471
Ground lease amortization	7,247	-
Equity in earnings on investment in tenancy-in-common	(8,553)	-
Changes in operating assets and liabilities:		
Accounts receivable	(6,753)	(6,360)
Other assets	(83,704)	(39,673)
Deferred rent asset	(17,522)	9,377
Prepaid expenses	(257,117)	(252,584)
Accounts payable	(106,911)	(50,579)
Accrued expenses	145,290	(6,370)
Right of use liability	9,620	-
Deferred rent liability	18,808	(9,741)
Net cash used in operating activities	(210,500)	(217,709)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of land, buildings, other tangible and intangible assets	(12,775,600)	(1,758,322)
Escrow return (deposit) for purchase of properties	75,000	(25,000)
Net cash used in investing activities	(12,700,600)	(1,783,322)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of redeemable interest	1,109,570	500,000
Mortgage loan borrowings	6,250,000	1,275,000
Mortgage loan repayments	(146,254)	(88,021)
Stock issuance costs	(6,091)	-
Deferred financing costs	(165)	(14,000)
Debt issuance costs	(78,878)	(22,662)
Insurance financing borrowings	288,693	277,059
Insurance financing repayments	(33,359)	(83,743)
Distribution on redeemable non-controlling interests	(119,241)	(150,826)
Dividends paid on common stock	(334,799)	(114,373)
Net cash generated from financing activities	6,929,476	1,578,434
Net decrease in cash and cash equivalents	(5,981,624)	(422,597)
Cash and cash equivalents and restricted cash - beginning of period	10,624,076	1,122,364
Cash and cash equivalents and restricted cash - end of period	\$ 4,642,452	\$ 699,767
CASH TRANSACTIONS		
Interest Paid	\$ 284,569	\$ 317,003
NON-CASH TRANSACTIONS		
Stock issued for accrued liabilities	-	11,000
Deferred distribution on redeemable non-controlling interests	15,780	-
Right of use asset and liability for ground lease related to property acquisition	6,304,334	-

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

Generation Income Properties, Inc. Consolidated Statements of Changes in Stockholders' Equity
(unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In- Capital	Accumulated Deficit	Generation Income Properties, Inc. Stockholders' Equity	Redeemable Non- Controlling Interest
Balance - December 31, 2020	576,918	\$ 5,770	\$ 5,541,411	\$ (4,177,142)	\$ 1,370,039	\$ 8,684,431
Common stock issued for services	2,200	22	43,978	—	44,000	—
Restricted stock unit compensation	3,749	37	49,434	—	49,471	—
Issuance of Redeemable Non-Controlling Interest for property acquisition	—	—	—	—	—	500,000
Distribution on Redeemable Non-Controlling Interest	—	—	—	—	—	(150,826)
Dividends paid on common stock	—	—	(114,373)	—	(114,373)	—
Net (loss) income for the quarter	—	—	—	(472,529)	(472,529)	150,826
Balance - March 31, 2021	582,867	\$ 5,829	\$ 5,520,450	\$ (4,649,671)	\$ 876,608	\$ 9,184,431
Balance - December 31, 2021	2,172,950	\$ 21,729	\$ 19,051,929	\$ (5,419,624)	\$ 13,654,034	\$ 9,621,159
Restricted stock unit compensation	47,142	471	93,455	—	93,926	—
Cashless exercise of warrants	27,676	277	(277)	—	—	—
Stock issuance costs	—	—	(6,091)	—	(6,091)	—
Issuance of Redeemable Non-Controlling Interest for property acquisition	—	—	—	—	—	1,109,570
Distribution on Redeemable Non-Controlling Interest	—	—	—	—	—	(119,241)
Dividends paid on common stock	—	—	(334,799)	—	(334,799)	—
Net (loss) income for the quarter	—	—	—	(580,534)	(580,534)	135,021
Balance - March 31, 2022	2,247,768	\$ 22,477	\$ 18,804,217	\$ (6,000,158)	\$ 12,826,536	\$ 10,746,509

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

GENERATION INCOME PROPERTIES, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Nature of Operations

Generation Income Properties, Inc. (the “Company”) was formed as a Maryland corporation on September 19, 2015. The Company is an internally managed real estate investment company focused on acquiring and managing income-producing retail, office and industrial properties net leased to high quality tenants in major markets throughout the United States.

The Company formed Generation Income Properties L.P. (the “Operating Partnership”) in October 2015. Substantially all of the Company’s assets are held by, and operations are conducted through the Operating Partnership. The Company is the general partner of the Operating Partnership and as of March 31, 2022 owned 82.2% of the outstanding common units of the Operating Partnership. The Company formed a Maryland entity GIP REIT OP Limited LLC in 2018 that owns 0.002% of the Operating Partnership.

The Company places each property in a separate entity which may have a Redeemable Non-Controlling interest as a member.

As of March 31, 2022, the Company, the Operating Partnership, and their controlled subsidiaries on a consolidated basis owned 12 properties and held partial interests in one additional property through a tenancy-in-common investment.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. Certain information and footnote disclosures normally present in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) were omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the audited financial statements and footnotes included in the Company’s Annual Report on Form 10-K filed with the SEC on March 18, 2022. The results for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022.

The Company adopted the calendar year as its basis of reporting. Certain prior year amounts have been reclassified for consistency with the current period presentation.

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.

The consolidated financial statements include the accounts of all entities in which the Company has a controlling interest. The ownership interests of other investors in these entities are recorded as non-controlling interests or redeemable non-controlling interest. Non-controlling interests are adjusted each period for additional contributions, distributions, and the allocation of net income or loss attributable to the non-controlling interests. Investments in entities for which the Company has the ability to exercise significant influence over, but does not have financial or operating control, are accounted for using the equity method of accounting. Accordingly, the Company’s share of the earnings (or losses) of these entities are included in consolidated net income or loss.

Cash

The Company considers all demand deposits, cashier's checks and money market accounts to be cash equivalents. Amounts included in restricted cash represent funds held by the Company related to tenant escrow reimbursements and immediate repair reserve. The following table provides a reconciliation of the Company's cash and cash equivalents and restricted cash that sums to the total of those amounts at the end of the periods presented on the Company's accompanying Consolidated Statements of Cash Flows:

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Cash and cash equivalents	\$4,607,952	\$10,589,576
Restricted cash	34,500	34,500
Total cash and cash equivalents and restricted cash	<u>\$4,642,452</u>	<u>\$10,624,076</u>

Revenue Recognition

We have determined that all of our leases should be accounted for as operating leases. The Company leases real estate to its tenants under long-term net leases which we account for as operating leases. Under this method, leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Certain leases also provide for additional rent based on tenants' sales volumes. These rents are recognized when determinable after the tenant exceeds a sales breakpoint.

Recognizing rent escalations on a straight-line method results in rental revenue in the early years of a lease being higher than actual cash received, creating a straight-line rent asset. Conversely, when actual cash collected is greater than the amount recognized on a straight-line basis, the difference is recognized as a liability. To the extent any of the tenants under these leases become unable to pay their contractual cash rents, the Company may be required to write down the straight-line rent receivable from those tenants, which would reduce rental income. Deferred rent asset as of March 31, 2022 and December 31, 2021 was approximately \$174,400 and \$156,800, respectively. Deferred rent liability as of March 31, 2022 and December 31, 2021 was approximately \$247,700 and \$228,900, respectively, of which \$202,200 and \$188,000 respectively related to prepaid rent.

The Company reviews the collectability of charges under its tenant operating leases on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area where the property is located. In the event that collectability exists with respect to any tenant changes, the Company recognizes an adjustment to rental income. The Company's review of collectability of charges under its operating leases includes any accrued rental revenues related to the straight-line method of reporting rental revenue. There were no allowances for receivables recorded for the three months ended March 31, 2022 or 2021.

The Company's leases provide for reimbursement from tenants for certain common area maintenance ("CAM") expenses, insurance, and real estate taxes. A portion of our operating cost reimbursement revenue and expense is estimated each period and is recognized as rental income and building expenses in the period the recoverable costs are incurred and accrued.

The Company often recognizes above- and below-market lease intangibles in connection with acquisitions of real estate. The capitalized above- and below-market lease intangibles are amortized over the remaining term of the related leases inclusive of the renewal option periods that are considered probable at acquisition.

Stock-Based Compensation

The Company records all equity-based incentive grants to employees and non-employee members of the Company's Board of Directors in compensation costs in the Company's Consolidated Statements of Operations based on their fair values determined on the date of grant. Stock-based compensation expense, reduced for estimated forfeitures, is recognized on a straight-line basis over the requisite service period of the award, which is generally the vesting term of the outstanding equity awards.

Real Estate

Acquisitions of real estate are recorded at cost.

Real Estate 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, buildings and tenant improvements. Intangible assets and liabilities consist of the value of in-place leases and above or below market leases assumed with the acquisition. The Company assessed whether the purchase of the building falls within

the definition of a business under Accounting Standards Codification (“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, site improvements, tenant improvements and intangible assets and liabilities based upon their relative fair values at the date of acquisition.

The fair value of the in-place lease is the estimated cost to replace the leases (including loss of rent, estimated commissions and legal fees paid in similar leases). The capitalized in-place leases are amortized over the remaining term of the leases as amortization expense. The fair value of the above or 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 above or below market lease values are amortized as a decrease or increase to rental income over the remaining term of the lease inclusive of the renewal option periods that are considered probable at acquisition.

Depreciation Expense

Real estate and related assets are stated net of accumulated depreciation. Renovations, replacements and other expenditures that improve or extend the life of assets are capitalized and depreciated over their estimated useful lives. Expenditures for ordinary maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the buildings, which are generally between 15 and 50 years, site improvements, which are generally between 5 and 6 years, and tenant improvements, which are generally between 2 and 10 years.

Lease Obligations

The Company has a certain property within its consolidated real estate portfolio that is on land subject to a ground lease with a third party, which is classified as an operating lease. Accordingly, the Company owns only a long-term leasehold in this property. The building and improvements constructed on the leased land are capitalized as investment in real estate in the accompanying Consolidated Balance Sheets and are depreciated over the shorter of the useful life of the improvements or the lease term.

Under ASC Topic 842, the Company recognizes Lease liabilities on its Consolidated Balance Sheets for its ground lease and corresponding Right of use asset related to this same ground lease which is classified as an operating lease. A key input in estimating the Lease liability and resulting Right of use asset is establishing the discount rate in the lease, which since the rate implicit in the contract is not readily determinable, requires additional inputs for the longer-term ground lease, including mortgage market-based interest rates that correspond with the remaining term of the lease, the Company's credit spread, and the payment terms present in the lease. This discount rate is applied to the remaining unpaid minimum rental payments for the lease to measure the operating lease liability.

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, 2021. 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 will not be 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.

The Company also recognizes liabilities for unrecognized tax benefits which are recognized if the weight of available evidence indicates that it is not more-likely-than-not that the positions will be sustained on examination, including resolution of the related processes, if any. As of each balance sheet date, unrecognized benefits are reassessed and adjusted if the Company's judgement changes as a result of new information.

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 potentially dilutive securities such as warrants, options and restricted stock units if their effect is anti-dilutive. As of March 31, 2022 and 2021, all potentially dilutive securities were excluded because the effect was anti-dilutive.

Impairments

The Company reviews real estate investments and related lease intangibles, for possible impairment when certain events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable through operations plus estimated disposition proceeds. Events or changes in circumstances that may occur include, but are not limited to, significant changes in real estate market conditions, estimated residual values, and an expectation to sell assets before the end of the previously estimated life. Impairments are measured to the extent the current book value exceeds the estimated fair value of the asset less disposition costs for any assets classified as held for sale. There were no impairments during the three months ended March 31, 2022 or 2021.

The valuation of impaired assets is determined using valuation techniques including discounted cash flow analysis which is a Level 3 input and analysis of recent comparable sales transactions or purchase offers received from third parties which are Level 3 inputs. The Company may consider a single valuation technique or multiple valuation techniques, as appropriate, when estimating the fair value of its real estate. Estimating future cash flows is highly subjective and estimates can differ materially from actual results.

Note 3 – Investments in Real Estate

Acquisitions:

During the three months ended March 31, 2022, the Company acquired three properties. The purchase price of the asset acquisitions was allocated to land, building, tenant improvements, site improvements, and acquired lease intangible assets and liabilities based on management’s estimate.

	Fresenius - Chicago, IL	Starbucks - Tampa, FL	Kohl's - Tucson, AZ	Total
Property and improvements	\$ 2,885,732	\$ 2,144,121	\$ 6,153,408	\$ 11,183,261
Tenant improvements	55,041	20,504	349,136	424,681
Acquired lease intangible assets	276,013	112,830	981,203	1,370,046
Total investments	3,216,786	2,277,455	7,483,747	12,977,988
Less acquired lease intangible liabilities	(19,864)	(13,497)	(131,999)	(165,360)
Total investments, net	\$ 3,196,922	\$ 2,263,958	\$ 7,351,748	\$ 12,812,628

Fresenius - Chicago, IL: On January 7, 2022, the Company acquired an approximately 10,900 square foot single tenant medical-retail property located in Chicago, Illinois. The acquisition was financed with a \$1,550,000 promissory note and the balance with cash on hand.

Starbucks - Tampa, FL: On January 14, 2022, the Company acquired an approximately 2,600 square foot single tenant retail property located in Tampa, Florida. The acquisition was financed with the issuance of a redeemable non-controlling interest of \$1,109,570, debt of \$1,050,000 and the balance with cash on hand.

Kohl's - Tucson, AZ: On March 9, 2022, the Company acquired a leasehold interest in a ground lease and corresponding assignment of an approximately 88,400 square foot single tenant retail property located in Tucson, Arizona with Kohl's Corporation (NYSE: KSS) as the tenant. The acquisition was financed with a \$3,650,000 promissory note and the balance with cash on hand.

During the three months ended March 31, 2021, the Company acquired one property.

	<u>GSA- Manteo, NC</u>	
Property	\$	2,149,015
Tenant improvements		-
Acquired lease intangible assets		100,379
Total investments		2,249,394
Less acquired lease intangible liabilities		(511,620)
Total investments	\$	<u>1,737,774</u>

GSA-FBI - Manteo, NC: On February 11, 2021, acquired an approximately 7,500 square foot single tenant office property located in Manteo, North Carolina. The acquisition was financed with the issuance of a redeemable non-controlling interest of \$500,000, debt of \$1,275,000, and the balance with cash on hand.

Note 4 – Acquired Lease Intangible Assets, net

Intangible assets, net is comprised of the following:

	<u>March 31,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>
Acquired lease intangible assets	\$ 4,677,928	\$ 3,304,014
Accumulated amortization	(1,108,849)	(994,857)
Acquired lease intangible assets, net	<u>\$ 3,569,079</u>	<u>\$ 2,309,157</u>

The amortization for lease intangible assets for the three months ended March 31, 2022 and 2021 was \$13,992 and \$102,200, respectively.

The future amortization for intangible assets is listed below (rounded to the nearest hundred):

	<u>As of March 31, 2022</u>
2022	\$413,500
2023	543,000
2024	543,000
2025	509,800
2026	489,900
Thereafter	1,069,900
	<u>\$3,569,100</u>

Note 5 – Acquired Lease Intangible Liabilities, net

Acquired lease intangible liabilities is comprised of the following:

	<u>March 31,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>
Acquired lessor lease intangible liabilities	\$965,216	\$845,063
Less: recognized rental income	(291,516)	(267,675)
Total below market lease, net	<u>\$673,700</u>	<u>\$577,388</u>
Acquired lessee lease intangible liability	\$45,207	\$-
Less: recognized decrease in building expense	(43)	-
Total above market lease, net	<u>\$45,164</u>	<u>\$-</u>
Total acquired lease intangible liabilities, net	<u>\$718,864</u>	<u>\$-</u>

The amortization for below market leases for the three months ended March 31, 2022 and 2021 was \$23,841 and \$33,161, respectively. The amortization for the above market lease liability for the three months ended March 31, 2022 and 2021 was approximately \$43 and \$0, respectively.

The future amortization for intangible liabilities is listed below (rounded to the nearest hundred):

	<u>As of March 31, 2022</u>
2022	\$78,900
2023	105,200
2024	105,200
2025	105,200
2026	93,900
Thereafter	230,500
	<u>\$718,900</u>

Note 6 – Lessee Accounting

The Company acquired one property on March 9, 2022 that is subject to a non-cancelable, long-term ground lease where a third party owns the underlying land and has leased the land to the Company. Accordingly, the Company owns only a long-term leasehold in this property. This ground lease expires through the year 2084 including those options the Company deems probable of exercising. The ground lease expense is recognized on a straight-line basis over the term of the lease, including management's estimate of expected option renewal periods. Operating lease expense under the Company's ground lease was approximately \$16,000 for the three months ended March 31, 2022. There are no variable lease expenses required to be paid by the Company as lessee per the lease terms. Cash paid for amounts included in the measurement of the Right of use liability, net was approximately \$14,000 during the three months ended March 31, 2022.

The following table summarizes the undiscounted future cash flows by year attributable to the ground lease liability as of March 31, 2022 and provides a reconciliation to the Right of use liability included in the accompanying Consolidated Balance Sheet as of March 31, 2022.

	<u>As of March 31, 2022</u>
2022	\$ 188,913
2023	232,701
2024	244,077
2025	245,111
2026	245,111
Thereafter	22,065,755
Total undiscounted liability	23,221,668
Present value discount	16,907,714
Right of use liability	6,313,954
Discount rate	4.58 %
Term	62 years

Note 7 – Redeemable Non-Controlling Interests

The following table reflects our Redeemable Non-Controlling Interests:

	Brown Family Trust	Irby Prop Partners	Hornstrom	GIP Fund I	LMB Owenton I LLC	Greenwal L.C.	Riverside Crossing L.C.	Total
Balance, December 31, 2020	\$1,200,000	\$-	\$-	\$486,180	\$-	\$4,965,000	\$2,033,251	\$8,684,431
Issuance of Redeemable Non-Controlling Interest for property acquisition	500,000	-	-	-	-	-	-	500,000
Distribution on Redeemable Non-Controlling Interest	(37,104)	-	-	-	-	(80,681)	(33,041)	(150,826)
Net income for the quarter	37,104	-	-	-	-	80,681	33,041	150,826
Balance, March 31, 2021	\$1,700,000	\$-	\$-	\$486,180	\$-	\$4,965,000	\$2,033,251	\$9,184,431
Balance, December 31, 2021	\$500,000	\$976,756	\$659,972	\$486,180	\$-	\$4,965,000	\$2,033,251	\$9,621,159
Issuance of Redeemable Operating Partnership Units for property acquisition					1,109,570			1,109,570
Distribution on Redeemable Non-Controlling Interest	(11,260)	(19,001)	(13,087)	(3,938)	(15,269)	(40,217)	(16,469)	(119,241)
Net income for the quarter	11,260	28,370	19,498	3,938	15,269	40,217	16,469	135,021
Balance, March 31, 2022	\$500,000	\$986,125	\$666,383	\$486,180	\$1,109,570	\$4,965,000	\$2,033,251	\$10,746,509

As part of the Company's acquisition of a building for approximately \$4,578,800 in Cocoa, FL, one of the Company's operating subsidiaries entered into a preferred equity agreement with Brown Family Trust on September 11, 2019 pursuant to which the Company's subsidiary received a capital contribution of \$1,200,000. Pursuant to the agreement, the Company was required to pay the preferred equity member a 10% internal rate of return ("IRR") on a monthly basis and redeem the entire amount due after 24 months at the option of the preferred equity member. The Operating Partnership, Generation Income Properties, LP, was the general manager of the subsidiary while Brown Family Trust was a preferred member. Because of the redemption right, the non-controlling interest was presented as temporary equity at redemption value. The Company redeemed the Brown Family Trust \$1,200,000 Redeemable Non-Controlling Interest upon the sale of the property in August 2021.

As part of the Company's acquisition of a building for \$1,737,800 million in Manteo, NC, one of the Company's operating subsidiaries entered into a preferred equity agreement with Brown Family Trust on February 11, 2021 pursuant to which the Company's subsidiary received a capital contribution of \$500,000. Pursuant to the agreement, the Company will pay the preferred equity member a 9% IRR on a monthly basis and redeem the entire amount due after 24 months at the option of the preferred equity member. The Operating Partnership, Generation Income Properties, LP, is the general manager of the subsidiary while Brown Family Trust is a preferred member. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value. The current redemption amount is \$500,000. Distributable operating funds are distributed first to Brown Family Trust until the unpaid preferred return is paid off and then to the Company.

The Company paid the Brown Family Trust approximately \$11,300 and \$37,100 for the three months ended March 31, 2022 and 2021, respectively for the Redeemable Interests in preferred distributions.

As part of the Company's acquisition of a building for \$1,757,300 million in Plant City, FL, one of the Company's operating subsidiaries entered into a preferred equity agreement with preferred equity partners (Irby Prop Partners) on April 21, 2021 pursuant to which the Company's subsidiary received a capital contribution of \$950,000. Pursuant to the agreement, the Company will pay the preferred equity member a 12% total IRR with an 8% IRR paid on a monthly basis and the deferred IRR will be paid at the end of 24 months along with the entire \$950,000 amount due after 24 months at the option of the preferred equity member. The Operating Partnership, Generation Income Properties, LP, is the general manager of the subsidiary. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value. The current redemption amount is approximately \$986,100. Distributable operating funds are distributed first to the preferred equity partners until the unpaid preferred return is paid off and then to the Company.

For the three months ended March 31, 2022, the Company paid the Irby Prop Partners approximately \$19,000 in distributions and accrued \$9,400 of the deferred IRR.

As part of the Company's investment in a tenant in common entity for \$724,800 in Rockford, IL, one of the Company's operating subsidiaries entered into a preferred equity agreement with preferred equity partner (Mr. Hornstrom) on August 2, 2021 pursuant to which the Company's subsidiary received a capital contribution of \$650,000. Pursuant to the agreement, the Company will pay the preferred equity member a 12% total IRR with an 8% IRR paid on a monthly basis and the deferred IRR will be paid at the end of 24

months along with the entire \$650,000 amount due after 24 months at the option of the preferred equity member The Operating Partnership, Generation Income Properties, LP, is the general manager of the subsidiary. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value. The current redemption amount is approximately \$666,400. Distributable operating funds are distributed first to the preferred equity partners until the unpaid preferred return is paid off and then to the Company.

For the three months ended March 31, 2022, the Company paid Mr. Hornstrom approximately \$3,100 in distributions and accrued \$6 thousand of the deferred IRR.

Each of the preferred members described above may redeem their interest on or after the Redemption date (second year anniversary of the Closing), at the discretion of such preferred member, as applicable, all or a portion thereof, of such preferred member's pro-rata share of the Redemption Price in the form of GIPLP UNITS. Such GIPLP UNITS shall be subject to all such restrictions, such as with respect to transferability, as reasonably imposed by GIPLP. The number of GIPLP UNITS issued to any preferred member shall be determined by dividing the total amount of the Redemption Price that such preferred member shall receive in GIPLP UNITS by a 15% discount of the average 30-day market price of Generation Income Properties, Inc. Units shall then be convertible into common stock of Generation Income Properties, Inc. on a 1:1 basis in accordance with the Partnership Agreement of Generation Income Properties, L.P.

As part of the Company's acquisition of two buildings on September 30, 2019 for \$19,134,400 in Norfolk, VA, the Operating Partnership entered into contribution agreements with two entities (Greenwal, LC and Riverside Crossing, L.C.) that resulted in the issuance of 349,913 common units in the Operating Partnership at \$20.00 per share for a total value of \$6,998,251 or as of March 31, 2022 a 12.8% interest in our Operating Partnership. Beginning on the first anniversary of the Closing, the contribution agreement allows for the two investors to require the Operating Partnership to redeem, all or a portion of its units for either (i) the Redemption Amount (within the meaning of the Partnership Agreement), or (ii) until forty-nine (49) months from date of Closing, cash in an agreed-upon Value (within the meaning of the Partnership Agreement) of \$20.00 per share, as set forth on the Notice of Redemption. As such, the Company has determined their equity should be classified as a Redeemable Non-Controlling Interest. On March 21, 2022, the Company received notice from an Operating Partnership common unit holder to redeem 10,166 units at \$20 per unit and will transact within the terms of the Contribution Agreement funding the redemption with cash on hand.

As part of the Company's acquisition of one building on November 30, 2020 for \$1,847,700 in Tampa, FL, the Operating Partnership entered into a contribution agreement with one entity (GIP Fund I) that resulted in the issuance of 24,309 common units in Operating Partnership at \$20.00 per share for a total value of \$486,180 or as of March 31, 2022 a 0.9% interest in our Operating Partnership. At the time of the acquisition the Company's President owned 11% of GIP Fund I. Beginning on the first anniversary of the Closing, the contribution agreement allows for the investor to require the Operating Partnership to redeem, all or a portion of its units for common stock of the Company. As such, the Company has determined their equity should be classified as a Redeemable Non-Controlling Interest.

As part of the Company's acquisition of one building on January 14, 2022 for \$2,264,000 in Tampa, FL, the Operating Partnership entered into a contribution agreement with one entity (LMB Owenton I LLC) that resulted in the issuance of 110,957 common units in our Operating Partnership at \$20.00 per share for a total value of \$1,109,570 or as of March 31, 2022 a 4.1% interest in our Operating Partnership. Beginning on the second anniversary of the Closing, the contribution agreement allows for the investor to require the Operating Partnership to redeem, all or a portion of its units for either (i) the Redemption Amount (within the meaning of the Partnership Agreement), or (ii) until forty nine (49) months from date of Closing, cash in an agreed-upon Value (within the meaning of the Partnership Agreement) of \$10.00 per share. As such, the Company has determined their equity should be classified as a Redeemable Non-Controlling Interest.

For the three months ended March 31, 2022 and 2021, the Company paid these four Operating Partnership common unit holders approximately \$5,900 and \$113,700, respectively, in distributions.

Note 8 – Equity

Authorized 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.

Equity Issuances

On April 25, 2019, the Company raised \$1,000,000 by issuing 50,000 Units with each Unit being comprised of one share of its Common Stock, and one warrant to purchase one share of its common stock. Each Unit was sold for a price of \$20.00 per Unit. The

shares of the Company's common stock and warrants included in the Units, were offered together, but the securities included in the Units are issued separately. The warrants are exercisable at a price of \$20.00 per share of common stock, subject to adjustment in certain circumstances, and will expire seven years from the date of issuance.

On November 13, 2020, the Company raised \$1,000,000 by issuing 50,000 Units with each Unit being comprised of one share of its Common Stock, and one warrant to purchase one share of its common stock. Each Unit was sold for a price of \$20.00 per Unit. The shares of the Company's common stock and warrants included in the Units, were offered together, but the securities included in the Units are issued separately. The warrants are exercisable at a price of \$20.00 per share of common stock, subject to adjustment in certain circumstances, and will expire seven years from the date of issuance.

On September 8, 2021, the Company issued and sold, in an underwritten public offering (the "Public Offering"), 1,500,000 Units, with each unit consisting of one share of common stock, and one warrant to purchase one share of common stock (the "Investor Warrants").

On September 30, 2021, the Company issued and sold as part of the underwriter's Over-Allotment Option an additional 165,000 Units. The units were sold to the public at the price of \$10.00 per unit and generated net proceeds of \$13.8 million, net of underwriter discounts and other financing costs incurred since inception. The Investor Warrants issued in the offering entitle the holder to purchase one share of common stock at a price equal to \$10.00 for a period of five years.

As part of the Public Offering, on September 8, 2021, the Company entered into an agreement with the CEO to redeem 12,500 shares of common stock for \$100 which is recorded in accounts payable – related party at December 31, 2021. As of December 31, 2021 these shares had been physically returned to our transfer agent and cancelled and the CEO was paid during the three months ended March 31, 2022.

The Investor Warrants may be exercised on a cashless basis if there is no effective registration statement available for the resale of the shares of common stock underlying such warrants. In addition, after 120 days after the Investor Warrants are issued, any Investor Warrant may be exercised on a cashless basis for 10% of the shares of common stock underlying the Investor Warrant if the volume-weighted average trading price of the Company's shares of common stock on Nasdaq is below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days. During the three months ended March 31, 2022, 276,760 warrants were exercised on a cashless basis resulting in the issuance of 27,676 shares of common stock.

In addition, the Company issued to Maxim Group LLC (or its designee) warrants to purchase an aggregate of 149,850 shares of common stock, which is equal to an aggregate of 9% of the number of shares of common stock sold in the offering (the "Representative's Warrants"). The Representative's Warrants have an exercise price equal to \$12.50, may be exercised on a cashless basis and became exercisable six months following the closing date and until September 2, 2026.

For the three months ended March 31, 2022, the Company recorded approximately \$6,100 of issuance costs in additional paid in capital which were incurred during the current period. For the year ended December 31, 2021 the Company moved approximately \$1,279,800 of deferred financing costs into additional paid in capital of which approximately \$614,100 had been incurred as of December 31, 2020.

Warrants

The Company has 1,638,090 warrants outstanding as of March 31, 2022, subject to certain circumstances, and which will expire five to seven years from the date of issuance.

Issue Date	Warrants Issued and Outstanding as of March 31, 2022
April 25, 2019 exercise price of \$20.00	50,000
November 13, 2020 exercise price of \$20.00	50,000
September 8, 2021 exercise price of \$10.00	1,223,240
September 8, 2021 exercise price of \$12.50	135,000
September 30, 2021 exercise price of \$10.00	165,000
September 30, 2021 exercise price of \$12.50	14,850

The following is a summary of warrants outstanding as of March 31:

	2022			2021		
	Number of Warrants	Weighted Average Price	Weighted Average Remaining Life	Number of Warrants	Weighted Average Price	Weighted Average Remaining Life
Beginning of the year	1,914,850	\$ 10.72	4.7	100,000	\$ 20.00	6.1
Issuance	—	\$ —	—	—	—	—
Exercised	(276,760)	\$ 10.00	—	—	—	—
Ending balance	1,638,090	\$ 10.84	4.5	100,000	\$ 20.00	5.8
Warrants exercisable	1,638,090	\$ 10.84	4.5	100,000	20.00	5.8

There was no intrinsic value for the warrants as of March 31, 2022 or March 31, 2021.

Stock Compensation

Restricted Common Shares issued to the Board and Employees

On July 15, 2019, the board of directors granted 2,500 restricted shares to each of the two independent directors that vest every 12 months on an annual basis over 36 months. The award is valued at \$50,000 for each grant and was based on the equity pricing issuance of \$20.00 per share. The pro-rated vested share restriction will be removed upon the annual anniversary of the award. The 1,668 and 1,666 restricted shares were issued to the two directors in September 2020 and September 2021, respectively and another 1,666 restricted shares were issued to the two directors in September 2021.

On February 3, 2020, the board of directors granted 2,500 restricted shares to two new independent directors that vest every 12 months on an annual basis over 36 months. The award is valued at \$50,000 for each grant and was based on the equity pricing issuance of \$20.00 per share. The pro-rated vested share restrictions will be removed upon the annual anniversary of the award. The 1,666 unrestricted shares were issued to the two directors in February 2021 and another 3,334 restricted shares were issued to the two directors in September 2021.

On February 3, 2020, the board of directors granted 6,250 restricted shares to its former chief financial officer that will vest every 12 months on an annual basis over 36 months. The award is valued at \$125,000 and was based on the equity pricing issuance of \$20.00 per share. The pro-rated vested share restrictions will be removed upon the annual anniversary of the award. The 2,083 unrestricted shares were issued to the chief financial officer in February 2021 and another 4,167 restricted shares were issued to the chief financial officer in September 2021. Of the remaining 4,167 restricted shares half were vested upon the anniversary of the award and the remaining shares were vested on the same date in connection with his departure from the company.

The board granted 14,000 restricted shares to directors, officers and employees effective January 1, 2021 valued at \$20.00 per share that vest annually over 3 years. The pro-rated vested share restrictions will be removed upon the annual anniversary of the award. The 14,000 restricted shares were issued to the directors, officers and employees in September 2021.

The board granted 47,142 restricted shares to directors, officers and employees effective March 1, 2022 valued at \$7.00 per share that vest annually over 1 year. The vested share restrictions will be removed upon the first annual anniversary of the award. The 47,142 restricted shares were issued to the directors, officers and employees in March 2022.

The following is a summary of restricted shares issued as of March 31:

	2022	2021
Number of Shares Outstanding at beginning of the period	23,167	14,582
Restricted Shares Issued	47,142	14,000
Restricted Shares Vested	(10,500)	(3,749)
Number of Restricted Shares Outstanding at end of the period	59,809	24,833
Compensation expense	\$ 93,926	\$ 49,471

Common stock issued for services

Pursuant to an amended employment agreement in which the former chief financial officer waived his right to cash compensation in lieu of being awarded 550 restricted shares of common stock each month until the closing of an initial underwritten public offering, we issued the chief financial officer 2,200 shares of stock in March 2021 representing four months of compensation from December 2020 to March 2021. These shares are valued at \$20.00 per share and are accrued as compensation expense until issued by the Company.

Generation Income Properties, Inc. 2020 Omnibus Incentive Plan

In connection with the Public Offering, the Company board has adopted, and stockholders have approved, the Generation Income Properties, Inc. 2020 Omnibus Incentive Plan (the "Omnibus Incentive Plan"), which became effective upon the completion of the Public Offering. The Omnibus Incentive Plan reserves 2.0 million shares of common stock upon the award of grant stock options, stock appreciation rights, performance shares, performance units, shares of common stock, restricted stock, restricted stock units, cash incentive awards, dividend equivalent units, or any other type of award permitted under the Omnibus Incentive Plan. As of March 31, 2022, 10,000 shares had been granted under the Omnibus Incentive Plan.

Common Shareholders Cash Distributions

The following is a summary of distributions to common shareholders and operating partnership unit holders for the three months ended March 31, 2022 and 2021:

<u>Board of Directors Authorized Date</u>	<u>Record Date</u>	<u>Per Share or Per Unit Cash Distributions to Common Shareholders and Operating Partnership Unit Holders</u>	
December 10, 2021	March 15, 2022	\$	0.054
December 10, 2021	February 15, 2022	\$	0.054
December 10, 2021	January 15, 2022	\$	0.054
February 26, 2021	March 15, 2021	\$	0.325

* Our president and chairman waived his right to receive a distribution for all of these periods mentioned above.

While we are under no obligation to do so, we expect to declare and pay distributions to our stockholders. The issuance of a distribution will be determined by our board of directors based on our financial condition and such other factors as our board of directors deems relevant. We have not established a minimum distribution, and our charter does not require that we issue distributions to our stockholders other than as necessary to meet IRS REIT qualification standards.

Note 9 – Leases

Future Minimum Rents

For the three months ended March 31, 2022 and 2021 we had three and four tenants, respectively, that each account for more than 10% of our rental revenue as indicated below:

	<u>2022</u>	<u>2021</u>
Pratt and Whitney – Huntsville, AL property	14.5%	18.6%
General Services Administration – Walmer Ave. Norfolk, VA property	19.5%	24.0%
Maersk Shipping – Walmer Ave. Norfolk, VA property	Less than 10%	10.5%
PRA Holding – Corporate Blvd. Norfolk, VA property	16.1%	20.0%

The following table presents future minimum base rental cash payments due to the Company over the next five calendar years and thereafter as of March 31, 2022:

	Future Minimum Base Rent Payments
2022	\$3,746,000
2023	4,629,000
2024	4,675,000
2025	4,547,000
2026	4,425,000
Thereafter	8,988,000
	<u>\$31,010,000</u>

Note 10 – Promissory Notes

The Company had the following promissory notes outstanding as of March 31, 2022 and December 31, 2021, respectively:

	Interest Rate	Maturity Date	As of March 31, 2022	As of December 31, 2021
Promissory note issued for \$1,550,000 by a financial institution. Note was issued on January 7, 2022 and can be prepaid at any time without penalty. Secured by our Fresenius - Chicago, IL property.	Wall Street Journal Prime Rate with minimum of 3.25%	1/7/2024	1,550,000	—
Promissory note issued for \$1,050,000 by a financial institution. Note was issued on January 14, 2022 and has a prepayment penalty of 2% of the principal amount if repaid within the first two years and no penalty if paid after the first 2 years. Secured by our Starbucks North Dale Mabry - Tampa, FL property.	3.65%	1/14/2027	1,050,000	—
Promissory note issued for \$3,650,000 by a financial institution. Note was issued on March 9, 2022 and can be prepaid at any time without penalty. Secured by our Kohl's - Tucson, AZ property.	Wall Street Journal Prime Rate with minimum of 3.25%	3/9/2024	3,650,000	—
Promissory note issued for \$1,286,664 by a financial institution, interest only payments due monthly through December 2023 of approximately \$4,200 and then principal and interest payments due monthly through August 2028 of approximately \$6,600. Note was originally issued on January 15, 2015 and modified on November 30, 2020 and can be prepaid at any time without penalty. Secured by our Tampa Sherwin-Williams property.	3.72% fixed rate after using SWAP whereas the loan is LIBOR plus 2.75%	8/10/2028	1,286,664	1,286,664
Promissory note issued for \$1,275,000 by a financial institution. Note was issued on February 4, 2021 and can be prepaid at any time without penalty. Secured by our GSA-Manteo, North Carolina property.	Wall Street Journal Prime Rate with minimum of 3.25%	2/4/2023	1,275,000	1,275,000
Promissory note issued for \$850,000 by a financial institution, interest only payments due monthly through May 2023 of approximately \$2,100 and then principal and interest payments due monthly through December 2024 of approximately \$4,200. Note was issued on April 21, 2021 and can be prepaid at any time without penalty. Secured by our Irby - Plant City, FL property.	Wall Street Journal Prime Rate minus 0.5% with minimum of 3.0% for the first 24 months; thereafter, weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of three years on April 21, 2023, plus 2.75% with a minimum of 3.25%	12/31/2024	850,000	850,000
Promissory note issued for \$2,350,000 by a financial institution. Note was issued on December 28, 2021 and can be prepaid at any time without penalty. Secured by our Best Buy - Grand Junction, CO property.	Wall Street Journal Prime Rate with minimum of 3.25%	12/28/2023	2,350,000	2,350,000
Promissory note issued for \$8,260,000 by a financial institution, interest and principal payments due monthly of approximately \$41,500. Note was issued on September 30, 2019 and can be prepaid at any time without penalty. Secured by our GSA/Maersk - Norfolk, Virginia property. The interest rate was reduced in March 2021 from 4.25% to 3.5%.	3.50%	9/30/2024	7,748,388	7,805,524
Promissory note issued for \$5,216,749 by a financial institution, interest and principal payments due monthly of approximately \$27,400. Note was originally issued on October 23, 2017 and modified on September 30, 2019 and can be prepaid at any time without penalty. Secured by our PRA - Norfolk, Virginia property. The interest rate was reduced in March 2021 from 4.25% to 3.5%.	3.50%	10/23/2024	4,849,463	4,889,670
Promissory note issued for \$1,287,500 by a financial institution, interest only payment is approximately \$39,000 and starting April 6, 2021, interest and principal payments due monthly of approximately \$55,000. Note was issued on February 11, 2020. Secured by our Washington, DC, Tampa, FL and Huntsville, AL properties. It cannot be prepaid without a penalty.	4.17%	3/6/2030	11,101,219	11,150,130
Less: debt issuance costs, net			(682,898)	(637,693)
			<u>\$35,027,836</u>	<u>\$28,969,295</u>

The Company amortized debt issuance costs during the three month periods ended March 31, 2022 and 2021 to interest expense of approximately \$3,700 and \$31,100, respectively. The Company paid debt issuance costs for the three months ended March 31, 2022

and 2021 of approximately \$78,900 and \$22,700, respectively.

As of March 31, 2022, we had three promissory note totaling approximately \$7.6 million requiring Debt Service Coverage Ratios (also known as “DSCR”) of 1.50:1.00, one promissory note totaling \$1.3 million requiring DSCR of 1.30:1.00, three promissory note totaling \$23.7 million requiring DSCR of 1.25:1.00, one promissory note totaling \$1.3 million requiring DSCR of 1.20:1.00, one promissory note totaling \$0.9 million requiring DSCR of 1.15:1.00, and one promissory note totaling \$1.1 million with no required DSCR. We were in compliance with all covenants as of March 31, 2022.

As of March 31, 2022, the Company’s President has personally guaranteed the repayment of the \$1.1 million due under the DC/Tampa/Huntsville loan, the \$1.3 million loan secured by our Tampa Sherwin Williams property, the \$0.9 million loan secured by our Irby property, the \$1.3 million loan secured by our GSA Manteo NC property, the \$2.4 million loan secured by our Best Buy Grand Junction, CO property, the \$1.6 million loan secured by our Fresenius Chicago, IL property, and the \$3.7 million loan secured by our Kohl’s Tucson, AZ property. The aggregate guaranteed principal amount of these loans total approximately \$22.1 million. The Company’s President has also provided a guaranty of the Borrower’s nonrecourse carveout liabilities and obligations in favor of the lender for the Norfolk, Virginia property loans (the “Bayport loans”), with an aggregate principal amount of approximately \$12.6 million.

The Company modified the Bayport loans in March 2021 for no fees and reduced the associated interest rate from 4.25% to 3.5%. The Company determined that the debt modification was not substantial under ASC 470-50.

Minimum required principal payments on the Company’s debt as of March 31, 2022 are as follows:

	<u>As of March 31,</u> <u>2022</u>
2022	\$435,060
2023	4,240,446
2024	18,204,862
2025	278,109
2026	289,778
2027 and beyond	12,262,478
	<u>\$35,710,733</u>

Note 11 – Related Party

On November 30, 2020, the Company acquired an approximately 3,500 square foot building from GIP Fund 1, LLC a related party that was owned 11% by the President and Chairman of the Company. The retail single tenant property (occupied by The Sherwin-Williams Company) in Tampa, Florida was acquired for approximately \$1.8 million and was funded with approximately \$1.3 million of debt from Valley National Bank and the issuance of 24,309 partnership units in Generation Income Properties LP valued at \$20.00 per unit for purposes of the contribution. Since acquisition, GIP Fund 1, LLC was dissolved and each partner was allocated units to GIP LP pro-rata effectively reducing the President and Chairman of the Company’s ownership to 0.102% as of March 31, 2022.

Note 12 – Tenant in Common Investment

On August 13, 2021, the Company entered into a tenancy-in-common (“TIC”) structure whereby the TIC acquired a 15,288 square foot single tenant building in Rockford, IL for total consideration of approximately \$4.5 million. The Company acquired a 36.8% interest in the TIC acquisition with Sunny Ridge HHP, LLC (“Sunny Ridge”) holding the remaining TIC interest. Funding for the Company’s interest was primarily funded through a Redeemable Non-Controlling Interest Contribution from Mr. Hornstrom to one of our subsidiaries for \$0.65 million. The remainder of the purchase price of the property was funded by Sunny Ridge of \$1.2 million and debt financing of approximately \$2.7 million. Mr. Hornstrom owns 50% of Sunny Ridge and also contributed \$600,000 of \$950,000 Redeemable Non-Controlling Interest contribution for the Plant City, FL property. The Rockford, IL property was accounted for under the equity method and as of March 31, 2022 it had a value of approximately \$734 thousand.

The acquisition of this property was financed in part through the issuance of a Promissory note for \$2,715,000 by a financial institution. The Note was issued on August 13, 2021 and can be prepaid at any time without penalty and is secured by the Lazy Boy - Rockford, IL property. The Company’s share of this debt is approximately \$0 million. The Company’s President has personally guaranteed the repayment of the \$2.7 million loan. The loan has normal covenants which includes DSCR 1.50:1.0.

The condensed income statement for the three months ended March 31, 2022 for the Tenant in Common Investment is as follows:

	<u>Total</u>	<u>Company Portion</u>
Revenue	\$ 93,139	\$ 34,312
Total operating expenses	69,924	25,760
Operating income	<u>\$ 23,215</u>	<u>\$ 8,552</u>

The condensed balance sheets as of March 31, 2022 and December 31, 2021, respectively for the Tenant in Common Investment are as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Prepaid expenses	\$ 2,007	\$ 522
Deferred rent asset	3,689	2,108
Property, net of depreciation	4,323,875	4,341,285
Acquired lease intangible asset, net of amortization	267,756	279,850
Due from tenant-in-common	86,871	47,350
Total assets	<u>\$ 4,684,198</u>	<u>\$ 4,671,115</u>
Accounts payable	\$ —	\$ 845
Accounts payable - related party	24,724	13,696
Accrued expenses	4,751	4,751
Acquired lease intangible liability, net of amortization	41,135	42,993
Mortgage payable net of unamortized debt issuance costs	2,683,149	2,677,446
Equity, GIP Inc. Tenant-in-common	733,635	725,082
Equity, Sunny Ridge Tenant-in-common	1,196,804	1,206,302
Total liabilities and equity	<u>\$ 4,684,198</u>	<u>\$ 4,671,115</u>

Note 13 – Subsequent Events

On April 1, 2022, the Company through certain subsidiaries (the “Borrowers”) of its Operating Partnership, entered into two loan agreements (the “Loan Agreements”) with Valley National Bank (the “Lender”) in the aggregate amount of approximately \$13.5 million to refinance seven of the Company’s properties (the “Properties”). The Loan Agreements consist of one loan in the amount of \$2.1 million that is secured by the Company’s property in Rockford, IL owned in a tenant in common investment and one loan in the amount of \$11.4 million that is secured by the remaining six properties located in Manteo, NC, Plant City, FL, Grand Junction, CO, Chicago, IL, Tampa, FL, and Tucson, AZ. Each of the Borrowers issued a promissory note, dated April 1, 2022, to the Lender for the amount of the Loan Agreement to which such Borrower is a party (the “Notes”).

The Notes bear interest at a fixed rate of 3.85% from April 1, 2022 through and until March 31, 2027. Commencing April 1, 2027, the interest rate on the Notes shall be adjusted to a fixed rate equivalent to the weekly average yield of nominal (non-inflation indexed) U.S. Treasury securities adjusted to a constant maturity of five years as published in the Board of Governors of the Federal Reserve System Statistical Release (Publication H.15 [519]) plus 2.5%, subject to a floor interest rate of 3.85% per annum. The Borrowers paid the Lender origination fees equal to \$67,500, in the aggregate, for the funding of the loans pursuant to the Loan Agreements. Each Note has an interest-only payment term for the first 12 months, after which time the Borrowers shall make monthly payments, which shall include repayment of principal based upon a 25-year amortization from the date of such Note. The entire principal balance of each Note plus all accrued and unpaid interest thereon shall be due and payable on March 31, 2032. David Sobelman, the Company’s Chairman, President and Chief Executive Officer, entered into two guaranty agreements (the “Guaranty Agreements”) pursuant to which he guaranteed the payment obligations under the Notes if they become due as a result of certain “bad-boy” provisions, individually and with respect to the Loan Agreement relating to the Company’s property in Rockford, IL, on behalf of the Operating Partnership. The Notes are secured by the Properties, as described in the first paragraph above, and the associated rental income from those Properties, pursuant to the terms of two mortgage and security agreements (the “Security Agreements”).

On April 1, 2022, we announced that our Board of Directors authorized a distribution of \$0.054 per share monthly cash distribution for shareholders of record of our common stock as of April 15, 2022, May 15, 2022, and June 15, 2022. April distributions were paid on April 29, 2022 and we expect to pay May and June distributions on or about May 30, 2022 and June 30, 2022, respectively. The Operating Partnership common unit holders received the same distribution.

On May 9, 2022, the Operating Partnership amended the current Commitment Letter with the Lender, by entering into a new commitment letter, to increase the available Borrowings under the Facility from \$25 million to \$50 million to be used for the acquisition of income producing real estate properties under the same terms as provided by the agreement entered into on October 26,

2021. The new Commitment Letter will become effective contingent upon the Company completing a future capital raise of \$25.0 million or more, and prior to such time, the current Commitment Letter will remain in place. As of March 31, 2022 and December 31, 2021 we had borrowed approximately \$7.6 million and \$2.4 million, respectively, under the Facility.

On April 25, 2022, the Company received notice from an Operating Partnership common unit holder to redeem 10,166 units at \$20 per unit and will transact within the terms of the Contribution Agreement funding the redemption with cash on hand.

In April 2022, 29,880 Investor Warrants were exercised on a cashless basis for 10% of the shares of Common Stock underlying the Investor Warrant as the volume-weighted average trading price of the Company's shares of Common Stock on Nasdaq was below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days as of the date the Investor Warrants became exercisable. As such, 2,988 shares of common stock were issued upon exercise.

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

Cautionary Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained herein. When used in this report, the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Actual results, performance or achievements could differ materially from the results expressed in, or implied by these forward-looking statements. Readers should be aware of important factors that, in some cases, have affected, and in the future could affect, actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. 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 risk factors listed from time to time in our reports with the Securities and Exchange Commission, including, in particular, those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

In this Quarterly Report on Form 10-Q, 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 (the "Operating Partnership"). As used in this Quarterly 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.

Overview

We are an internally managed, Maryland corporation focused on acquiring retail, office and industrial real estate located in major U.S. markets. We initiated operations during the year ended December 31, 2015 and we intend to elect to be taxed as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2021.

Public Offering and Nasdaq Listing

In September 2021, the Company closed an underwritten public offering of 1,665,000 units at a price to the public of \$10 per unit generating net proceeds of \$13.8 million including issuance costs incurred during the years ended December 31, 2021 and 2020. Each unit consisted of one share of common stock and one warrant to purchase one share of common stock at an exercise price equal to \$10 per share. The common stock and warrants included in the units (which were separated into one share of common stock and one warrant) currently trade on the Nasdaq Capital Market ("Nasdaq") under the symbols "GIPR" and "GIPRW," respectively.

Our Investments

The following are characteristics of our properties as of March 31, 2022 (excluding our Tenants in Common Property):

- *Creditworthy Tenants.* Approximately 85% of our portfolio's annualized rent as of March 31, 2022 was derived from tenants that have (or whose parent company has) an investment grade credit rating from a recognized credit rating agency of "BBB-" or better. Our largest tenants are the General Service Administration, Kohl's, and PRA Group, all who have an 'BB+' credit rating or better from S&P Global Ratings and contributed approximately 52.3% of our portfolio's annualized base.
- *100% Occupied.* Our portfolio is 100% leased and occupied.
- *Contractual Rent Growth.* Approximately 92% of the leases in our current portfolio (based on annualized rent as of March 31, 2022) provide for increases in contractual base rent during future years of the current term or during the lease extension periods.

- *Average Effective Annual Rental per Square Foot.* Average effective annual rental per square foot is \$15.45.

Given the nature of our leases, our tenants either pay the realty taxes directly or reimburse us for such costs. We believe all of our properties are adequately covered by insurance.

As of March 31, 2022, we own the following twelve assets (excluding our Tenants in Common property):

- A single tenant retail condo (approximately 3,000 square feet) located at 3707-3711 14th Street, NW, Washington, D.C. that is leased to 7-Eleven Corporation.
- A single tenant retail stand-alone property (approximately 2,200 square feet) located in Tampa, Florida with a corporate Starbucks Coffee as the tenant.
- A single tenant industrial building (approximately 59,100 square feet) located in Huntsville, AL leased to the Pratt & Whitney Automation, Inc.
- A two-tenant office building (approximately 72,100 square feet) in Norfolk, Virginia occupied by the United States General Services Administration and Maersk Line, Limited, an international shipping company, as tenants.
- A single tenant office building (approximately 34,800 square feet) in Norfolk, Virginia that is leased to PRA Holdings Inc.
- A single tenant retail building (approximately 3,500 square feet) leased to The Sherwin-Williams Company and located in Tampa, FL.
- A single tenant office building (approximately 7,500 square feet) leased to the General Services Administration and located in Manteo, NC.
- A single tenant office building (approximately 7,800 square feet) leased to Irby Construction Company, a wholly owned subsidiary of Quanta Services Inc. and located in Plant City, FL.
- A single tenant retail building (approximately 30,700 square feet) leased to Best Buy, (NYSE: BBY) and located in Boulder Springs, CO.
- A single tenant retail building (approximately 10,900 square feet) leased to Fresenius Medical Care (NYSE: FMS) located in Chicago, Illinois.
- A single tenant retail stand-alone property (approximately 2,600 square feet) located in Tampa, Florida with a corporate Starbucks Coffee as the tenant.
- A leasehold interest in a ground lease and corresponding assignment of a single tenant retail stand-alone property (approximately 88,400 square feet) located in Tucson, Arizona with a corporate Kohl's as the tenant.

We also own a 36.8% tenancy in common interest in one property:

- A single tenant retail building (approximately 15,300 square feet) leased to La-Z-Boy Company, and located in Rockford, IL acquired in August 2021 for approximately \$4.5 million with Tenants in Common ownership partner Sunny Ridge MHP, LLC. The acquisition was partially funded with a Redeemable Non-Controlling Interest contribution to one of our subsidiaries of \$0.65 million,

Property Dispositions

On August 31, 2021 we sold our 15,000-square-foot, single tenant Walgreens in Cocoa, Florida purchased in September 2019 for total net consideration of approximately \$5.2 million. The acquisition was initially funded with a Redeemable Non-Controlling Interest contribution to one of our subsidiaries of \$1.2 million and by debt financing of approximately \$3.4 million. We also repaid the Redeemable Non-Controlling Interest of \$1.2 million and the \$3.4 million debt from the sales proceeds.

The table below presents an overview of the twelve properties in our portfolio as of March 31, 2022, unless otherwise indicated:

Property Type	Property Location	Rentable Square Feet	Tenant(s)	S&P Credit Rating (1)	Lease Expiration Date	Remaining Term (Years)	Options (Number x Years)	Tenant Contractual Rent Escalations	Annualized Base Rent (2)	Annualized Base Rent Sq. Ft.	Base Rent as a % of Total
Retail	Washington, DC	3,000	7-Eleven Corporation	A	3/31/2026	4.0	2 x 5	Yes	\$ 129,804	\$ 43.27	2.6%
Retail	Tampa, FL	2,200	Starbucks	BBB+	2/29/2028	5.9	4 x 5	Yes	\$ 182,500	\$ 82.95	3.7%
Industrial	Huntsville, AL	59,091	Pratt & Whitney Automation, Inc.	A-	1/31/2029	6.8	2 x 5	Yes	\$ 684,996	\$ 11.59	13.7%
Office	Norfolk, VA	49,902	General Services Administration of the United States of America and	AA+	9/17/2028	6.5	—	Yes	\$ 882,476	\$ 17.68	17.7%
Office	Norfolk, VA	22,247	Maersk Line, Limited	BBB	12/31/2022	0.8	1 x 5	No	\$ 386,795	\$ 17.39	7.8%
Office	Norfolk, VA	34,847	PRA Holdings, Inc.(3)	BB+	8/31/2027	5.4	1 x 5	Yes	\$ 742,850	\$ 21.32	14.9%
Retail	Tampa, FL	3,500	Sherwin-Williams	BBB	7/31/2028	6.3	5 x 5	Yes	\$ 120,750	\$ 34.50	2.4%
Office	Manteo, NC	7,543	General Services Administration of the USA	AA+	2/20/2029	6.9	1 x 5	Yes	\$ 161,346	\$ 21.39	3.2%
Office	Tampa, FL	7,826	Irby Construction Company	BBB-	12/31/2024	2.8	2 x 5	Yes	\$ 148,200	\$ 18.94	3.0%
Retail	Boulder Springs, CO	30,701	BestBuy	BBB+	3/31/2027	5.0	1 x 5	Yes	\$ 353,061	\$ 11.50	7.1%
Medical-Retail	Chicago, IL	10,947	Fresenius	BBB	10/31/2026	4.6	1 x 5	Yes	\$ 224,414	\$ 20.50	4.5%
Retail	Tampa, FL	2,642	Starbucks	BBB+	2/28/2027	4.9	2 x 5	Yes	\$ 148,216	\$ 56.10	3.0%
Retail	Tucson, AZ	88,408	Kohl's	BBB-	1/31/2030	7.8	7 x 5	Yes	\$ 823,963	\$ 9.32	16.5%
Total		322,854							\$ 4,989,371		

Tenancy in Common Ownership

Retail (4) Rockford, IL 15,288 La-Z-Boy Corporation NR 10/31/2027 5.6 4 x 5 Yes \$ 360,100 \$ 23.55

(1) Tenant, or tenant parent, rated entity.

(2) Annualized cash rental income in place as of March 31, 2022. Our leases do not include tenant concessions or abatements.

(3) Tenant has the right to terminate the lease on August 31, 2024 subject to certain conditions.

(4) The Company's pro-rate share is 36.8% of the tenancy in common investment.

Distributions

From inception through March 31, 2022, we have distributed approximately \$1,634,000 to common stockholders. In addition, on April 1, 2022, we announced that our Board of Directors authorized a distribution of \$0.054 per share monthly cash distribution for shareholders of record of our common stock as of April 15, 2022, May 15, 2022 and June 15, 2022. April distributions were paid on April 29, 2022 and we expect to pay May and June distributions on or about May 30, 2022 and June 30, 2022, respectively. Because we have not yet generated a cumulative profit, distributions have been made from offering proceeds.

Results of Operations

Three Months Ended March 31, 2022 Compared to the Three Months Ended March 31, 2021

Revenue

During the three month period ended March 31, 2022, total revenue from operations were \$1,182 thousand as compared to \$937 thousand for the three month period ended March 31, 2021. Revenue increased approximately \$245 thousand due to five additional properties generating revenue for the three months ended March 31, 2022 that were purchased in April 2021, December 2021, January 2022, and March 2022 partially offset in part by the revenue generated from the one property sold in August 2021.

Operating Expenses

During the three month period ended March 31, 2022 and 2021, we incurred total expenses of \$1,636 thousand and \$1,259 thousand, respectively, which included total general, administrative and organizational ("GAO") of \$342 thousand for 2022 and \$188 thousand for 2021. The \$154 thousand increase in GAO expenses is due to an increase in legal expense of \$103 thousand, selling, general, and administrative expense of \$31 thousand, investor relations of \$17 thousand, audit fees of \$13 thousand and insurance of \$11 thousand.

and other costs of \$5 thousand partially offset by a decrease in other professional fees of \$19 thousand, and rent of \$7 thousand.

During the three month period ended March 31, 2022 and 2021, we incurred building expenses of \$253 thousand and \$181 thousand, respectively. The \$72 thousand increase is primarily due to an added ground lease expense of \$31 thousand, increased billable property related expenses of \$18 thousand, increased repairs and maintenance of \$21 thousand, and increased other costs of \$8 thousand partially offset by lower management fees of \$6 thousand.

During the three month period ended March 31, 2022 and 2021, we incurred depreciation and amortization expense of \$431 thousand and \$380 thousand, respectively. The \$51 thousand increase is due to the additional properties acquired since April 2021.

During the three month period ended March 31, 2022 and 2021, we incurred interest expense and the amortization of debt issuance costs of \$330 thousand and \$355 thousand respectively. The \$25 thousand decrease in interest expense incurred is the result of the payoff of a \$3.4 million loan in conjunction with the sale of a property in August 2021, the interest rate reduction for the \$7.8 million loan and the \$4.9 million loan from 4.25% to 3.50% in March 2021, and the payoff of the \$1.1 million related party loan in September 2021, offset in part by interest on the debt used to acquire new properties.

During the three month period ended March 31, 2022 and 2021, we incurred compensation costs of \$280 thousand and \$155 thousand respectively. The \$125 thousand increase is due to increased costs associated with higher compensation and benefits of \$81 thousand due to the addition of personnel and higher stock based compensation of \$44 thousand from additional restricted stock grant in March 2022 and vesting of the former Chief Financial Officer's remaining shares prior to his departure.

Income Tax Benefit

We did not record an income tax benefit for the three month period ended March 31, 2022 or 2021 because we have been in a cumulative net loss situation since inception and have recorded a valuation allowance to offset any tax benefits generated by the cumulative operating losses.

Income on investment in Tenancy in Common

For the three months ended March 31, 2022, our share of earnings on our investment generated income of \$9 thousand as we purchased a property in August 2021 in which we own 36.8% interest. The Company accounts for the property under the equity method.

Net Loss

During the three month period ended March 31, 2022 and 2021, we generated a net loss of \$446 thousand and \$322 thousand, respectively.

Net Income Attributable to Non-controlling Interests

During the three month period ended March 31, 2022, we generated net income attributable to non-controlling interest of \$135 thousand as compared to \$151 thousand for the three month period ended March 31, 2021. The variance is attributable to a decrease in the cash distribution amount and a decrease in the redeemable non-controlling interest for the property sold in August 2021 partially offset by additional redeemable non-controlling interests that were used to finance the acquisition of properties in 2021 and 2022.

Net Loss Attributable to Shareholders

During the three month period ended March 31, 2022 and 2021, we generated a net loss attributable to our shareholders of \$581 thousand and \$473 thousand, respectively.

Liquidity and Capital Resources

We require capital to fund our investment activities and operating expenses. Our capital sources may include net proceeds from offerings of our equity securities, cash flow from operations and borrowings under credit facilities. As of March 31, 2022, we had total cash (unrestricted and restricted) of approximately \$4.6 million, properties with a cost basis of \$57.1 million and net outstanding debt of approximately \$35.0 million.

In September 2021, we closed an underwritten public offering of 1,665,000 units at a price to the public of \$10 per unit generating net proceeds of \$13.8 million including issuance costs incurred during the years ended December 31, 2021 and 2020.

On October 26, 2021, the Operating Partnership entered into a Commitment Letter with American Momentum Bank (the “Lender”) for the \$25 million master credit facility (the “Facility”) to be used for the acquisition of income producing real estate properties. Borrowings under the Facility will accrue interest at a variable rate equal to the Wall Street Journal Prime rate, adjusted monthly, subject to a floor interest rate of 3.25% per annum. At each loan closing under the Facility, the borrower shall pay the Lender a commitment fee equal to 0.50% of the applicable loan amount. Each loan will have an interest-only payment term for twenty-four months from the applicable loan closing date and all interest and principal outstanding shall be due and payable in full two years from the applicable loan closing date. Each loan will be secured by the real estate property acquired and the associated rental income and payment will be guaranteed by the Operating Partnership. David Sobelman, the Company’s President, will be required to execute a non-recourse guarantee in connection with each loan that is subject to standard “bad-boy” carve out provisions. Each loan agreement under the Facility will require the borrower to maintain a debt service coverage ratio of not less than 1.50 to 1.00 over the term of the loan and will contain customary affirmative covenants, negative covenants and events of default. Should any event of default occur, the loan commitments under the Facility may be terminated and any outstanding borrowings, together with accrued interest, could be declared immediately due and payable. All loans under the Facility must close by October 26, 2023. The Facility is voidable at the option of the Lender in specified circumstances, including a material adverse change in the Company’s financial condition and upon any changes in management of the Company that are unacceptable to the Lender. On May 9, 2022, the Operating Partnership amended the current Commitment Letter with the Lender, by entering into a new Commitment Letter, to increase the available Borrowings under the Facility from \$25 million to \$50 million to be used for the acquisition of income producing real estate properties under the same terms as provided by the agreement entered into on October 26, 2021. The new Commitment Letter will become effective contingent upon the Company completing a future capital raise of \$25.0 million or more, and prior to such time, the current Commitment Letter will remain in place. As of March 31, 2022 and December 31, 2021 we had borrowed approximately \$7.6 million and \$2.4 million, respectively, under the Facility.

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 equity offerings, debt financings, preferred minority interest obtained from third parties and from any undistributed funds from our operations.

We anticipate that our current cash on hand and availability under the Facility combined with the revenue generated from investment properties and proceeds from debt arrangements will provide sufficient liquidity to meet future funding commitments for at least the next 12 months.

As of March 30, 2022 and December 31, 2021, we had total current liabilities (excluding the current portion of the acquired lease intangible liability) which consists of accounts payable, accrued expenses, insurance payable of \$689 thousand and \$370 thousand, respectively. As of March 31, 2022, current mortgage loan payments due within 12 months total \$1.9 million.

The Company had the following promissory notes outstanding as of March 31, 2022 and December 31, 2021, respectively:

	Interest Rate	Maturity Date	As of March 31, 2022	As of December 31, 2021
Promissory note issued for \$1,550,000 by a financial institution. Note was issued on January 7, 2022 and can be prepaid at any time without penalty. Secured by our Fresenius - Chicago, IL property.	Wall Street Journal Prime Rate with minimum of 3.25%	1/7/2024	1,550,000	—
Promissory note issued for \$1,050,000 by a financial institution. Note was issued on January 14, 2022 and has a prepayment penalty of 2% of the principal amount if repaid within the first two years and no penalty if paid after the first 2 years. Secured by our Starbucks North Dale Mabry - Tampa, FL property.	3.65%	1/14/2027	1,050,000	—
Promissory note issued for \$3,650,000 by a financial institution. Note was issued on March 9, 2022 and can be prepaid at any time without penalty. Secured by our Kohl's - Tucson, AZ property.	Wall Street Journal Prime Rate with minimum of 3.25%	3/9/2024	3,650,000	—
Promissory note issued for \$1,286,664 by a financial institution, interest only payments due monthly through December 2023 of approximately \$4,200 and then principal and interest payments due monthly through August 2028 of approximately \$6,600. Note was originally issued on January 15, 2015 and modified on November 30, 2020 and can be prepaid at any time without penalty. Secured by our Tampa Sherwin-Williams property.	3.72% fixed rate after using SWAP whereas the loan is LIBOR plus 2.75%	8/10/2028	1,286,664	1,286,664
Promissory note issued for \$1,275,000 by a financial institution. Note was issued on February 4, 2021 and can be prepaid at any time without penalty. Secured by our GSA-Manteo, North Carolina property.	Wall Street Journal Prime Rate with minimum of 3.25%	2/4/2023	1,275,000	1,275,000
Promissory note issued for \$850,000 by a financial institution, interest only payments due monthly through May 2023 of approximately \$2,100 and then principal and interest payments due monthly through December 2024 of approximately \$4,200. Note was issued on April 21, 2021 and can be prepaid at any time without penalty. Secured by our Irby - Plant City, FL property.	Wall Street Journal Prime Rate minus 0.5% with minimum of 3.0% for the first 24 months; thereafter, weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of three years on April 21, 2023, plus 2.75% with a minimum of 3.25%	12/31/2024	850,000	850,000
Promissory note issued for \$2,350,000 by a financial institution. Note was issued on December 28, 2021 and can be prepaid at any time without penalty. Secured by our Best Buy - Grand Junction, CO property.	Wall Street Journal Prime Rate with minimum of 3.25%	12/28/2023	2,350,000	2,350,000
Promissory note issued for \$8,260,000 by a financial institution, interest and principal payments due monthly of approximately \$41,500. Note was issued on September 30, 2019 and can be prepaid at any time without penalty. Secured by our GSA/Maersk - Norfolk, Virginia property. The interest rate was reduced in March 2021 from 4.25% to 3.5%.	3.50%	9/30/2024	7,748,388	7,805,524
Promissory note issued for \$5,216,749 by a financial institution, interest and principal payments due monthly of approximately \$27,400. Note was originally issued on October 23, 2017 and modified on September 30, 2019 and can be prepaid at any time without penalty. Secured by our PRA - Norfolk, Virginia property. The interest rate was reduced in March 2021 from 4.25% to 3.5%.	3.50%	10/23/2024	4,849,463	4,889,670
Promissory note issued for \$11,287,500 by a financial institution, interest only payment is approximately \$39,000 and starting April 6, 2021, interest and principal payments due monthly of approximately \$55,000. Note was issued on February 11, 2020. Secured by our Washington, DC, Tampa, FL and Huntsville, AL properties. It cannot be prepaid without a penalty.	4.17%	3/6/2030	11,101,219	11,150,130
Less: debt issuance costs, net			(682,898)	(637,693)
			<u>\$35,027,836</u>	<u>\$28,969,295</u>

The Company amortized debt issuance costs during the three month period ended March 31, 2022 and 2021 to interest expense of \$34 thousand and \$31 thousand, respectively. The Company paid debt issuance costs for the three months ended March 31, 2022 and 2021 of \$79 thousand and \$23 thousand, respectively.

As of March 31, 2022, we had three promissory notes totaling approximately \$7.6 million requiring Debt Service Coverage Ratios (also known as "DSCR") of 1.50:1.00, one promissory note totaling \$1.3 million requiring DSCR of 1.30:1.00, three promissory note totaling \$23.7 million requiring DSCR of 1.25:1.00, one promissory note totaling \$1.3 million requiring DSCR of 1.20:1.00, one promissory note totaling \$0.9 million requiring DSCR of 1.15:1.00, and one promissory note totaling \$1.1 million with no required DSCR. We were in compliance with all covenants as of March 31, 2022.

As of March 31, 2022, the Company's President has personally guaranteed the repayment of the \$11.1 million due under the DC/Tampa/Huntsville loan, the \$1.3 million loan secured by our Tampa Sherwin Williams property, the \$0.9 million loan secured by our Irby property, the \$1.3 million loan secured by our GSA Manteo NC property, the \$2.4 million loan secured by our Best Buy Grand Junction, CO property, the \$1.6 million loan secured by our Fresenius Chicago, IL property, and the \$3.7 million loan secured by our Kohl's Tucson, AZ property. The aggregate guaranteed principal amount of these loans total approximately \$22.1 million. The Company's President has also provided a guaranty of the Borrower's nonrecourse carveout liabilities and obligations in favor of the

lender for the Norfolk, Virginia property loans(the “Bayport loans”), with an aggregate principal amount of approximately \$12.6 million.

The Company modified the Bayport loans in March 2021 for no fees and reduced the associated interest rate from 4.25% to 3.5%. The Company determined that the debt modification was not substantial under ASC 470-50.

Minimum required principal payments on the Company’s debt as of March 31, 2022 are as follows:

	<u>As of March 31,</u> <u>2022</u>
2022	\$435,060
2023	4,240,446
2024	18,204,862
2025	278,109
2026	289,778
2027 and beyond	12,262,479
	<u>\$35,710,734</u>

Funding of new acquisitions in the three months ended March 31, 2022 and 2021 were as follows:

- The acquisition of the Chicago, IL property in January 2022, was funded with debt financing of approximately \$1.6 million and cash.
- The acquisition of the Tampa, FL property in January 2022, was funded with a Redeemable Non-Controlling Interest contribution to one of our subsidiaries of \$1.1 million and by debt financing of approximately \$1.1 million.
- The acquisition of the Tucson, AZ property in March 2022, was funded with debt financing of approximately \$3.7 million and cash.
- The acquisition of the Manteo North Carolina property in February 2021, was funded with a Redeemable Non-Controlling Interest contribution to one of our subsidiaries of \$0.5 million and by debt financing of approximately \$1.3 million.

The primary objective of our financing strategy is to maintain financial flexibility using retained cash flows, long-term debt and common and perpetual preferred stock to finance our growth. We intend to have a lower-leveraged portfolio over the long-term after we have acquired an initial substantial portfolio of diversified investments. During the period when we are acquiring our current portfolio, we will employ greater leverage on individual assets (that will also result in greater leverage of the current portfolio) in order to quickly build a diversified portfolio of assets.

Cash from Operating Activities

Net cash used in operating activities was \$211 thousand and \$218 thousand during the three months ended March 31, 2022 and 2021, respectively.

Cash from Investing Activities

Net cash used in investing activities was \$12.7 million and \$1.8 million during the three months ended March 31, 2022 and 2021, respectively. The \$10.9 million increase is due to the purchase of three properties during the three months ended March 31, 2022 as compared to one property purchased during the three months ended March 31, 2021.

Cash from Financing Activities

Net cash generated from financing activities was \$6.9 million and \$1.6 million for the three months ended March 31, 2022 and 2021, respectively. The change is the result of mortgage loan borrowings of \$6.3 million and issuance of redeemable non-controlling interests for \$1.1 million offset in part by \$335 thousand of distributions paid to common shareholders, mortgage loan repayments of \$146 thousand, and \$119 thousand of distributions paid to redeemable non-controlling interests as compared to activity during the three months ended March 31, 2021 that includes new mortgage borrowings of \$1.3 million and issuance of redeemable non-controlling interests of \$500 thousand on one property partially offset by the payment of \$114 thousand of dividends to common shareholders and \$151 thousand distribution to redeemable non-controlling interests.

Off-Balance Sheet Arrangements

We do not have any material 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.

Non-GAAP Financial Measures

Our reported results are presented in accordance with GAAP. We also disclose funds from operations (FFO), adjusted funds from operations (AFFO), core funds from operations (Core FFO) and core adjusted funds of operations (Core AFFO) all of which are non-GAAP financial measures. We believe these non-GAAP financial measures are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs.

FFO and related measures do not represent cash generated from operating activities and are not necessarily indicative of cash available to fund cash requirements; accordingly, they should not be considered alternatives to net income as a performance measure or cash flows from operations as reported on our statement of cash flows as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures.

We compute FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts or NAREIT. NAREIT defines FFO as GAAP net income or loss adjusted to exclude extraordinary items (as defined by GAAP), net gain or loss from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets, and real estate related depreciation and amortization, including the pro rata share of such adjustments of unconsolidated subsidiaries. We then adjust FFO for non-cash revenues and expenses such as amortization of deferred financing costs, above and below market lease intangible amortization, straight line rent adjustment where the Company is both the lessor and lessee, non-cash stock compensation, public company consulting fees, and non-recurring litigation expenses and settlements to calculate Core AFFO.

FFO is used by management, investors, and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers primarily because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. We believe that AFFO is an additional useful supplemental measure for investors to consider because it will help them to better assess our operating performance without the distortions created by other non-cash revenues or expenses. FFO and AFFO may not be comparable to similarly titled measures employed by other companies. We believe that Core FFO and Core AFFO are useful measures for management and investors because they further remove the effect of non-cash expenses and certain other expenses that are not directly related to real estate operations. We use each as measures of our performance when we formulate corporate goals.

Because FFO excludes depreciation and amortization, gains and losses from property dispositions that are available for distribution to stockholders and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities, general and administrative expenses and interest costs, providing a perspective not immediately apparent from net income. In addition, our management team believes that FFO provides useful information to the investment community about our financial performance when compared to other REITs since FFO is generally recognized as the industry standard for reporting the operations of REITs. However, FFO should not be viewed as an alternative measure of our operating performance since it does not reflect either depreciation and amortization costs or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties which could be significant economic costs and could materially impact our results from operations. Additionally, FFO does not reflect distributions paid to redeemable non-controlling interests.

The following tables reconcile net income (net loss), which we believe is the most comparable GAAP measure, to FFO, Core FFO, AFFO, and Core AFFO:

	Three Months Ended March 31,	
	2022	2021
Net Loss	\$(445,513)	\$(321,703)
Depreciation and amortization	430,893	379,511
Funds From Operations	(14,620)	57,808
Amortization of deferred financing costs	33,673	31,103
Non-cash stock compensation	93,926	82,471
Adjustments From Operations	127,599	113,574
Core Funds From Operations	\$112,979	\$171,382
Net Loss	\$(445,513)	\$(321,703)
Depreciation and amortization	430,893	379,511
Amortization of deferred financing costs	33,673	31,103
Above and below-market lease amortization, net	(23,884)	(33,161)
Straight line rent, net	(1,100)	(15,718)
Adjustments From Operations	439,582	361,735
Adjusted Funds From Operations	(5,931)	40,032
Non-cash stock compensation	93,926	82,471
Adjustments From Operations	93,926	82,471
Core Adjusted Funds From Operations	\$87,995	\$122,503

Critical Accounting Policies

Our financial statements are affected by the accounting policies used and the estimates and assumptions made by management during their preparation. See our audited consolidated financial statements included herein for a summary of our significant accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to make disclosures under this item.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2022. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of March 31, 2022.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There are no material legal proceedings that are required to be disclosed in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in Item 1A. Risk Factors of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) *Sales of Unregistered Securities.*

None.

(b) *Use of Proceeds.*

On September 2, 2021, we entered into an Underwriting Agreement with Maxim Group LLC on behalf of itself and as representative of the underwriters named therein (the "Underwriting Agreement"), pursuant to which the Company issued and sold, in an underwritten public offering (the "Public Offering"), 1,500,000 units consisting of one share of common stock, \$0.01 par value per share ("Common Stock"), and one warrant exercisable for one share of Common Stock (the "Investor Warrants"). The units were sold to the public at the price of \$10.00 per unit and were offered by the Company pursuant to the registration statement on Form S-11 (File No. 333-235707), which was declared effective on September 2, 2021 (the "Registration Statement"). The shares of Common Stock and Investor Warrants comprising the units began separate trading 31 days from the date the registration statement was declared effective. On September 8, 2021, the Public Offering closed, resulting in gross proceeds to the Company of approximately \$15,000,000, before deducting the underwriting discounts and commissions and estimated offering expenses. The Company also granted to the underwriter a 30-day option to purchase up to an additional 225,000 units. On September 30, 2021, the underwriters partially exercised the over-allotment option and purchased an additional 165,000 units, generating gross proceeds of \$1,650,000. The Company received total net proceeds in the Public Offering of approximately \$13.8 million after deducting underwriting discounts and commissions and other expenses of approximately \$2.9 million incurred during the years ended December 31, 2021 and 2020. None of the underwriting discounts and commissions or offering expenses were incurred or paid, directly or indirectly, to any of our directors or officers or their associates or to persons owning 10% or more of our common stock or to any of our affiliates.

The Investor Warrants issued in the Public Offering entitle the holder to purchase one share of common stock at a price equal to \$10.00 upon the first separate trading day of the warrants for a period of five years. The Investor Warrants may be exercised on a cashless basis if there is no effective registration statement available for the resale of the shares of common stock underlying such warrants. In addition, after 120 days after the Investor Warrants are issued, any Investor Warrant may be exercised on a cashless basis for 10% of the shares of common stock underlying the Investor Warrant if the volume-weighted average trading price of the Company's shares of common stock on Nasdaq is below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days.

The Company agreed to an underwriting discount of 9% of the public offering price of the Units sold in the Public Offering. In addition, the Company issued to Maxim Group LLC (or its designee) warrants to purchase 149,850 shares of Common Stock, which is equal to an aggregate of 9% of the number of shares of Common Stock sold in the Public Offering (the "Representative's Warrants"). The Representative's Warrants have an exercise price equal to \$12.50, which is 125% of the offering price in the Public Offering. The Representative's Warrants may be exercised on a cashless basis and will be exercisable six months following the closing date and until September 2, 2026.

As of March 31, 2022, the Company has used \$1.1 million proceeds from the Public Offering to date for repayment of related party debt

(c) None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None

Item 6. Exhibits

The following documents are filed as a part of this report or are incorporated herein by reference.

EXHIBIT NUMBER	DESCRIPTION
3.1	<u>Articles of Amendment and Restatement of Generation Income Properties, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Form 1-A/A filed on January 28, 2016)</u>
3.1.1	<u>Articles of Amendment to Amended and Restated Articles of Incorporation. (incorporated by reference to Exhibit 2.1 to the Company's Form 1-U filed on October 9, 2020.)</u>
3.2	<u>Bylaws of Generation Income Properties, Inc. (incorporated by reference to Exhibit 2.2 of the Company's Form 1-A filed on September 16, 2015)</u>
4.1	<u>Form of Stock Certificate (incorporated by reference to Exhibit 3.3 of the Company's Form 1-A filed on September 16, 2015)</u>
4.2	<u>Amended and Restated Agreement of Limited Partnership of Generation Income Properties, L.P. (incorporated by reference to Exhibit 6.2 of the Company's Form 1-A POS filed on March 29, 2018)</u>
4.2.1	<u>First Amendment to Amended and Restated Agreement of Limited Partnership of Generation Income Properties, L.P. (incorporated by reference from Exhibit 4.4 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021)</u>
4.2.2	<u>Second Amendment to Amended and Restated Agreement of Limited Partnership of Generation Income Properties, L.P. (incorporated by reference to Exhibit 4.5 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021)</u>
4.3	<u>Common Stock Purchase Warrant, dated April 17, 2019. (incorporated by reference from Exhibit 4.6 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021)</u>
4.4	<u>Common Stock Purchase Warrant dated November 12, 2020 (incorporated by reference to Exhibit 4.7 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021).</u>
4.5	<u>Representative's Warrant, dated September 8, 2021 (incorporated by reference from Exhibit 4.1 from Form 8-K filed on September 9, 2021)</u>
4.6	<u>Form of Investor Warrant (incorporated by reference from Exhibit 4.2 from Form 8-K filed on September 9, 2021)</u>
4.7	<u>Warrant Agent Agreement, dated September 2, 2021 between the Company and VStock Transfer, LLC (incorporated by reference from Exhibit 4.3 from Form 8-K filed on September 9, 2021)</u>
4.8	<u>Description of Securities (incorporated by reference to Exhibit 4.8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021).</u>
10.1*	<u>Purchase and Sale Agreement, dated October 28, 2021, between Generation Income Properties, LP and OREOF19 BR, LLC.</u>
10.2*	<u>First Amendment to Purchase and Sale Agreement, effective as of December 10, 2021, between Generation Income Properties, LP and OREOF19 BR, LLC.</u>
10.3*	<u>Assignment and Assumption of Purchase and Sale Agreement, effective as of December 23, 2021, by and between Generation Income Properties, LP and GIPCO 585 24 1/2 ROAD, LLC.</u>
10.4*	<u>Lease Agreement, dated as of February 27, 2006, between OREOF19 BR, LLC, as landlord, and Best Buy Stores, L.P., as tenant, as amended by that certain first amendment to lease, dated May 19, 2021.</u>
10.5*	<u>Guaranty, dated February 27, 2006, by Best Buy Co., Inc. in favor of OREOF BR.</u>
10.6*	<u>Purchase and Sale Agreement, dated October 27, 2021, between Generation Income Properties, LP and Elliott Bay Healthcare Realty, LLC.</u>
10.7*	<u>First Amendment to Purchase and Sale Agreement, dated December 10, 2021, between Generation Income Properties, LP and Elliott Bay Healthcare Realty, LLC.</u>
10.8*	<u>Assignment and Assumption of Purchase and Sale Agreement, effective as of December 23, 2021, by and between Generation Income Properties, LP and GIPIL 3134 W 76th Street, LLC.</u>
10.9*	<u>Second Amendment to Purchase and Sale Agreement, effective as of January 3, 2022, between Elliott Bay Healthcare Realty, LLC and GIPIL 3134 W 76th Street, LLC.</u>
10.10*	<u>Lease Agreement, dated as of January 24, 2006, between Elliott Bay Healthcare Realty, LLC, as landlord, and WSKC Dialysis Services, Inc., as tenant, as amended on August 16, 2016, and on November 13, 2020.</u>
10.11*	<u>Assignment and Assumption of Lease, Security Deposit and Guaranty, dated January 7, 2022, by and between Elliott Bay Healthcare Realty, LLC and GIPIL 3134 W 76th Street, LLC.</u>
10.12*	<u>Promissory Note, dated December 28, 2021, issued by GIPCO 585 24 1/2 ROAD, LLC, as borrower, in favor of American Momentum Bank, as lender.</u>
10.13*	<u>Loan Agreement, dated December 28, 2021, by and between GIPCO 585 24 1/2 ROAD, LLC and American Momentum Bank.</u>
10.14*	<u>Absolute Guaranty of Payment and Performance, dated December 28, 2021, by David Sobelman and Generation Income Properties, LP in favor of American Momentum Bank.</u>

- 10.15* [Promissory Note, dated December 23, 2021, issued by GIPIL 3134 W 7th Street, LLC, as borrower, in favor of American Momentum Bank, as lender.](#)
- 10.16* [Loan Agreement, dated January 7, 2021, by and between GIPIL 3134 W 7th Street, LLC and American Momentum Bank.](#)
- 10.17* [Absolute Guaranty of Payment and Performance, dated December 23, 2021, by David Sobelman and Generation Income Properties, LP in favor of American Momentum Bank.](#)
- 10.18 [Commitment for \\$50 Million Master Credit Commitment with American Momentum Bank dated May 9, 2022 \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K/A filed on May 12, 2022\).](#)
- 31.1* [Rule 13a – 14\(a\) Certification of the Principal Executive Officer](#)
- 31.2* [Rule 13a – 14\(a\) Certification of the Principal Financial Officer](#)
- 32.1* [Written Statement of the Principal Executive Officer, Pursuant to 18 U.S.C. § 1350](#)
- 32.2* [Written Statement of the Principal Financial Officer, Pursuant to 18 U.S.C. § 1350](#)
- 101.INS Inline XBRL Instance Document.
- 101.SCH Inline XBRL Taxonomy Extension Schema.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase.
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

SIGNATURES

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

Date: May 16, 2022

GENERATION INCOME PROPERTIES, INC.

By: /s/ David Sobelman
David Sobelman
Chief Executive Officer and Chair of the Board
(Principal Executive Officer)

Date: May 16, 2022

By: /s/ Allison Davies
Allison Davies
Chief Financial Officer
(Principal Financial and Accounting Officer)

PURCHASE AND SALE AGREEMENT

BETWEEN

**OREOF19 BR, LLC,
a Delaware limited liability company, as Seller**

and

**GENERATION INCOME PROPERTIES, L.P.,
a Delaware limited partnership, as Purchaser**

October 28, 2021

Subject Property:

**Best Buy Store
585 24 ½ Road
Grand Junction, Colorado**

SCHEDULE OF EXHIBITS

Exhibit "A" Description of Land

i

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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 General Assignment of Seller's Interest in Intangible Property
Schedule 4	Form of OA Estoppel Certificate / REA Estoppel Certificate
Schedule 5	Form of Seller's Certificate (as to Seller's Representations and Warranties)
Schedule 6	Form of Seller's FIRPTA Affidavit
Schedule 7	Form of Purchaser's Certificate (as to Purchaser's Representations and Warranties)

PURCHASE AND SALE AGREEMENT

**Best Buy Store
585 24 ½ Road
Grand Junction, Colorado**

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of the Effective Date (as defined herein) by and between **OREOF19 BR, LLC**, a Delaware 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 a commercial retail building and related infrastructure and support improvements (as more particularly described herein) are located in Grand Junction, Mesa County, Colorado, together with certain related personal and intangible property to the extent, if any, owned by Seller, 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 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 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.

"**Assignment and Assumption of Lease**" 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**.

"**Brokers**" shall have the meaning ascribed thereto in Section 10.1 of this Agreement.

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

Exhibit 10.1

“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.

“Deed” shall mean the form of deed attached hereto as **Schedule 1**.

“Earnest Money” shall mean the sum of Fifty Thousand and No/100 Dollars (\$50,000.00 U.S.) actually paid by Purchaser (or which Purchaser is obligated to pay) to Escrow Agent hereunder, together with all interest which accrues thereon as provided in Section 2.3(c) hereof. After payment of the Additional Earnest Money, the Additional Earnest Money shall be included in the definition of “Earnest Money”.

“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 any and all existing environmental reports/assessments/studies obtained by Seller and provided to Purchaser, if any, pursuant to the provisions of Section 3.2(a).

“Escrow Agent” shall mean the Title Company (as hereinafter defined).

“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 6**.

“General Assignment” shall have the meaning ascribed thereto in Section 5.1(e) 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, and polychlorinated biphenyls).

“Improvements” shall mean all buildings, structures, improvements, drainage facilities, parking, equipment, apparatus and any other items constructed and/or installed on the Land.

Exhibit 10.1

“Inspection Period” shall mean the period expiring at 11:59 P.M. Eastern Daylight Time on the date which is forty-five (45) 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 Grand Junction, Mesa County, Colorado, 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 Seller, as successor-in-interest to Toys “R” US – Delaware, Inc., as landlord, and Best Buy Stores, L.P., a Virginia limited partnership, as tenant, effective as of February 27, 2007, with respect to the Property, together with any guaranties or other documents incorporated by reference therein, and all amendments or modifications with respect thereto, including that certain First Amendment to Lease dated May 19, 2021.

“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 and voluntarily granted by Seller or an Affiliate of Seller to the holder of the lien, (b) any mechanic’s, materialman’s or similar lien arising out of any work performed by Seller or an Affiliate of Seller, (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 are not the responsibility of the Tenant under the Lease (provided, however, that in the event any lien or other encumbrance affecting title to the Property arises due to the actions, or failure to act, of Tenant, as hereinafter defined, Seller agrees to use commercially reasonable efforts to enforce all applicable rights and the performance or observance of applicable obligations existing under the Lease and will diligently communicate with Tenant in furtherance thereof; however, Seller shall not be in default for Tenant’s failure to discharge any such Monetary Objection(s) and shall have no obligation to initiate legal proceedings (including, without limitation, filing suit) against Tenant to enforce such rights or the performance or observance of such obligations, as the case may be, under the Lease), and (d) any judgment of record against Seller (to be clear, Seller, or an Affiliate of Seller, and not any other party, including any predecessor in title or Tenant) in the county or other applicable jurisdiction in which the Property is located.

“Operating Agreement” means that certain Operating Agreement recorded in Book 1247, Page 110, as amended by that certain First Amendment of Operating Agreement recorded in Book 1318, Page 580, as amended by that certain First Amendment to Supplemental Agreement

Exhibit 10.1

recorded in Book 1360, Page 483, as amended by that certain Second Amendment of Operating Agreement recorded in Book 1394, Page 237, as amended by that certain Third Amendment of Operating Agreement recorded in Book 1406, Page 723, as amended by that certain Fourth Amendment of Operating Agreement recorded in Book 1508, Page 592, as amended by that certain Fifth Amendment of Operating Agreement recorded in Book 2293, Page 603, as amended by that certain Sixth Amendment of Operating Agreement recorded in Book 3667, Page 218 and as amended by that certain Seventh Amendment of Operating Agreement recorded in Book 5195, Page 543, all of the Public Records of Mesa County, Colorado.

“OA Estoppel Certificate” shall mean a certificate that Seller shall use commercially reasonable efforts to obtain from the appropriate party(ies) under the Operating Agreement, including any property owner’s association, in the form attached hereto as **Schedule 4**. Seller’s obtaining such OA Estoppel Certificate shall be a condition to Purchaser’s obligation to close the transaction contemplated under this Agreement pursuant to the provisions of Section 6.1(f) and, as stated above, Seller shall use commercially reasonable efforts to obtain (however, Seller’s failure to obtain any OA Estoppel Certificate despite such efforts shall not be a default under this Agreement, but shall be a condition to Purchaser’s obligation to close the transaction contemplated hereunder) such OA Estoppel Certificate from the appropriate party(ies) and shall request same therefrom within three (3) business days following the Effective Date.

“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, or deemed approved because Seller does not agree to cure (except for Monetary Objections, which Seller must cure, subject to the proviso above regarding Tenant caused Monetary matters) and yet Purchaser does not terminate this Agreement, all as set forth in Section 3.4.

“Person” shall mean 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, 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 Tenant, 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.

Exhibit 10.1

“Purchaser’s Certificate” shall have the meaning ascribed thereto in Section 5.2(d) of this Agreement.

“Reciprocal Easement and Operation Agreement” means that certain Reciprocal Easement and Operation Agreement recorded in Book 1914, Page 685, of the Public Records of Mesa County, Colorado.

“REA Estoppel Certificate” shall mean a certificate that Seller shall use commercially reasonable efforts to obtain from the appropriate party(ies) under the Reciprocal Easement and Operation Agreement, including any property owner’s association, in the form attached hereto as **Schedule 4**. Seller’s obtaining such REA Estoppel Certificate shall be a condition to Purchaser’s obligation to close the transaction contemplated under this Agreement pursuant to the provisions of Section 6.1(g) and, as stated above, Seller shall use commercially reasonable efforts to obtain (however, Seller’s failure to obtain any REA Estoppel despite such efforts shall not be a default under this Agreement, but obtaining same shall be a condition to Purchaser’s obligation to close the transaction contemplated hereunder) such REA Estoppel Certificate from the appropriate party(ies) and shall request same therefrom within three (3) business days following the Effective Date.

“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 Title Agent’s form of owner’s affidavit to be given by Seller at Closing to the Title Agent.

“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 5**.

“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(c) of this Agreement.

“Tenant” shall mean Best Buy Stores, L.P., a Virginia limited partnership

“Tenant Estoppel Certificate” shall mean a certificate to be obtained by Seller from the Tenant and certified to Purchaser and Purchaser’s lender (“Purchaser’s Lender”) in the same form attached to the Lease as Schedule A.

“Tenant Notice of Sale” shall have the meaning ascribed thereto in Section 5.1(m) of this Agreement..

Exhibit 10.1

“Title Company” shall mean Fidelity National Title Insurance Company.

“Title Commitment” shall have the meaning ascribed thereto in 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 any Security Deposits; and
- (d) the Intangible Property.

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

2.3 Earnest Money.

(a) Within three (3) business days of the Effective Date, Purchaser shall deposit the Earnest Money to Escrow Agent by federal wire transfer payable to Escrow Agent, which Earnest Money shall be held and released by Escrow Agent in accordance with the terms of this Agreement.

(b) Unless this Agreement is terminated by Purchaser in accordance with Section 3.3. hereof, 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. After the Inspection Period, the Earnest Money shall be nonrefundable except (i) in the event one or more of the conditions to Purchaser’s obligation to close are not satisfied and as a consequence Purchaser terminates this Agreement and (ii) as otherwise expressly provided in this Agreement.

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 Four Million Seven Hundred Thousand and No/100

Exhibit 10.1

Dollars (\$4,700,000.00 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 through the Escrow Agent 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 fifteen (15) days after the expiration of the Inspection Period, subject to the 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) For a period of forty-five (45) days after the Effective Date (the “**Inspection Period**”), 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. Purchaser shall not perform a Phase II environmental assessment without Seller’s prior written consent, which consent shall not be unreasonably withheld, condition or delayed (and, if such consent is given, (i) Purchaser shall be obligated to pay to Seller promptly upon demand the cost of repairing and restoring any damage caused by any boring, drilling or other invasive testing performed in connection with such Phase II environmental assessment and (ii) Seller and Purchaser shall reasonably cooperate in good faith to establish the scope and the timing of any such boring, drilling or other invasive testing on the Property to performed in connection with such Phase II environmental assessment). Purchaser shall not contact the Tenant without providing Seller at least forty-eight (48) hours prior notice (i.e., via e-mail to Sanz (as hereinafter defined) at csanz@orionmiami.com) and Seller shall have the right to be present and/or participate (by phone/video call) in any such communication. Notwithstanding anything herein contained to the contrary, Purchaser may continue its physical investigation up to the Closing Date for the purpose of confirming no material adverse change has occurred in the condition of the Property as set forth in Section 6.1(a) of this Agreement, subject to the Purchaser’s insurance and indemnity obligations contained herein.

Exhibit 10.1

(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). The foregoing Purchaser obligation to indemnify, defend and hold Seller harmless shall survive the termination of this Agreement.

(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. The foregoing Purchaser obligation to indemnify, defend and hold Seller harmless shall survive the termination of this Agreement.

(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 with an insurance company licensed to do business in the State of Florida: comprehensive general liability insurance with a combined

Exhibit 10.1

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 of not less than \$1,000,000.00 shall be included. Seller and Tenant 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) As of the Effective Date, and subject to the terms and conditions set forth below, Seller represents and warrants to Purchaser that it has provided Purchaser with the following materials (collectively, the "Seller's Disclosure Materials"), to the extent such Seller's Disclosure Materials exist and are within 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) A copy of the most recent insurance certificates that Tenant has delivered to Seller, if any.
- (ix) Copies of any zoning reports, entitlements or other written evidence confirming the current zoning of the Property.

Exhibit 10.1

- (x) Copies of any Rights of First Offer that are known to Seller and not contained in any title exception document listed in the Title Commitment or contained in the Lease.
- (xi) 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.
- (xii) Copies of any permits, licenses, or other similar documents relating to the development of the Improvements.
- (xiii) A copy of the certificate of occupancy/completion (or its equivalent) issued by the applicable governmental authority with respect to the Improvements being leased to the Tenant pursuant to the Lease.
- (xiv) Copies of all available construction plans and specifications relating to the development of the Improvements.
- (xv) Copies of any written notices received by Seller from Tenant, any third party or any governmental authority.

Notwithstanding anything to the contrary in this Section, the following terms and conditions shall apply with respect to Seller's obligations under this Section:

(a) As to any Seller's Disclosure Materials generated prior to Seller's period of ownership of the Property, Seller shall only be obligated to provide such Seller's Disclosure Materials to the extent actually delivered to Seller by the prior owner of the Property.

(b) To the extent any Seller's Disclosure Materials are required from Tenant, Seller shall use commercially reasonable efforts to obtain such Seller's Disclosure Materials from Tenant and shall provide Purchaser with copies of any such written requests to Tenant for such Seller's Disclosure Materials; provided, however, Seller's failure to obtain such Seller's Disclosure Materials from Tenant shall not constitute a default by Seller as long as Seller uses commercially reasonable efforts to obtain such Seller's Disclosure Materials from Tenant. Furthermore, any such materials have not, obviously, already been delivered to Purchaser as of the Effective Date.

(c) Nothing in this Section shall require Seller to create a breakdown or report that does not already exist as of the Effective Date.

(d) 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 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.

Title and Survey . Within ten (10) days after the Effective Date, Purchaser, at its sole cost and expenses, shall obtain from Title Agent an ALTA Form 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 and 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.

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 prior to the expiration of 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). If Seller does not respond to the notice setting forth the existence of any Title Defects within such five (5) day period, then Seller shall be deemed to have responded on such fifth (5th) day and elected not to cure any title/survey objections (except for Monetary Obligations).

If Seller has elected in writing to cure any Title Defects, 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

Exhibit 10.1

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.

With ~~(n)~~ five (5) days prior to Closing, Purchaser shall cause the Title Agent to deliver to Purchaser an update to the Title Commitment (the "Updated Title Commitment"). Any matters disclosed in the Updated Title Commitment which were not of record as of the Effective Date and which were not exceptions in the previous Title Commitment shall automatically be deemed Title Defects which Seller shall have the election to cure except that Seller must cure any such matters that were voluntarily placed of record by Seller, without Purchaser's joinder and 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 elect to cure, 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.

If Seller elects not to cure (or is deemed to have elected not to cure by failure to respond to Purchaser's title/survey objections, as set forth above) or 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 five business (5) days following (i) Seller's election not to cure (or deemed election not to cure), or (ii) as to a Title Defect that Seller has elected to cure, the expiration of the curative period without cure thereof being accomplished, 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), without a reduction in the Purchase Price, 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 Seller's election (or deemed election) not to cure, or due to uncured Title Defects after attempting to cure same, the Earnest Money shall be returned to Purchaser and upon such return the obligations of the parties under this Agreement shall be terminated, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement. Notwithstanding the foregoing, Seller shall use commercially reasonable efforts to communicate with Tenant to facilitate the curing of any Title Defect(s) caused by the failure of Tenant to observe or perform any of Tenant's obligations under the Lease, provided, however, such efforts of Seller shall not include any obligation of Seller to commence legal proceedings against Tenant to enforce the terms of the Lease. 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, obligations, representations or warranties hereunder.

Purchaser may, at Purchaser's expense, within the Inspection Period, obtain a boundary survey of the Land ("Survey"). Such Survey, if any, shall be prepared by a land surveyor duly

Exhibit 10.1

licensed and registered as such in the State of Colorado, shall be certified by such surveyor to Purchaser, Seller, the Title Agent 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 prior to the expiration of the Inspection Period 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 be deemed to be Title Defects hereunder and Seller shall elect to cure, or elect (or be deemed to have elected) 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 Delaware. 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. Furthermore, to Seller's knowledge there is no investigation, action or proceeding pending, or formally threatened, that involves condemnation or eminent domain proceedings involving the Property or any portion thereof.

Exhibit 10.1

(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 by Seller and Tenant except for the above referenced First Amendment, and constitutes 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) Existing Operating Agreement and Reciprocal Easement and Operation Agreement. (i) Other than as set forth in the copies of the Operating Agreement and Reciprocal Easement and Operation Agreement provided by Seller to Purchaser, to Seller's knowledge the Operating Agreement and Reciprocal Easement and Operation Agreement have not been amended and constitute the entire agreement between the parties thereto; and (iii) to Seller's knowledge, there are no existing defaults by Seller or Tenant under the Operating Agreement or the Reciprocal Easement and Operation Agreement nor has there occurred any event which, by lapse of time or otherwise, will result in any default by Seller or Tenant under the Operating Agreement or the Reciprocal Easement and Operation Agreement.

(g) Leasing Commissions . 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. Notwithstanding the foregoing representation, to the extent there may be any 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, Seller shall terminate them as to the Property and the Lease prior to the Closing and pay all sums that may be due thereunder at Closing at no cost to Purchaser, all such that neither the Property nor Purchaser shall have any liability for or with respect to such agreements or any amounts due thereunder.

(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. To Seller's knowledge, the Land is assessed as a separate tax lot or lots or tax parcel or parcels, 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, but the representation in this sentence shall not apply to any assessments or the like that are either disclosed in Purchaser's title commitment or are reasonably ascertainable by the Purchaser checking with the applicable assessing authorities.

(i) Environmental Matters. To Seller's knowledge, there are no Hazardous Substances located in, upon or under the Property in violation of any applicable Environmental Laws, except as may be disclosed in the Environmental Reports delivered to Purchaser pursuant to Section 3 above.

(j) Compliance with Laws. Seller has not received written notice from applicable governmental authorities there are any violations of law (including zoning or other land

Exhibit 10.1

use 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, and the Permitted Exceptions, to Seller's actual knowledge there are no (and Seller's represents without such knowledge qualifier that it has entered into no) 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. To be clear, this means that there may be such agreements, but if there are then Seller shall cause them to be terminated at or prior to the Closing such that there is no liability of the Property or Purchaser for same from and after the Closing. Seller represents that it has no service contracts relative to the Property.

(m) 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. 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.

(n) Submission Items. As to 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, Seller does not represent or warranty that any of them are complete, true and/or correct, but does represent and warranty that they are complete copies of such items as are in Seller's possession or control.

(o) Commitments to Governmental Authority. Seller has not made any commitments 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.

(p) Personal Property. There is no Personal Property located on the Property that is owned by Seller. Any personal property located on the Property is owned by Tenant.

(q) No Rights to Purchase. Except for this Agreement, Seller has not entered into, and has no actual knowledge of (unless same is contained in the Lease or in a title exception

Exhibit 10.1

document listed in the Title Commitment) any other agreement, commitment, option, right of first refusal, right of first offer or any other agreement, whether oral or written, with respect to the sale, purchase, assignment or transfer of all or any portion of the Property.

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 twelve (12) months (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 twelve (12) month 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, except statutory limitations, with respect to acts involving fraud, i.e. intentional misrepresentation, on behalf of Seller. 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 Limitation Period and statutory limitations referenced therein, 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 or warranty on the part of Seller made herein or in any instrument or document delivered by Seller pursuant hereto. For purposes of this Section 4.3, Purchaser's knowledge means the current, actual knowledge of Christopher Sanz ("Sanz") 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. The foregoing indemnity is limited to Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) except in the event of fraud or intentional misrepresentation.

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.

(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.

Exhibit 10.1

(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(e).

(e) OA Estoppel Certificate. Seller shall use commercially reasonable efforts to obtain and deliver to Purchaser prior to Closing an original written OA Estoppel Certificate executed by the appropriate parties as provided for in Section 6.1(f).

(f) REA Estoppel Certificate. Seller shall use commercially reasonable efforts to obtain and deliver to Purchaser prior to Closing an original written REA Estoppel Certificate executed by the appropriate parties as provided for in Section 6.1(g).

(g) Waiver of Right of First Offer. To the extent a Right of First Offer exists with respect to the Property, then within three (3) business days after the date Purchaser deposits the Earnest Money with Escrow Agent, Seller shall provide the holder of any such Right of First Offer ("ROFO Holder") with written notice of the transaction contemplated in 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 the expiration of the Inspection Period, an original, executed affidavit in form reasonably acceptable to 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 Offer 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 Offer ("Seller's ROFO Affidavit"). In the event Seller is unable to obtain and deliver to Purchaser the Seller's ROFO 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 Offer in which 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, covenants, conditions and rights set forth in this Section 4.2(g) shall apply to such new ROFO Notice.

(h) Notices of Violation. 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, or any complaints or allegations of default received from Tenant.

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 twelve (12) months, 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 twelve (12) month 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, except statutory limitations, with respect to acts involving fraud (i.e., intentional misrepresentation) on behalf of Purchaser. Purchaser acknowledges and agrees that Seller has relied and has the right to rely upon the foregoing in connection with Seller's consummation of the transaction set forth in this Agreement.

Exhibit 10.1

Subject to the immediately preceding paragraph, and the Limitation Period and statutory limitations referenced therein, 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 be asserted against or suffered by Seller after the Closing Date as a result or on account of any breach of any warranty or representation on the part of Purchaser made herein or in any instrument or document delivered pursuant hereto. 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. The foregoing indemnity is limited to Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) except in the event of fraud or intentional misrepresentation.

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 Agent (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) Assignment and Assumption of Lease 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");

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

(d) Subordination, Non-Disturbance and Attornment Agreement. If applicable, an original Subordination, Non-Disturbance and Attornment Agreement executed by Tenant in form acceptable to Purchaser's Lender (the "SNDA");

(e) General Assignment. An assignment of the Intangible Property in the form attached hereto as **Schedule 3** (the "General Assignment");

(f) Seller's Affidavit. An owner's affidavit in a form to be provided by Title Agent ("Seller's Affidavit");

(g) Seller's Certificate. A certificate in the form attached hereto as **Schedule 5** ("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;

Exhibit 10.1

(h) FIRPTA Certificate. A FIRPTA Certificate in the form attached hereto as **Schedule 6**;

(i) 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;

(j) 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;

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

(m) Notice of Sale. Seller will join with Purchaser (or its Affiliate) in executing a notice, in form and content reasonably satisfactory to Seller and Purchaser (the "Notice of Sale"), which Purchaser shall send to Tenant under the Lease informing such tenant of the transfer of the Property and of assignment to and assumption by Purchaser (or its Affiliate) of the Lease and Security Deposit and directing that all rent and other sums payable for periods after the Closing under the Lease shall be paid as set forth in the notice;

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

(o) Other Documents. Such other documents as shall be reasonably requested by Purchaser's counsel or the Title Agent 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 7** ("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;

Exhibit 10.1

(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) Notice of Sale. A Notice of Sale; and

(g) Other Documents. Such other documents as shall be reasonably requested by Seller's counsel or the Title Agent 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 Colorado or the county in which the Land is located upon the conveyance of the Property pursuant hereto, the attorneys' fees of Seller, the cost of obtaining and recording any curative title instruments, 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 Title Commitment and the Title Policy, including title examination fees related thereto and any updates to the Title Commitment, the Survey, all recording fees on all instruments to be recorded in connection with this transaction (except any curative title instruments), the cost of any endorsements to the Title Policy, the cost of any loan policy of title insurance and endorsements thereto, documentary stamps and intangible taxes 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) Fixed Rents. Fixed rent (i.e. "Minimum Rent" as referred to in the Lease) shall be prorated as of the Closing Date and be adjusted against the Purchase Price. Purchaser shall receive at Closing a credit for Purchaser's pro rata share of the fixed rent, 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 (in the form of Seller receiving a credit at Closing for), any rents or other payments by Tenant under the Lease that apply to periods prior to Closing but are to be 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. 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(a) shall survive the Closing.

(b) Security Deposits. Purchaser shall receive a credit at Closing for all Security Deposits (and any interest thereon required to be reimbursed to any tenant), if any, pursuant to the Lease or pursuant to applicable law. Seller agrees to and does hereby indemnify,

Exhibit 10.1

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(b) shall survive the Closing.

(c) Real Property Taxes. Real estate taxes and assessments are hereinafter referred to as "Taxes". Tenant is responsible to pay all Taxes pursuant to the terms of the Lease, and Seller represents and warrants that this is currently being administered in the form of Seller (i.e. landlord) presenting an invoice to Tenant once a year (the last invoice was presented to Tenant on approximately March 12, 2021, covering the year 2020) and Tenant reimbursing Seller based on such invoice (Tenant reimbursed Seller on May 3, 2021 based on the above-referenced March 2021 invoice). Since Tenant is ultimately responsible for the Taxes there shall be no proration of Taxes, per se, at the Closing, but there will be a proration of Tenant's reimbursement obligation, as set forth below. Seller shall receive a credit at Closing for Taxes (i.e., 2021 Taxes) that have, at the time of Closing, been paid by Seller but not yet reimbursed by Tenant (because the yearly invoice for 2021 Taxes will not yet have been presented to Tenant). Purchaser shall then be entitled to keep the entire Taxes reimbursement for the 2021 Taxes, in the Spring of 2022. The provisions of this Section 5.4(c) shall survive the Closing

(d) Insurance. Because Tenant obtains the property insurance for the building pursuant to the terms of the Lease, there shall be no proration of such property insurance.

(e) Maintenance . Because Tenant performs all repairs and maintenance (subject to replacement of the roof, as discussed below) at its own cost pursuant to the terms of the Lease, there shall be no prorations relative to repair or maintenance. In addition, Seller represents and warrants that Tenant is not presently making (nor is obligated to make) any amortization payments relative to roof replacement pursuant to Section 7.01(b) of the Lease, nor is there any roof replacement underway at present, nor has Seller received any notice from Tenant pursuant to Section 7.01(b) that the roof needs to be replaced.

(f) Utilities. Tenant is responsible to obtain and pay for (per separate meter) all utilities pursuant to the terms of the Lease so there shall be no proration of utilities.

(g) Year End Reconciliations. Seller represents and warrants that there is no year end reconciliation in the sense of monthly estimated payments being reconciled following the end of the applicable year. There is a one time per year reimbursement by Tenant to Seller of Taxes, as described above.

(h) Miscellaneous. If there are any items of Additional Rent not captured by the foregoing discussions, or if there are any other items which are customary to prorate, or which otherwise are clearly fair and equitable to prorate (including without limitation payments under any service contracts that Purchaser elects to assume, or any items of additional rent that need to be prorated but not captured by the provisions of this Section 5.4) but are not addressed above in this Section shall be prorated in a fair and equitable manner at the 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 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.

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

(d) 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.

(e) It is a condition that at least five (5) business days prior to the Closing, Seller has obtained and delivered to Purchaser an original executed Tenant Estoppel Certificate from Tenant in the form attached to the Lease as Schedule A, dated within thirty (30) days of the Closing. To be clear, Seller must use commercially reasonable efforts to obtain said estoppel but Seller will not be in default if Seller has been unable to despite such commercially reasonable efforts (but in that event Purchaser may terminate this Agreement and received back the Earnest Money, as discussed below).

(f) It is a condition that at least five (5) business days prior to the Closing, Seller has obtained and delivered to Purchaser an original executed OA Estoppel Certificate from the appropriate parties thereto, including any applicable property owner's association, in the form attached hereto as **Schedule 4**, dated within thirty (30) days of the Closing. To be clear, Seller must use commercially reasonable efforts to obtain said estoppel but Seller will not be in default if Seller has been unable to despite such commercially reasonable efforts (but in that event Purchaser may terminate this Agreement and received back the Earnest Money, as discussed below).

(g) It is a condition that at least five (5) business days prior to the Closing, Seller has obtained and delivered to Purchaser an original executed REA Estoppel Certificate from the appropriate parties thereto, including any applicable property owner's association, in the form attached hereto as **Schedule 4**, dated within thirty (30) days of the Closing. To be clear, Seller must use commercially reasonable efforts to obtain said estoppel but Seller will not be in default if Seller has been unable to despite such commercially reasonable efforts (but in that event Purchaser may terminate this Agreement and received back the Earnest Money, as discussed below).

(h) That there are no title matters other than Permitted 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 and Condemnation. Risk of loss up to and including the Closing Date shall be borne by Seller. In the event of any casualty or condemnation, Seller and Purchaser shall proceed to close under this Agreement unless (i) due to the applicable event, Tenant has the right to terminate, abate or reduce rent under the Lease, or, as to a condemnation, if the rent is reduced, or, (ii) even if Tenant does not have the right to terminate, abate or reduce rent, or, as to a condemnation, rent is not reduced, if the reasonably estimated restoration cost (to restore after a casualty, or to reconfigure or otherwise “restore” after a condemnation) exceeds Twenty-Five Thousand and No/100 Dollars (\$25,000).

If either of the events described in subpart (i) or (ii) of the grammatical paragraph above should occur then 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 condemnation, or the Closing Date, but in no event less than ten (10) days after Purchaser is notified by Seller of such damage or destruction or condemnation (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 without a reduction in the Purchase Price. 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 there is a condemnation of the entire leased premises, or if Tenant has, and indeed exercises, the right to terminate the Lease due to a casualty, then, if Purchaser elects to go forward with the sale, Seller shall assign to Purchaser all of Seller’s rights (as landlord under the lease) to, as the case may be, (i) the condemnation proceeds, and, (ii) to the insurance proceeds to the extent if any that Seller has any rights to such insurance proceeds.

ARTICLE 8.
DEFAULT AND REMEDIES

8.1 Purchaser’s Default. If Purchaser fails to perform its material obligations 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

Exhibit 10.1

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. Nothing contained in this Section 8.1 to the contrary shall release or absolve Purchaser from its obligation to indemnify, defend and hold Seller harmless under those provisions of this Agreement which by their express terms survive the termination of this Agreement

8.2 Seller's Default. If Seller fails to perform any of its material 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 up to a maximum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00), 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 such 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 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 the intentional default or breach of Seller's obligations under this Agreement, then, in addition to Purchaser's termination right, Purchaser shall be entitled to reimbursement by Seller for all of Purchaser's actual out-of-pocket costs and expenses incurred with respect to this transaction, without a maximum cap on such costs and expenses, and shall further have all remedies available at law or in equity. To be clear, the failure of Seller to deliver any document or to perform any act which is outside of its reasonable control (such as delivery of the estoppels described above in this Agreement; despite the exercise of commercially reasonable efforts to obtain them), or the inability of Seller to re-certify all of its material representations and warranties at the Closing due to changed circumstances not within Seller's reasonable control (and not caused by the intentional default or breach of Seller's obligations under this Agreement), shall not be deemed to be a Seller default, but shall, as provided in Article 6 above, constitute a failure of a condition precedent which would allow Purchaser to terminate this Agreement and receive back the Earnest Money.

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 in its sole discretion. 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 but Purchaser shall remain liable for the obligations of "Purchaser" hereunder, jointly and severally with the Affiliate assignee. 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 Marcus Millichap (the "**Broker**") and Generation Income Properties, L.P., a Delaware limited partnership. Seller and Purchaser warrant and represent to each other that 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 the Broker and Generation Income Properties, L.P., as provided herein. If and only if the transaction contemplated under this Agreement is consummated, then Seller agrees to pay, at Closing, if Closing occurs: (i) to Broker the commission due to said Broker per the terms of a separate written agreement and (ii) to Generation Income Properties, L.P., an acquisition fee of one percent (1.0%) of the Purchase Price. 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 David Sobelman, the President of the beneficial owner of Generation Income Properties, L.P., 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

Exhibit 10.1

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:

OREOF19 BR, LLC
c/o Orion Investment and Management Ltd. Corp.
200 South Biscayne Blvd., Seventh Floor
Miami, FL 33131
Attention: Joseph A. Sanz, President
Telephone: (305) 278-8400
Email: jsanz@orionmiami.com; csanz@orionmiami.com

with a copy to:

DarrowEverett LLP
One Turks Head Place, 12th Floor
Providence, RI 02903
Telephone: (401) 453-1200
Attention: Allison Lane, Esq.,
Email: alane@darroverett.com

ESCROW AGENT:

Fidelity National Title Insurance Company
8055 E. Tufts Avenue, Suite 900
Denver, CO 80237
Attention: Tiffany Gilbert
Facsimile: (303) 633-7720
Email: tiffany.gilbert1@fnf.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. If a party sends a notice by facsimile or email then it must, on the next following business day, send a copy of such

Exhibit 10.1

notice by overnight courier, but, so long as such second notice is sent out as just described, the facsimile or email notice shall constitute official notice and serve to meet any notice deadline. 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

Exhibit 10.1

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 Colorado. 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, and including the determination of court costs and reasonable attorney's fees) 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 or by DocuSign 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 deposit the Earnest Money in an I.O.T.A. Trust Account.

(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, emailed or delivered by overnight courier to at the address for Escrow Agent shown in and pursuant to Section 11.1 of this Agreement. Notices from Escrow Agent to Seller or Purchaser shall be mailed, emailed or delivered by overnight courier to them at the addresses for each party shown in and pursuant to 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 refuse to take any action until it receives joint instructions from both Seller and Purchaser, and further, Escrow Agent may bring an interpleader action in an appropriate court. Such refusal to act without a joint instruction letter, or

Exhibit 10.1

the filing of any such interpleader 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 Tax Free Exchange. Seller and/or Purchaser shall have the right to cause the Closing to occur as part of a "like-kind" exchange pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. Seller and Purchaser agree to cooperate with each other in effecting a qualifying like-kind exchange; provided, however, that said exchange shall be at no cost, expense, liability or exposure to the other party, and such exchange shall not delay the Closing Date.

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

SELLER:

OREOF19 BR, LLC,
a Delaware limited liability company

By: /s/ Joseph A
Sanz
Name: Joseph A
Sanz
Title:
Manager

Date of Execution:

October 28, 2021

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: CEO and President

Date of Execution:

October 28, 2021

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:

Fidelity National Title Insurance Company

By: /s/ Tiffany

Name: Tiffany Gilbert

Title: Commercial Escrow Officer

Gilbert

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

PARCEL ONE:

Lot 1, Mesa Mall Minor Subdivision, according to the official Plat thereof, recorded in [Plat Book 14 at Page 64](#), official records of Mesa County, Colorado.

PARCEL TWO:

TOGETHER WITH the benefits under the Operating Agreement and Amendments recorded March 5, 1980, in [Book 1247 at Page 110](#), together with the First Amendment recorded June 15, 1981, in [Book 1318 at Page 580](#), First Amendment to Supplemental Agreement recorded March 8, 1982, in [Book 1360 at Page 483](#), the Second Amendment recorded October 5, 1982, in [Book 1394 at Page 237](#), the Third Amendment recorded December 23, 1982, in [Book 1406 at Page 723](#), the Fourth Amendment recorded September 5, 1984, in [Book 1508 at Page 592](#), Fifth Amendment recorded January 10, 1997, in [Book 2293 at Page 603](#), Sixth Amendment of Operating Agreement recorded June 3, 2004 in [Book 3667 at Page 218](#), and Seventh Amendment of Operating Agreement recorded September 2, 2011 in [Book 5195 at Page 543](#), County of Mesa, State of Colorado.

PARCEL THREE:

TOGETHER WITH the Benefits under the Reciprocal Easement and Operating Agreement recorded July 30, 1992, in [Book 1914 at Page 685](#) and Recognitions and Non-Disturbance Agreement recorded October 14, 1992, in [Book 1930 at Page 43](#), County of Mesa, State of Colorado.

SCHEDULE 1

FORM OF SPECIAL WARRANTY DEED
[SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL]

Prepared by and after
recording return to:

Excise Tax Paid: \$ _____

Tax Lot No. _____

Parcel Identifier No. _____

Verified by Dare County on the ____ day of 20__ by _____

SPECIAL WARRANTY DEED

THIS LIMITED 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 _____ County, _____, 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, subject to the matters set forth on **Exhibit B**.

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;

Exhibit 10.1

that it warrants the title to the Property and will defend the same against the claims of all persons claiming by, through and under Grantor but not otherwise.

IN WITNESS WHEREOF, the Grantor 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: **GRANTOR:**

WITNESS:

a

By:

Printed
Name:

Name:

Printed

Title:

Printed Name:

STATE OF _____)
COUNTY OF _____)

I, a Notary Public of the County of _____, State aforesaid that _____, as
_____ of _____, a _____, on behalf of the _____. He/She (check one)
 is personally known to me or has produced _____ as identification.

(Official Stamp-Seal) Official Signature of Notary Public

(Type, Print or Stamp Name)

My commission expires: _____

EXHIBIT A
LEGAL DESCRIPTION

18250087_6

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 _____, _____ County, _____, 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 Assignor's 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

18250087_6

SCHEDULE 3

**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 _____, _____ County, _____, 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 _____, 20__, 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

18250087_6

SCHEDULE 4

FORM OF OA ESTOPPEL CERTIFICATE / REA ESTOPPEL CERTIFICATE

ESTOPPEL CERTIFICATE

THIS ESTOPPEL CERTIFICATE (this "Certificate") has been executed this ____ day of _____, 20__, by _____ ("Owner") and _____ (the "Association ") to and for the benefit of _____ ("Purchaser"). Owner and Association are collectively referred to as "Declarant" and Purchaser and its lenders, affiliates, principals, successors and/or assigns are collectively referred to as "Beneficiary".

RECITALS:

- A. Beneficiary has now or will soon hereafter acquire fee title to that certain property located at _____ (the "Property"). The current owner of the Property is _____ ("Seller").
- B. Reference is made to that certain [Operating Agreement **OR** Reciprocal Easement and Operation Agreement] dated and recorded in Official Records Book , Page ____ of the Public Records of _____ County, _____, as amended by (such instrument, as so amended and assigned, is hereinafter referred to as the "Operating Agreement" **OR** "Reciprocal Easement and Operation Agreement"). Unless otherwise defined herein, all initially capitalized terms have the respective meanings assigned to such terms in the Operating Agreement **OR** Reciprocal Easement and Operation Agreement.
- C. As a condition to Beneficiary's acquisition of the Property, Beneficiary has requested and Declarant has agreed to deliver this Certificate with respect to certain matters covered under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement. Beneficiary would not have agreed to acquire the Property in the absence of this Certificate.

In consideration of the recitals set forth above, Declarant hereby certifies to Beneficiary, and otherwise consents and approves, the following:

ESTOPPEL MATTERS:

- Section 1.** The Operating Agreement **OR** Reciprocal Easement and Operation Agreement is in full force and effect.
- Section 2.** Except as set forth above, the Operating Agreement **OR** Reciprocal Easement and Operation Agreement has not been modified, supplemented, or amended in any way.
- Section 3.** Seller is current on all of its obligations under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement, including, without limitation, the obligation to pay all fees, general and/or special assessments thereunder. There are no violations on the part of Seller under the Operating Agreement **OR** Reciprocal Easement and Operation

Agreement. There are no outstanding amounts payable by Seller to the Association under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement.

Section 4. The Association has not delivered any notices of default under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement to Borrower in connection with the Property. As of the date of this Certificate, there exist no defaults under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement and no event or omission which, with the passage of time or the giving of notice or both, would constitute a default under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement by Seller, as related to the Property.

Section 5. All approvals, if any, required under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement with respect to the Property have been obtained.

Section 6. Pursuant to Section ____ of the Operating Agreement **OR** Reciprocal Easement and Operation Agreement, the "proportionate share" (based on acreage excluding common area acreage) allocated to the Property is ____%.

Section 7. All amounts due from the Seller of the Property under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement for _____ have been paid in full to and including _____, _____. For the last full calendar year, the total amount paid by the owner of the Property for _____ was \$ _____.

Section 8. The undersigned has no claim of lien against the Property under the Operating Agreement **OR** Reciprocal Easement and Operation Agreement.

Section 9. The undersigned is duly authorized to sign and deliver this Estoppel Certificate, and that no other signatures are required or necessary in connection with the execution and validity of this Estoppel Certificate.

Section 10. This Estoppel Certificate shall have the effect of estopping the undersigned from making any assertions contrary to the contents hereof; and shall serve as a waiver of any claim by the undersigned to the extent that such claim is asserted against any person permitted to rely upon, and who has acted in reliance upon, this Estoppel Certificate.

Section 11. This Estoppel Certificate shall inure to the benefit of Beneficiary and shall be binding upon their respective heirs, personal representatives, successors, and assigns of the undersigned.

IN WITNESS WHEREOF, the undersigned has caused this Estoppel Certificate to be executed as of the day and year first written above.

By:
Print Name:
Title:

SCHEDULE 5

**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") 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 _____, 20__, between Seller and Purchaser (the "Contract"), for the purchase and sale of certain real property located in _____, _____ County, _____, 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 twelve (12) months 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 twelve (12) month 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

18250087_6

SCHEDULE 6

FORM OF SELLER'S FIRPTA AFFIDAVIT

FIRPTA AFFIDAVIT

STATE OF _____)
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 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 7

**FORM OF PURCHASER'S CERTIFICATE
(AS TO PURCHASER'S REPRESENTATIONS AND WARRANTIES)**

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 _____, 20___, between Seller and Purchaser (the "**Contract**"), for the purchase and sale of certain real property located in _____, _____ County, _____ 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 twelve (12) months 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 twelve (12) month 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

18250087_6

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (the “**First Amendment**”) is made and entered effective as of December 10, 2021 (the “**Amendment Effective Date**”), by and between **OREOF19 BR, LLC**, a Delaware limited liability company (the “**Seller**”), and **GENERATION INCOME PROPERTIES, L.P.**, a Delaware limited partnership (the “**Purchaser**”).

RECITALS

A. Seller and Purchaser previously entered into that certain Purchase and Sale Agreement having an Effective Date of October 28, 2021 (the “**Agreement**”), regarding certain real property located in Grand Junction, Mesa County, Colorado, and more particularly described in the Agreement.

B. Seller and Purchaser desire to amend certain provisions of the Agreement in the manner provided for in this First Amendment.

C. All capitalized terms used in this First Amendment shall have the same meanings ascribed to them in the Agreement, unless otherwise indicated herein to the contrary.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Recitals. The above-referenced recitals are true and correct and hereby incorporated into this First Amendment for all purposes.

2. Ratification. The Agreement is hereby ratified as of the date hereof and declared in full force and effect as of such date, as modified and amended hereby. From and after the last date of execution of this First Amendment, all references to the Agreement shall be deemed to refer to the Agreement as amended by this First Amendment.

3. Inspection Period. The Inspection Period is hereby extended to expire at 11:59 P.M. Eastern Daylight Time on December 15, 2021.

4. Closing Date. Notwithstanding the extension of the Inspection Period in Section 3 of this First Amendment, the Closing Date shall occur on or before December 28, 2021.

5. No Further Amendments. In the event of any inconsistencies between the terms and provisions of this First Amendment and the terms and provisions of the Agreement, the terms and provisions of this First Amendment shall control.

6. Counterparts. This First Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all such counterparts together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to another to physically form one document. Facsimile copies or other electronic scans or reproductions of this First Amendment and the signatures thereon shall have the same force and effect as if the same were original.

IN WITNESS WHEREOF, Seller and Purchaser have entered into this First Amendment to Purchase and Sale Agreement as of the Amendment Effective Date.

SELLER:

OREOF19 BR, LLC,
a Delaware limited liability company

By: /s/ Joseph A Sanz
Joseph A. Sanz, its Manager

Date: December 10, 2021

PURCHASER:

GENERATION INCOME PROPERTIES, L.P.
a Delaware limited partnership

By: Generation Income Properties, Inc., its Sole General Partner

By: /s/ David Sobelman
David Sobelman, its CEO and President

Date: December 10, 2021

**ASSIGNMENT AND ASSUMPTION
OF PURCHASE AND SALE AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION OF PURCHASE AND SALE AGREEMENT (“**Assignment**”) is made and entered into, effective as of December 23, 2021, by and between **GENERATION INCOME PROPERTIES, L.P.**, a Delaware limited partnership (“**Assignor**”), and **GIPCO 585 24 1/2 ROAD, LLC**, a Delaware limited liability company (“**Assignee**”).

WITNESSETH:

AS, Assignor and OREOF19 BR, LLC, a Delaware limited liability company (“**Seller**”), entered into that certain Purchase and Sale Agreement dated as of October 28, 2021, as amended by that certain First Amendment to Purchase and Sale Agreement dated as of December 10, 2021 (the “**Agreement**”), pursuant to which Seller agreed to sell and to convey to Assignor, and Assignor agreed to purchase from Seller, that certain real property located at 585 24 1/2 Road located in Grand Junction, Mesa County, Colorado, as more particularly described in the Agreement;

AS, Assignor desires to assign the Agreement to Assignee, and Assignee desires to accept the assignment and assume the Agreement, upon the terms and conditions set forth in this Assignment;

HEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound and notwithstanding anything to the contrary set forth in the Agreement, hereby agree as follows:

Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Capitalized Terms. Unless otherwise expressly defined herein, capitalized terms used in this Assignment shall have the meanings ascribed to such terms in the Agreement.

Assignment and Assumption of Agreement. Assignor hereby assigns to Assignee the Agreement and all sums paid or deposited into escrow by Assignor in connection with the Agreement, together with all rights and privileges thereunder, subject to the terms and conditions of the Agreement. Assignee hereby accepts the assignment and agrees to comply with and be bound by all the terms and conditions of the Agreement, and to assume and fulfill all of the obligations and liabilities of the “Purchaser” under the Agreement.

Remaining Terms. Except as specifically modified in this Assignment, all remaining terms and conditions of the Agreement remain in full force and effect. To the extent that any provisions of the Agreement and this Assignment conflict, this Assignment shall control.

Counterparts. This Assignment may be executed in multiple counterparts, and notwithstanding that all of the parties do not execute the same counterpart, each executed counterpart shall be deemed an original, and all such counterparts together shall constitute one and the same Assignment binding all of the parties hereto. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this Assignment to physically form one document. Electronic or facsimile copies of the original signature of this Assignment, and electronic or facsimile copies of this Assignment fully executed, shall be deemed an original for all purposes.

Ratification. Except to the extent expressly modified by this Assignment, the Agreement remains unmodified and in full force and effect.

ESS WHEREOF, the parties have caused this Assignment to be executed by their duly authorized representative as of the date set forth above.

“ASSIGNOR”

GENERATION INCOME PROPERTIES, L.P.,
a Delaware limited partnership

By: Generation Income Properties, Inc.,
a Maryland corporation,
its General Partner

By: /s/ David Sobelman
David Sobelman, its President

“ASSIGNEE”

GIPCO 585 24 1/2 ROAD, LLC,
a Delaware limited liability company

By: /s/ David Sobelman
David Sobelman, its President

LEASE dated February 27, 2006 between TOYS “R” US - DELAWARE, INC., a Delaware corporation, whose address is One Geoffrey Way, Wayne, New Jersey 07470 (“Landlord”) and BEST BUY STORES, L.P., a Virginia limited partnership, 7601 Penn Avenue South, Richfield, Minnesota 55423 (“Tenant”).

Landlord hereby leases to Tenant and Tenant hereby rents from Landlord the Demised Premises (as defined in Article I) for the Term provided for in Article IV hereof at the rent provided for in Article V hereof and on all of the terms and conditions set forth herein. Intending to be legally bound hereunder and in consideration of \$1.00 and other good and valuable consideration, Landlord and Tenant hereby agree with each other as follows:

ARTICLE I. LEASE SCHEDULE.

The following terms shall be applicable to the various provisions of this Lease which refer to them:

Section 1.01 Demised Premises and the Shopping Center:

Demised Premises means the “Building” (as hereinafter defined) located in the City of Grand Junction, County of Mesa, State of Colorado. The building leased to Tenant consists of approximately 30,701 square feet of floor area and is designated as “Demised Premises” on Exhibit A, attached hereto and made a part hereof. Included in the definition of the term “Demised Premises” shall be the compactor, balers, and generators in or for the Building. The Demised Premises are located on that certain parcel of land consisting of approximately 3.4 acres (the “Land”), a description of which is annexed hereto as Exhibit A-1. The Demised Premises includes any alterations, additions or repairs made thereto. The Land lies adjacent to certain parcels of land owned by SDG Macerich Properties, L.P. (“Developer”), which parcels of land are more particularly described on Exhibit A-2 attached hereto and made a part hereof (“Developer’s REA Tract”). The Land and Developer’s REA Tract, and any buildings and improvements now or hereafter erected thereon, shall be collectively called the “Shopping Center”. The Land is also adjacent to certain real property owned by Developer known as the Mesa Mall (the “Adjacent Shopping Center”), a description of which is annexed hereto as Exhibit A-3.

Section 1.02 Building:

“Building” means the building containing approximately 30,701 square feet of floor area in which the Demised Premises is located, as shown on Exhibit A.

Section 1.03 Expiration Date:

“Expiration Date” means the January 31st next following the fifteenth (15th) anniversary of the Commencement Date. See Section 19.17 regarding the “Renewal Terms”.

Section 1.04 Rent:

(a) Minimum Rent: Minimum Rent shall be payable as follows: (i) the sum of \$332,798.84 per annum during the first five (5) years of the Term; (ii) the sum of \$366,078.72 per annum during the sixth (6th) through tenth (10th) years of the Term; and (iii) the sum of \$402,686.60 per annum during the balance of the Term.

(b) Percentage of Gross Sales: None.

Section 1.05 Taxes:

(a) Tax Contributions: See Section 5.03.

Section 1.06 Intentionally Omitted.

Section 1.07 Security: None.

Section 1.08 Use:

- (a) Permitted Uses: See Section 9.01.

Section 1.09 Broker: None.

Section 1.10 Notice Addresses:

- (a) Landlord's Notice Address:

One Geoffrey Way
Wayne, New Jersey 07470
Attention: Vice President - Real Estate, Design and
Construction

- (b) Landlord's Notice Copy Address:

One Geoffrey Way
Wayne, New Jersey 07470
Attention: Vice President - Real Estate Counsel

Cole, Schotz, Meisel, Forman & Leonard, P.A. Court Plaza North 25 Main Street,
P.O. Box 800 Hackensack, New Jersey 07602-800 Attention: Richard W. Abramson,
Esq.

- (c) Tenant's Notice Address:

7601 Penn Avenue South
Richfield, Minnesota 55423
Attention: Legal Department-Real Estate

- (d) Tenant's Notice Copy Address:

Robins, Kaplan, Miller & Ciresi, L.L.P.
2800 LaSalle Plaza
800 LaSalle Avenue
Minneapolis, Minnesota 55402-2015
Attention: Steven A. Schumeister, Esq.

ARTICLE II. DEFINITIONS.

As used herein, the following words and phrases have the following meanings:

Section 2.01 Common Area:

Means the portions of the Shopping Center designated for common use from time to time by Landlord and includes, without limitation, the Parking Area, sidewalks, entrances, exits, service roads, means of ingress and egress, landscaping, common utilities and sewer lines, monument sign and other common facilities including, without limitation, common roadways located in the Shopping Center, Adjacent Shopping Center or located outside of the Shopping Center, but serving the Shopping Center or as otherwise set forth in the REA (as hereinafter defined).

Section 2.02 Expiration Date:

Means the last day of the Term. If the Term has been extended or this Lease has been renewed, the Expiration Date shall be the last day of the Term as so extended or renewed. If this Lease is cancelled or terminated prior to the originally fixed Expiration Date, then the Expiration Date shall be the date on which this Lease is so cancelled or terminated.

Section 2.03 Force Majeure:

Means any of the following events: Acts of God; strikes, lock outs, or labor difficulty; explosion, sabotage, accident, riot or civil commotion; act of war; fire or other casualty; legal requirements; delays caused by the other party; any causes beyond the reasonable control of a party (except that the inability to obtain funds shall not be deemed to be a Force Majeure). Notwithstanding anything herein contained the provisions of this Section shall not be applicable to Tenant's obligations to pay Rent or any other sums or charges payable by Tenant hereunder.

Section 2.04 Insurance Requirements:

Means the applicable provisions of the insurance policies carried by Landlord covering the Demised Premises, the Shopping Center, or any part of either; all requirements of the issuer of any such policy; and all orders, rules, regulations and other requirements of any insurance service office which serves the community in which the Shopping Center is situated.

Section 2.05 Landlord's Work:

None.

Section 2.06 Master Lease:

Means a lease of the Demised Premises, or a lease of the ground underlying the Demised Premises, between the owner thereof, as lessor, and Landlord, as lessee, giving rise to Landlord's rights and privileges in the Demised Premises or such underlying land.

Section 2.07 Master Lessor:

Means the owner of the Lessor's interest under the Master Lease.

Section 2.08 Mortgage:

Means any mortgage, deed to secure debt, trust indenture, or deed of trust which may now or hereafter affect, encumber or be a lien upon the Demised Premises, the Land, the real property of which the Demised Premises forms a part, or Landlord's interest therein; and any spreading agreements, future advances made pursuant to any existing Mortgage, renewals, modifications, consolidations, replacements and extensions thereof.

Section 2.09 Mortgagee:

Means the holder of any Mortgage, at any time, or any lender providing financing to Landlord.

Section 2.10 Parking Area:

Means those portions of the Shopping Center which are designated as such by Landlord from time to time, subject to the provisions of subsection 11.02(b).

Section 2.11 Person:

Means an individual, fiduciary, estate, trust, partnership, firm, association, corporation, or other organization, or a government or governmental authority.

Section 2.12 Tenant's Pro Rata Share:

Means *one hundred (100%) percent*.

Section 2.13 Repair:

Includes the words "replacement and restoration", "replacement or restoration", "replace and restore", "replace or restore", as the case may be.

Section 2.14 Tenant's Agents:

Includes Tenant's employees, servants, licensees, tenants, subtenants, assignees, contractors, heirs, successors, legatees, and devisees.

Section 2.15 Tenant's Work:

Tenant's Work means the construction and other work designated as Tenant's Work as set forth in Section 3.04.

Section 2.16 Term:

The Term is as set forth in Sections 1.03 and 4.01 and includes any renewals and extensions thereof.

Section 2.17 Year:

For the purposes of this Lease, the word "year", wherever appearing herein, shall have the following meaning:

The first year shall commence on the Commencement Date and shall terminate on the 364th day thereafter. Each year thereafter shall commence on the anniversary of the Commencement Date and shall continue for 364 days thereafter (365 days when a leap year occurs), provided, however, that the last year shall terminate on the Expiration Date. The foregoing definition of the word "year" shall not be applicable to a "Lease Year" or a "Tax Fiscal Year" (each as separately defined herein).

Section 2.18 REA:

Means that certain Reciprocal Easement and Operation Agreement dated July 21, 1992 and recorded on July 30, 1992 in Book 1914 at Page 685 in the Office of the Clerk and Recorder of Mesa County, Colorado, between The Equitable Life Assurance Society of the United States and Toys "R" Us, Inc.

ARTICLE III. CONDITION OF DEMISED PREMISES.

Section 3.01 Landlord's Work:

Tenant shall accept possession of the Demised Premises in its present "as is" condition, except as specifically set forth in Section 7.01. Notwithstanding the foregoing, Landlord shall deliver the Demised Premises with the roof water tight and with the HVAC system in working order.

Section 3.02 Delivery of Possession:

Delivery of Possession shall be deemed to have occurred on the later of (i) date on which Landlord tenders possession of the Demised Premises to Tenant; (ii) March 4, 2006; or (iii) the date of satisfaction of the conditions set forth in Section 19.23 below.. Landlord intends to deliver possession of the Demised Premises to Tenant on March 4, 2006.

Section 3.03 Tenant's Right of Entry:

Tenant may enter the Demised Premises after Delivery of Possession and before the Commencement Date for the purpose of performing Tenant's Work. Upon and after any entry to the Demised Premises by Tenant, all of Tenant's obligations under this Lease shall be applicable, except for Tenant's obligations to pay Rent.

Section 3.04 Tenant's Work:

(a) Tenant has submitted to Landlord preliminary plans and specifications for the construction of Tenant's Work ("Tenant's Plans"), a list of which is attached hereto as Exhibit B. Landlord agrees that Tenant's Work may be constructed by Tenant, so as to substantially conform to Tenant's Plans. Tenant may make variations from Tenant's Plans, provided such variations conform to the provisions of section 7.03. In all other respects, Tenant's Work shall be performed in accordance with the following provisions of this Section 3.04.

(b) Promptly after Delivery of Possession, Tenant shall commence the performance of Tenant's Work and shall diligently prosecute Tenant's Work to completion.

(c) Tenant shall perform all of Tenant's Work in accordance with the provisions of subsections 7.03(b), (c), and (h), as if such subsections were applicable to Tenant's Work.

Prior to doing any work relating to the installation of utility lines, feeders, conduits and waste lines (such work and installation are hereinafter referred to as "Additional Installations"), Tenant shall submit to Landlord for Landlord's written approval (which approval shall not be unreasonably withheld, conditioned or delayed) detailed plans and specifications relating to such Additional Installations, including the area where work is to be performed. The Additional Installations including all equipment, labor, and materials shall be at Tenant's sole cost and expense and shall be performed in conformity with said approved plans and specifications and with all applicable laws, rules, and regulations of governmental authorities and public utility companies having jurisdiction and with all rules and regulations of the Board of Fire Underwriters. All costs and expenses in connection with the repair, replacement, operation, and maintenance of such Additional Installations shall be borne solely by Tenant. All of the provisions of this Lease shall apply to the Additional Installations, including, by way of example, but not limited to, Tenant's duty to comply with all laws, Tenant's indemnification of Landlord for liability in regard thereto, and Tenant's duty to carry insurance and Tenant's duty to make repairs.

(d) If any governmental authority requires that a certificate of occupancy be issued with respect to the Demised Premises, Tenant shall apply for, and obtain a certificate of occupancy and submit same to Landlord for inspection.

ARTICLE IV. TERM.

Section 4.01 Term:

The Term of this Lease shall commence on the earlier to occur of: (a) the ninetieth (90th) day next following Delivery of Possession; or (b) the date Tenant opens the Demised Premises for business. The Term shall expire on the date designated as Expiration Date in Article I. The date upon which the Term commences is referred to in this Lease as the "Commencement Date".

Section 4.02 Short Form Lease:

Upon request of either party the other shall execute a document in recordable form setting forth the exact Commencement Date of the Term hereof. Contemporaneously with the execution hereof, the parties shall execute and deliver a short form lease or memorandum of lease in proper form for recording, setting forth such Commencement Date and any provision hereof other than Article V, Sections 1.04, 1.05, and 11.04. The party electing to record shall pay all recording fees and costs in connection with any such short form or memorandum

of lease. Neither Landlord nor Tenant shall record this Lease.

ARTICLE V. RENT, SECURITY, TAX CONTRIBUTIONS.

Section 5.01 Minimum Rent:

Tenant shall pay Minimum Rent to Landlord. Minimum Rent shall be payable without notice or demand. Minimum Rent shall be payable at the rates set forth in Article I. Minimum Rent shall be payable in equal monthly installments. Each monthly installment shall be due in advance. The first monthly installment shall be due on the Commencement Date. Each subsequent installment shall be due on the first day of each month during the Term. If the Commencement Date is a day other than the first day of the month, the first installment shall be one thirtieth of a normal monthly installment for each day during the period commencing with the Commencement Date up to and including the last day of that month. If the Expiration Date occurs on a day other than the last day of any month, Minimum Rent for the last month during the Term shall be pro rated in the same manner.

Section 5.02 Intentionally Omitted.

Section 5.03 Tax Contributions:

(a) In addition to all other charges Tenant is required to pay hereunder, Tenant shall pay "Tax Contributions" to Landlord.

(b) The following terms have the following meanings:

(i) "Tax Contributions" means Tenant's Pro Rata Share of all Impositions, exclusive of interest and penalties attributable to Landlord's delinquent payment of Impositions, if any;

(ii) "Impositions" means all taxes, assessments (special or otherwise, foreseen or unforeseen) and all other governmental charges assessed, levied or imposed against the Demised Premises, the Building and Land during any Tax Fiscal Year occurring wholly or partially within the Term. If any governmental authority imposes, assesses or levies tax on rent or any other tax upon Landlord as a substitute in whole or in part for real estate taxes or assessments, the substitute tax shall be deemed to be an Imposition.

(c) If any Tax Fiscal Year occurs partially within and without the Term, then, within a reasonable time after the Commencement Date or Expiration Date, Landlord and Tenant shall adjust Tax Contributions with respect to any such Tax Fiscal Year so that Tenant shall bear Tax Contributions which are attributable to the Term and Landlord shall bear the remainder thereof.

(d) Tenant shall pay Tenant's Tax Contributions to Landlord as follows:

(i) If Landlord is required to pay monthly Impositions to any

Mortgagee Tenant shall pay monthly installments on account of Tax Contributions to Landlord. Installments shall be paid in the same manner and at the same time as Minimum Rent. Until the actual amount of Tax Contributions payable with respect to the first Tax Fiscal Year are actually determined, estimated monthly installments with respect to that Tax Fiscal Year shall be determined by Landlord in Landlord's reasonable discretion. After Tax Contributions for the first Tax Fiscal Year are finally determined, each monthly installment shall be a fraction of Tenant's Tax Contributions for the previous Tax Fiscal Year. The numerator of the fraction shall be one. The denominator of the fraction shall be the number of months in the previous Tax Fiscal Year. If Landlord is not required to pay monthly Impositions to any Mortgagee, then Tenant shall not be required to pay monthly Impositions and shall pay Tax Contributions within twenty (20) days of submission of a statement therefor but in no event earlier than thirty (30) days prior to the date that the Impositions are due and payable to the taxing authorities.

(ii) If the installments payable with respect to any Tax Fiscal Year shall exceed Tax Contributions for that Tax Fiscal Year, Landlord shall refund the difference to Tenant promptly. If the

installments payable with respect to any Tax Fiscal Year shall be less than Tax Contributions for that Tax Fiscal Year, Tenant shall reimburse Landlord for the difference promptly after Landlord renders a bill with respect thereto.

(e) Upon request, Landlord shall furnish Tenant with a copy of the current Imposition bill and a copy of the previous Imposition bill or evidence that such previous bill has been paid to the taxing authorities.

(f) Tenant shall not institute any proceeding with respect to the assessed valuation of the Demised Premises or any part thereof or the Impositions thereon, except as set forth below. If Landlord has not instituted such proceeding for any year or fiscal period and if at least forty-five (45) days prior to the last day for the institution thereof Tenant requests Landlord to institute such proceeding, Landlord may, within fifteen (15) days after such request, file with the appropriate municipal authority having jurisdiction thereover an application for reduction and correction of the tax assessment for such year or fiscal period, failing which, Tenant may institute such proceeding on behalf of Landlord and Landlord shall promptly furnish Tenant with copies of the notice of assessment and all other documents reasonably required by Tenant in order to prosecute such proceeding. If Landlord shall receive a refund of an Imposition for which Tenant has paid Tenant's Pro Rata Share, Tenant shall receive Tenant's Pro Rata Share thereof after deducting the costs, fees and expenses incurred in connection with obtaining such refund.

(g) "Tax Fiscal Year" means the applicable fiscal year(s) of the taxing authorities having jurisdiction over the Demised Premises.

(h) If an assessment is payable in installments and Landlord elects the installment method of payment, Impositions shall include only the installments that come due during the Term and the interest payable with respect to those installments. If an assessment is payable in installments and Landlord does not elect the installment method of payment, Impositions shall include only the installments that would have come due during the Term, and the interest that would have been payable with respect to those installments, had Landlord elected the installment method of payment, however, Tenant may elect to pay Tenant's Pro Rata Share of such assessment in a lump sum.

Section 5.04 Payment of Rent:

(a) "Rent" means Minimum Rent and Tax Contributions.

(b) Rent shall be paid without notice, demand, counterclaim, offset, deduction, defense, or abatement, except as otherwise specifically set forth herein.

(c) All Rent payable under this Lease shall be payable at Landlord's address as set forth in Section 19.04A or at such other address as Landlord shall designate by giving notice to Tenant.

(d) If Tenant shall fail to pay any Tax Contributions or any other charges payable hereunder whether or not same are called Rent or additional rent and if the failure results in "Default" (as hereinafter defined), Landlord shall have all remedies provided for in this Lease or at law in the case of nonpayment of Minimum Rent.

Tenant's obligations (accruing during the Term) under Article V and Section 11.04 hereof, shall survive the expiration or sooner termination of this Lease.

ARTICLE VI. CONDITION OF DEMISED PREMISES AND SIGNS.

Section 6.01 No Representation, Etc.:

Landlord has made no representation, covenants or warranties with respect to the Demised Premises except as expressly set forth in this Lease.

Section 6.02 Mechanics' Liens:

(a) If any mechanic's or materialman's lien is filed against the Demised Premises as a result of any additions, alterations, repairs, installations or improvements made by Tenant, or any other work or act of Tenant, Tenant shall discharge or bond same within twenty days from receipt of actual notice of the filing of the lien. If Tenant shall fail to discharge or bond the lien, Landlord may bond or pay the lien or claim for the account of Tenant without inquiring into the validity of the lien or claim.

(b) Tenant may contest any mechanics' or other liens imposed against the Demised Premises (provided that Tenant shall have no responsibility with respect to liens arising from construction, repair or maintenance required of Landlord under this Lease); provided Tenant believes in good faith that such liens are not proper; and further provided that Tenant furnishes Landlord reasonable security to ensure payment and to prevent any sale, foreclosure or forfeiture of the Demised Premises by reason of such nonpayment. Tenant shall furnish to Landlord such security as Landlord may reasonably request pursuant to the foregoing sentence within (30) days of receiving a written request therefor. Upon a final determination of the validity of such lien or claim, Tenant shall promptly pay any judgment or decree rendered against Tenant or Landlord, including, without limitation, all costs and charges, and shall cause such lien to be released of record, all without cost to Landlord.

Section 6.03 Signs:

(a) Tenant shall have the right to install and maintain signs affixed to the exterior of the Demised Premises subject to (i) the written approval of Landlord as to dimensions, material, content, location and design, which approval shall not be unreasonably withheld, delayed or conditioned, (ii) applicable legal requirements, (iii) Insurance Requirements. Tenant shall obtain and pay for all required permits and licenses relating to such signs. Copies of all such permits and licenses shall be delivered to Landlord upon request. Landlord shall, at Tenant's cost, reasonably cooperate with Tenant in obtaining all required permits, licenses and approvals.

(b) Tenant has submitted to Landlord prototype sign plans, which plans are annexed hereto as Exhibit C ("Tenant's Sign Plans") and which includes prototypes of the sign(s) Tenant desires to place on the Building and on the "Pylon" (as hereinafter defined). Landlord agrees that Tenant may install a sign(s) on the front of the Demised Premises and on the Pylon, substantially similar to the signs shown on Tenant's Sign Plans. In addition, Best Buy Stores, L.P. or any assignee pursuant to Section 10.01(e) may, without Landlord's approval as provided in Section 6.03(a)(i), but subject to the other terms and conditions of Section 6.03(a), install its prototypical sign(s) on the exterior walls of the Building in the locations specified in Tenant's Sign Plans, provided that any such sign is comprised of individually lighted letters and not a back lighted box

sign.

(c) Tenant shall not have the right to maintain or install any other signs in or at the Shopping Center or visible from the outside of the Demised Premises (other than as set forth in (a) and (b) above or in (f) below), other than neatly lettered professionally made signs, stickers or decals located inside the Demised Premises.

(d) If necessary in order to make repairs, alterations or improvements in or to the Demised Premises or the Monument(s), which Landlord is obligated or has the right to perform, Landlord shall have the right to remove any of Tenant's signs, provided, however, that Landlord shall, at its expense, promptly replace any such sign promptly after such work is completed by Landlord. Landlord shall proceed with due diligence in the performance of any such work.

(e) Tenant may not install signs, lamps or other illumination devices in or upon the Demised Premises if the lamps, signs or devices flash or go on and off intermittently.

(f) Tenant shall have the right to install its sign on the Monument, as shown on Exhibit A, (“Monument”), subject to legal requirements, and in accordance with the following provisions:

(i) Tenant may install its sign in the sign panel previously used by Toys “R” Us or in a new sign panel of the same size, position and dimensions as the sign panel previously used by Toys “R” Us, as shown on Exhibit C.

(ii) Tenant’s sign shall be subject to (w) the written approval of Landlord as to dimensions, material, content, location and design, provided such approval shall not be unreasonably delayed, withheld or conditioned, (x) the requirements and conditions of the REA and the Operating Agreement (as hereinafter defined), (y) applicable legal requirements, and (z) Insurance Requirements. Tenant shall obtain and pay for all required permits and licenses relating to such sign. Copies of all such permits and licenses shall be delivered to Landlord within a reasonable time after they are issued. Landlord shall, at Tenant’s cost, reasonably cooperate with Tenant in obtaining all required permits, licenses and approvals.

(iii) If Tenant installs a sign on a Monument, Tenant shall be solely responsible for the cost of repairing, maintaining, replacing, altering and furnishing electric current to the Monument.

(iv) Tenant shall, at its sole cost and expense, keep its sign located on the Monument in good order and repair.

Section 6.04 Insurance Covering Tenant’s Work:

Tenant shall not make any alterations, repairs or installations, or perform Tenant’s Work or any other work to or on the Demised Premises unless prior to the commencement of such work Tenant shall obtain or cause its contractor(s) to obtain (and during the performance of such work keep in force) builders risk, public liability and workmen’s compensation insurance to cover every contractor to be employed. Such policies shall be non cancelable without ten days notice to Landlord. The policies shall be in amounts and shall be issued by companies licensed to do business in the State in which the Demised Premises are located and reasonably satisfactory to Landlord and shall name Landlord and any Mortgagee as additional insureds. Prior to the commencement of such work, Tenant shall deliver duplicate originals or certificates of such insurance policies to Landlord.

ARTICLE VII. REPAIRS, ALTERATIONS, COMPLIANCE, SURRENDER.

Section 7.01 Repairs by Landlord:

(a) Landlord shall, at its cost and expense, for a one (1) year period commencing on the Commencement Date, reasonably repair and maintain the existing HVAC system in the Demised Premises.

(b) Landlord shall replace the roof of the Demised Premises, if so required, during the Term. Landlord shall be under no duty to inspect the Demised Premises to determine if such replacement is needed and Tenant shall undertake such inspection. Landlord’s obligation to replace the roof shall arise only after Tenant advises Landlord in writing that such replacement is required, together with reasonable supporting documentation. Tenant shall be obligated to pay Landlord for the costs incurred by Landlord in replacing the roof in equal monthly installments on the first (1st) day of each month commencing on the first (1st) day of the month following such replacement at a rate equal to one-twelfth (1/12th) of the annual amortization of such cost (amortized on a straight-line basis over a period of seven (7) years).

Section 7.02 Repairs and Maintenance by Tenant:

(a) Except for repairs Landlord is specifically obligated to make or cause to be made hereunder, Tenant shall make all repairs to the Demised Premises and the Common Area necessary or desirable to keep the Demised Premises and the Common Area in good order and repair and in a safe, dry and tenantable condition, ordinary wear and tear excepted. Without limiting the generality of the foregoing, Tenant shall be specifically required to make repairs (a) to that portion of any pipes, lines, ducts, wires, or conduits that service Tenant and are contained within the Demised Premises or that service the Demised Premises exclusively and are located outside of the Demised Premises; (b) to windows, plate glass, doors, and any fixtures or appurtenances composed of glass; (c) to Tenant's sign(s), including any sign installed on a Monument, (d) after the one year anniversary of the Commencement Date, to any heating or air conditioning equipment installed in or servicing the Demised Premises; and (e) to the Demised Premises or the Building when repairs to the same are necessitated by any act or omission of Tenant or Tenant's Agents, or the failure of Tenant to perform its obligations under this Lease. Tenant shall keep the Demised Premises in a reasonably clean and sanitary condition, reasonably free from vermin and escaping offensive odors. In addition, Tenant shall comply with the maintenance and repair obligations and conditions as set forth in Article 20 of the "Operating Agreement" (as hereinafter defined).

(b) Tenant shall keep the Parking Area properly paved and in good order and repair throughout the Term, in a commercially reasonable manner consistent with the operation and management of first class strip shopping centers in the state where the Demised Premises is located. Tenant shall keep the Parking Area properly drained and shall provide painted stripes to designate parking spaces. Tenant will remove or cause to be removed accumulated snow and ice, if any, (in accordance with sound shopping center management practice consistent with the operation and management of similar class strip shopping centers in the state where the Demised Premises is located) from the Parking Area and Land. Tenant may deposit accumulated snow on portions of the Land as may be necessary under the circumstances; provided that such ice and snow shall only be deposited in portions of the Land not adjacent to the Demised Premises which will be selected with a view to minimizing any disruption with the parking and access roadways on the Land. If any ice cannot be removed with reasonable effort on the part of Tenant, it will be sufficient for Tenant to spread sand or other abrasive substance over the ice. Tenant shall keep the Parking Area illuminated from sunset until at least the earlier to occur of 10:00 p.m. or one-half hour after the Demised Premises closes for business from Monday through Sunday, except for legal holidays when the Demised Premises are closed.

Section 7.03 Approval by Landlord of Repairs and Alterations:

After completion of Tenant's Work, Tenant may make repairs and alterations to the Demised Premises, subject to the following provisions:

- (a) such alterations or repairs shall not reduce the fair market value of the Building below its value immediately before such alteration or addition;
- (b) such alterations or repairs shall be effected with due diligence and in good and workmanlike manner in accordance with all applicable legal requirements and Insurance Requirements;
- (c) such alterations or repairs shall be promptly and fully paid for by Tenant;
- (d) any alterations or repairs to the plumbing, mechanical, electrical, sewerage, sprinkler

or HVAC system which adversely affect the Building or which substantially change the capacity of any such system, shall be done in accordance with plans, specifications approved by Landlord, which approval shall not be unreasonably withheld, delayed or conditioned provided that Tenant remedies the adverse effect of such alteration or repair;

(e) Tenant shall not make any major structural alterations without obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned provided: (i) such alteration is architecturally compatible with the Building; and (ii) such alteration neither changes the size of the floor area of the Demised Premises, changes the height of the Building, results in there not being store premises within the Demised Premises consisting of at least 20,000 square feet of floor area (exclusive of any mezzanine), nor result in there being more than two (2) separate premises within the Demised Premises;

(f) Tenant may perform any other non structural interior repairs or alterations within the Demised Premises without obtaining Landlord's consent;

(g) Tenant shall, within a reasonable time after completion of any alteration or repair, which required the preparation of plans and specifications, furnish Landlord with a set of "as built" plans and specifications therefor.

(h) Notwithstanding anything to the contrary contained herein, Tenant may not construct a mezzanine in the Demised Premises without obtaining Landlord's consent.

Section 7.04 Compliance:

(a) Tenant shall observe and comply promptly with all present and future legal requirements and Insurance Requirements relating to or affecting the Demised Premises, the Building, the Common Area or any sign of Tenant, or the use and occupancy thereof, or any appurtenance thereto, and any construction, installations or equipment belonging to or installed by Tenant anywhere in the Shopping Center and shall comply with same relating to any other portion of the Shopping Center if such compliance is necessitated due to any acts or omissions of Tenant, including, without limitation, Tenant's use or manner of use of the Demised Premises ["Tenant's Requirement(s)"]. If such compliance requires the making of exterior or structural alterations or repairs, Tenant shall not commence such alterations or repairs unless and until tenant has submitted plans and specifications for such work to Landlord, and Tenant has obtained the approval thereof from Landlord and, if required, from any Mortgagee. Such approval by Landlord and the Mortgagee shall not be unreasonably withheld or delayed.

(b) Tenant may, at its expense, contest by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of Tenant's Requirement(s), provided that:

(i) Landlord shall not be subject to any criminal penalty or prosecution for a crime nor shall the Building or any part thereof be subject to being condemned, closed or vacated by reason of non compliance or otherwise by reason of such contest;

(ii) Tenant shall defend, indemnify and hold harmless Landlord against all liability, loss or damage which Landlord shall suffer by reason of such non compliance or contest, including reasonable attorneys' fees and other expenses reasonably incurred by Landlord;

(iii) such non compliance or contest shall not constitute or result in any violation of any Mortgage or Master Lease affecting the Building;

(iv) Tenant shall keep Landlord reasonably advised as to the status of such proceedings; and

(v) such non compliance or contest shall not result in a lien being filed against the Building, unless a bond is posted in satisfaction of such lien in an amount and with a surety reasonably acceptable to Landlord.

Tenant need not comply with any such Tenant's Requirement(s) so long as Tenant is contesting the validity thereof and the provisions of subparagraphs (i) through (v) are being met.

Without limiting the application of the foregoing, Landlord shall be deemed subject to prosecution for a crime within the meaning hereof, if Landlord, or any officer of Landlord individually, is charged with a crime of any kind or degree whatever, whether by service of a summons or otherwise, unless such charge is withdrawn before Landlord or such officer (as the case may be) is required to plead or answer thereto.

(c) (i) Tenant shall not use, install or dispose of hazardous wastes or other hazardous materials, including, without limitation, asbestos (individually and collectively "Hazardous Substance(s)"), at, on or near the Building or Land, subject, however, to the provisions of subsection 7.04(c)(iii).

(ii) If any Hazardous Substance(s) is found at, on or near the Building or Land, Tenant shall promptly, at its sole cost and expense, remove and/or treat the same, as required by law and pay any fines or penalties imposed by any governmental authority in connection therewith.

(iii) Notwithstanding the provisions of subsection 7.04(c)(i), Tenant may use in the ordinary course of a retail business cleaning solvents and similar products and sell products at the Demised Premises which are sold in a typical first class retail electronics store and which may be classified as a Hazardous Substance(s), provided in either case that same are stored, used and sold in accordance with legal requirements and provided that Tenant complies with the provisions of subsection 7.04(c)(ii).

(d) Tenant shall fully and faithfully comply with the terms and conditions of the REA and that certain Operating Agreement dated January 31, 1980 and recorded March 5, 1980 in Book 1247 at Page 110 between General Growth Properties; J.C. Penney Properties, Inc. and Dayton-Hudson Corporation, d/b/a Target Stores, as amended by First Amendment of Operating Agreement dated as of April 29, 1981 and recorded June 15, 1981 in Book 1318 at Page 580; Second Amendment of Operating Agreement dated as of June 1, 1982 and recorded October 6, 1982 in Book 1394 at Page 237; Third Amendment of Operating Agreement dated as of September 1, 1982 and recorded on December 23, 1982 in Book 1406 at Page 723; Fourth Amendment of Operating Agreement dated as of February 1, 1984 and recorded September 5, 1984 in Book 1503 at Page 592; Fifth Amendment of Operating Agreement dated as of December 30, 1993 and recorded January 10, 1997 in Book 2293 at Page 603; and as modified by First Amendment to Supplemental Agreement dated as of January 12, 1982 and recorded March 8, 1982 in Book 1360 at Page 483 between General Growth Properties and J.C. Penney Properties, Inc. (collectively, the "Operating Agreement"), and any supplemental or maintenance agreements relating thereto. Tenant shall not do or cause to be done or suffer or permit any act to be done which would or might cause the REA and/or the Operating Agreement, or the rights of Landlord under the REA and/or Operating Agreement, to be endangered, canceled, terminated, forfeited or surrendered, or which would or might cause Landlord to be in default thereunder or liable for any damage, claim or penalty. If there is any conflict between the provisions of this Lease and the provisions of the REA and/or the Operating Agreement which would permit Tenant to do or cause to be done or suffer or permit any act or thing to be done which is prohibited by the REA and/or the Operating Agreement then the provisions of the REA and/or the Operating

Agreement shall prevail.

Section 7.05 Electrical Lines:

If the Tenant installs any electrical equipment that overloads the lines in the Building or the Shopping Center, Landlord may require Tenant to make whatever changes to such lines as may be necessary to render the lines in good order and repair and in compliance with all Insurance Requirements and applicable legal requirements.

Section 7.06 Emergency Repairs:

If, in an emergency, it shall become necessary to make promptly any repairs or replacements required to be made by Tenant, Landlord or any Mortgagee, may, upon reasonable notice to Tenant under the circumstances, enter the Demised Premises and proceed to have such repairs or replacements made and pay the cost of such repairs or replacements. Within thirty (30) days after Landlord renders a bill for such repairs or replacements, Tenant shall reimburse Landlord for the reasonable cost of making such repairs. Landlord agrees to use due diligence and reasonable efforts to make all such repairs required of Landlord in a timely and non disruptive manner.

Section 7.07 Surrender of Premises:

On the Expiration Date, Tenant shall quit and surrender the Demised Premises broom clean, and in good condition and repair, reasonable wear and tear and damage due to fire or other casualty or condemnation excepted, together with all alterations, fixtures, installations, additions and improvements which may have been made in or attached on or to the Demised Premises, provided, however, Tenant shall remove its trade fixtures, personal property and readily removable decorative installations and improvements installed by Tenant, provided Tenant promptly repairs any damage caused by such removal. Any personal property of Tenant or any subtenant or occupant which shall remain in or on the Demised Premises after the termination of this Lease and the removal of Tenant or such subtenant from the Demised Premises, may, at the option of Landlord and without notice, be deemed to have been abandoned by Tenant or such subtenant or occupant and may either be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit, or if Landlord shall give written notice to Tenant to such effect, such property shall be removed by Tenant, at Tenant's cost and expense; and Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any subtenant or occupant. Tenant's obligations under this Section shall survive the Expiration Date.

ARTICLE VIII SERVICE AND UTILITIES.

Section 8.01 Electricity:

Tenant shall install an electric meter to measure electricity consumed at the Demised Premises and shall perform such other work as shall be necessary so that consumption of electricity at the Demised Premises shall be measured separately. Tenant shall make its own arrangements with the utility company supplying electricity for that service. Commencing at Delivery of Possession, Tenant shall pay for all electrical service and charges relating to the Demised Premises and Tenant's sign, including, but not limited to, transformer, panel and wiring maintenance; upgrades; and code changes or requirements.

Section 8.02 Gas Service:

If Gas Service is available to the Demised Premises and if Tenant shall desire to use such service,

Tenant shall install a gas meter to measure gas consumed at the Demised Premises and shall perform such other work as shall be necessary so that consumption of gas at the Demised Premises shall be measured separately. Tenant shall make its own arrangements with the utility company supplying gas for that service. Commencing at Delivery of Possession, Tenant shall pay for all gas service and charges relating to the Demised Premises.

Section 8.03 Water:

Tenant shall install a water meter at Tenant's expense to measure water consumed at the Demised Premises and shall make its own arrangements with the utility company supplying water and/or sewer service for that service. Commencing at Delivery of Possession, Tenant shall pay for water and sewer or water rent, charge, tax or levy.

Section 8.04 Heat, Hot Water, Air Conditioning:

Landlord shall not be required to supply heat, hot water or air conditioning to the Demised Premises. Tenant shall supply its own requirements of heat, hot water and air conditioning.

ARTICLE IX. USE AND OPERATION.

Section 9.01 Use:

(a) Tenant shall use the Demised Premises as a first class retail electronics store, and for no other purpose except as otherwise specifically set forth below. The foregoing shall not constitute an obligation or a covenant on the part of Tenant to continuously operate or conduct any business whatsoever in the Demised Premises during the Term or any Renewal Terms. Tenant, upon prior written notice to Landlord, may change the use of the Demised Premises to any "Lawful Retail Use" (as hereinafter defined) provided that at least one (1) store unit of at least 20,000 square feet of floor area (exclusive of any mezzanine) remains in operation and that there are not more than two (2) separate premises in operation within the Demised Premises, and for no other purpose. No portion of the Demised Premises may, at any time during the Term, be used as a supermarket.

(b) If Tenant fails to open for business in the Demised Premises, Landlord shall have the right to terminate this Lease by written notice to Tenant thirty (30) days prior to the date upon which such failure to open would trigger any right to recapture, if any, in the REA and/or Operating Agreement.

(c) The term "Lawful Retail Use", as used in this Lease, shall be construed broadly to mean any lawful sales of merchandise or services, whether at retail, wholesale or discount, which are typically found in similar class strip shopping centers in the Grand Junction metropolitan area.

Section 9.02 Landlord's Additional Right of Recapture:

(a) If at any time during the Term, (1) Tenant gives Landlord notice of Tenant's intention to cease business operations in the Demised Premises (the "Go Dark Notice"), or (2) all or substantially all of the Demised Premises is not open to the public for business for a period of six (6) consecutive months for reasons other than remodeling, damage and destruction, eminent domain or a change in the occupancy of the Demised Premises resulting from an assignment or sublease entered into pursuant to Article X (provided that such assignee or sublessee must reopen the Demised Premises for business by the end of the tenth (10th) consecutive month), Landlord shall have the right to recapture the Demised Premises in accordance with the provisions of the immediately succeeding paragraph.

(b) At any time after either receipt of the Go Dark Notice or the expiration of the six (6)

month period referred to in the immediately preceding paragraph, Landlord may, but shall be under no obligation to give to Tenant, a notice (hereinafter "Notice of Recapture"), which Notice of Recapture shall be given, if at all, within thirty (30) days thereafter. Landlord, in its Notice of Recapture, shall set forth a date not sooner than thirty (30) days (but, in no event less than the minimum number of days to permit Tenant to comply with applicable laws concerning cessation of operations at the Demised Premises) nor more than ninety (90) days after such notice, as the date for the termination of this Lease, and upon such date, this Lease shall terminate as if such date were the date originally set forth in this Lease as the Expiration Date of the Term, and upon such date this Lease shall be null and void and of no further force or effect, except for accrued liabilities. Notwithstanding the foregoing, if prior to the termination date set forth in the Notice of Recapture the conditions set forth in the immediately preceding paragraph do not exist and if at least 50% of the Demised Premises are being used in accordance with this Lease and are opened to the public staffed, fixtured and merchandised in accordance with sound business judgment, then Landlord's Notice of Recapture shall be automatically revoked.

(c) Landlord's rights under this Section shall be continuing rights and shall not be exhausted by any number of failures to exercise. If Landlord has not sent a Notice of Recapture to Tenant, Landlord's rights to recapture shall continue as long as the condition giving rise to such rights exists and Landlord shall have the right to recapture the Demised Premises as provided in this Section 9.02(b).

Section 9.03 Store Operations:

(a) Intentionally Omitted.

(b) Keeping Demised Premises Clean: Tenant shall keep the Demised Premises, including exterior and interior portions of all windows, doors and all other glass, in neat and clean condition.

(c) Paving Taxes: Tenant shall pay before delinquency any and all taxes, assessments and public charges levied, assessed or imposed upon Tenant's business or upon Tenant's fixtures, furnishings or equipment in the Demised Premises.

(d) Paving License Fees: Tenant shall pay promptly all license fees, permit fees and charges of a similar nature for the conduct by Tenant or any subtenant of any business or undertaking authorized hereunder to be conducted in the Demised Premises.

(e) Exclusive Delivery Facilities and Sidewalks: Tenant shall keep and maintain in good order, condition and repair any loading platform, truck dock or truck maneuvering space which is used by Tenant and to which Tenant has the right of exclusive use. Tenant shall remove snow and ice from the sidewalk(s) adjacent to the Demised Premises and spread sand or other abrasive substances thereon as conditions require.

(f) Garbage: Tenant agrees not to permit the accumulation (unless in concealed metal containers) or burning of any rubbish or garbage in, on or about any part of the Shopping Center. Tenant shall cause and pay for all rubbish and garbage to be collected and disposed of from the Demised Premises. Tenant shall keep the sidewalk(s) and curbs adjacent to the Demised Premises free of debris.

(g) Rules and Regulations: Tenant shall observe all reasonable, uniform and non discriminatory rules and regulations established by Landlord from time to time for the Building or the Shopping Center, provided Tenant shall be given at least five days notice thereof, and provided same do not diminish Tenant's rights or increase Tenant's costs hereunder.

(h) Restrictive Covenants: Tenant agrees that it will comply with and observe all restrictive covenants of which Tenant has notice and which presently affect or are applicable to the

Shopping Center, the Building, the Demised Premises and the Common Area, provided same do not prohibit or materially interfere with Tenant's use of the Demised Premises or the Common Areas, in accordance with the provisions of this Lease or otherwise materially adversely affect Tenant's rights under this Lease or increase Tenant's obligations, subject, however, to the provisions of Subsection 9.01(a). As of the date hereof, the restrictions affecting the Demised Premises are set forth on Exhibit F.

(i) Prohibited Uses: The Demised Premises may not be used for any of the following uses: any pornographic or obscene purposes (excluding games, audio cassettes or discs and videos typically sold in a first-class consumer electronics store), any commercial sex establishment, any pornographic, obscene, nude or semi-nude performances, modeling, obscene materials, activities or sexual conduct.

Section 9.04 Restriction on Tenant's Activities at Shopping Center:

(a) Sidewalk Use: Tenant shall not use the sidewalk adjacent to or any other space outside the Demised Premises for display, sale or any other similar undertaking without the prior consent of Landlord in each instance.

(b) Loud Speaker Use: Tenant shall not use any advertising medium which may be heard outside the Demised Premises.

(c) Plumbing Facility Use: Tenant shall not use the plumbing facilities of the Demised Premises for any purpose other than the purpose for which they are intended. Accordingly, Tenant may not dispose of any substances there which may clog, erode or damage the pipelines and conduits of the Building or Shopping Center.

(d) Floor Load: Tenant shall not place a load on any floor exceeding the floor load per square foot which such floor was designed to carry. Tenant shall not install, operate or maintain any heavy item of equipment in the Demised Premises except in such manner as to achieve a proper distribution of weight.

(e) Exterior or Roof: Tenant shall not use for any purpose all or any portion of the roof (other than for HVAC equipment and a satellite communications system) or exterior walls (other than for permitted signs) of the Demised Premises.

(f) Freight Handling Equipment: Tenant shall not use any non rubber wheeled forklift truck, tow truck or any other non rubber wheeled machine for handling freight except as may be approved by Landlord.

(g) Mezzanines: Tenant may not use any mezzanine located within the Demised Premises for selling purposes (any such mezzanine shall be used solely for storage, preparation of merchandise and clerical purposes).

(h) Prohibited Uses:

(i) Tenant and its successors and assigns shall not use or sublease or permit the use of the Demised Premises, or any portion thereof, for any operation, activity or business that: (a) creates strong, unusual or offensive odors, fumes, dust or vapors; (b) is a public or private nuisance; (c) emits noise or sounds which are heard outside the Demised Premises or are objectionable due to intermittence, beat, frequency, shrillness or loudness; (d) creates unusual fire, explosive or other hazards; (e) involves the handling, storage, sale or installation of Hazardous Materials; or (f) involves the sale of alcoholic beverages.

(ii) Tenant and its successors and assigns shall not operate, sublease or permit the Demised Premises, or any portion thereof, to be used primarily as a modem toy store, or a modem babies',

infant's juvenile's and children's specialty store, provided, however, the foregoing restriction shall terminate if Landlord and/or its parent or any affiliate, subsidiary, related entity, Mortgagee or successor-in-interest by merger or consolidation is no longer engaged in the retail business of operating modern toy stores or modern baby specialty stores, if applicable.

(iii) Tenant and its successors and assigns shall not operate, sublease or permit the Demised Premises, or any portion thereof, to be used as or for any of the following uses or purposes: cemetery; mortuary; so-called "head-shop"; the dumping or disposing of garbage or refuse; video or other type of gameroom or arcade; carnival; off-track betting parlor; pawn shop; business selling so-called "second-hand goods" or governmental "surplus" goods; junk yard; flea market; recycling facility or stockyard; any fire sale, bankruptcy sale or auction house operation, unless pursuant to an order of a court of competent jurisdiction; motor vehicle or boat dealership, repair shop (including lubrication and/or service center), body and fender shop, car wash facility, or motor vehicle or boat storage facility; theater (including, without limitation, a movie theater), auditorium, sports or other entertainment viewing facility (whether live, film, audio/visual or video); discotheque, dance hall, bar; bowling alley; skating rink; billiard parlor; health spa or exercise facility; massage parlor; dry cleaning or laundry plant (except as to an establishment which receives and dispenses items for launder and/or dry cleaning but the processing of which such items is done elsewhere); industrial or manufacturing uses; catering hall; bingo parlor; factory uses; any business servicing motor vehicles or selling gasoline or diesel fuel at retail or wholesale and services relating thereto, including, without limitation, any quick lube oil change services, or any other vehicle mechanical service or repair facility (but the installation and repair of electronics in motor vehicles shall be permitted as an incidental use); office uses (including governmental services offices, such as, but without limitation, motor vehicle or social services offices, but, excluding so-called "back office" space used in connection with a permitted use hereunder); hotel/motel uses; warehousing (excluding any warehousing incidental to the operation of permitted retail uses being conducted thereat); training or educational facility or house of worship; or a recreation and fitness facility, whether providing exercise, recreational, educational, entertainment or fitness activities, or any combination of the foregoing. "Training or educational facility" shall mean a beauty school, barber college, reading room, place of instruction or any other activity catering primarily to students or trainees as opposed to customers.

(iv) Tenant and its successors and assigns shall not operate, sublease or permit the Demised Premises, or any portion thereof, to be used or occupied as an adult book store or a store selling or exhibiting pornographic materials (excluding games, audio cassettes or discs and videos typically sold in a first class consumer electronics store). As used herein, "an adult book store or store selling or exhibiting pornographic materials" shall mean a store displaying for sale or exhibition books, magazines or other publications containing any combination of photographs, drawings or sketches of a sexual nature, which are not primarily scientific or educational, or a store offering for exhibition, sale or rental video cassettes or other medium capable of projecting, transmitting or reproducing, independently or in conjunction with another device, machine or equipment, an image or series of images, the content of which has been rated "X" or "NC-17" (or any succeeding like rating) by the Motion Picture Rating Association, or any successor thereto ("X-Rated Videos"). Further, Tenant and its successors and assigns shall not operate, sublease or permit the Demised Premises, or any portion thereof, to be used or occupied for any obscene, nude or semi-nude live performances, nude modeling, rap sessions, or as a so-called rubber goods shop, or as a sex club of any sort, or as a massage parlor.

(v) Tenant and its successors and assigns shall not operate, sublease or permit the Demised Premises or any portion thereof to be used as or for any uses or purposes in violation of the REA.

Section 9.05 Insurance Rate:

Tenant agrees to comply with all Insurance Requirements of which Tenant has notice relating to or affecting the Demised Premises or Tenant's activities at the Building, Land or Shopping Center. If the insurance

rates applicable to the Building, Land or Shopping Center are raised as a result of, or in connection with, (x) any failure by Tenant to comply with such Insurance Requirements, or (y) the manner of use of the Demised Premises, then provided Tenant receives a statement from Landlord or the insurance carrier setting forth the reason therefor, Tenant shall pay to Landlord on demand, the portion of the premiums for all insurance policies applicable to the Building, Land and the Shopping Center as shall be attributable to the higher rates or cease the activity which caused the higher rates. For the purposes of this Section, any finding of Landlord's insurance carrier shall be deemed to be conclusive unless Tenant's insurance consultant disagrees with the finding of Landlord's insurance carrier by notice to Landlord within fifteen (15) days after Tenant receives said statement from Landlord's insurance carrier. If Tenant's insurance consultant notifies Landlord that it disagrees with the opinion of Landlord's insurance carrier within said fifteen (15) day period, and if said insurance carrier and consultant cannot come to an agreement within fifteen (15) days thereafter, they shall select a third impartial consultant whose decision shall be binding on the parties. If Landlord's insurance carrier and Tenant's consultant cannot agree on the choice of the third impartial consultant either party shall have the right to apply to the county court of the county in which the Demised Premises is located to select a third impartial consultant.

Section 9.06 Intentionally Omitted.

Section 9.07 Illegal Purposes:

Tenant shall not use the Demised Premises for any illegal trade, manufacture, or other business, or any other illegal purpose.

Section 9.08 Satellite Dish:

Provided Tenant, at its sole cost and expense, has applied for and received any and all permits and licenses which may be required from the applicable governmental authorities having jurisdiction, Tenant may install satellite dishes or other similar type devices used for the transmission and reception of wireless communication signals (collectively, the "Satellite Dish") on the roof of the Building, subject to and in accordance with the following conditions:

(a) Prior to doing any work relating to the installation of the Satellite Dish, Tenant shall submit to Landlord for Landlord's written approval (which approval shall not be unreasonably withheld or delayed) detailed plans and specifications relating to such work, including the areas where work is to be performed. All work, repairs or replacements, performed or required in connection with Tenant's use of the Satellite Dish, including all equipment, labor and materials, shall be at Tenant's sole cost and expense and shall be performed in conformity with said approved plans and specifications and with all applicable laws, rules and regulations of governmental authorities and insurance companies having jurisdiction;

(b) The Satellite Dish shall be reasonably screened from public view;

(c) All costs and expenses in connection with the repair, operation and maintenance of the Satellite Dish shall be borne solely by Tenant, including, but not limited to, repairs to the roof of the Building caused by Tenant's installation and use of the Satellite Dish;

(d) All of the provisions of this Lease shall apply to the Satellite Dish, including, by way of example, but not limited to, Tenant's duty to comply with all laws, Tenant's indemnification of Landlord for liability in regard thereto, Tenant's duty to carry insurance, and Tenant's duty to avoid a violation of any roof bond;

(e) If at any time after Tenant's installation of the Satellite Dish, for any reason whatsoever, the governmental permits and/or licenses for the Satellite Dish shall be revoked or any governmental authorities having jurisdiction shall prohibit Tenant's use thereof, this Lease shall not be affected thereby and Tenant shall

immediately, at its own cost, remove same and repair any damage caused thereby; and

(f) Tenant shall not lease, license or concession or allow anyone to use any portion of the roof or Satellite Dish for any purposes whatsoever, except that Best Buy Stores, L.P., or a transferee pursuant to Section 10.01(e) may permit the Satellite Dish to be used by third parties conducting business within the Demised Premises solely in connection with the services provided or products sold at Demised Premises.

ARTICLE X. TRANSFER OF INTEREST, PRIORITY OF LIEN.

Section 10.01 Assignment, Subletting, etc.:

(a) Tenant shall not sublet the Demised Premises or any part thereof, or assign, mortgage or hypothecate, or otherwise encumber this Lease or any interest therein nor grant concessions or licenses for the occupancy of the Demised Premises or any part thereof, without Landlord's prior written consent, which consent shall not be unreasonably conditioned, delayed or withheld. Any attempted transfer, assignment or subletting shall be void and confer no rights upon any third person. No assignment or subletting shall relieve Tenant of any obligations herein. The consent by Landlord to any transfer, assignment or subletting shall not be deemed to be a waiver on the part of Landlord of any prohibition against any future transfer, assignment or subletting without Landlord's prior consent. No transfer, or subletting shall be effective unless and until (x) Tenant gives notice thereof to Landlord, and (y) the transferee, assignee or sublessee shall deliver to Landlord (1) a written agreement in the form and substance satisfactory to Landlord pursuant to which the transferee, or assignee assumes all of the obligations and liabilities of Tenant under this Lease, and (2) a copy of the assignment agreement or sublease. Tenant may not enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Demised Premises which provides for a rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the property leased, occupied or utilized, or which would require the payment of any consideration which would not fall within the definition of "rents from real property" as that term is defined in Section 856(d) of the Internal Revenue Code of 1986, as amended.

(b) (i) In the event that Tenant shall desire Landlord's consent to the subletting of all or a portion of the Demised Premises or the assignment of this Lease, Tenant shall give Landlord sixty (60) days prior written notice thereof ("Tenant's Notice"). Such notice shall be deemed to be an offer by Tenant to assign this Lease to Landlord in the event Tenant shall desire Landlord's consent to sublet all of the Demised Premises or to assign this Lease and shall be deemed to be an offer to surrender the portion of the Demised Premises in question if Tenant desires Landlord's consent to sublet a portion of the Demised Premises. In the event Landlord wishes to accept said offer, Landlord shall give Tenant notice thereof within one hundred twenty (120) days of Landlord's receipt of the Tenant's Notice ("Landlord's Notice"), in which event the assignment or surrender of a portion of the Demised Premises to Landlord shall become effective on the date specified in Landlord's Notice, which date shall be not more than one hundred eighty (180) days after the date of Landlord's Notice, and Tenant shall vacate the Demised Premises or portion thereof in accordance with Section 7.07 by such date (but, in no event, less than the minimum number of days to permit Tenant to comply with applicable laws concerning cessation of operations at the Demised Premises); provided, however, if Landlord's Notice specifies a date less than one hundred eighty (180) days from the date of Tenant's Notice, Tenant shall, on the date which is two (2) business days prior to the date set forth in Landlord's Notice, pay Landlord in a lump sum an amount equal to the Recapture Rent (as hereinafter defined). The term "Recapture Rent" means the difference between (1) the aggregate Rent hereunder for the period commencing on the date of receipt of Tenant's Notice and ending 180 days thereafter, and (2) any Rent actually paid to Landlord for the period commencing on the date of receipt of Tenant's Notice and ending on the date set forth in Landlord's Notice as the effective date of the assignment or surrender of the Demised Premises, as the case may be. In the event of an assignment

of this Lease to Landlord, provided Tenant has paid all of the Rent due hereunder (including any Recapture Rent) as a condition to such assignment, on the effective date of such assignment this Lease shall terminate and Landlord and Tenant shall be released from all liability accruing thereafter under this Lease as if such date were the Expiration Date originally set forth herein. In the event of a surrender of a portion of the Demised Premises, on the effective date of such surrender this Lease shall be modified to reflect the reduced floor area of the Demised Premises and the corresponding reductions in the payment of Rent and Landlord and Tenant shall be released from all liability accruing thereafter under this Lease with respect to such portion of the Demised Premises. The sending of Landlord's Notice shall, ipso facto, and without the necessity of any further act or instrument, be sufficient to effectuate said assignment or modification. However, if Landlord shall request, Tenant shall execute such documents as Landlord may reasonably request in confirmation thereof. Notwithstanding Landlord's consent on any one occasion, the right to recapture as aforesaid shall apply to any further subletting or assignment.

(ii) "Tenant's Notice" shall include all of the following information, to the extent Tenant's Notice relates to a subletting or assignment transaction contemplated by Tenant and such information is available to Tenant:

- (1) a statement by Tenant that the proposed sublease or assignment is a bona fide transaction and that Tenant and the proposed assignee or sublessee are ready and willing to enter into such sublease or assignment agreement, subject to reasonable conditions;
- (2) the legal name of the proposed assignee or sublessee, and the name under which such assignee or sublessee proposes to conduct business;
- (3) the rent and other proposed business terms of the proposed assignment or subletting;
- (4) the proposed business to be conducted by such assignee or subtenant;
- (5) current financial statements of the proposed assignee or subtenant (or the proposed guarantor thereof); and
- (6) the names, addresses and telephone numbers of the officers and principals of the assignee or subtenant in question.

Landlord shall have the right without any liability to Tenant whatsoever, to negotiate directly with the proposed assignee or subtenant in question.

(iii) If Landlord accepts Tenant's offer to surrender a portion of the Demised Premises (such portion of the Demised Premises is hereinafter referred to as the "Subdivided Premises"), Tenant shall notify its proposed sublessee of Landlord's decision (and Landlord shall have the right to negotiate with any proposed subtenant or assignee without any liability whatsoever to Tenant). Tenant shall promptly commence to subdivide the Subdivided Premises to a separate space using "building standard" materials and Tenant shall perform such work in compliance with code ("Subdividing Work"). The Subdividing Work shall be performed by Tenant in accordance with plans and specifications approved by Landlord which approval shall not be unreasonably withheld, delayed or conditioned and which plans and specifications will make provision for necessary separate utilities, demising wall(s), and all work necessary to make the remainder of the Demised Premises into separate premises independent of the Subdivided Premises. Tenant shall not be responsible or liable for the cost of any work performed in or to the Subdivided Premises. Tenant shall promptly upon

approval of said plans and specifications by Landlord, commence to perform such work and shall secure all permits as may be required in connection with the performance of the Subdividing Work and all of such work shall be promptly completed in a good and workmanlike manner.

(c) In the event that Tenant sends a Tenant's Notice and Landlord does not exercise the right of recapture as set forth in subsection 10.01(b), then Tenant may, without Landlord's further consent, assign this Lease or sublet all or the portion of the Demised Premises which was the subject of the Tenant's Notice within six (6) months after Landlord fails to recapture pursuant to the previous subparagraph, provided the following terms and conditions are fully complied with:

(i) Tenant shall not be in Default under this Lease at the time Landlord's consent is requested or at the effective date of the assignment or subletting.

(ii) The Demised Premises shall be used by the assignee or subtenant subject to and in accordance with the provisions of Article IX; and for no other purpose.

(iii) Tenant shall pay to Landlord a sum equal to (1) fifty (50%) percent of any rent (on a per square foot basis) or other consideration (on a per square foot basis) paid to Tenant by any assignee or subtenant which is in excess of the Rent (on a per square foot basis) then being paid by Tenant to Landlord pursuant to the terms of this Lease, and (2) fifty (50%) percent of any other profit or gain realized by Tenant, as additional rent immediately upon receipt thereof by Tenant. Tenant may deduct from any such payments to Landlord fifty (50%) percent of Tenant's alteration costs and brokerage fees, incurred with respect to any such assignment or sublease.

(iv) In the case of an assignment, it shall provide for the assignment of Tenant's entire interest of this Lease and the acceptance by the assignee of said assignment and its assumption and agreement to perform directly for the benefit of Landlord all of the terms and provisions of this Lease on Tenant's part to be performed.

(v) In the case of a subletting, it shall be expressly subject to all of the obligations of Tenant under this Lease and the further condition and restriction that the sublease shall not be assigned, encumbered or otherwise transferred or the subleased premises further sublet by the sublessee in whole or in part, or any part thereof suffered or permitted by the sublessee to be used or occupied by others, without the prior written consent of Landlord in each instance.

(vi) There shall not be more than one (1) sublease in effect covering the Demised Premises at any time during the Term and the Demised Premises shall not consist of more than two (2) separate premises at any time, one of which must consist of at least 20,000 square feet of floor area (exclusive of any mezzanine).

(vii) The proposed subtenant shall have a tangible net worth at the time of the subletting of at least ten times the Rent then payable under the proposed sublease.

(d) Landlord shall be furnished with a duplicate original of the assignment or sublease within: (i) thirty (30) days after its execution or (ii) prior to its effective date, whichever is earlier.

(e) Anything contained in this Article X to the contrary notwithstanding, Tenant shall have the right to assign this Lease or sublet the Demised Premises (i) to an entity which is a parent, affiliate or subsidiary of Best Buy Stores, L.P. or Best Buy Co., Inc.; or (ii) to an entity which is a successor to Best Buy Stores, L.P. (including its subsidiaries and parent), by way of merger, consolidation or corporate reorganization, or by the purchase of substantially all of the assets of Best Buy Stores, L.P. (including the

assets of its subsidiaries and parent); or (iii) to an entity which purchases all of the stores owned and operated by Best Buy Stores, L.P. and its subsidiaries, affiliates and parent, provided that any such transaction [as set forth in subsections 10.01(e)(ii) and (iii)] includes at least seventy-five (75) locations operated similarly to the Demised Premises, without obtaining Landlord's prior written consent thereto; provided: (a) Tenant is not then in Default under the terms of this Lease; (b) within a reasonable time after the execution of any such assignment or subletting, a fully executed and acknowledged assignment or sublease agreement, is delivered to Landlord, which assignment shall contain an assumption agreement by the assignee in favor of Landlord of the terms and provisions of this Lease; and (c) Tenant shall remain liable under this Lease. In the event of any such assignment or subletting as set forth in the preceding sentence, Landlord shall not have the right to recapture the Demised Premises as elsewhere provided in this Article X.

(f) If Tenant is a corporation or partnership, and if at any time during the Term the person or persons who, on the date of this Lease, owns or own a majority of such corporation's voting shares or such partnership's partnership interest, or such limited liability company's interest, as the case may be, ceases or cease to own a majority of such shares (whether such sale occurs at one time or at intervals so that, in the aggregate, such a transfer shall have occurred), or interest, as the case may be, then in any such event Tenant shall so notify Landlord and Landlord shall have the right, at its option, to terminate this Lease by notice to Tenant given within thirty (30) days thereafter or within ninety (90) days after Landlord shall have received other notice thereof, except that this Section shall not be applicable to any corporation, the majority of the outstanding voting stock of which is listed on a national securities exchange (as defined in the Securities Exchange Act of 1934, as amended) or is otherwise publicly traded. For the purposes of this subsection 10.01(f), stock ownership shall be determined in accordance with the principles set forth in Section 544 of the Internal Revenue Code of 1986, and the term "voting stock" shall refer to shares of stock regularly entitled to vote for the election of directors of the corporation. The foregoing provisions of this subsection 10.01(f) shall not apply to the transfer of corporate shares or partnership interests in connection with a transaction permitted pursuant to subsection 10.01(e)(ii).

Section 10.02 Master Lease:

Tenant acknowledges that it has been informed that Landlord may hold a leasehold interest in the Demised Premises under a Master Lease.

Section 10.03 Subordination:

(a) This Lease shall [subject to subsection 10.03(b)] be subordinate to the lien of any present Mortgage [which term ("present Mortgage") shall be deemed to include, without limitation, any spreading agreements, renewals, modifications, consolidations, future advances, replacements and extensions thereof] or future Mortgage or Master Lease irrespective of the time of recording of such Mortgage or Master Lease. However, from time to time, Landlord may elect that this Lease be paramount to the lien of such Mortgage, and may exercise such election by giving notice thereof to Tenant, which notice must be concurred in by such Mortgagee. The exercise of any of the elections provided in this Section shall not exhaust Landlord's right to elect differently thereafter, from time to time. This clause shall be self operative and no further instrument shall be required, however, upon Landlord's request, from time to time, Tenant shall [subject to subsection 10.03(b)] (i) confirm in writing and in recordable form that this Lease is so subordinate or so paramount (as Landlord may elect) to the lien of any Mortgage or Master Lease and/or (ii) execute an instrument making this Lease so subordinate or so paramount (as Landlord may elect) to the lien of any Mortgage or Master Lease, in such form as may be required by an applicable Mortgagee or Master Lessor.

(b) This Lease shall not be subordinate to any increase or extension of the debt of the existing Mortgage or to any future Mortgage or Master Lease unless the holder of any such Mortgage or the lessor under any such Master Lease, executes and delivers to Tenant a non disturbance and attornment agreement or recognition agreement, in substantially the forms annexed hereto as Exhibit E and Exhibit D, respectively, and made a part hereof.

Section 10.04 Attornment:

(a) If the Demised Premises, the Building or Land are encumbered by a Mortgage and such Mortgage is foreclosed, or if the Demised Premises, the Building or Land are sold pursuant to such foreclosure or by reason of a default under said Mortgage, then notwithstanding such foreclosure, such sale, or such default (i) Tenant shall not disaffirm this Lease or any of its obligations hereunder, and (ii) at the request of the applicable Mortgagee or purchaser at such foreclosure or sale, Tenant shall attorn to such Mortgagee or purchaser and execute a new lease for the Demised Premises setting forth all of the provisions of this Lease except that the term of such new lease shall be for the balance of the Term, provided that such purchaser or mortgagee agrees to be bound by this Lease or such new lease and to perform Landlord's obligations thereunder; provided, however, such purchaser or mortgagee shall not be liable for or bound by (i) any payment of an installment of rent or additional rent made more than thirty (30) days before the due date of such installment, (ii) any act or omission of or default by Landlord (but such purchaser or mortgagee, shall be subject to the continuing obligations of the landlord to the extent arising from and after such succession to the extent of such purchaser's or mortgagee's interest in the Demised Premises, Building or Land), (iii) any credits, claims, setoffs or defenses which Tenant may have against Landlord, (iv) any obligation to maintain a fitness facility at the Demised Premises, (v) any obligation on Landlord's part to perform any tenant improvement work, or (vi) any obligation on Landlord's part to pay any sum of money to Tenant.

(b) If Landlord's interest in the Demised Premises is a leasehold interest, at any time, and if Landlord's leasehold interest is terminated for any reason; then notwithstanding such termination, the dispossession of Landlord from the Demised Premises or the Building, or any default by Landlord, as lessee, under any Master Lease,

(i) Tenant shall not disaffirm this Lease or any of its obligations contained within this Lease, and (ii) at the request of the Master Lessor, Tenant shall attorn to the applicable Master Lessor and execute a new lease for the Demised Premises setting forth all of the provisions of this Lease except that the term of such new lease shall be for the balance of the Term, provided that such Master Lessor agrees to be bound by this Lease or such new lease and to perform Landlord's obligations thereunder; provided, however, notwithstanding the continuation of the Lease, Master Lessor shall not:

(i) be liable for any act or omission of Landlord under the Lease;

(ii) be subject to any off-set, defense or counterclaim which shall have theretofore accrued to Tenant
against Landlord;

(iii) be bound by any modification of the Lease or by any previous prepayment of rent or additional rent made more than one (1) month prior to the date same was due which Tenant might have paid Landlord, unless such modification or prepayment shall have been expressly approved in writing by Master Lessor;

(iv) be liable for any security deposited under the Lease unless such security has been physically delivered
to Master Lessor;

(v) be liable or obligated to comply with or fulfill any of the obligations of Landlord

under the Lease or any agreement relating thereto with respect to the construction of, or payment for, improvements on or above the Demised Premises (or any portion thereof), leasehold improvements, tenant work letters and/or similar items (other than pursuant to the casualty/condemnation restoration provisions of the Lease to the extent of casualty proceeds or condemnation awards paid to Master Lessor);

(vi) be bound by any obligation to provide or pay for any services, repairs, maintenance or restoration provided for under the Lease arising prior to the date that Master Lessor becomes Landlord of Tenant (except to the extent of casualty proceeds or condemnation awards paid to Master Lessor); or

(vii) be bound by any obligation to repair, replace, rebuild, or restore the Demised Premises or any part thereof, in the event of damage by fire or other casualty, or in the event of partial condemnation (other than pursuant to the casualty/condemnation restoration provisions of the Lease to the extent of casualty proceeds or condemnation awards paid to Master Lessor).

Section 10.05 Transfer of Landlord's Interest:

(a) Fee Interest: The following language shall apply if the Landlord's interest in the Demised Premises is a fee interest: The term "Landlord" as used in this Lease means only the owner for the time being or the Mortgagee in possession for the time being of the Demised Premises. In the event of any sale of the Demised Premises, or in the event the Demised Premises are leased to any person (subject to this Lease), said Landlord shall be and hereby is entirely freed and relieved of all of its covenants, obligations and liability hereunder from and after the date of the transfer, except for accrued liabilities, provided that the transferee assumes all obligations of Landlord under this Lease from and after the date of the transfer. This subsection shall be applicable to each owner of the Demised Premises, from time to time, and shall not be limited to the first owner of the Demised Premises.

(b) Master Lease: The following language shall apply if Landlord's interest in the Demised Premises is a leasehold interest: The term "Landlord" as used in this Lease means only the owner for the time being of the leasehold estate demised by the Master Lease. In the event of any transfer or assignment of Landlord's interest in said Master Lease, then the Landlord whose interest is thus assigned or transferred shall be and hereby is entirely freed and relieved of all covenants, obligations and liability of Landlord hereunder from and after the date of the transfer, except for accrued liabilities, provided that the transferee assumes all obligations of Landlord under this Lease from and after the date of the transfer. In the event the owner of the leasehold estate demised by the Master Lease shall acquire the fee interest in the premises demised by the Master Lease, subsection (a) of this Section 10.05 shall be applicable. This subsection shall be applicable to each person who owns a leasehold estate demised by a Master Lease.

Section 10.06 Mortgagee's Rights:

(a) If Landlord shall notify Tenant that the Demised Premises are encumbered by a Mortgage and in such notice set forth the name and address of the Mortgagee thereof, then, notwithstanding anything to the contrary herein contained, no notice intended for Landlord shall be deemed properly given unless a copy thereof is simultaneously sent to such Mortgagee. If any Mortgagee shall perform any obligation that Landlord is required to perform hereunder, such performance by Mortgagee, insofar as Tenant is concerned, shall be deemed performance on behalf of Landlord and shall be accepted by Tenant as if performed by Landlord.

(b) In addition, if Tenant is given the right, pursuant to this Lease, to terminate this Lease as a result of a default of Landlord, no such termination shall be effective unless and until Tenant has sent a notice [in addition to any notice sent pursuant to subsection 10.06(a)] of its intention to so terminate this Lease to such Mortgagee and the Mortgagee has failed to cure such default within thirty (30) days after receipt of such notice, or in case the default shall be of such nature that it cannot be cured within said period of thirty (30) days, then if

the Mortgagee shall fail, within said period of thirty (30) days, to commence the cure of such default and thereafter to complete such cure with due diligence.

ARTICLE XI. COMMON AREA AND SHOPPING CENTER.

Section 11.01 Use of Common Areas:

During the Term, the following irrevocable licenses throughout the Term to use the Common Area and in common with Landlord and any designee of Landlord and other occupants of the Shopping Center, subject to Landlord's reasonable, uniform and non discriminatory rules and regulations, provided same do not materially diminish Tenant's rights or materially increase Tenant's costs hereunder, and subject to the terms and conditions of the REA and the Operating Agreement, are hereby granted to Tenant: (a) the non exclusive license to permit its customers, agents, invitees and licensees to use the Common Area, including sidewalks and customer Parking Areas designated by Landlord from time to time; (b) the non exclusive license to permit its employees to use the Common Area, including sidewalks and employee Parking Areas designated by Landlord from time to time; and (c) the non exclusive license to permit its employees, invitees, vendors, contractors and customers to use the Common Area, including entrance and exit ways designated by Landlord from time to time for access to the Demised Premises from a public street or highway adjacent to the Shopping Center through the appropriate entrances and exits so designated.

Section 11.02 Landlord's Rights:

(a) Notwithstanding anything to the contrary, Landlord shall have the following rights: (i) to temporarily close all or any portion of the Common Area, including the Parking Area to such extent as may in the reasonable opinion of Landlord's counsel be necessary to prevent a dedication thereof or the accrual of any rights of any person or the public therein; (ii) to close all or any portion of the Common Area temporarily to discourage non customers use; (iii) to prohibit parking or passage of motor vehicles in areas previously designated for such; and (iv) to erect additional buildings on the Common Area, or to change the location of buildings or other structures to any location on the Common Area (and upon such erection or change of location the portion

upon which such buildings or structures have been erected shall no longer be deemed to be a part of the Common Area).

(b) Notwithstanding anything to the contrary contained in Subsection 11.02(a) or elsewhere in this Lease, Landlord agrees that throughout the Term:

(i) Landlord shall not construct nor permit the construction of additional buildings in the area designated as "No Build Area" on Exhibit A and such area shall be at all times maintained as a Parking Area and/or access area;

(ii) Landlord shall not construct additional buildings on the Land if the new construction would result in a parking ratio of less than 4.0 parking spaces for each 1,000 square feet of leasable floor area contained in the buildings on the Land.

Section 11.03 Ring Road:

Tenant shall pay Developer within the time specified in Section 4.04 of the REA an annual charge for maintenance of the Ring Road shown on Exhibit A. The annual charge shall be equal to an amount as set forth in the REA.

ARTICLE XII. DESTRUCTION AND PROPERTY INSURANCE.

Section 12.01 Tenant to Restore:

If, at any time during the Term, the Demised Premises or any part thereof shall be damaged or destroyed by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall notify Landlord and promptly proceed with due diligence (subject to reasonable time allowance to adjust the insurance loss, to obtain necessary permits and for unavoidable delay) to repair, replace or rebuild the Demised Premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction (“Restoration Work”).

Section 12.02 Insurance Proceeds Held In Trust:

All insurance proceeds payable and received at any time, or from time to time, as a result of casualty to the Demised Premises shall be payable in trust for the Restoration Work, except as may be otherwise expressly provided herein.

In the event of a casualty to the Demised Premises in which the proceeds of the insurance award do not exceed \$100,000.00, such proceeds shall be payable directly to Tenant, in trust, to be applied for the Restoration Work. Such funds shall be used only for such purposes until the Restoration Work is completed and any excess proceeds shall be retained by Tenant.

In the event that the insurance proceeds of any casualty is equal to or exceeds the sum of \$100,000.00, such proceeds shall be deposited in a bank mutually agreeable to Landlord and Tenant (“Insurance Trustee”), in trust, for the purpose of the Restoration Work, and shall be disbursed from such account from time to time in progress payments proportionate to the percentage of completion of the Restoration Work and on terms as may be customary for advances under institutionally financed mortgage building loans, with retainage provisions. Any excess proceeds shall be retained by Tenant.

The aforesaid obligations to deposit insurance proceeds with an Insurance Trustee shall not be in effect for so long as Tenant has a tangible net worth (computed in accordance with generally accepted accounting principles) in excess of \$500,000,000.00.

Section 12.03 Insurance Proceeds: Deficiency:

If the insurance proceeds, shall be insufficient to pay the entire cost of the Restoration Work, Tenant shall supply the amount of any such deficiency.

Section 12.04 Tenant’s Option To Terminate:

If the Demised Premises shall be “substantially damaged” or destroyed in whole or in part (“substantially damaged” means damage in excess of 33 1/3% of the replacement cost of the Demised Premises) by fire or other casualty at any time during the last three (3) years of the Term:

(a) Tenant may elect to terminate this Lease by serving upon Landlord at any time within one hundred twenty (120) days after the date on which such damage or destruction occurred, written notice (the “Fire Termination Notice”) of Tenant’s election to so terminate effective at the end of the calendar month next following the month in which such notice shall have been so given (the “Fire Termination Date”) and thereupon this Lease shall terminate and be null and void as if such date were the date originally set forth herein for the expiration of the Term and, except for accrued liabilities, neither Landlord or Tenant shall have any further obligations to each other pursuant to this Lease. Tenant shall pay to Landlord, concurrently with the service of the Fire Termination Notice, an amount equal to the Minimum Rent and the then ascertainable Rent (including but not limited to Impositions) payable pursuant to this Lease to the date of such termination.

(b) With respect to any items of Rent which are payable to Landlord in the event of such termination but which are not capable of ascertainment on the Fire Termination Date, Tenant covenants and agrees to pay to Landlord an amount equal to such Rent as and when the same becomes determined, or in

case any such item of Rent shall relate to Impositions, Tenant covenants and agrees to pay Landlord the amount or amounts thereof as and when the same become due and payable. If, as a result of any action or proceeding to obtain a reduction of Impositions, Tenant shall be entitled to a refund, the amount of such refund (less the cost and expense of collection including reasonable attorneys' fees) when collected by Landlord shall be paid by Landlord to Tenant. The covenants and agreements with respect to the adjustment and payment of these items of Rent shall survive the Fire Termination Date.

Section 12.05 Intentionally Omitted.

Section 12.06 No Abatement:

In the event of a "Taking" (as hereinafter defined) or of a damage or destruction to the Demised Premises by any cause whatsoever, none of the Rent payable by Tenant, nor any of Tenant's other obligations under any provisions of this Lease shall be affected thereby except as specifically set forth herein, and Tenant hereby specifically waives any and all rights it might otherwise have under any law or statute, as a result of a Taking or of a fire or other casualty occurring with respect to the Demised Premises or the Shopping Center.

Section 12.07 Waiver of Subrogation:

Landlord and Tenant each hereby releases the other, its officers, directors, employees and agents, from liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property which could be covered by valid and collectible fire insurance with standard "All Risk" coverage and such release shall not be negated or diminished if Landlord or Tenant self insure with respect to such coverage, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible. However, if the releasor does not elect to self insure, as aforesaid, this release shall apply only to loss or damage occurring during such time as the releasor's fire or extended coverage insurance policies could contain a clause or endorsement to the effect that any such release shall not adversely affect or impair such policies or prejudice the right of the releasor to recover thereunder. Landlord and Tenant each agrees that any fire and extended coverage insurance policies carried by each of them respectively and covering the Demised Premises or their contents will include a waiver of subrogation as long as the same shall be obtainable.

Section 12.08 Insurance Proceeds Disbursement:

(a) Notwithstanding anything to the contrary contained herein, if this Lease is terminated pursuant to Section 12.05, the proceeds collected under any policy or policies of casualty insurance shall, to the extent required under any Mortgage covering the Demised Premises or any part thereof, be first paid to such Mortgagee, then Tenant shall be entitled to receive out of the remaining balance thereof the amount Tenant paid for the final and total construction costs (certified by Tenant's architect) for its original leasehold improvements ("Tenant's Leasehold Improvements Cost") less annual depreciation thereof for each lease year that has elapsed from the Commencement Date to the time of such termination, as carried on Tenant's books in accordance with generally accepted accounting principles consistently applied (the "Unamortized Improvement Cost") and the balance thereof shall be paid to Landlord.

(b) The term "Tenant's Leasehold Improvements Cost" shall mean the usual direct, customary and contemplated costs, charges and expenses incurred by Tenant solely in connection with

the construction (including, without limitation, providing and installing) of said leasehold improvements, including:

- (x) reasonable legal, architectural and other fees and costs incurred in connection with obtaining permits, approvals or variances, of any governmental authority;
- (y) all costs for equipment, labor, services and materials (including sales taxes) and including reasonable architects and engineers fees; and
- (z) any and all amounts paid to utility companies or any governmental authority furnishing a utility service in connection with the installation of utilities servicing the Demised Premises.

The following items shall not be included in the determination of Tenant's Leasehold Improvements Cost:

- (i) interest on any financing of leasehold improvements;
- (ii) legal fees and disbursements, other than as set forth above;
- (iii) any taxes (other than sales taxes) incurred in connection with the construction of the leasehold improvements;
- (iv) overhead and indirect costs of Tenant;
- (v) any increase in any of the includable items set forth above occasioned by Tenant's failure to pursue such work to completion with diligence and dispatch; and
- (vi) fees and charges, for supervision, coordination or other similar activities relating to the construction of leasehold improvements, other than as set forth in Subsection (b)(y) above.

ARTICLE XIII. CONDEMNATION.

Section 13.01 Definitions:

Within the meaning of Article XIII, the following words have the following meaning:

- (a) Award: means the award for or proceeds of any Taking, less all expenses in connection therewith, including reasonable attorney's fees.
- (b) Taking: means the taking of or damage to the Demised Premises or the Land or any portion thereof, as the case may be, as the result of the exercise of any power of eminent domain, condemnation, or purchase under threat in lieu thereof.
- (c) Taking Date: means, with respect to any Taking, the date on which the condemning authority shall have the right to possession of the Demised Premises or the Shopping Center or any portion thereof, as the case may be.

Section 13.02 Total or Partial Taking:

In the event of a Taking of the whole of the Demised Premises, other than a Taking for temporary

use, this Lease shall automatically terminate as of the Taking Date. In the event of a Taking of any portion of the Demised Premises as a result of which Tenant determines, exercising sound business judgment, that it is no longer economically prudent to operate the Demised Premises as a retail store, Tenant may, at its option, terminate this Lease by giving notice to Landlord within six (6) months of the date of such Taking, effective as of the Taking Date.

Section 13.03 Restoration:

In the event of a Taking of a portion of the Demised Premises other than a Taking for temporary use and this Lease shall not terminate or be terminated under the provisions of Section 13.02 hereof, Rent shall be reduced in the proportion that the area so Taken bears to the entire area contained within the Demised Premises. In the event of a Taking of a portion of the Demised Premises other than a Taking for temporary use and this Lease shall not terminate or be terminated under the provisions of Section 13.02 hereof, then Landlord shall make the net Award allocable to the Demised Premises available to Tenant for the restoration of the Demised Premises in accordance and the provisions of Section 12.02 hereof and Tenant shall promptly restore the Demised Premises in accordance with the provisions of Section 12.01 hereof, to a condition comparable to their condition at the time immediately prior to the Taking, less, however, the portion lost in the Taking, and this Lease shall continue in full force and effect pursuant to the terms and conditions hereof. If the Award made available to Tenant by Landlord is insufficient to pay the entire cost of the "Restoration Work" (as defined in Section 12.01), Tenant shall supply the amount of any deficiency. For purposes of determining the amount of the funds available for restoration of the Demised Premises from the Award said amount will be deemed to be that part of the Award which remains after payment of Landlord's reasonable expenses incurred in recovering same and which represents a portion of the total sum so available (excluding any Award or other compensation for land) which is equitably allocable to the Demised Premises.

Section 13.04 Taking for Temporary Use:

If there is a Taking of the Demised Premises for temporary use, this Lease shall continue in full force and effect, and Tenant shall continue to comply with all of the provisions thereof, except as such compliance shall be rendered impossible or impracticable by reason of such Taking and Rent shall not abate during the course of such Taking. Notwithstanding the provisions of Section 13.05, all Awards for a Taking

of the Demised Premises for temporary use (other than Awards for any resulting physical damage to Landlord's property) shall belong solely to Tenant.

Section 13.05 Disposition of Awards:

All Awards arising from a total or partial Taking of the Demised Premises, the Land, or of Tenant's leasehold interest, shall belong to Landlord without any participation by Tenant. Nothing contained herein, however, shall be construed to preclude Tenant, at its sole cost and expense, from independently prosecuting any claim directly against the condemning authority in such condemnation proceedings for the loss of business, depreciation to, damage to, cost of removal of and for the value of stock, trade fixtures, furniture and other personal property belonging to Tenant, and any Award therefor shall belong solely to Tenant. Tenant agrees to execute any and all further documents that may be required in order to facilitate collection by Landlord of any and all such Awards due Landlord. Notwithstanding the foregoing, if this Lease is terminated pursuant to this Article XIII, any Award received by Landlord with respect to Tenant's Leasehold Improvements Cost shall be paid to Tenant in an amount determined in accordance with the provisions of Section 12.08 hereof and the balance thereof shall be paid to Landlord.

ARTICLE XIV. INDEMNITY AND LIABILITY.

Section 14.01 Indemnity:

(a) Definition: Within the meaning of Article XIV, "Claims" means any claims, suits, proceedings, actions, causes of action, responsibility, liability, demands, judgments, and executions arising out of personal injury or property damage of third parties.

(b) Subject to the provisions of Section 12.07, Tenant hereby indemnifies and agrees to save harmless Landlord, any Master Lessor and Mortgagee from and against any and all Claims, which either (i) arise from or are in connection with the possession, use, occupation, management, repair, maintenance or control of the Demised Premises or Common Areas, or any portion thereof by Tenant and/or Tenant's Agents; (ii) arise from or are in connection with any act or omission of Tenant or Tenant's Agents; (iii) result from any Default, breach, violation or non performance of this Lease or any provision therein by Tenant; or (iv) result in injury to person or property or loss of life sustained in the Demised Premises or Common Areas, except if caused by the negligence, acts or omissions of Landlord, its agents, contractors or employees. Tenant shall defend any actions, suits and proceedings which may be brought against Landlord, any Master Lessor or Mortgagee with respect to the foregoing or in which they may be impleaded. Tenant shall pay, satisfy and discharge any judgments, orders and decrees which may be recovered against Landlord, any Master Lessor, or Mortgagee in connection with the foregoing.

(c) Subject to the provisions of Section 12.07, Landlord hereby indemnifies and agrees to save harmless Tenant from and against any and all Claims, which either (i) arise from or are in connection with any act or omission of Landlord, its agents, contractors or employees; or (ii) result from any Default, breach, violation or non performance of this Lease or any provision therein by Landlord. Landlord shall defend any actions, suits and proceedings which may be brought against Tenant with respect to the foregoing or in which Tenant may be impleaded. Landlord shall pay, satisfy and discharge any judgments, orders and decrees which may be recovered against Tenant in connection with the foregoing.

Section 14.02 Liability Insurance:

(a) Tenant shall provide on or before it enters the Demised Premises for any reason and shall keep in force during the Term for the benefit of Landlord and Tenant, commercial general liability insurance naming Landlord, any Mortgagee and Master Lessor as additional insureds. The policy shall protect Landlord, Tenant and any designee of Landlord against any liability occasioned by any occurrence on or about the Demised Premises, the Common Area or any appurtenance thereto, or arising from any of the items indicated in Section 14.01 against which Tenant is required to indemnify Landlord. Such policy is to be written (i) by a good and solvent insurance company, and

(ii) in a combined single limit of at least \$5,000,000.00 for injury or death to one or more than one person arising from any one occurrence and in the amount of \$1,000,000.00 with respect to property damages.

(b) If it becomes customary for a significant number of tenants in shopping centers in the Grand Junction Metropolitan Area to be required to provide liability insurance policies to their landlords with coverage limits higher than the foregoing limits, Tenant shall be required, on demand of Landlord, to provide Landlord with an insurance policy whose limits are not less than the then customary limits.

Section 14.03 Fire Insurance:

(a) Tenant shall insure and keep its personal property and the entire Demised Premises, including, without limitation, all property and improvements installed elsewhere in the Shopping Center by Tenant insured against damage by fire and other casualties and risks covered by "All Risk" insurance. Tenant's

insurance policy shall also contain the following endorsements “Difference Of Condition”, and “Demolition Cost Which May Be Necessary To Comply With Building Laws”. The coverage limits shall not be less than the actual replacement value of said improvements and personal property.

(b) Tenant shall also carry rental value insurance in the amount of twelve (12) months Minimum Rent and estimated Tax Contributions; and insurance against such other hazards and in such amounts as may be customarily carried by tenants, owners and operators of similar properties as Landlord may reasonably require for its protection from time to time.

(c) Throughout the Term, Tenant shall maintain “All Risk” insurance on the Building (including the Demised Premises) and the Common Area, exclusive of excavations, foundations, footings, underground items and leasehold improvements constructed by tenants, with coverage limits of not less than the actual replacement value thereof.

Section 14.04 General Provisions with Respect to Insurance:

(a) Upon the execution of this Lease and before any insurance policy shall expire, Tenant shall deliver to Landlord a certificate of such policy or a certificate of the renewal thereof, as the case may be, together with evidence of payment of applicable premiums. Any insurance required to be carried hereunder by Landlord (or by Master Lessor) or Tenant may be carried under a blanket or umbrella policy covering the Building, Land or the Demised Premises, as the case may be, and other locations of Landlord or Tenant; and, if Tenant includes the Demised Premises in such blanket or umbrella coverage, Tenant shall deliver to Landlord a certificate of such policy.

(b) All insurance policies required to be carried hereunder by or on behalf of Tenant shall name Landlord, Master Lessor and any Mortgagee of either of them as an additional insured and shall provide (and any certificate evidencing the existence of any insurance policies, shall certify that): unless Landlord shall have been given thirty (30) days written notice of any cancellation or failure to renew, as the case may be, the insurance shall not be cancelled and shall continue in full force and effect.

(c) Each insurance policy maintained by Tenant shall be carried in favor of Landlord, Tenant and all Mortgagees and Master Lessor as their respective interests may appear. Within the meaning hereof, the term “insurance policy” shall include any extensions or renewals of such insurance policy.

(d) To the extent allowed by law, Tenant may self insure with respect to any of the fire and property insurance Tenant is required to carry under this Lease, provided that and so long as Tenant and Guarantor have a combined tangible net worth (computed in accordance with generally accepted accounting principles) in excess of \$200,000,000.00.

(e) Each insurance policy maintained by Landlord shall be issued by an insurer authorized to do business in the State of Colorado having both claims-paying-ability and financial strength ratings by Best’s of not less than “A-”.

Section 14.05 Inability to Perform:

(a) Landlord and Tenant shall not be required to carry out any of their obligations hereunder, nor be liable for loss or damage for failure to do so, nor shall Landlord or Tenant thereby be released from any of its obligations hereunder, where such failure arises by reason of delays caused by Force Majeure.

(b) If Landlord or Tenant is so delayed or prevented from performing any of its obligations, the period of such delay or such prevention shall be added to the time herein provided for the performance of any such obligation.

Section 14.06 Brokerage:

Landlord and Tenant represent that there was no broker instrumental in consummating this Lease, and that no conversations or prior negotiations were had with any broker concerning the renting of the Demised Premises. Landlord and Tenant agree to hold each other harmless against any claims for brokerage commission or compensation arising out of any conversations or negotiations had by it with any broker.

ARTICLE XV. COVENANT OF QUIET ENJOYMENT.

Landlord represents, covenants and warrants to Tenant this it has full right and authority to enter into this Lease. Landlord further covenants that if Tenant pays the Rent and all other charges provided for herein, performs all of its obligations provided for hereunder, and observes all of the other provisions hereof, Tenant shall at all times during the Term peaceably and quietly have, hold and enjoy the Demised Premises, without any interruption or disturbance from Landlord, subject to the terms hereof.

ARTICLE XVI. FAILURE TO PERFORM, DEFAULTS, REMEDIES.

Section 16.01 Defaults, Conditional Limitation:

(a) Each of the following events shall constitute a Default:

(i) If Tenant, or any Guarantor, shall (x) make an assignment for the benefit of creditors, (y) file or acquiesce to a petition in any court (whether or not pursuant to any statute of the United States or of any state) in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, (z) make an application in any such proceedings for or acquiesce to the appointment of a trustee or receiver for it or all of any portion of its property.

(ii) If any petition shall be filed against Tenant, or any Guarantor, to which neither of them acquiesce in any court (whether or not pursuant to any statute of the United States or any state) in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and (x) Tenant or any Guarantor shall thereafter be adjudicated a bankrupt, or (y) such petition shall be approved by any such court, or (z) such proceedings shall not be dismissed, discontinued or vacated within ninety (90) days.

(iii) If, in any proceeding, pursuant to the application of any person other than Tenant, or any Guarantor to which neither of them acquiesce, a receiver or trustee shall be appointed for Tenant, or any Guarantor or for all or any portion of the property of either and such receivership or trusteeship shall not be set aside within thirty (30) days after such appointment.

(iv) If Tenant shall fail to pay any Rent, or any other charge required to be paid by Tenant hereunder, when the same shall become due and payable, and such failure shall continue for ten (10) days after Landlord shall give notice of the failure to Tenant.

(v) If Tenant shall fail to perform or observe any other requirement of this Lease to be performed or observed by Tenant but not specifically referred to in this Section, and such failure shall continue for thirty (30) days after Landlord shall give notice of the failure to Tenant, or in case the failure be of such nature that it cannot reasonably be cured within said period of thirty (30) days, then if Tenant shall fail within said period of thirty (30) days to commence the cure of such failure and thereafter to complete such cure with due diligence.

(b) This Lease is subject to the following limitation: If at any time, a Default shall occur, then upon the happening of any one or more of the aforementioned Defaults, Landlord may give to Tenant a notice of intention to end the Term of this Lease at the expiration of ten (10) days from the date of service of such notice of termination. At the expiration of such ten (10) days this Lease and the Term as well as all of the

right, title and interest of the Tenant hereunder shall wholly cease and expire, and Tenant shall then quit and surrender the Demised Premises to the Landlord. But notwithstanding such termination, surrender, and the expiration of Tenant's right, title, and interest, Tenant's liability under all of the provisions of this Lease shall continue, as provided in this Article XVI.

Section 16.02 Landlord's Re-Entry:

If this Lease shall be terminated as herein provided, Landlord, or its agents or employees, may re enter the Demised Premises at any time and remove therefrom Tenant, Tenant's Agents, and subtenants, and any licensees, concessionaires or invitees, together with any of its or their property, either by summary dispossession proceedings or by any suitable action or proceeding at law. In the event of such termination, Landlord may repossess and enjoy the Demised Premises. Landlord shall be entitled to the benefits of all provisions of law respecting the speedy recovery of lands and tenements held over by Tenant, or proceedings in forceable entry and detainer. Tenant waives any rights to the service of any notice of Landlord's intention to re enter provided for by any present or future law, provided, however, that the foregoing shall not be deemed to be a waiver of service of process in connection with the institution of any action or proceeding at law or any notice required to be given by Landlord to Tenant pursuant to Section 16.01. Landlord shall not be liable in any way in connection with any lawful action it takes pursuant to the foregoing. Notwithstanding any such re entry, repossession, dispossession or removal, Tenant's liability under all of the provisions of this Lease shall continue, as provided in this Article XVI.

Section 16.03 Default Deficiency:

(a) In case of re entry, repossession or termination of this Lease, whether the same is the result of the institution of summary or other proceedings or not, Tenant shall remain liable (in addition to accrued liabilities) to the extent legally permissible for (i) the (x) Rent, and all other charges provided for herein until the date this Lease would have expired had such termination, re entry or repossession not occurred; and (y) reasonable expenses to which Landlord may be put in re entering the Demised Premises repossessing the same; making good any Default of Tenant; painting, altering or dividing the Demised Premises; combining or placing the same in proper repair; protecting and preserving the same by placing therein watchmen and caretakers; reletting the same (including reasonable attorney's fees and disbursements, marshal's fees, brokerage fees, in so doing); minus (ii) the proceeds of any reletting. Tenant agrees to pay to Landlord the difference between items (i) and (ii) hereinabove with respect to each month, at the end of such month. Such payment shall be made to Landlord at Landlord's notice address or such other address as Landlord may designate by giving notice to Tenant. Any suit brought by Landlord to enforce collection of such difference for any one month shall not prejudice Landlord's right to enforce the collection of any difference for any subsequent month. In addition to the foregoing, Tenant shall pay to Landlord such sums as the court which has jurisdiction thereover may adjudge reasonable as attorney's fees with respect to any successful lawsuit or action instituted by Landlord to enforce the provisions hereof.

(b) Landlord may relet the whole or any part of said Demised Premises for the whole of the unexpired period of this Lease, or longer, or from time to time for shorter period, for any rental then obtainable, giving such concessions of rent and making such special repairs, alterations, decorations and paintings for any new tenant as it may in its sole and absolute discretion deem advisable. Tenant's liability as aforesaid shall survive the institution of summary proceedings and the issuance of any warrant thereunder. Landlord shall use reasonable efforts to relet or attempt to relet the Demised Premises. Landlord and Tenant understand and agree that Landlord shall not be obligated to mitigate rental loss damages by reletting the Demised Premises to a new tenant: (i) whose use would not be retail, (ii) which does not have at least three (3) years of retail business

experience or has a business reputation which is a subject of concern in the business community, (iii) whose use would violate Landlord's mortgage agreement with its mortgagee, or (iv) so long as Landlord has other similar vacant space in the Building. In addition, Landlord shall not be obligated to use a real estate broker(s) in its efforts to relet the Demised Premises. Further, Landlord shall not be obligated to spend any money for advertising with respect to the renting of the Demised Premises, unless Tenant pays for such advertising in advance.

Section 16.04 Agreed Final Damages:

If Landlord so elects, Tenant shall pay Landlord, on demand, as liquidated, agreed final damages, the Rent and all other charges which would have been payable by Tenant from the date of such demand to the date when this Lease would have expired if it had not been terminated as aforesaid, minus the fair rental value of the Demised Premises for the same period, both discounted at the rate of four (4%) percent per annum. Upon payment of such liquidated and agreed final damages, Tenant shall be under no further liability with respect to the period after the date of such demand. Except as provided above, Landlord shall have no other rights to accelerate the Rent in the event of a Default by Tenant.

Section 16.05 Waiver of Landlord's Lien:

Landlord hereby waives any statutory, common law, contractual or other landlord's lien or similar encumbrance or right of distress or distraint with regard to any property (including, without limitation, the trade fixtures and inventory) of Tenant and/or its subtenants or assignees now or hereafter located on or within the Demised Premises.

Section 16.06 Waiver of Right of Redemption:

Tenant hereby expressly waives (to the extent legally permissible), for itself and all persons claiming by, through, or under it, any right of redemption or for the restoration of the operation of this Lease under any present or future law in case Tenant shall be dispossessed for any cause, or in case Landlord shall obtain possession of the Demised Premises as herein provided.

Section 16.07 Landlord's Right to Perform for Account of Tenant

If Tenant shall be in Default hereunder, Landlord or any Mortgagee may, at any time thereafter, on five (5) days notice to Tenant, cure said Default for the account and at the expense of Tenant. Tenant shall pay, with interest from the date of such expenditure by Landlord to the date of reimbursement at the prime rate then being charged by Citibank, N.A., in New York City, from time to time (the "Interest Rate"), on demand, to Landlord, the amount so paid, expended, or incurred by the Landlord and any expense of Landlord including attorney's reasonable fees incurred in connection with such Default; and all of the same shall be deemed to be additional rent.

Section 16.08 Additional Remedies, Waivers, Etc.:

Except as otherwise specifically set forth in this Lease to the contrary, with respect to the rights and remedies of and waivers by Landlord and Tenant: (a) the rights and remedies of Landlord and Tenant set forth herein shall be in addition to any other right and remedy now and hereafter provided by law. All such rights and remedies shall be cumulative and not exclusive of each other. Landlord or Tenant may exercise such rights and remedies at such times, in such order, to such extent, and as often as Landlord or Tenant deem advisable without regard to whether the exercise of one right or remedy precedes, concurs with or succeeds the exercise of another. (b) A single or partial exercise of a right or remedy shall not preclude (i) a further exercise thereof, or

(ii) the exercise of another right or remedy, from time to time. (c) No delay or omission by Landlord or Tenant in exercising a right or remedy shall exhaust or impair the same or constitute a waiver of, or acquiescence to a Default, (d) No waiver of a Default shall extend to or affect any other Default or impair any right or remedy with respect thereto, (e) No action or inaction by Landlord or Tenant shall constitute a waiver of a Default. (f) No waiver of a Default shall be effective, unless it is in writing.

ARTICLE XVII. TENANT'S CERTIFICATE.

(a) At any time within twenty (20) days after request by Landlord, Tenant shall, execute, acknowledge and deliver to Landlord, any Mortgagee, assignee of a Mortgagee, any purchaser, or any other person, specified by Landlord, an Estoppel Certificate in the form of Schedule A annexed hereto and made a part hereof, modified to conform to the type of transaction or the circumstances for which the request is being made, e.g. mortgage, assignment, sale, etc. Failure of Tenant to timely respond to Landlord's request shall be deemed a certification by Tenant that the facts set forth in Landlord's submission to Tenant are true, correct and complete.

(b) At any time within twenty (20) days after request by Tenant, by written instrument, duly executed and acknowledged, Landlord shall certify to Tenant, any assignee or sublessee of Tenant or any Institutional Lender, to the effect (i) whether or not Tenant is in possession of the Demised Premises; (ii) whether or not this Lease is unmodified and in full force and effect (or if there has been modification, that the same is in full force and effect as modified); (iii) to the best of Landlord's knowledge whether or not there are then existing set offs or defenses against the enforcement of any right or remedy of Tenant, or any duty or obligation of Landlord (and if so, specifying the same); (iv) to the best of Landlord's knowledge, whether a Default has occurred and is continuing under this Lease or whether an event has occurred which, with notice or lapse of time or both, would become a Default; and (v) the dates, if any, to which any Rent or other charges have been paid in advance.

ARTICLE XVIII. RIGHT OF ACCESS.

Section 18.01 Entry:

During any reasonable time before and after the Commencement Date, Landlord and/or any Mortgagee may enter upon the Demised Premises, any portion thereof and any appurtenances thereto (with men and materials, if required) for the purpose of: (a) inspecting same; (b) making such repairs, replacements or alterations which it may be required or permitted to perform as herein provided or which are required in order to comply with laws and court orders or to prevent waste or deterioration, regardless of whether Landlord is responsible for such repairs, maintenance or compliance with laws; and (c) showing the Demised Premises to prospective purchasers or mortgagees or, during the last twelve (12) months of the Term to prospective lessees.

Section 18.02 Easement for Pipes:

Tenant shall permit Landlord to erect, use, maintain and repair pipes, cables, conduits, plumbing, vents and wires in, to and through the Demised Premises as and to the extent that Landlord may now or hereafter deem to be necessary or appropriate for the proper operation and maintenance of the Land or Building.

During any such entry by Landlord into the Demised Premises, pursuant to Section 18.01 and 18.02, Landlord shall use reasonable efforts and proceed with due diligence, in order to minimize interference with the conduct of Tenant's business. Except in emergencies, any entry by Landlord into the Demised Premises shall be during Tenant's normal business hours and after Landlord has given Tenant at least twenty four (24) hours prior notice, which notice shall set forth the scope of the work, the areas where such work shall be performed and the approximate commencement date of such work.

In addition, Landlord shall not place or install any utility lines, pipes, ducts, conduits or the like in the Demised Premises, unless such work is performed along walls, above the hung ceiling or below the floor. If Landlord installs repairs, replaces or maintains any such items and any damage is done to the Demised Premises or to Tenant's property, Landlord shall promptly repair such damage.

ARTICLE XIX. INTERPRETATION, NOTICE, MISCELLANEOUS.

Section 19.01 Interpretation:

(a) Every term, condition, agreement or provision contained in this Lease which imposes an obligation on Tenant or Landlord, shall be deemed to be also a covenant by Tenant or Landlord.

(b) Any references herein to any extensions or renewals of the Term or any period during which Tenant may be in possession after the Expiration Date shall not be deemed to imply that any extension or renewal of the Term is contemplated hereby or that Tenant shall be permitted to remain in possession after the expiration of the Term.

(c) If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

(d) The captions and headings used throughout this Lease are for convenience of reference only and shall not affect the interpretation of this Lease.

(e) Anything in this Lease to the contrary notwithstanding:

(i) Any provision which permits or requires a party to take any particular action shall also be deemed to permit or require a party to cause such action to be taken; and

(ii) Any provision which requires any party not to take any particular action shall be deemed to require the party not to permit such action to be taken by any person or by operation of law.

(f) This Lease has been executed in several counterparts; but the counterparts shall constitute but one and the same instrument.

(g) Wherever a requirement is imposed on any party hereto, it shall be deemed that such party shall be required to perform such requirement at its own expense unless it is specifically otherwise provided herein.

(h) The singular includes the plural and the plural includes the singular.

(i) This Lease shall be construed and enforced in accordance with the laws of the State in which the Demised Premises are situated.

(j) The obligations and liabilities of Tenant pursuant to this Lease shall be joint and several if Tenant consists of more than one (1) entity.

Section 19.02 Construing Various Words and Phrases:

(a) Wherever it is provided herein that a party may perform an act or do anything, it shall be construed that that party may, but shall not be obligated to, so perform or so do.

(b) The words "reenter" and "reentry" as used herein are not restricted to their technical legal

meaning.

(c) The following words and phrases shall be construed as follows:

(i) "At any time" shall be construed as, "at any time or from time to time".

(ii) "Any" shall be construed as "any and all".

(iii) "Including" shall be construed as "Including but not limited to".

Section 19.03 No Oral Changes:

This Lease may not be changed or terminated orally.

Section 19.04 Communications:

No notice, request, consent, approval, waiver or other communication under this Lease shall be effective unless, but any such communication shall be effective and shall be deemed to have been given when the same is received or refused if, the same is in writing and is mailed by registered or certified mail, return receipt requested, postage prepaid, or sent by a generally recognized overnight carrier with receipted delivery, such as, but not limited to, Federal Express, addressed:

(a) If to Landlord, to the address designated as Landlord's Notice Address in Article I, or such other address as Landlord designates by giving notice thereof to Tenant, with a copy thereof under separate cover to the address designated as Landlord's Notice Copy Address in Article I, and with a copy(s) thereof under separate cover to the address(es) and person(s) designated as Landlord's Mortgagee Notice Copy Address in Article I, if any, or otherwise designated pursuant to Section 10.06 hereof or to such other person or party as Landlord shall designate by notice to Tenant; and

(b) If to Tenant, to the address designated as Tenant's Notice Address in Article I, or such other address as Tenant shall designate by giving notice thereof to Landlord, with a copy thereof under separate cover to the address designated as Tenant's Notice Copy Address in Article I or to such other person or party as Tenant shall designate by giving notice thereof to Landlord.

Section 19.04A. Payments to Landlord:

All payments under this Lease should be made payable to Landlord and addressed to One Geoffrey Way, Wayne, New Jersey 07470, or such other payee or address as Landlord may designate.

Section 19.05 INTENTIONALLY OMITTED.

Section 19.06 Method of Payment:

Except as herein otherwise expressly provided, all amounts payable under this Lease shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Section 19.07 Successors and Assigns:

Subject to the provisions hereof, this Lease shall bind and inure to the benefit of the parties and their respective successors, representatives, heirs and assigns.

Section 19.08 Responsibility of Tenant:

Any restriction on or requirement imposed upon Tenant hereunder shall be deemed to extend to

Tenant's Guarantor, Tenant's subtenants, concessionaires and licensees and it shall be Tenant's obligation to cause the foregoing persons to comply with such restriction or requirement.

Section 19.09 Hold Over:

If Tenant shall hold over after the end of the Term, such holding over shall be construed as a tenancy from month to month, subject to all of the provisions, conditions and obligations of this Lease, except that monthly Minimum Rent shall be twice the monthly installment of Minimum Rent payable for the last month of the Term.

Section 19.10 Intentionally Omitted:

Section 19.11 Liability of Landlord:

Landlord (and, in case Landlord shall be a joint venture, partnership, tenancy in common association or other form of joint ownership) and the members of any such joint venture, partnership, tenancy in common, association or other form of joint ownership shall have absolutely no personal liability with respect to any provision of this Lease or any obligation or liability arising therefrom or in connection therewith. Tenant shall look solely to the equity of the then owner of the Demised Premises in the Demised Premises (or if the interest of Landlord is a leasehold interest, Tenant shall look solely to such leasehold interest) or the proceeds of the sale of such equity, for the satisfaction of any remedies of Tenant in the event of a breach by Landlord of any of its obligations. Such exculpation of liability shall be absolute and without any exception whatsoever.

With respect to any provision of this Lease which provides, in effect, that Landlord shall not unreasonably withhold, unreasonably delay or unreasonably condition any consent or any approval, Tenant, in no event, shall be entitled to make, nor shall Tenant make, any claim for, and Tenant hereby waives any claim for money damages; nor shall Tenant claim any money damages by way of setoff, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld, unreasonably delayed or unreasonably conditioned any consent or approval; but Tenant's sole remedy shall be an action or proceeding to enforce any such provision, or for specific performance, injunction or declaratory judgment.

All property (whether real, personal or mixed) at any time located in or upon the Demised Premises shall be at the risk of the Tenant only, and Landlord shall not become liable for any damage to said property or to Tenant, or to any other person or property, caused by water leakage, steam, sewerage, gas or odors or for any damage whatsoever done or occasioned by or from any boiler, plumbing, gas, water, steam or other pipes, or any fixtures or equipment or appurtenances whatsoever, or for any damage arising from any act or neglect or arising by reason of the use of, or any defect in, the Demised Premises or any of the fixtures, equipment or appurtenances therein contained, or by the act or neglect of any other person or caused in any other manner whatsoever.

Section 19.12 Waiver of Jury Trial:

The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of the Demised Premises and/or any claim of injury or damage.

Section 19.13 Intentionally Omitted.

Section 19.14 Interest:

Any payment required to be made by Landlord or Tenant under the provisions of this Lease (other than payments of Rent provided for in Article V and Section 11.04) not made by Landlord or Tenant when and as

due shall thereupon be deemed to be due and payable to the other on demand with interest thereon at the Interest Rate computed from the date when the particular amount became due to the date of payment thereof.

Section 19.15 Late Charge:

Notwithstanding anything to the contrary herein contained, in order to cover the extra expense involved in handling delinquent payments, Tenant, at Landlord's option, shall pay a "late charge" of two percent (2%) when any payment of Rent hereunder (as provided in Article V) is paid more than ten (10) days after Tenant is given notice that the same is due; provided, however, that if any installment or other payment of Rent is not made within ten (10) days after the same first become due, on the first two occasions during any twelve (12) consecutive month period the aforesaid late charge shall not be imposed, unless Tenant fails to pay such installment or other payment of Rent within ten (10) days after notice to Tenant. It is understood and agreed that this charge is for additional expense incurred by Landlord and shall not be considered interest.

Section 19.16 Consequential Damages:

Landlord and Tenant agree that as to the other, Landlord and Tenant shall not have any right to sue for or collect, and Landlord and Tenant shall never have any liability or responsibility whatsoever for, any consequential or indirect damages whether proximately or remotely related to any default of the other under this Lease, and Landlord and Tenant hereby waive any and all such rights.

Section 19.17 Renewal Terms:

(a) Provided that Tenant is not then in Default under the terms of this Lease and provided further that this Lease has not theretofore been terminated pursuant to the provisions hereof, Tenant shall have the option to renew this Lease for one additional period of five (5) years (the "First Renewal Term"). The option to renew shall expire and be of no force or effect unless exercised by Tenant giving written notice thereof to Landlord sent not later than the last day of the year immediately preceding the last year of the original Term.

(b) If Tenant shall have exercised the aforesaid first renewal option, then provided that Tenant is not then in Default under the terms of the Lease and provided further that this Lease has not theretofore been terminated pursuant to the provisions hereof, Tenant shall have the option to renew this Lease for one additional period of five (5) years (the "Second Renewal Term"). The option to renew shall expire and be of no force or effect unless exercised by Tenant giving written notice thereof to Landlord sent not later than the last day of the year immediately preceding the last year of the First Renewal Term.

(c) The First Renewal Term and Second Renewal Term are sometimes collectively called the "Renewal Terms".

(d) All of the terms, conditions and provisions of this Lease shall remain in full force and effect during the Renewal Terms, except that the Minimum Rent shall be as follows:

(i) During the First Renewal Term, the Minimum Rent shall be the sum of \$442,955.26 per annum; and

(ii) During the Second Renewal Term, the Minimum Rent shall be the sum of \$487,250.78 per annum.

(e) No option granted to Tenant to renew this Lease, nor the exercise of any such option by Tenant, shall prevent Landlord from exercising any right granted or reserved to Landlord in this Lease or which Landlord may have by virtue of any law to terminate this Lease, either during the original Term or during the Renewal Terms. Any termination of this Lease shall serve to terminate any renewal option whether or not Tenant shall have exercised same. Any right on the part of Landlord to terminate this Lease shall continue

during the Renewal Terms, and no option granted to Tenant to renew this Lease shall be deemed to give Tenant any further option to renew beyond the Second Renewal Term.

Section 19.18 Real Estate Transfer Tax:

If a real estate transfer tax or similar tax is due as a result of the execution of this Lease, Tenant shall be required to pay such tax directly to the tax authority(ies) or, at Landlord's option, to Landlord for payment of any such tax.

Section 19.19 Financial Statements:

Except for calendar years during which at all times Tenant or Guarantor is a corporation, the majority of whose shares of voting stock are traded on a national securities exchange, Tenant shall submit to Landlord, (a) within ninety (90) days after the end of each fiscal year and (b) within ten (10) days of request of Landlord, current financial statement certified as complete and correct by a financial officer of Tenant.

Section 19.20 Tenant's Right of Self Help:

(a) If Landlord fails to perform its obligations with respect to the Demised Premises as required hereunder, the failure of which significantly, adversely affects Tenant's business operations at the Demised Premises or creates a hazardous condition at the Demised Premises, then after the expiration of thirty (30) days after written notice shall be given from Tenant to Landlord provided, however, that in an emergency only such notice, if any, as shall be reasonable under the circumstances need be given, if Landlord still has failed to make such repair or replacement (except if the repair or replacement reasonably cannot be made within said period, then only if Landlord has failed to commence the repair or replacement within said thirty (30) day period of time and is not proceeding with diligence toward completion); Tenant shall have the right (but not the obligation) to make the repair or replacement and after completion by Tenant, Landlord shall, within ten (10) days after receipt of copies of paid bills and a statement from Tenant, reimburse Tenant for the reasonable amount so expended by Tenant, subject, however, to the provisions of Subsection (b) hereof.

If Landlord fails to reimburse Tenant, as aforesaid, and if no dispute exists in connection therewith in accordance with Subsection (b) hereof, Tenant may deduct the amount owed to it by Landlord from 50% of the next installments of Rent due hereunder, subject, however to the provisions of Subsection (b) hereof.

(b) If after Tenant exercises self help, Landlord disputes the exercise of self help by Tenant or if Landlord disputes the amount due to Tenant in connection therewith, such dispute shall be resolved under the provisions of any simplified procedure for court determination of disputes (similar to that of New York State) available under the laws of the State in which the Demised Premises is located and if no such simplified procedure is available, then by arbitration as set forth in Subsection (c) hereof.

If any such dispute is determined by simplified court procedure or by arbitration and if Landlord does not reimburse Tenant for the amount owed to it by Landlord, as finally determined, within ten (10) days following the final determination, Tenant may deduct such amount from 50% of the next installments of Rent due hereunder.

If it is finally determined by simplified court procedure or by arbitration that Tenant was not entitled to exercise self help, Tenant shall not be entitled to any reimbursement for such work, and same shall have been performed at Tenant's sole cost and expense.

The cost of any such simplified court procedure or arbitration shall be borne by the non prevailing party.

(c) Wherever in this Lease it is provided that any dispute shall be determined by arbitration, such dispute shall be settled and finally determined by arbitration in Newark, New Jersey in accordance with the

rules of the American Arbitration Association or its successor and the judgment upon the award rendered may be entered in any court having jurisdiction thereof. The number of arbitrators to be appointed shall be three (3) and each arbitrator shall have had substantial experience in the resolution of landlord/tenant disputes arising out of shopping center leases.

If, at the time such arbitration is to be held, the American Arbitration Association is not in existence and has no successor, the arbitrators shall be appointed by another arbitration association mutually agreed to by Landlord and Tenant.

The parties to the arbitration, in addition to the rights granted under the rules of such arbitration association, shall have the right to offer evidence and testify at the hearings, to be represented by counsel and to cross examine witnesses, and the arbitrators may consider facts and data which they may discover by their independent investigation and inquiry outside of such hearings, but such arbitration shall not vary the terms and conditions of this Lease.

(d) The right granted to Tenant to exercise self help, as set forth in subsection (a) hereof, shall be subject to and in accordance with the following:

(i) If Tenant elects to exercise self help, such exercise together with Tenant's right to deduct the amount so expended from the Rent, as provided in this Section, shall be Tenant's sole remedy with respect to the repair or replacement in question; and whether or not Tenant exercises such right of self help, all of the other terms, covenants and provisions of this Lease including, without limitation, Sections 12.07, 19.11 and 19.16 shall remain unmodified and in full force and effect;

(ii) If Tenant is exercising self help on an emergency basis, as aforesaid, it shall only perform such repairs as are reasonably necessary to temporarily alleviate the emergency problem, such as, without limitation, any patching required to stop a water leak or shoring up to prevent the collapse of a wall, and thereafter Tenant shall give Landlord thirty (30) days notice, as aforesaid, to remedy the situation prior to commencing any permanent repair or replacement; and

(iii) If Tenant elects to exercise self help, other than on an emergency temporary basis, as aforesaid, such repair or replacement shall be performed by Tenant in a manner that is architecturally compatible with the surrounding area and using the same materials or if not available, materials that are substantially similar to that which existed at the time the repair or replacement became necessary.

(e) If pursuant to this Section, Landlord is obligated to reimburse Tenant for Landlord's share (as hereinabove defined) of the cost of any such work, Tenant shall be entitled to interest on such reimbursable amount at the Interest Rate on the unreimbursed amount thereof, from the date of such expenditure by Tenant to the date of reimbursement.

Section 19.21 Self Help Limitation.

The foregoing rights of self help shall be in force and effect only so long as Best Buy Stores, L.P. or a transferee pursuant to subsection 10.01(e) is the Tenant and is open for business in at least 20,000 square feet of floor area (exclusive of any mezzanine).

Section 19.22 Intentionally Omitted.

Section 19.23 Non-Disturbance Condition:

(a) Notwithstanding anything to the contrary contained herein, this Lease is expressly subject to and conditioned upon, in the event Landlord's interest in the Demised Premises is pursuant to a Master Lease, Landlord obtaining and delivering to Tenant (i) a Recognition Agreement in the form attached hereto as

Exhibit D executed by Master Lessor (“Recognition Agreement”) and (ii) Subordination, Nondisturbance and Attornment Agreement from the holder of any mortgage or deed of trust on the Demised Property in the form attached hereto as Exhibit E (“SNDA”) on or before the forty-fifth (45th) day next following the execution of this Lease (“Approval Date”). If Landlord and Tenant have not obtained the Recognition Agreement and SNDA on or before the Approval Date, Tenant shall have the right exercisable no later than ten (10) days after the Approval Date (as to which time is of the essence), but not after the date that the Recognition Agreement has been obtained, to cancel this Lease by notice to Landlord. Upon receipt of such notice of cancellation by Landlord, this Lease shall terminate and the parties shall have no further rights or obligations hereunder except as may be otherwise specifically set forth herein.

Section 19.24 Execution:

This Lease shall be of no force and effect unless and until it is executed by both Landlord and Tenant.

Section 19.25 Guaranty:

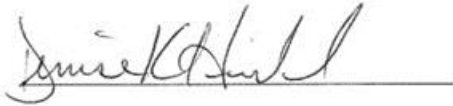
Tenant’s obligations under this Lease shall be guaranteed by Best Buy Co., Inc. (“Guarantor”), pursuant to a separate Guaranty, in the form of Schedule B attached hereto.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed as of the day and year first above written.

ATTEST:



ATTEST:



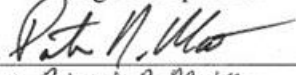
LANDLORD: Toys "R" Us - Delaware, Inc.

By: 

Name: DAVID P. PICOT
Title: PRESIDENT - REAL ESTATE
DESIGN & CONSTRUCTION

TENANT: Best Buy Stores, L.P.

By: BBC Property Co.,
as its general partner

By: 

Name: Patrick R. Make
Title: V.P.

SCHEDULE A
ESTOPPEL CERTIFICATE

[Date]

RE: Lease dated _____, 2006, between
_____ (“Landlord”) and _____
 (“Tenant”), as modified by amendments on _____, 200 _____ (the
 “Lease”).

Ladies and Gentlemen:

The undersigned is the Tenant under the above referenced Lease for the premises
(the “Premises”) identified as _____, being a portion of
the property commonly known as [Name of Store site or address], [City], [State] (the “Property”).

Tenant understands that you are about to make loans which will be secured in part by a mortgage on the Property. You have required
that this certificate be executed by Tenant in connection with the loans.

With the knowledge that you will be relying on the certifications contained herein, Tenant hereby certifies that as of the date hereof:

1. The documents listed in Exhibit A hereto (the “Lease Documents”) (i) set forth the entire agreement between Landlord and
Tenant with respect to the Premises, (ii) are in full force and effect, and (iii) have not been modified or amended except as set forth in Exhibit
A. There are no other understandings or agreements, written or oral, between Landlord and Tenant with respect to the Premises or the Property.
Tenant’s interest in the Lease and the Premises has not been assigned, sublet or encumbered.

2. The term of the Lease commenced on _____ and expires
_____. The Lease contains no options to extend other than _____.

3. The current monthly fixed rental under the Lease is
_____ and _____ /100 (\$) Dollars and has been paid through
_____. Percentage rent due under the Lease has been paid through _____
and the amount of percentage rent for the last period paid was _____
and _____ /100 (\$) Dollars. Common area maintenance, taxes, insurance and
other charges due under the Lease have been paid through _____.

4. Tenant has accepted the Premises and is in full and complete possession of the Premises. Landlord has no further
obligations to provide tenant improvements to the Premises, such obligation, if any, having been fully performed.

5. To Tenant’s knowledge, neither Landlord nor Tenant are in default in their respective obligations under the Lease and there
are no existing circumstances which, with the passage of time, or notice, or both, would give rise to a default under the Lease, except as
follows: _____.

6. No rent under the Lease has been paid other than is currently due under the Lease or which has been paid not more than one
(1) month before the due date thereof. Tenant does not now have or hold any claim or defense against Landlord which might be set off or
credited against future accruing rents, and there are no credits or allowances to which Tenant is entitled.

7. Except as expressly set forth in the Lease and disclosed herein, Tenant (i) does not have a right to rent additional space, (ii)
does not have an option or preferential right to purchase the Premises, the Property

Schedule A-1

or any portion thereof, and (iii) does not have

any right, title or interest with respect to the Premises other than as Tenant under the Lease.

8. [Insert additional specific provisions if necessary.]

The provisions of this estoppel letter shall be binding upon the successors and assigns of Tenant and shall inure to your benefit and your successors and assigns.

Very truly yours,

BEST BUY STORES, L.P.,
a Virginia limited partnership (Tenant)

By: BBC Property Co., a Minnesota corporation

Its: General Partner

By: _____

SCHEDULE B

GUARANTY

In consideration of, and as an inducement for the granting, execution and delivery of the foregoing lease, dated _____, 2006 ("Lease"), by Toys "R" Us-Delaware, Inc., Landlord therein named ("Landlord", which term shall be deemed to include the named Landlord and its successors and assigns) to Best Buy Stores, L.P., Tenant therein named ("Tenant", which term shall be deemed to include the named Tenant and its successors and assigns), and in further consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration paid by Landlord to the undersigned, the receipt and sufficiency of which are hereby acknowledged, the undersigned, Best Buy Co., Inc., a Minnesota corporation, whose address is 7601 Penn Avenue South, Richfield, Minnesota 55423 ("Guarantor", which term shall be deemed to include the named Guarantor and its successors and assigns), hereby guarantees, absolutely and unconditionally, to Landlord the full and prompt payment of Rent and other charges and sums (including, without limitation, Landlord's legal expenses and reasonable attorneys' fees and disbursements) payable by Tenant under the Lease, and hereby further guarantees the full and timely performance and observance of all the covenants, terms, conditions and agreements therein provided to be performed and observed by Tenant; and Guarantor hereby covenants and agrees to and with Landlord that if default shall at any time be made by Tenant in the payment of any Rent or other charges and sums, or if Tenant should default in the performance and observance of any of the terms, covenants and conditions contained in the Lease, Guarantor shall and will forthwith pay Rent and all other charges and sums, to Landlord and any arrears thereof, and shall and will forthwith faithfully perform and fulfill all of such terms, covenants and conditions and will forthwith pay to Landlord all damages that may arise in consequence of any default by Tenant under the Lease, including, without limitation, all reasonable attorneys' fees, and disbursements incurred by Landlord or caused by any such default or the enforcement of this Guaranty.

This Guaranty is an absolute and unconditional guaranty of payment (and not of collection) and of performance. The liability of Guarantor is co-extensive with that of Tenant and this Guaranty shall be enforceable against Guarantor without the necessity of any suit or proceeding on Landlord's part of any kind or nature whatsoever against Tenant and without the necessity of any notice of non-payment, non-performance or non-observance or of any notice of acceptance of this Guaranty or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives. Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected, diminished or impaired by reason of (a) the assertion or the failure to assert by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the terms, covenants and conditions of the Lease, or (b) any non-liability of Tenant under the Lease, whether by insolvency, discharge in bankruptcy, or any other defect or defense which may now or hereafter exist in favor of Tenant.

This Guaranty shall be a continuing guaranty, and the liability of Guarantor hereunder shall in no way be affected, modified or diminished by reason of (a) any assignment, renewal, modification, amendment or extension of the Lease, or (b) any modification or waiver of or change in any of the terms, covenants and conditions of the Lease by Landlord and Tenant, or (c) any extension of time that may be granted by Landlord to Tenant, or (d) any consent, release, indulgence or other action, inaction or omission under or in respect of the Lease, or (e) any dealings or transactions or matter or thing occurring between Landlord and Tenant, or (f) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship or similar proceeding affecting Tenant, whether or not notice thereof or of any thereof is given to Guarantor.

Should Landlord be obligated by any bankruptcy or other law to repay to Tenant or to Guarantor or to any trustee, receiver or other representative of either of them, any amounts previously paid, this Guaranty shall be reinstated in the amount of such repayments. Landlord shall not be required to litigate or otherwise dispute its obligations to make such repayments if it in good faith believes that such obligation exists.

No delay on the part of Landlord in exercising any right, power or privilege under this Guaranty or failure to exercise the same shall operate as a waiver of or otherwise affect any such right, power or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

No waiver or modification of any provision of this Guaranty nor any termination of this Guaranty shall be effective unless in writing, signed by Landlord; nor shall any such waiver be applicable except in the specific instance for which given.

All of Landlord's rights and remedies under the Lease and under this Guaranty, now or hereafter existing at law or in equity or by statute or otherwise, are intended to be distinct, separate and cumulative and no exercise or partial exercise of any such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others.

Guarantor agrees that whenever at any time or from time to time Guarantor shall make any payment to Landlord or perform or fulfill any term, covenant or condition hereunder on account of the liability of Guarantor hereunder, Guarantor will notify Landlord in writing that such payment or performance as the case may be, is for such purpose. No such payment or performance by Guarantor pursuant to any provision hereof shall entitle Guarantor by subrogation or otherwise to the rights of Landlord to any payment by Tenant or out of the property of Tenant, except after payment of all sums or fulfillment of all covenants, terms, conditions or agreements to be paid or performed by Tenant.

Guarantor agrees that it will, at any time and from time to time, within ten (10) business days following written request by Landlord, execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modification). Guarantor agrees that such certificate may be relied on by anyone holding or proposing to acquire any interest in the "Demised Premises" (as defined in the Lease) from or through Landlord or by any mortgagee or prospective mortgagee of the Demised Premises or of any interest therein.

As a further inducement to Landlord to make and enter into the Lease and in consideration thereof, Landlord and Guarantor covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, Landlord and Guarantor shall and do hereby waive trial by jury. Without regard to principles of conflicts of laws, the validity, interpretation, performance and enforcement of this Guaranty shall be governed by and construed in accordance with the internal laws of the State in which the Demised Premises are located.

Guarantor warrants and represents to Landlord that it has the legal right and capacity to execute this Guaranty. In the event that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a joint tenant therein.

As used herein, the term "successors and assigns" shall be deemed to include the heirs and legal representatives of Tenant and Guarantor, as the case may be. If there is more than one Guarantor, the liability hereunder shall be joint and several. All terms and words used in this Guaranty, regardless of the number or gender in which they are used,

shall be deemed to include any other number and any other gender as the context may require.

If Guarantor is an individual, Guarantor warrants and represents that it is owner of more than fifty percent (50%) of the issued and outstanding shares of voting stock of Tenant, and is a principal officer of Tenant. If Guarantor is a corporation, Guarantor warrants and represents that Tenant is a wholly-owned subsidiary of Guarantor (or a wholly-owned subsidiary of another wholly-owned subsidiary of Guarantor) and that the execution and delivery of this Guaranty is not in contravention of its charter or by-laws or applicable state laws and has been duly authorized by its Board of Directors. Upon request of Landlord, Guarantor agrees to deliver to Landlord a Secretary's certification and corporate resolution authorizing the execution and delivery of this Guaranty.

If Guarantor fails to pay any amount payable under this Guaranty when due, interest on such amount shall accrue at the highest legal rate chargeable to Guarantor in the state in which the Demised Premises are located.

IN WITNESS WHEREOF, the undersigned has duly executed this Guaranty as of the _____ day of _____, 2006.

ATTEST: Best Buy Co., Inc.

_____ By: _____

STATE OF _____)

) ss.:

COUNTY OF _____)

On this _____ day of _____, 2006, before me personally came to me _____, known, who, being by me duly sworn, did depose and say that he resides at _____, that he is the _____ of Best Buy Co., Inc., the corporation described in and which executed the foregoing Guaranty; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal, that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

NOTARY PUBLIC

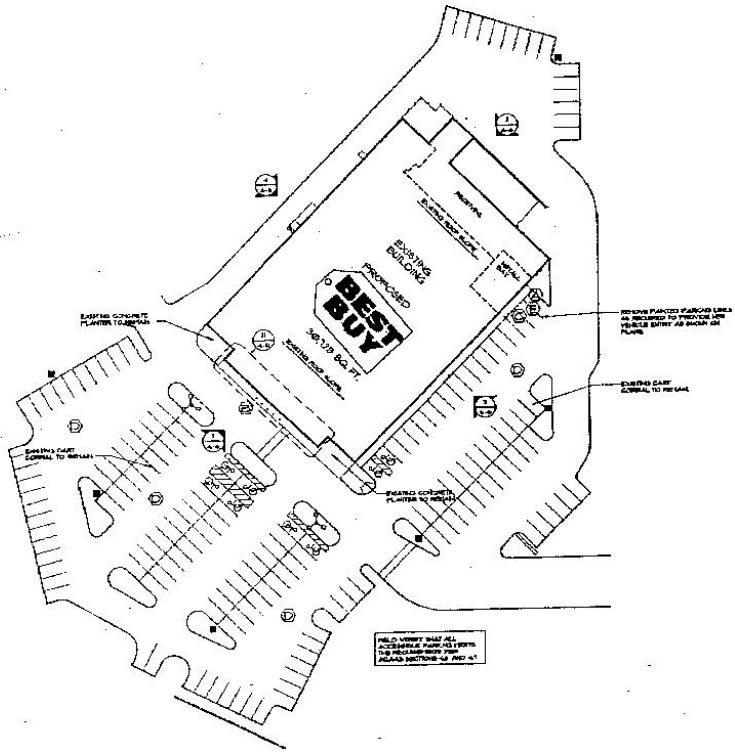
EXHIBIT A

SITE PLAN

A-1

42642/0004-2281747vll January 27,2006

A-1



① SITE PLAN
 1/2" = 1'-0"

EXHIBIT A-1

LEGAL DESCRIPTION OF LAND

Parcel 1:

Lot One (1) of MESA MALL MINOR SUBDIVISION, according to the official plat thereof recorded in Plat Book No. 14 at Page 64, Official Records of Mesa County, Colorado

Parcel 2:

Terms, conditions, stipulations, obligations and provisional of Operating Agreement and Amendments recorded March 5,1980 in Book 1247 at Page 110; **together with the First Amendment recorded June 15,1981 in Book 1318 at Page 580; the First Amendment to Supplemental Agreement recorded March 8,1982 in Book 1360 at Page 483; the Second Amendment recorded October 6,1982 in Book 1394 at Page 237; the Third Amendment recorded December 23,1982 in Book 1406 at Page 723; the Fourth Amendment recorded September 5,1984 in Book 1508 at Page 592; and the Fifth Amendment recorded January 10, 1997 in Book 2293 at page 603.**

Parcel 3:

Terms, conditions, stipulations, obligations and provisions of Reciprocal Easement and Operating Agreement recorded July 30, 1992 in Book 1914 at Page 685.

NOTE: Vesting deed recorded July 30,1992 in Book 1914 at Page 681.

EXHIBIT A-2

LEGAL DESCRIPTION OF DEVELOPER'S REA TRACT

SIZZLER PARCEL

A tract of land in Lot 2, Mesa Mall Subdivision in Section 9. T 1 S, R 1 W of the Ute Meridian, Mesa County, Colorado more particularly described as follows;

Beginning at a point on the northerly right-of-way line of U.S. Highway 6 and 50, from whence the S.E. Corner of the NE ¼ NW ¼ of said Section 9 bears S78°48'10"E 549.73 feet; thence N26°30'31"E 63.03 feet to the beginning of a curve concave westerly and having a radius of 305.00 feet; thence northerly on said curve through a central angle of 24°35'32" an arc distance of 130.91 feet; thence S63°31'52"E 281.57 feet; thence S27°41'50"W 190.01 feet, more or less, to the northerly right-of-way line of said Highway 6 and 50 and the beginning of a curve concave southwesterly and having a radius of 5830.00 feet; thence on said curve through a central angle of 02°27'24" an arc distance of 249.99 feet to the beginning.

This description contains 1.12 acres.

RED LOBSTER PARCEL

Beginning at a point which bears S00°11'55"W 1316.27' and N89°54' 30"W 50.00' from the NE corner of the NW ¼ of Section 9 and considering the line between Mesa County Brass Caps at the NE corner of the NW ¼ of said Section 9 and at the SE Corner of the NE1/4NW1/4 of said Section 9 to bear S00°11'55"W with all other bearings contained herein relative thereto; thence S00°08'56"W 126.58 feet; thence S67°02'41"W 28.34 feet to the northerly right-of-way of U.S. Highway 6 & 50 and the beginning of a 5320 foot radius curve to the left the chord of which bears N60°56'50"W 273.48 feet; thence along said arc 273.59 feet; thence leaving said right-of-way N27°41' 50"E 190.01 feet; thence N63°31'52"W 281.56 feet to the beginning of a 305 foot radius curve to the right the chord of which bears N01°29'27"W 36.23 feet; thence along said arc 36.25 feet; thence S63°31'52"E 230.48 feet; thence N26°28'08"E 104.69 feet; thence S89°48'05"E 178.28 feet to the westerly right-of-way line of 24 1/2 road; thence S00°11'55"W 315.48 feet to the beginning.

This description contains 2.18 acres.

PORTION OF RING ROAD OWNED BY DEVELOPER

An easement, for ingress, egress and non-exclusive reciprocal use over lot 2, Mesa Mall Subdivision, in the city of Grand Junction, County of Mesa, state of Colorado, records of said county, more particularly described as follows:

Beginning at a point on the northerly right-of-way of U.S. Hwy. 6 & 50, said point being N78°48'10"W 549.73 feet from the southeast corner of the northeast ¼, northwest ¼, Sec. 9, township 1 south, range 1 west, U.M., said point being on a curve concave southwesterly having a radius of 5830.00 feet, to which point a radial line bears N25°14'49"E, thence the following courses;

1. Northwesterly on said curve through a central angle of 00°43'04" an arc distance of 73.04 feet on said northerly right-of-way;
2. N26°30'31"E 65.09 feet to a curve concave westerly having a radius of 232.00 feet;
3. Northerly on said curve through a central angle of 42'12'38" an arc distance of 170.91 feet;
4. N15°42'00"W 62.50 feet to a curve concave southwesterly having a radius of 25.00 feet;

5. Northwesterly on said curve through a central angle of $84^{\circ}23'44''$ an arc distance of 36.82 feet;
6. $N10^{\circ}05'49''W$ 50.00 feet to a point on a non-tangent curve concave northwesterly having a radius of 555.00 feet, to which point a radial line bears $S10^{\circ}05'49''E$;
7. Northeasterly on said curve through a central angle of $6^{\circ}37'01''$ an arc distance of 64.10 feet to the southwest line of lot 3 of said subdivision;
8. $S45^{\circ}00'00''E$ 65.15 feet on said line to a point on a non-tangent curve concave southeasterly having a radius of 25.00 feet, to which point a radial line bears $N68^{\circ}03'54''W$;
9. Southwesterly on said curve through a central angle of $37^{\circ}37'55''$ an arc distance of 16.42 feet;
10. $S15^{\circ}42'00''E$ 62.50 feet to a curve concave northwesterly having a radius of 305.00 feet;
11. Southwesterly on said curve through a central angle of $42^{\circ}12'31''$ an arc distance of 224.69 feet;
12. $S26^{\circ}30'31''W$ 63.03 feet to the point of beginning and the end of this description. This description contains 0.677 acres.

(PORTION "RING ROAD" NOT OWNED BY DEVELOPER IN WHICH DEVELOPER HAS EASEMENT RIGHTS)

An easement, for ingress, egress and non-exclusive reciprocal use over lot 3, Mesa Hall Subdivision, in the city of Grand Junction. County of Mesa, state of Colorado, records of said county, more particularly described as follows;

Beginning at the southerly corner of said lot 3, said point being $N47^{\circ}52'19''W$ 682.91 feet from the southeast corner of the northeast 1/4, northwest 1/4, Sec. 9, township 1 south, range 1 West, U.M., said point being on a curve concave southeasterly having a radius of 25.00 feet, to which point a radial line bears $N68^{\circ}03'54''W$, thence the following courses:

1. Northeasterly on said curve through a central angle of $46^{\circ}45'46''$ an arc distance of 20.40 feet to the beginning of a reverse curve concave northwest having a radius of 605.00 feet;
2. Northeasterly on said curve through a central angle of $23041'52''$ an arc distance of 250.23 feet;
3. $N45^{\circ}00'00''E$ 57.00 feet to a curve concave northwesterly having a radius of 505.00 feet;
4. Northeasterly on said curve through a central angle of $20^{\circ}00'00''$ an arc distance of 176.28 feet to the beginning of a reverse curve concave southeasterly having a radius of 32.09 feet;
5. Northeasterly on said curve through a central angle of $90^{\circ}00'00''$ an arc distance of 50.41 feet;

6. S65°00'00"E 12.69 feet to a curve concave northeasterly having a radius of 100.33 feet;
7. Southeasterly on said curve through a central angle of 24°48.05" an arc distance of 43.43 feet;
8. N0° 11'55"E 65.00 feet to a non-tangent curve concave northeasterly having a radius of 35.33 feet, to which point a radial line bears 50°11'55"W;
9. Northwesterly on said curve through a central angle of 24°48'05" an arc distance of 15.29 feet;
10. N65°00'00"W 12.69 feet to a curve concave northeasterly having a radius of 32.09 feet;
11. Northwesterly on said curve through a central angle of 90°00'00" an arc distance of 50.41 feet;
12. N65°00'00"W 50.00 feet;
13. S25°00'00"W 129.19 feet to a curve concave northwesterly having a radius of 455.00 feet;
14. Southwesterly on said curve through a central angle of 20°00'00" an arc distance of 158.82 feet;
15. S45°00'00"W 57.00 feet to a curve concave northwesterly having a radius of 555.00 feet;
16. Southwesterly on said curve through a central angle of 28°17'09" an arc distance of 274.00 feet;
17. S45°00'00"E 65.15 feet to the point of beginning and the end of this description.

This description contains 0.842 acres.

EXHIBIT A-3

LEGAL DESCRIPTION OF ADJACENT SHOPPING CENTER

DEVELOPER PARCEL I

Beginning at a point which bears N 89°56'13" E 540.59 feet from the Southwest Corner of Section 4, T1S, R1W, Ute Meridian; thence N 39°44' W 128.50 feet; thence along the arc of a 308.0 foot radius curve to the left 295.91 feet (the chord of which bears N 37°10'21" W 284.66 feet); thence along the arc of a 255.0 foot radius curve to the right 140.46 feet (the chord of which bears N 5°46'49" W 138.70 feet); thence N 10°00'00" E 39.42 feet; thence N 89°59'40" E 227.50 feet; thence along the arc of a 238.0 foot radius curve to the right 78.73 feet (the chord of which bears N 47°03'20" E 78.38 feet); thence N 56°31'58" E 162.16 feet; thence N 33°28'02" W 34.89 feet; thence along the arc of a 508.0 foot radius curve to the right 296.68 feet (the chord of which bears N 16°44'11" W 292.48 feet); thence N 00°00'20" W 25.0 feet to a point on the South right-of-way line of F Road; thence along said right-of-way line N 89°59'40" E 75.0 feet; thence leaving said right-of-way line S 00°00'20" E 25.0 feet; thence along the arc of a 433.00 foot radius curve to the left 252.88 feet, (the chord of which bears S 16°44'11" E 249.30 feet); thence S 33°28'02" E 34.88 feet; thence N 47°12'30" E 386.96 feet; thence N 00°00'20" W 30.00 feet to a point on said right-of-way line of F Road; thence along said right-of-way line N 89°59'40" E 510.80 feet; thence leaving said right-of-way S 00°00'20" E 63.20 feet; thence N 86°17'28" E 293.94 feet; thence along the arc of a 406.63 foot radius curve to the right 70.77 feet (the chord of which bears S 88°43'23" E 70.68 feet); thence S 10°00'00" W 175.21 feet; thence N 80°00'00" W 170.65 feet; thence S 10°00'00" W 451.00 feet; thence S 80°00'00" E 34.30 feet; thence S 10°00'00" W 0.75 feet; thence S 80°00'00" E 91.95 feet; thence S 10°00'00" W 0.50 feet; thence S 80°00'00" E 162.66 feet; thence N 10°00'00" E 1.25 feet; thence S 80°00'00" E 43.09 feet; thence S 10°00'00" W 94.48 feet; thence along the arc of a 88.0 foot radius curve to the left 84.47 feet (the chord of which bears S 17°30'00" E 81.27 feet); thence S 45°00'00" E 126.26 feet; thence N 45°00'00" E 320.36 feet; thence N 08°00'20" W 329.39 feet; thence N 81°59'40" E 73.87 feet to a point on the southwest right-of-way line of F Road; thence along said right-of-way line S 08°00'20" E 298.47 feet; thence along said right-of-way line along the arc of a 450.0 foot radius curve to the left 77.11 feet (the chord of which bears S 12°54'52" E 77.01 feet); thence leaving said right-of-way line S 45°00'00" W 298.23 feet; thence S 45°00'00" E 19.00 feet; thence S 45°00'00" W 130.00 feet; thence S 45°00'00" E 42.00 feet; thence S 45°00'00" W 394.27 feet; thence N 45°00'00" W 417.72 feet; thence S 45°00'00" W 565.72 feet; thence S 45°00'00" E 45.14 feet; thence along the arc of a 405 foot radius curve to the left 158.16 feet, the chord of which bears S 56°11'15" E 157.16 feet; thence S 67°22'30" E 309.24 feet; thence S 22°37'30" W 229.84 feet to a point on the North right-of-way line of U.S. Highway 6 and 50; thence along said right-of-way line N 67°22'30" W 36.50 feet; thence leaving said right-of-way line N 22°37'30" E 154.84 feet; thence along the arc of a 25.0 foot radius curve to the left 39.27 feet (the chord of which bears N 22°22'30" W 35.36 feet); thence N 67°22'30" W 247.74 feet; thence along the arc of a 455.0 foot radius curve to the right 177.69 feet (the chord of which bears N 56°11'15" W 176.56 feet); thence N 45°00' W 71.5 feet; thence along the arc of a 25.0 foot radius curve to the left 39.27 feet (the chord of which bears West 35.36 feet); thence S 45°00' W 5.0 feet; thence along the arc of a 232.0 foot radius curve to the left 70.46 feet (the chord of which bears S 36°18' W 70.18 feet); thence S 27.36' W 134.4 feet to a point on the North right-of-way line of U. S. Highway 6 &

50; thence along said right-of-way line along the arc of a 5630.0 foot radius curve to the right 73.0 feet (the chord of which bears N 62°03'09" W 72.99 feet); thence leaving said right-of-way line N 27°36' E 133.80 feet; thence along the arc of a 305.0 foot radius curve to the right 92.62 feet (the chord of which bears N 36°18' E 92.27 feet); thence N 45°00' E 5.0 feet; thence along the arc of a 25.0 foot radius curve to the left 39.42 feet (the chord of which bears N 00° 10'18" W 35.46 feet); thence along the arc of a 550.0 foot radius curve to the left 56.86 feet (the chord of which bears N 48°18'18" W 56.83 feet); thence N 51°16' W 307.91 feet; thence along the arc of a 405.0 feet radius curve to the right 81.52 feet (the chord of which bears N 45°30' W 81.39 feet); thence N 39°44' W 194.87 feet to the point of beginning.

Containing 40.933 acres more or less.

DEVELOPER PARCEL II-A

Commencing at the Southwest Corner of Section 4, T1S, R1W, of the Ute Meridian; thence N 89°56'13" E 50.00 feet; thence N 0°06'21" E 502.97 feet; thence N 89°59'40" E 25.00 feet to the true point of beginning; thence N 89°59'40" E 203.41 feet; thence S 10°00'00" W 39.42 feet; thence along the arc of a 255.0 foot radius curve to the left 140.46 feet (the chord of which bears S 5°46'49" E 138.70 feet); thence along the arc of a 308.0 foot radius curve to the left 82.86 feet (the chord of which bears N 72°24'09" W 82.61 feet); thence along the arc of a 232.0 foot radius curve to the right 153.38 feet; (the chord of which bears N 61°10'08" W 150.61 feet); thence N 0°06'21" E 79.49 feet to the point of beginning.

Containing 0.620 acres more-or less.

DEVELOPER PARCEL II-B

Beginning at a point which bears N 89°56'13" E 459.17 feet from the Southwest Corner of Section 4, T1S, R1W of the Ute Meridian; thence along the arc of a 308.0 foot radius curve to the left 99.34 feet (the chord of which bears N 0°24'33" W 98.81 feet); thence S 39°44'00" E 128.50 feet; thence S 89°56'13" W 81.42 feet to the point of beginning.

Containing 0.086 acres more or less.

MESA HALL DEVELOPER PARCEL III

Beginning at a point which bears N 89°56'13"E 459.17 feet from the Southwest Corner of Section 4, T1S, R1W Ute Meridian; thence N 89°56'13" E 81.42 feet; thence S 39°44' E 194.87 feet; thence along the arc of a 405.0 feet radius curve to the left 19.91 feet (the chord of which bears S 41°08.30" E 19.91 feet); thence S 89°56'13" W 289.01 feet; thence along the arc of a 232.0 feet radius curve to the right 47.32 feet (the chord of which bears N 27°47'08"E 47.24 feet); thence along the arc of a 308.0 foot radius curve to the left 133.30 feet (the chord of which bears N 21°13'48" E 132.27 feet) to the point of beginning.

Containing 0.679 acres more or less.

DEVELOPER PARCEL IV

Beginning at a point-on the North right-of-way line of U.S. Highway 6 & 50, from whence

the Southeast Corner of the NE 1/4 NW 1/4 of Section 9, T1S, R1W of the Ute Meridian bears S 78°48'38" E 549.69 feet; thence along said right-of-way line along the arc of a 5,830 foot radius curve to the left 73.04 feet, the chord of which bears N 65°06'43" W 73.04 feet; thence leaving said right-of-way line N 26°30'31" E 65.09 feet; thence along the arc of a 232 foot radius curve to the left 170.91 feet, the chord of which, bears N 5°24'15" E 167.07 feet; thence N 15°42'00" W 62.50 feet; thence along the arc of a 25 foot radius curve to the left 36.83 feet, the chord of which bears N 57°53'56" W 33.59 feet; thence along the arc of a 605 foot radius curve to the right 318.23 feet, the chord of which bears N 85°01'45" W 314.58 feet; thence N 45°00'00" E 285.48 feet; thence S 45°00'00" E 298.57 feet; thence along the arc of a 25 foot radius curve to the left 16.42 feet, the chord of which bears S 3°07'04" W 16.13 feet; thence S 15°42'00" E 62.50 feet; thence along the arc of a 305 foot radius curve to the right 224.69 feet, the chord of which bears S 5°24'15" W 219.64 feet; thence S 26°30'31" W 63.03 feet to the point of beginning.

Containing 1.754 acres more or less.

DEVELOPER PARCEL V

A tract of land situated in Lot 2 of Mesa Mall Minor Subdivision, a Replat of a Portion of Lot 2, Mesa Mall Subdivision, in Mesa County, Colorado more particularly described as follows:

Commencing at the Northwest corner of said Lot 2 of the replat; thence the following courses:

1. S21°13'41" W through the chord of a 308.00 foot radius curve concave westerly 132.24 feet to the beginning of a 232.00 foot radius curve, concave easterly, the central angle of which is 11°41'11";
2. thence through the chord of said curve S27° 47' 08"W 47.24 feet to the point of beginning;
3. thence from said point of beginning N89°56'13"E 289.01 feet to the beginning of a 405.00 foot radius curve, concave northerly, the chord of which bears S46°54'25"E 61.58 feet;
4. thence on the arc of said curve, through a central angle of 08°43 '11", 61.64 feet;
5. thence S51°16'00"E 307.91 feet to the beginning of a 550.00 foot radius curve, concave southerly, the chord of which bears S48°08'00"E 60.13 feet;
6. thence along the arc of said curve, through a central angle of 06'16'00", 60.16 feet to the beginning of a non-tangent curve, concave westerly, the chord of which bears S03°35'00"W 25.00 feet, and the radius of which bears S52°10'00"W 25.00 feet;
7. thence along the arc of said curve, through a central angle of 82°50'00", 36.14 feet;
8. thence S45°00'00"W 5.20 feet to the beginning of a 305.00 foot radius curve, concave easterly, the chord of which bears S36°18'00"W 92.27 feet;
9. thence along the arc of said curve, through a central angle of 17'24'00",

92.63 feet;

10. thence S27°36'00 "W 17.20 feet;
11. thence N58°41 '45"W 661.85 feet to the beginning of a 232.00 foot radius curve, concave easterly, the chord of which bears N14°39'00"E 58.86 feet;
12. thence along the arc of said curve, through a central angle of 14°34'33", 59.02 feet to said point of beginning at course No. 2.

This description contains 2.47 acres.

RESERVE PARCELS

RESERVE PARCEL NO. 1A

Beginning at a point which bears N 89°56'13" E 50.00 feet and N 0°06'21" E 502.97 feet from the Southwest Corner of Section 4, T1S; R1W of the Ute Principal Meridian; thence N 0°06'21" E 477.00 feet to the South right-of-way line of F Road; thence N 89°59'40" E 544.20 feet along said line; thence S 0°00'20"E'25.00 feet; thence along the arc of a 508.00 foot radius curve to the left 296.68 feet (the chord of which bears S 16°44'11" E 292.48 feet); thence S 33°28'02' E 34.89 feet; thence S 56°31'58"

W 162.16 feet; thence along the arc of a 238.00 foot radius curve to the left 78.73 feet (the chord of which bears S 47°03'20" W 78.38 feet); thence S 89°59'40" W 455.91 feet to the point of beginning.

Containing 6.197 acres more or less.

RESERVE PARCEL NO. 2

A tract of land situated in Lot 2 of Mesa Mall Minor Subdivision, a Replat of a Portion of Lot 2, Mesa Mall Subdivision, in Mesa County, Colorado more particularly described as follows:

Commencing at the Northwest corner of said Lot 2 of the replat; thence the following courses:

1. S21°13'41 "W through the chord of a 308.00 foot radius curve concave westerly 132.24 feet to the beginning of a 232.00 foot radius curve, concave easterly, the central angle of which is 37°57'00";
2. thence through the chord of said curve S20°29'38"W 105.41 feet to the point of beginning;
3. thence S58°41'45"E 661.85 feet;
4. thence S27°36'00"W 116.60 feet to the beginning of a 5630.00 foot radius curve, concave northerly, the chord of which bears N58°59'05"W 529.70 feet, said point being on the northerly right-of-way line of U.S. Highway 6 and 50;
5. thence along the arc of said curve, through a central angle of 05°23'34", 529.90 feet;
6. thence N56°21'00"W 20.82 feet to the beginning of a non-tangent curve, concave easterly, the chord of which bears N13°49'52"W 167.75 feet, and from whence the radius point bears N54°58'29" E 232.00 feet;
7. thence along the arc of said curve, through a central angle of 42°23'17", 171.64 feet to the beginning.

This description contains 1.73 acres.

RESERVE PARCEL NO. 3

Beginning at a point on the North right-of-way line of U.S. Highway 6 & 50 which point bears S53°30'11"E 1182.07 feet from the SW corner of Section 4, T1S, R1W U.M., thence N27°36'E 134.4 feet, thence along the arc of a 232.0 foot radius curve to the right 70.46 feet (the chord of which bears N36°18' E 70.18 feet), thence N45°00' E 5.0 feet, thence along the arc of a 25.0 foot radius curve to the right 39.27 feet (the chord of which bears East 36.36 feet), thence S45°00'E 71.5 feet, thence along the arc of a 455.0 foot radius curve to the left 177.69 feet (the chord of which bears S56°11'15"E 176.56 feet), thence S67°22'30"E 247.74 feet, thence along the arc of a 25.0 foot radius curve to the right 39.27 feet (the chord of which bears S22°22'30"E 35.36 feet), thence S22°37'30"W 154.84 feet to a point on the North right-of-way line of U.S. Highway 6 & 50, thence along said right-of-way line N67°22'30"W 95.30 feet; thence along said right-of-way line along the arc of a 5630.0' foot radius curve to the right 480.15 feet (the chord of which bears N64°52'03"W 479.99 feet) to the point of beginning.

Containing 2.438 acres more or less.

RESERVE PARCEL NO. 4

Beginning at a point on the North right-of-way line of U.S. Highway 6650 which point bears S27°19'53"W 1328.69 feet from the S Corner of Section 4, T1S, R1W U.M., thence along said right-of-way line along the arc of a 5830 foot radius curve to the left 193.75 feet (the chord of which bears N66°25'22"W 193.74 feet), thence along said right-of-way line N67°22'30"W 333.50 feet, thence leaving said right-of-way line N22°37'30"E 154.84 feet, thence along the arc of a 25.0 foot radius curve to the right 39.27 feet (the chord of which bears N67°37'30"E 15.36 feet), thence S67°22'30"E 58.24 feet, thence along the arc of a 605.0 foot radius curve to the left 345.53 feet (the chord of which bears S83°44'11"E 340.85 feet), thence along the arc of a 25.0 foot radius curve to the right 36.83 feet (the chord of which bears S57°53'56"E 33.59 feet), thence S15°42"E 5 feet; thence along the arc of a 232.0 foot radius curve to the right 170.91 feet (the chord of which bears S5°24'15"W 167.07 feet), thence S26°30'31"W 65.09 feet to the point of beginning.

Containing 2.553 acres more or less.

RESERVE PARCEL 5

SIZZLER PARCEL

A tract of land in Lot 2, Mesa Mall Subdivision in Section 9. T 1 S, R 1 W of the Ute Meridian, Mesa County, Colorado more particularly described as follows;

Beginning at a point on the northerly right-of-way line of U.S. Highway 6 and 50, from whence the S.E. Corner of the NE 1/4 NW 1/4 of said Section 9 bears S78°48'10"E 549.73 feet; thence N26°30'31"E 63.03 feet to the beginning of a curve concave westerly and having a radius of 305.00 feet; thence northerly on said curve through a central angle of 24°35'32" an arc distance of 130.91 feet; thence S63°31'52"E 281.57 feet; thence S27°41'50"W 190.01 feet, more or less, to the northerly right-of-way line of said Highway 6 and 50 and the beginning of a curve concave southwesterly and having a radius of 5830.00 feet; thence on said curve through a central angle of 02°27.24" an arc

distance of 249.99 feet to the beginning.
This description contains 1.12 acres.

RESERVE PARCEL 5A

RED LOBSTER PARCEL

Beginning at a point which bears S00°11'55"W 1316.27' and N89°54'30"W 50.00' from the NE corner of the NW1/4 of Section 9 and considering the line between Mesa County Brass Caps at the NE corner of the NW1/4 of said Section 9 and at the SE Corner of the NE1/4 NW1/4 of said Section 9 to bear S00°11'55"W with all other bearings contained herein relative thereto; thence S00°08'56"W 126.58 feet; thence S67°02'41"W 28.34 feet to the northerly right-of-way of U.S. Highway 6 & 50 and the beginning of a 5320 foot radius curve to the left the chord of which bears N60°56'50"W 273.48 feet; thence along said arc 273.59 feet; thence leaving said right-of-way N27°41'50"E 190.01 feet; thence N63°31'52"W 281.56 feet to the beginning of a 305 foot radius curve to the right the chord of which bears N01°29'27"W 36.23 feet; thence along said arc 36.25 feet; thence S63°31'52"E 230.48 feet; thence N26°28'08"E 104.69 feet; thence S89°48'05"E 178.28 feet to the westerly right-of-way line of 24 1/2 road; thence S00°11'55"W 315.48 feet to the beginning.

This description contains 2.18 acres.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the “Amendment”) is entered into this 19th day of May, 2021 (“Effective Date”), by and between **OREOF19 BR, LLC**, a Delaware limited liability company (“Landlord”), and **BEST BUY STORES, L.P.**, a Virginia limited partnership (“Tenant”).

RECITALS

WHEREAS, Landlord and Tenant are the current parties to that certain Lease dated February 27, 2006, (as amended, the “Lease”), with respect to a Building containing approximately 30,701 leasable square feet of floor area having a street address at 585 24½ Road, Grand Junction, Colorado 81505, all as more particularly described in the Lease (the “Demised Premises”); and

WHEREAS, Landlord and Tenant have agreed to amend the Lease in accordance with the terms and conditions more particularly set forth herein.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

TERMS

1. **Interpretation.** The terms used herein and not specifically defined shall have the same meaning as in the Lease. In the event of any conflict between the Lease and this Amendment, this Amendment shall control. The Lease as amended by this Amendment remains in full force and effect and contains the entire agreement between Landlord and Tenant with respect to the Lease. There are no other agreements, understandings, restrictions, warranties, representations, or covenants between the parties relating to the subject matter of this Amendment.
2. **First Renewal Term.** The Term is scheduled to expire on January 31, 2022. The parties hereby agree to extend the Term for the period from February 1, 2022 through and including March 31, 2027, which period shall be deemed the First Renewal Term referenced in Section 19.17 of the Lease. Notwithstanding anything to the contrary in the Lease, during the First Renewal Term, Minimum Rent shall be per Paragraph 4 of this Amendment.
3. **Second Renewal Term.** Tenant shall continue to have the right to extend the Term for the Second Renewal Term (which Second Renewal Term shall be for the period from April 1, 2027 to March 31, 2032), exercisable in accordance with Section 19.17 of the Lease. Notwithstanding anything to the contrary in the Lease, during the Second Renewal Term, Minimum Rent shall be per Paragraph 4 of this Amendment.

4. **Minimum Rent.** Notwithstanding anything to the contrary in the Lease, the Minimum Rent shall be as follows:

Term	Annual Rent	Monthly Rent	per SF
5-1-2021 to 3-31-2022	\$353,061.48	\$29,421.79	\$11.50
4-1-2022 to 3-31-2027 (First Renewal Term)	\$353,061.48	\$29,421.79	\$11.50
4-1-2027 to 3-31-2032 (Second Renewal Term)	\$388,367.64	\$32,363.97	\$12.65

5. **Curbside Pickup Stalls.** Landlord hereby consents to the following (collectively, the “Curbside Pickup Work”) by Tenant materially as shown on the attached Exhibit A, and adjustments to the same as reasonably necessary to comply with local requirements and/or to be consistent with changes to Tenant’s Curbside Pickup program (“Curbside Pickup”), subject to the provisions of this Paragraph 5:

- (i) designation of up to six (6) parking stalls for Curbside Pickup (notwithstanding that Exhibit A shows only 4 stalls) to be located near Best Buy’s main entrance (but not to adversely impact handicapped parking spaces), which stalls may include, at Tenant’s discretion, graphic Curbside Pickup designation generally as depicted on Exhibit A;
- (ii) the installation of up to three (3) double-faced pole signs mounted on a concrete base (i.e. six (6) sides total facing outwards, notwithstanding Exhibit A shows only two (2) double faced signs) or six (6) individual signs, with Curbside Pickup language for the Curbside Pickup parking stalls. Notwithstanding the foregoing, it is understood that the dimensions of the pole signs shown on Exhibit A are approximate, and the height of such poles will be subject to jurisdictional approval; and
- (iii) penetrations on the front façade of the Demised Premises below the roof line, for installation and operation of one (1) camera and one (1) telecommunications access point with equipment as depicted on Exhibit A. Notwithstanding the foregoing, Tenant shall be required to repair any such penetrations to the Building façade and roof to Landlord’s reasonable satisfaction upon or prior to the expiration or earlier termination of the Lease.

Tenant, at its sole cost and expense, shall perform the Curbside Pickup Work in accordance with all applicable terms, covenants and conditions of the Lease, including, without limitation, compliance with all applicable Laws and obtaining any and all permits or authorizations required by the applicable governmental authority (the “Permits”). In the event Tenant receives a notice from a third party alleging that the Curbside Pickup Work breaches the obligations of an existing document affecting the Shopping Center, Tenant will cure the default by removing the defaulting improvements. In the event that Landlord incurs any expenses whatsoever in connection with Tenant’s Curbside Pickup Work, Tenant shall promptly reimburse Landlord for all actual, documented out-of-pocket costs incurred by Landlord either arising out of or relating to such

Curbside Pickup Work. To the extent that any Permits are required to be executed in connection with Tenant's Curbside Pickup Work, Landlord shall reasonably cooperate with the same (including timely executing any Permits required to be executed by Landlord within ten (10) days after written request for the same), it being understood that Tenant shall be responsible for all costs to obtain such Permits.

6. **Authority.** Each party represents and warrants that, except as otherwise provided herein, as of the date hereof: (i) such party has not made any assignment, lease, transfer, conveyance, or other disposition of the Lease, or any interest in the Lease, (ii) such party has the full right, power and authority to enter into this Amendment and has obtained all consent(s) or approval(s) required from any applicable third parties (e.g., mortgagee(s) and/or administrative agent(s), etc.), (iii) each individual executing this Amendment on behalf of an entity is duly authorized to do so such that this Amendment shall be binding on the applicable entity upon full execution and delivery of the same, and (iv) except for the agent(s)/broker(s) named in the following paragraph of this Amendment (collectively, "Brokers"), such party has not dealt with any broker or finder in connection with this Amendment such that no party other than the Broker(s) is entitled to be paid a fee or commission in connection with the amendment of the Lease by such party. In addition to any other rights which each party might have at law or in equity, and not as a limitation thereof, each party hereby agrees to indemnify, defend and hold the other party harmless from any loss or damage (including reasonable attorneys' fees) arising from any breach of the representations and warranties contained in this paragraph, including without limitation, any and all claims that might be made by any third party as a result of the execution of this Amendment.
7. **Broker.** Landlord and Tenant each represents and warrants to the other party that it has not employed or dealt with any broker, agent or finder in connection with this **Second** Amendment other than David O. Larson with Legend Partners LLP ("Tenant's Broker"). Landlord shall pay a commission to both Tenant's Broker and Landlord's Broker (if any) in connection with this Amendment and pursuant to separate written agreement(s) between Landlord, Tenant, and such broker(s).
8. **Nondisclosure.** Landlord and Tenant agree that neither party shall disclose or distribute any of the terms, details or conditions of the Lease including this Amendment to any person, firm or entity without obtaining the express written approval of the other party or its respective successors or assigns, except (i) as reasonably necessary in the conduct of its business such as necessary employees, officers, legal counsel, brokers, and consultants (for tax, financial or leasing matters), it being understood that third party lease consultants shall be required to execute a nondisclosure agreement for such purpose; (ii) to the extent the terms of this Amendment become publicly available through no wrongful act of disclosing party; or (iii) when required by law, court order, duly authorized subpoena, or governmental authority to do so (but the party required to disclose shall promptly give the other party written notice and an opportunity to contest such required disclosure).
9. **Miscellaneous.** The above recitals are hereby incorporated into this Amendment as if fully set forth herein. This Amendment can be modified only in writing signed by the Landlord and Tenant. This Amendment shall be governed by and interpreted in accordance with the laws of the state in which the Demised Premises is located. Any notices required hereunder shall be sent

in the same manner and upon the same terms as are required by the Lease. This Amendment shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto. This Amendment may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same Amendment. Execution copies of this Amendment may be delivered by facsimile or PDF, and the parties hereto agree to accept and be bound by facsimile or PDF signatures hereto. Both Landlord and Tenant assume responsibility for the content and form of this document, and therefore the parties agree that the rule of judicial interpretation to the effect that ambiguities and/or uncertainties contained in an agreement should be construed against the party who drafted that agreement shall not be applied in the event of any dispute arising from the content of this document.

[Signatures on the following page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Amendment to be executed as of the Effective Date.

LANDLORD:

OREOF19 BR, LLC, a Delaware limited liability company



By: _____

Name: Joseph A. Sanz

Title: Manager

Date: May 7, 2021

TENANT:

BEST BUY STORES, L.P., a Virginia limited partnership

By: BBC Property Co., a Minnesota corporation, its general partner

By: _____



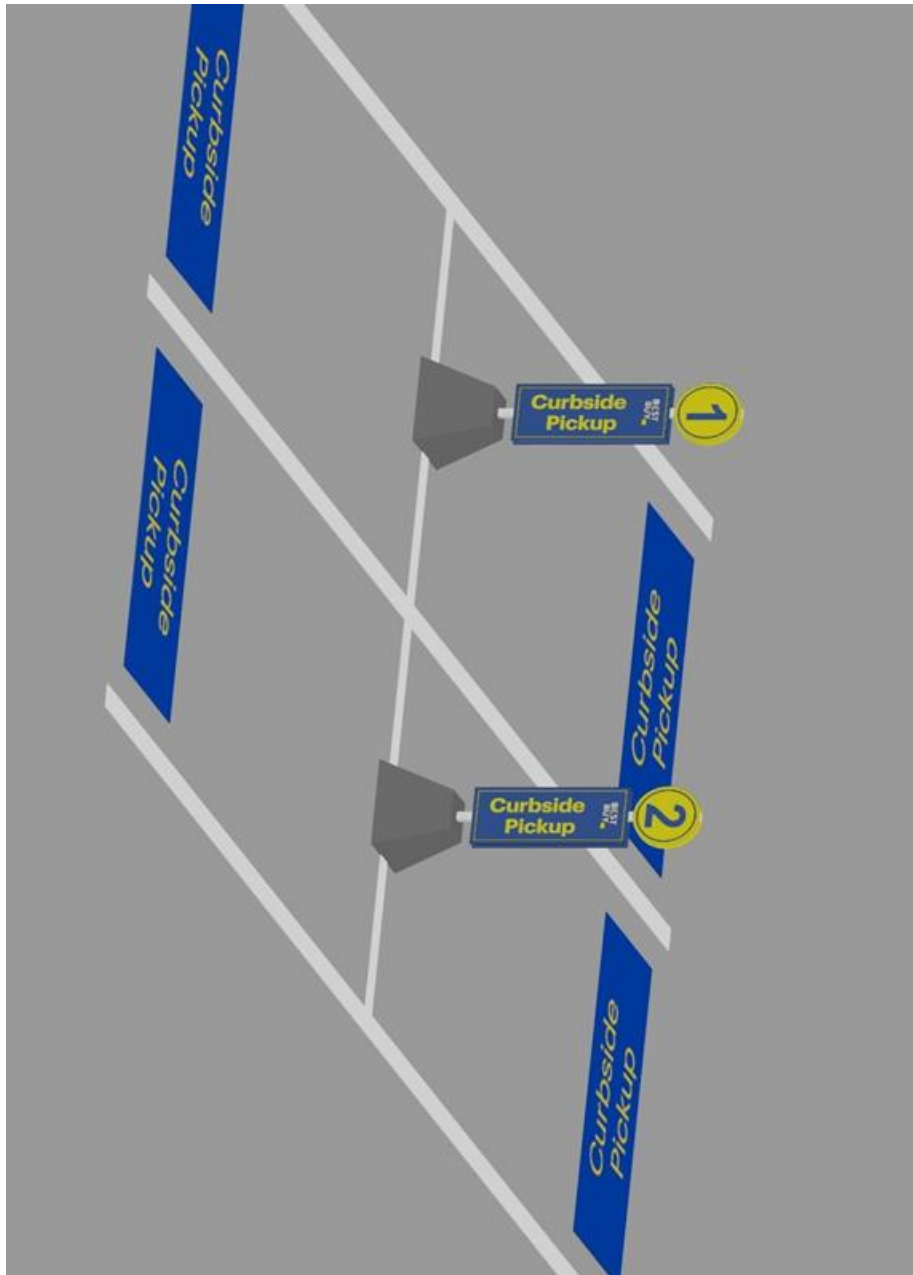
Name: Buddy Davenport

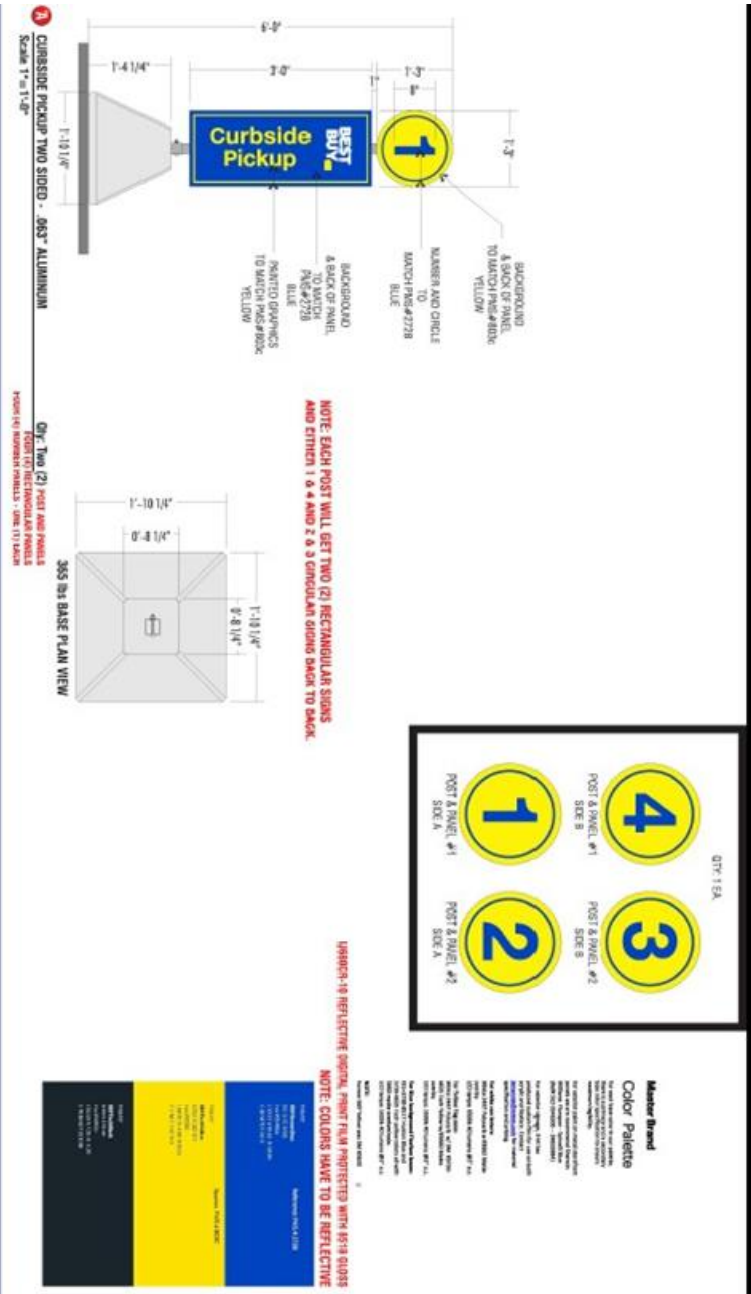
Title: Vice President

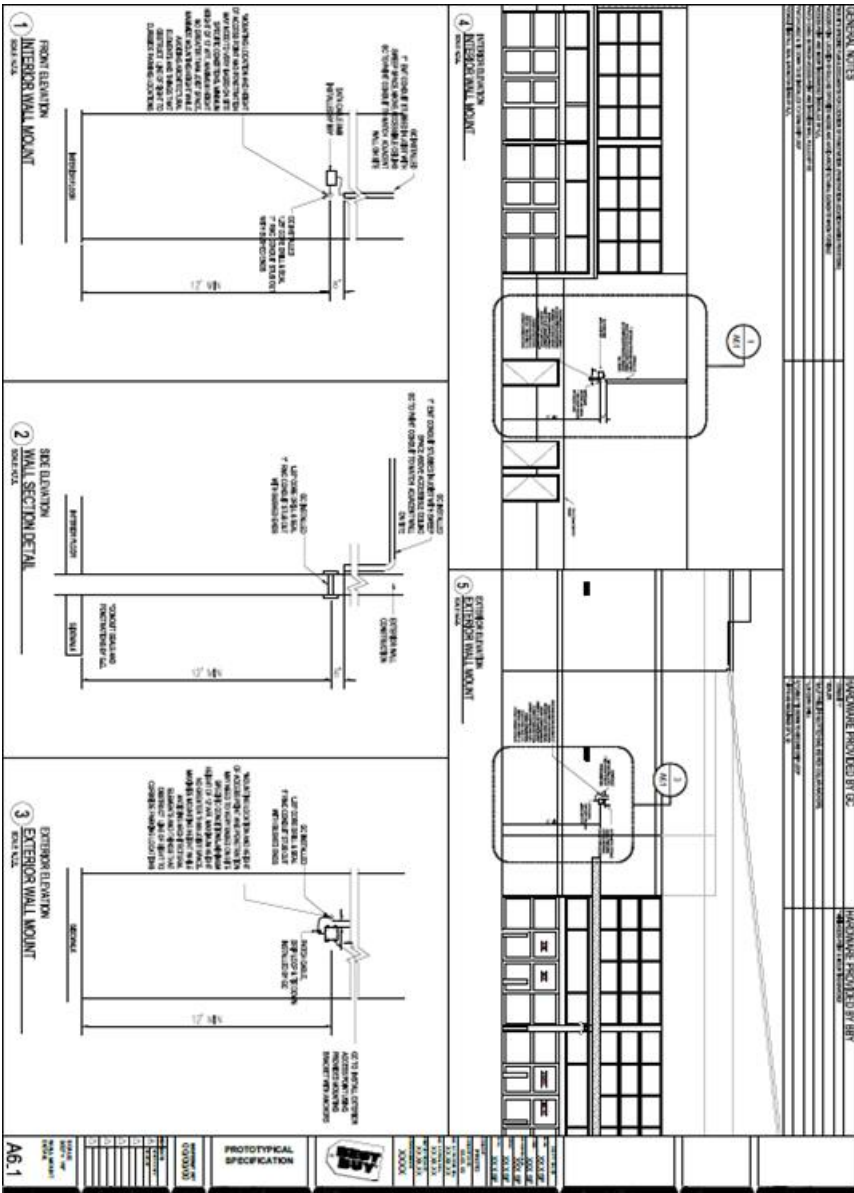
Date: May 19, 2021

EXHIBIT A

Curbside Pickup Work







QNV-7080R

4M Vandal-Resistant Network IR Dome Camera

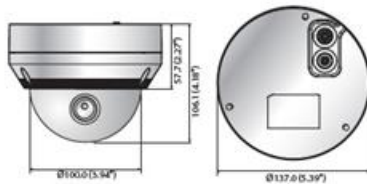


Key Features

- Max. 4 megapixel resolution
- 2.8 ~ 12mm (4.3x) motorized varifocal lens
- Max. 20fps@4M resolutions, Max. 30fps@2M resolutions
- H.265, H.264, MJPEG codec supported, Multiple streaming
- Day & Night (ICR), WDR (120dB)
- Motion detection, Tampering, Defocus detection
- micro SD/SDHC/SDXC memory slot (Max. 128GB), PoE / 12V DC
- IR viewable length 30m, IP66, IK10
- Hallway view support
- LDC support (Lens distortion correction)

Dimensions

Unit : mm (Inch)



Accessories (Optional)



QNV-7080R	
VIDEO	
Imaging Device	1/3" 4M CMOS
Total Pixels	2,720(H) x 1,536(V)
Effective Pixels	2,688(H) x 1,500(V)
Scanning System	Progressive
Min. Illumination	Color : 0.15Lux (30IRE), B/W : 0Lux (IR LED on)
S/N Ratio	50dB
LENS	
Focal Length (Zoom Ratio)	2.8 ~ 12mm (4.3x) motorized varifocal
Max. Aperture Ratio	F1.4
Angular Field of View	H : 109.2° ~ 26.0° / V : 60.8° ~ 15.2° / D : 131.3° ~ 30.1°
Focus Control	Simple focus (Motorized VF) / Manual, Remote control via network
Lens Type	DC auto iris
Mount Type	Board type
PAN / TILT / ROTATE	
Pan / Tilt / Rotate Range	0° ~ 350° / 0° ~ 60° / 0° ~ 350°
OPERATIONAL	
IR Viewable Length	30m (98.43ft)
Camera Title	Off / On (Displayed up to 20 characters per line) - WW : English / Numeric / Special characters - China : English / Numeric / Special / Chinese characters - Common : Multi-line (Max. 5), Color (Grey / Green / Red / Blue / Black / White), Transparency, Auto scale by resolution
Day & Night	True Day & Night
Backlight Compensation	Off / BLC / WDR
Wide Dynamic Range	120dB
Digital Noise Reduction	SSNR (Off / On)
Motion Detection	Off / On (See polygonal zones)
Privacy Masking	Off / On (See rectangular zones)
Gain Control	Off / Low / Middle / High
White Balance	ATW / AWB / Manual / Indoor / Outdoor
LDC (lens distortion correction)	Off / On (5 levels with min / max)
Electronic Shutter Speed	Minimum / Maximum / Anti flicker
Flip / Mirror	Flip / Mirror / Halfway view
Intelligent Video Analytics	Motion detection with metadata, Tampering, Defocus detection
Alarm I/O	Input 1 / Output 1
Alarm Triggers	Motion detection, Tampering detection, SD card error, NAS error, Alarm input, Defocus detection
Alarm Events	File upload via FTP and E-mail, Local storage recording at event, Notification via E-mail, External output
Pixel Counter	Support #Pixel in viewer only
NETWORK	
Ethernet	10/100/1000BASE-T
Video Compression Format	H.265, H.264, MJPEG
Resolution	2592 x 1520, 2560 x 1440 (16:9), 2304 x 1296, 1920 x 1080, 1280 x 1024, 1280 x 960, 1280 x 720, 1024 x 768, 800 x 600, 800 x 448, 720 x 576, 720 x 480, 640 x 480, 640 x 360, 320 x 240
Max. Frame Rate	H.265/H.264 : Max. 20fps at 4M, Max. 30fps at 2M all resolutions, MJPEG : Max. 15fps
Smart Codec	WideStream
Video Quality Adjustment	H.265/H.264 : Target bitrate level control, MJPEG : Quality level control
Bitrate Control Method	H.265/H.264 : CBR or VBR, MJPEG : VBR
Streaming Capability	Multiple streaming (Up to 3 profiles)
Audio In	Selectable (microphone Line In), Supported voltage: 25VDC (4mA), Input impedance: 2K Ohm
Audio Compression Format	G.711 u-law / G.726 selectable
Audio Communication	G.726 ADPCM (8KHz, G.711 8KHz, G.726 : 16Kbps, 24Kbps, 32Kbps, 40Kbps)
IP	IPv4, IPv6
Protocol	TCP/IP, UDP/IP, RTP/UDP, RTP/RTCP, RTSP, RTP, NTP, HTTP, HTTPS, SSL/TLS, DHCP, PPPoE, FTP, SMTP, ICMP, ICMP, SNMPv1/v2/v3 (MIB-2), ARP, DNS, DDNS, QoS, P2P, PM-PM, UPnP, Bonjour
Security	HTTPS/SSL login authentication, Digest login authentication, IP address filtering, User access log, 802.1x authentication
Streaming Method	Unicast / Multicast
Max. User Access	6 users at unicast mode
Storage	micro SD/SDHC/SDXC (Max. 128GB), NAS - Motion images recorded in the SD memory card can be downloaded - Manual recording at local PC
Application Programming Interface	ONVIF Profile S/G, SUNAPI (HTTP API)
Webpage Language	English, Korean, Chinese, French, Italian, Spanish, German, Japanese, Russian, Swedish, Portuguese, Czech, Polish, Turkish, Dutch, Hungarian, Greek
Web Viewer	Supported OS : Windows 7, 8.1, 10, Mac OS X 10.9, 10.10, 10.11 Plug-in free Webviewer - Supported Browser : Google Chrome 47, MS Edge 20 Plug-in Webviewer - Supported Browser : MS Explorer 11, Mozilla Firefox 43, Apple Safari 9 * Mac OS X only
Central Management Software	SmartViewer
ENVIRONMENTAL	
Operating Temperature / Humidity	-30°C ~ +55°C (-22°F ~ +131°F) / Less than 90% RH * Start up should be done at above -20°C (-4°F)
Storage Temperature / Humidity	-30°C ~ +60°C (-22°F ~ +140°F) / Less than 90% RH
Ingress Protection / Vandal Resistance	IP66 / IK10
ELECTRICAL	
Input Voltage / Current	PoE (IEEE802.3af, Class3) / 12V DC
Power Consumption	Max. 7.2W (PoE), Max. 6.6W (12V DC)
MECHANICAL	
Color / Material	Ivory / Metal
Dimensions (WxH)	81.37 x 106.1 mm (3.19" x 4.18")
Weight	680g (1.5 lb)

IT Telecommunications Antennae (exterior mount)



DATA SHEET

ARUBA OUTDOOR 4X4 MIMO ANTENNA

JW018A

AP-ANT-45 is a multi-polarized antenna with nominal 90° H x 90° V beamwidths. This antenna is well suited for 2.4 and 5 GHz sector coverage for access.

FREQUENCY/GAIN

- 4.9-6.0 GHz/5.5 dB
- 2.4-2.5 GHz/4.5 dB

DIMENSIONS

- 200 mm x 200 mm x 40 mm

POLARIZATION

- +/-45° +/-135°

WEIGHT

- 590 g

BEAMWIDTH

- Horiz Plane: 90° Vert Plane: 90° @ 2.4 GHz
- Horiz Plane: 90° Vert Plane: 90° @ 5.x GHz

HOUSING

- Housing: Aluminum
- Radome: Plastic

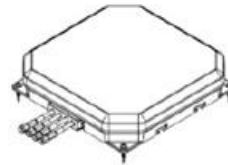


VSWR

- 2:1 max

INSTALLATION HARDWARE

- Wall mount anchors provided
- Optional AP-ANT-VNT-5 bracket purchased separately



Wall mount

GUARANTY

In consideration of, and as an inducement for the granting, execution and delivery of the foregoing lease, dated February 27, 2006 ("Lease"), by Toys "R" Us-Delaware, Inc., Landlord therein named ("Landlord"), which term shall be deemed to include the named Landlord and its successors and assigns) to Best Buy Stores, L.P., Tenant therein named ("Tenant", which term shall be deemed to include the named Tenant and its successors and assigns), and in further consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration paid by Landlord to the undersigned, the receipt and sufficiency of which are hereby acknowledged, the undersigned, Best Buy Co., Inc., a Minnesota corporation, whose address is 7601 Penn Avenue South, Richfield, Minnesota 55423 ("Guarantor", which term shall be deemed to include the named Guarantor and its successors and assigns), hereby guarantees, absolutely and unconditionally, to Landlord the full and prompt payment of Rent and other charges and sums (including, without limitation, Landlord's legal expenses and reasonable attorneys' fees and disbursements) payable by Tenant under the Lease, and hereby further guarantees the full and timely performance and observance of all the covenants, terms, conditions and agreements therein provided to be performed and observed by Tenant; and Guarantor hereby covenants and agrees to and with Landlord that if default shall at any time be made by Tenant in the payment of any Rent or other charges and sums, or if Tenant should default in the performance and observance of any of the terms, covenants and conditions contained in the Lease, Guarantor shall and will forthwith pay Rent and all other charges and sums, to Landlord and any arrears thereof, and shall and will forthwith faithfully perform and fulfill all of such terms, covenants and conditions and will forthwith pay to Landlord all damages that may arise in consequence of any default by Tenant under the Lease, including, without limitation, all reasonable attorneys' fees, and disbursements incurred by Landlord or caused by any such default or the enforcement of this Guaranty.

This Guaranty is an absolute and unconditional guaranty of payment (and not of collection) and of performance. The liability of Guarantor is co-extensive with that of Tenant and this Guaranty shall be enforceable against Guarantor without the necessity of any suit or proceeding on Landlord's part of any kind or nature whatsoever against Tenant and without the necessity of any notice of non-payment, non-performance or non-observance or of any notice of acceptance of this Guaranty or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives. Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected, diminished or impaired by reason of (a) the assertion or the failure to assert by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the terms, covenants and conditions of the Lease, or (b) any non-liability of Tenant under the

Lease, whether by insolvency, discharge in bankruptcy, or any other defect or defense which may now or hereafter exist in favor of Tenant.

This Guaranty shall be a continuing guaranty, and the liability of Guarantor hereunder shall in no way be affected, modified or diminished by reason of (a) any assignment, renewal, modification, amendment or extension of the Lease, or (b) any modification or waiver of or change in any of the terms, covenants and conditions of the Lease by Landlord and Tenant, or (c) any extension of time that may be granted by Landlord to Tenant, or (d) any consent, release, indulgence or other action, inaction or omission under or in respect of the Lease, or (e) any dealings or transactions or matter or thing occurring between Landlord and Tenant, or (f) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship or similar proceeding affecting Tenant, whether or not notice thereof or of any thereof is given to Guarantor.

Should Landlord be obligated by any bankruptcy or other law to repay to Tenant or to Guarantor or to any trustee, receiver or other representative of either of them, any amounts previously paid, this Guaranty shall be reinstated in the amount of such repayments. Landlord shall not be required to litigate or otherwise dispute its obligations to make such repayments if it in good faith believes that such obligation exists.

No delay on the part of Landlord in exercising any right, power or privilege under this Guaranty or failure to exercise the same shall operate as a waiver of or otherwise affect any such right, power or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

No waiver or modification of any provision of this Guaranty nor any termination of this Guaranty shall be effective unless in writing, signed by Landlord; nor shall any such waiver be applicable except in the specific instance for which given.

All of Landlord's rights and remedies under the Lease and under this Guaranty, now or hereafter existing at law or in equity or by statute or otherwise, are intended to be distinct, separate and cumulative and no exercise or partial exercise of any such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others.

Guarantor agrees that whenever at any time or from time to time Guarantor shall make any payment to Landlord or perform or fulfill any term, covenant or condition hereunder on account of the liability of Guarantor hereunder, Guarantor will notify Landlord in writing that such payment or performance as the case may be, is for such purpose. No such payment or performance by Guarantor pursuant to any provision hereof shall entitle Guarantor by subrogation or otherwise to the rights of Landlord to any payment by Tenant or out of the property of Tenant, except after payment of all sums or fulfillment of all covenants, terms, conditions or agreements to be paid or performed by Tenant.

Guarantor agrees that it will, at any time and from time to time, within ten (10) business days following written request by Landlord, execute, acknowledge and deliver to Landlord a

statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modification). Guarantor agrees that such certificate may be relied on by anyone holding or proposing to acquire any interest in the "Demised Premises" (as defined in the Lease) from or through Landlord or by any mortgagee or prospective mortgagee of the Demised Premises or of any interest therein.

As a further inducement to Landlord to make and enter into the Lease and in consideration thereof, Landlord and Guarantor covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, Landlord and Guarantor shall and do hereby waive trial by jury. Without regard to principles of conflicts of laws, the validity, interpretation, performance and enforcement of this Guaranty shall be governed by and construed in accordance with the internal laws of the State in which the Demised Premises are located.

Guarantor warrants and represents to Landlord that it has the legal right and capacity to execute this Guaranty. In the event that this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then Guarantor shall be deemed to be a tenant under the Lease with the same force and effect as if Guarantor were expressly named as a joint tenant therein.

As used herein, the term "successors and assigns" shall be deemed to include the heirs and legal representatives of Tenant and Guarantor, as the case may be. If there is more than one Guarantor, the liability hereunder shall be joint and several. All terms and words used in this Guaranty, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

If Guarantor is an individual, Guarantor warrants and represents that it is owner of more than fifty percent (50%) of the issued and outstanding shares of voting stock of Tenant, and is a principal officer of Tenant. If Guarantor is a corporation, Guarantor warrants and represents that Tenant is a wholly-owned subsidiary of Guarantor (or a wholly-owned subsidiary of another wholly-owned subsidiary of Guarantor) and that the execution and delivery of this Guaranty is not in contravention of its charter or by-laws or applicable state laws and has been duly authorized by its Board of Directors. Upon request of Landlord, Guarantor agrees to deliver to Landlord a Secretary's certification and corporate resolution authorizing the execution and delivery of this Guaranty.

If Guarantor fails to pay any amount payable under this Guaranty when due, interest on such amount shall accrue at the highest legal rate chargeable to Guarantor in the state in which the Demised Premises are located.

IN WITNESS WHEREOF, the undersigned has duly executed this Guaranty as of the 9th day of February, 2006.

ATTEST:

Best Buy Co., Inc.

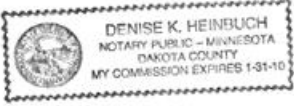
Tiffany A. Peterson

By: Patrick R. Matc

STATE OF Minnesota)
)
) ss.:

COUNTY OF Hennepin
On this 9th day of February, 2006, before me personally came to me Patrick R. Matc, known, who, being by me duly sworn, did depose and say that he resides at Minneapolis, MN, that he is the V.P. of Best Buy Co., Inc., the corporation described in and which executed the foregoing Guaranty; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal, that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

IN WITNESS WHEREOF I hereunto set my hand and official seal.



Denise K. Heimbuch
NOTARY PUBLIC

PURCHASE AND SALE AGREEMENT

BETWEEN

**ELLIOTT BAY HEALTHCARE REALTY LLC,
a Delaware limited liability company, as Seller**

and

**GENERATION INCOME PROPERTIES, L.P.,
a Delaware limited partnership, as Purchaser**

October 27, 2021

Subject Property:

**Fresenius Medical Care Southside Dialysis
3134 West 76th Street
Chicago, Illinois**

SCHEDULE OF EXHIBITS

<u>Exhibit "A"</u>	Description of Land
<u>Exhibit "B"</u>	List of Personal Property
<u>Exhibit "C"</u>	List of Existing Commission Agreements

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 Certificate (as to Seller's Representations and Warranties)
Schedule 6	Form of Seller's FIRPTA Affidavit
Schedule 7	Form of Purchaser's Certificate (as to Purchaser's Representations and Warranties)

PURCHASE AND SALE AGREEMENT

**Fresenius Medical Care Southside Dialysis
3134 West 76th Street
Chicago, Illinois**

THIS PURCHASE AND SALE AGREEMENT (the "**Agreement**"), made and entered into as of the Effective Date (as defined herein) by and between **ELLIOTT MEDICAL CARE SOUTHSIDE DIALYSIS, LLC**, a Delaware 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 a medical office building and related infrastructure and support improvements (as more particularly described herein) are located in Chicago, Cook County, Illinois, 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 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 Seventy-Five Thousand and No/100 Dollars (\$75,000.00 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 Lease**" 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**.

"**Brokers**" shall have the meaning ascribed thereto in Section 10.1 of this Agreement.

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which banking institutions in the State of Illinois 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, if any, 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 sum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00 U.S.) actually paid by Purchaser (or which Purchaser is obligated to pay) to Escrow Agent hereunder, 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 any and all existing environmental reports/assessments/studies obtained by Seller and provided to Purchaser, if any, pursuant to the provisions of Section 3.2(a).

“Escrow Agent” shall mean the Title Agent.

“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 6**.

“General Assignment” shall have the meaning ascribed thereto in Section 5.1(f) 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.

“Inspection Period” shall mean the period expiring at 11:59 P.M. Eastern Daylight Time on the date which is forty-five (45) 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 Chicago, Cook County, Illinois, 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 Agreement entered into by and between Seller, as landlord, and WSKC Dialysis Services, Inc., d/b/a Southside Dialysis Center, a/k/a Fresenius Kidney Care Southside as tenant, dated as of January 24, 2006, with respect to the Property, together with any guaranties or other documents incorporated by reference therein, and all amendments or modifications with respect thereto.

“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 entered into by or on behalf of Seller, (b) any mechanic’s, materialman’s or similar lien created by or on behalf of Seller, (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 mean 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(d) of this Agreement.

“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 Title Agent’s form of owner’s affidavit to be given by Seller at Closing to the Title Agent.

“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 5**.

“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 WSKC Dialysis Services, Inc., d/b/a Southside Dialysis Center, a/k/a Fresenius Kidney Care Southside, an Illinois corporation.

“Tenant Estoppel Certificate” shall mean a certificate to be obtained by Seller from the Tenant and certified to Purchaser and Purchaser’s Lender in the form required by the Lease or Tenant’s then-current form and otherwise compliant with the terms and conditions of Section 6.1(e) of this Agreement.

“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 Agent” shall mean a Title Company or an attorney which is an authorized agent of the Title Company, selected by Seller.

“Title Company” shall mean Fidelity National Title Insurance Company, First American Title Insurance Company, Old Republic National Title Insurance Company, or other national title insurance company acceptable to Purchaser.

“Title Commitment” shall have the meaning ascribed thereto in 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 all of Seller’s right, title and interest in and to the following property (collectively, the “Property”):

- (a) the Land;
- (b) the Improvements;
- (c) 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 Earnest Money to Escrow Agent by federal wire transfer payable to Escrow Agent, which Earnest Money shall be held and released by Escrow Agent in accordance with the terms of this Agreement.

(b) Unless this Agreement is terminated by Purchaser in accordance with Section 3.3. hereof, 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 Three Million One Hundred Thousand and No/100 Dollars (\$3,100,000.00 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 through the Escrow Agent 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 fifteen (15) business days after the expiration of the Inspection Period, subject to the 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. Purchaser shall not be permitted to conduct borings of the Property or drilling in or on the Property, or any other invasive testing, in connection with the preparation of an environmental audit or in connection with any other inspection of the Property without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed by Seller (and, if such consent is given, (i) Purchaser shall be obligated to pay to Seller promptly upon demand the cost of repairing and restoring any damage as aforesaid and (ii) Seller and Purchaser shall reasonably cooperate in good faith to establish the scope and the timing of any such boring, drilling or other invasive testing 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). The foregoing Purchaser obligation to indemnify, defend and hold Seller harmless shall survive the termination of this Agreement.

(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. The foregoing Purchaser obligation to indemnify, defend and hold Seller harmless shall survive the termination of this Agreement.

(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 with an insurance company licensed to do

business in the State of Florida: 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 of not less than \$1,000,000.00 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) As of the Effective Date, Seller represents and warrants to Purchaser that it has provided Purchaser with the following materials (collectively, the "Seller's Disclosure Materials"), to the extent such Seller's Disclosure Materials are within 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) Property level financial information (including records of any operating costs and expenses for the Property) for the immediately preceding two (2) years.
- (iv) A copy of any and all agreements to which Seller is currently a party pertaining to the Property, including any service or maintenance agreements.
- (v) 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.
- (vi) A copy of any surveys of 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 all available construction plans and specifications in Seller's current possession as of the Effective Date relating to the development of the Improvements
- (ix) Copies of any written notices, reports or communications from federal, state and local governmental authorities received by Seller with respect to any noncompliance or violation of law associated with the Property or the use thereof.

Seller shall have a continuing duty 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 within five (5) days after receipt thereof; provided, however, that any such supplemental deliveries shall not extend or otherwise affect the Inspection Period hereunder.

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 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.

Title and Survey. Within one (1) business day of the Effective Date, Seller shall order from the Title Agent an ALTA Form Commitment ("**Title Commitment**") for an owner's title insurance policy ("**Title Policy**") in an amount not less than the Purchase Price, and shall instruct the Title Agent to deliver the Title Commitment together with all exception documents referenced in Schedule B, Section of the Title Commitment concurrently to Buyer and Seller as soon as possible. The Title Commitment shall evidence that Seller is vested with fee simple title to the Land and 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.

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 prior to the expiration of 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). To the extent any Title Defects (including, without limitation, any mechanic's, materialman's or other similar liens encumbering the Property) have been caused by the acts or omissions of Tenant under the Lease, and such acts or omissions constitute a default enforceable by Landlord under the Lease, then Landlord shall exercise good faith, diligent and continuous commercially reasonable efforts to cause Tenant to cure such Title Defects in accordance with the terms of the Lease.

If Seller has elected in writing to cure any Title Defects, 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, including any Title Defect caused by Tenant, 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 or to cause Tenant to cure or eliminate same, as the case may be.

With(a) five (5) days prior to Closing, Seller shall cause the Title Agent 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 Seller's knowledge or consent, or with Purchaser's joinder and 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.

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 five (5) business 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, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement. 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, obligations, representations or warranties hereunder.

Purchaser may, at Purchaser's expense, within the Inspection Period, obtain a boundary survey of the Land ("Survey"). Such Survey, if any, shall be prepared by a land surveyor duly licensed and registered as such in the State of Illinois, shall be certified by such surveyor to Purchaser, Seller, the Title Agent 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 prior to the expiration of the Inspection Period 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 be 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.

13. Purchase. EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND IN THE CLOSING DOCUMENTS DELIVERED BY SELLER TO PURCHASER AT CLOSING, PURCHASER IS PURCHASING THE PROPERTY "AS IS WHERE IS" IN ITS PRESENT CONDITION. PURCHASER HAS THE OPPORTUNITY TO INSPECT THE PROPERTY AND DOCUMENTATION IN SELLER'S POSSESSION AS PROVIDED HEREIN. EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND IN THE CLOSING DOCUMENTS DELIVERED BY SELLER TO PURCHASER AT CLOSING, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO, HEREBY DISCLAIMS AND SHALL HAVE NO LIABILITY FOR: (A) THE CONDITION OF THE PROPERTY OR ANY BUILDINGS, STRUCTURE OR IMPROVEMENTS THEREON OR THE SUITABILITY OF THE PROPERTY FOR HABITATION OR FOR PURCHASER'S INTENDED USE; (B) ANY APPLICABLE BUILDING, ZONING OR FIRE LAWS OR REGULATIONS OR WITH RESPECT TO COMPLIANCE THEREWITH OR WITH RESPECT TO THE EXISTENCE OF OR COMPLIANCE WITH ANY REQUIRED PERMITS, IF ANY, OF ANY GOVERNMENTAL AGENCY; (C) THE AVAILABILITY OR EXISTENCE OF ANY WATER, SEWER OR UTILITIES, ANY RIGHTS THERETO, OR ANY WATER, SEWER OR UTILITY DISTRICTS; (D) ACCESS TO ANY PUBLIC OR PRIVATE SANITARY SEWER OR DRAINAGE SYSTEM; OR (E) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES AT THE PROPERTY OR IN ANY IMPROVEMENTS ON THE PROPERTY, INCLUDING WITHOUT LIMITATION ASBESTOS OR UREA-FORMALDEHYDE, OR THE PRESENCE OF ANY ENVIRONMENTALLY HAZARDOUS WASTES OR MATERIALS ON OR UNDER THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, SELLER SHALL HAVE NO LIABILITY WITH RESPECT TO THE CONDITION OF THE PROPERTY UNDER COMMON

LAW, OR ANY FEDERAL, STATE, OR LOCAL LAW OR REGULATION, INCLUDING BUT NOT LIMITED TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 AS AMENDED, 42 U.S.C.A. SECTIONS 9601 ET SEQ., OR APPLICABLE WASHINGTON LAW, AND PURCHASER HEREBY RELEASES AND WAIVES ANY AND ALL CLAIMS WHICH THE PURCHASER HAS OR MAY HAVE AGAINST THE SELLER WITH RESPECT TO THE CONDITION OF THE PROPERTY, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN.

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 Delaware. 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 . To Seller's knowledge, no investigation, action or proceeding is pending or 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 noted above) and constitutes 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 (if any) in **Exhibit "C"** attached hereto (the "Commission Agreements"); and, if applicable, 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 may be disclosed in the Environmental Reports, if any: (i) no Hazardous Substances have been discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape on, in, or under the Property during Seller's period of ownership of the Property; (ii) no asbestos or asbestos containing materials have been installed, used, incorporated into, or disposed of on the Property during Seller's period of ownership of 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.

(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 by Seller 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 (if any) and the Permitted Exceptions, Seller is not a party to any 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) 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.

(n) 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, true and correct copies of such items as are in Seller's possession or control; provided, however, that Seller makes no representation or warranty with respect to the accuracy of any Seller's Disclosure Materials prepared by third parties.

(o) Commitments to Governmental Authority. Seller has not made any commitments 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.

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

(q) 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, right of first offer, or any other agreement, whether oral or written, with respect to the sale, purchase, assignment or transfer of all or any portion of the Property.

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 (1) year (the "Seller's

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 (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, except statutory limitations, nor liability 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 Seller’s Limitation Period and statutory limitations referenced therein, 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 4.3, Purchaser’s knowledge means the current, actual knowledge of Christian Whipple (“**Whipple**”) 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. Seller’s aggregate liability for claims arising out of such warranties, representations and indemnities shall not exceed Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00). The Seller’s Limitation Period referred to herein shall apply to unknown as well as known breaches and claims. Except as specifically provided in this Agreement, none of Seller’s representations, warranties, indemnities, covenants or agreements shall survive the Closing. Purchaser specifically acknowledges that such termination of liability represents a material element of the consideration to 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.

(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(e).

(e) 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.

(f) Notices of Violation. Promptly following Seller's receipt of written notice of a violation, 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, 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 one (1) year (the "Purchaser's 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, 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, except statutory limitations, nor liability limitation, with respect to acts involving fraud or intentional misrepresentation on behalf of Purchaser. Purchaser acknowledges and agrees that Seller has relied and has the right to rely upon the foregoing in connection with Seller's consummation of the transaction set forth in this Agreement.

Subject to the immediately preceding paragraph, and the Purchaser's Limitation Period and statutory limitations referenced therein, 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. Purchaser's aggregate liability for claims arising out of such warranties, representations and indemnities shall not exceed Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00). The Purchaser's Limitation Period referred to herein shall apply to unknown as well as known breaches and claims. Except as specifically provided in this Agreement, none of Purchaser's representations, warranties, indemnities, covenants or agreements shall survive the Closing. Seller specifically acknowledges that such termination of liability represents a material element of the consideration to 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 Agent (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 Lease 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) Subordination, Non-Disturbance and Attornment Agreement. If applicable, 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 4** (the "General Assignment");

(g) Seller's Affidavit. An owner's affidavit in a form to be provided by the Title Agent ("Seller's Affidavit");

(h) Seller's Certificate. A certificate in the form attached hereto as **Schedule 5** ("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 6**;

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

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

(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 Agent 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 7** ("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) Notice of Sale. A Notice of Sale; and

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

5.3 **Closing Costs** . In accordance with local custom, Seller shall pay the cost of the documentary/revenue stamps, state and county documentary transfer stamps associated with the recordation of the Deed, the so-called "CTA" portion of the transfer taxes assessed by the City of Chicago (at the rate of \$1.50/\$500), the cost of the Title Commitment and the base premium for the Title Policy, including title examination fees related thereto and any updates to the Title Commitment, the attorneys' fees of Seller, the cost of obtaining and recording any curative title instruments for Title Defects, which Seller is obligated or elects to cure hereunder, 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 (except any curative title instruments), the so-called "City" portion of the transfer taxes assessed by the City of Chicago (at the rate of \$3.75/\$500), the cost of any endorsements to the Title Policy and any extended coverage, the cost of any loan policy of title insurance and endorsements thereto, documentary stamps and intangible taxes 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 and special assessments 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, except those for which the Tenant is obligated to pay directly to the applicable taxing authority pursuant to the Lease. 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, if the difference in the prorated amount exceeds \$1,000, then 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, 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 Tenant 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. 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.

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 expiration of the Feasibility Period.

(b) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to Section 5.1 hereof.

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

(d) 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.

(e) 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, which at a minimum shall (i) be dated within thirty (30) 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.

(f) The delivery by the Title Agent on the Closing Date 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 (i) give notice to Seller specifying which of the foregoing conditions have not been satisfied and provide Seller with ten (10) days from the delivery of such notice to satisfy any such conditions, or, alternatively, (ii) terminate this Agreement by written notice to Seller given prior to the Closing, whereupon (a) Escrow Agent shall return the Earnest Money to Purchaser; and (b) 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 Ten Thousand and No/100 Dollars (\$10,000.00) 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.

In the event of any material damage or destruction to the Property or any portion thereof, Seller may, at its option, by notice to Purchaser given within the same time periods set forth above: (i) terminate this Agreement, whereupon Escrow Agent shall immediately return the Earnest Money to Purchaser, or (ii) proceed to close under this Agreement, in which event Seller shall comply with its obligations relating to insurance proceeds as set forth above. If Seller fails to deliver to Purchaser notice of its election within the period set forth above, Seller will conclusively be deemed to have elected to proceed with the Closing as provided in clause (ii) of the preceding sentence.

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 terminate this Agreement. If Purchaser chooses to terminate 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 terminate 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 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. Nothing contained in this Section 8.1 to the contrary shall release or absolve Purchaser from its obligation to indemnify, defend and hold Seller harmless under those provisions of this Agreement which by their express terms survive the termination of this Agreement

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 up to a maximum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) 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 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 (i) Seller having sold the Property or any portion thereof to another party, or(ii) as a result of a willful and intentional act or omission of Seller, then, in addition to Purchaser's termination right, Purchaser shall be entitled to reimbursement by Seller for all of Purchaser's actual out-of-pocket costs and expenses incurred with respect to this transaction, without a maximum cap on such costs and expenses, and shall further 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 upon written notice by Purchaser to Seller delivered at least five (5) days prior to Closing. 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 Generation Income Properties, L.P., a Delaware limited partnership. Seller and Purchaser warrant and represent to each other that 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 Generation Income Properties, L.P., as provided herein. Seller agrees to pay Generation Income Properties, L.P., an acquisition fee of one percent (1.0%) 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 David Sobelman, the President of the beneficial owner of Generation Income Properties, L.P., 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: Elliott Bay Healthcare Realty LLC
617 Eastlake Avenue East, Suite 305
Seattle, Washington 98109
Attention: Christian Whipple
Email: christianw@elliottbaycap.com

with a copy to: Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101
Attn: Devin P. McComb
E-mail: DMcComb@perkinscoie.com

ESCROW AGENT: First American Title Insurance Company
920 Fifth Avenue, Suite 1200
Seattle, WA 98104
Attn: Beth Peterson
E-Mail: bethpeterson@firstam.com
Phone: 206-615-3260

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 Illinois. 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, and including the determination of court costs and reasonable attorney's fees) 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 deposit the Earnest Money in an I.O.T.A. Trust Account.

(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, emailed or delivered by overnight courier to at the address for Escrow Agent shown in and pursuant to Section 11.1 of this Agreement. Notices from Escrow Agent to Seller or Purchaser shall be mailed, emailed or delivered by overnight courier to them at the addresses for each party shown in and pursuant to 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.

[Remainder of Page Intentionally Blank – Signatures on Next Page]

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

SELLER:

ELLIOT BAY HEALTHCARE REALTY LLC,
a Delaware limited liability company

By: /s/ Christian
Whipple
Name: Christian Whipple
Title: Chief Executive Officer

Date of Execution:

10/27/2021

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: CEO and President

Date of Execution:

October 27, 2021

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: /s/ Beth

Peterson

Name: Beth Peterson _____
Title: Senior Escrow Officer _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

THAT PART OF LOTS 1 AND 2 AND THE 16 FOOT VACATED ALLEY BY ORDINANCE RECORDED MARCH 03, 1998, AS DOCUMENT 98162263 ALL IN BLOCK 16 IN WABASH ADDITION TO CHICAGO IN SECTION 25, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE SOUTH LINE OF SAID TRACT 47.00 FEET TO A POINT ON THE EAST LINE OF THAT PART OF LAND TAKEN FOR HIGHWAY PURPOSES PER DOCUMENT NUMBER 12365546 ALSO BEING THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 02 MINUTES 29 SECONDS EAST ALONG SAID EAST LINE, 344.40 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 188.75 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 344.40 FEET TO THE SOUTH LINE OF SAID TRACT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID SOUTH LINE 189.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXHIBIT "B"

LIST OF PERSONAL PROPERTY

All furniture (including the "LL Furniture", as defined in the Lease), carpeting, draperies, appliances, personal property, machinery, apparatus and equipment owned by Seller and currently used in the operation, repair and maintenance of the Land and Improvements and situated thereon, **if any**, and all of Seller's lease file, including any printed financial documents and expense reports, with copies of invoices or receipts for the items listed in any expense reports (excluding confidential information (redacted as necessary) and any attorney work product or attorney-client privileged documents) relating to the Land and Improvements, **if any**. The Personal Property shall **not** include any property owned by tenants, contractors or licensees.

EXHIBIT "C"

**LIST OF
EXISTING COMMISSION AGREEMENTS**

None.

SCHEDULE 1

FORM OF SPECIAL WARRANTY DEED
[SUBJECT TO REVIEW AND APPROVAL OF LOCAL CO-COUNSEL]

PREPARED BY AND
WHEN RECORDED RETURN TO:

Send future tax bills to:

SPECIAL WARRANTY DEED

On this ___ day of _____, 20___, _____, a _____, whose address is _____ (hereinafter referred to as "**Grantor**"), for and in consideration of TEN AND 00/100 DOLLARS (\$10.00), and other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, CONVEYS, TRANSFERS and WARRANTS to _____, a _____, whose address is _____ (hereinafter referred to as "**Grantee**") all interest in that certain real estate 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**"), hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Grantor does hereby covenant with Grantee that 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 claiming by, through, or under Grantor, but not otherwise.

IN WITNESS WHEREOF, the Grantor has caused this Special Warranty Deed to be executed and delivered as of the day and year first above written.

GRANTOR:

a _____
By: _____
Title: _____
Printed Name: _____

STATE OF _____)
COUNTY OF)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, as _____ of _____, a _____, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument in such capacity, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said entity, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 20 ____.

Notary Public

(SEAL)

My commission expires:: _____

EXHIBIT A

LEGAL DESCRIPTION

THAT PART OF LOTS 1 AND 2 AND THE 16 FOOT VACATED ALLEY BY ORDINANCE RECORDED MARCH 03, 1998, AS DOCUMENT 98162263 ALL IN BLOCK 16 IN WABASH ADDITION TO CHICAGO IN SECTION 25, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE SOUTH LINE OF SAID TRACT 47.00 FEET TO A POINT ON THE EAST LINE OF THAT PART OF LAND TAKEN FOR HIGHWAY PURPOSES PER DOCUMENT NUMBER 12365546 ALSO BEING THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 02 MINUTES 29 SECONDS EAST ALONG SAID EAST LINE, 344.40 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 188.75 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 344.40 FEET TO THE SOUTH LINE OF SAID TRACT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID SOUTH LINE 189.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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 _____, _____ County, _____, 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. 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

18246046_5

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**").

WITNESSETH:

WHEREAS, contemporaneously with the execution hereof, Seller has conveyed to Purchaser certain improved real property commonly known as "_____" located in _____, _____ County, _____ 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 _____, 20__, 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 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 forever warrant and defend the Personal Property against all persons whomsoever claiming by, through or under Seller or its predecessors in interest, but not otherwise. In all other respects, and except as otherwise expressly set forth in the Sales Contract, the Personal Property is being transferred in its "as is, where is" condition, and without representation or warranty.

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

18246046_5

Exhibit "B"

List of Personal Property

All furniture (including the "LL Furniture", as defined in the Lease), carpeting, draperies, appliances, personal property, machinery, apparatus and equipment owned by Seller and currently used in the operation, repair and maintenance of the Land and Improvements and situated thereon, **if any**, and all of Seller's lease file, including any printed financial documents and expense reports, with copies of invoices or receipts for the items listed in any expense reports (excluding confidential information (redacted as necessary) and any attorney work product or attorney-client privileged documents) relating to the Land and Improvements, **if any**. The Personal Property shall *not* include any property owned by tenants, contractors or licensees.

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 E T H:

WHEREAS, contemporaneously with the execution hereof, Assignor has conveyed to Assignee certain real property located in _____, _____ County, _____, 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 _____, 20__, 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**"). This Assignment is subject to all limitations, waivers and releases provided in the Contract.

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

18246046_5

SCHEDULE 5

**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**") 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 _____, 20___, between Seller and Purchaser (the "**Contract**"), for the purchase and sale of certain real property located in _____, _____ County, _____, 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 and exceptions 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

18246046_5

SCHEDULE 6

FORM OF SELLER'S FIRPTA AFFIDAVIT

FIRPTA AFFIDAVIT

STATE OF _____)
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 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 7

**FORM OF PURCHASER'S CERTIFICATE
(AS TO PURCHASER'S REPRESENTATIONS AND WARRANTIES)**

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 _____, 20___, between Seller and Purchaser (the "**Contract**"), for the purchase and sale of certain real property located in _____, _____ County, _____ 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 and exceptions 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

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (the “**First Amendment**”) is made and entered effective as of December 10, 2021 (the “**Amendment Effective Date**”), by and between **ELLIOTT BAY HEALTHCARE REALTY LLC**, a Delaware limited liability company (the “**Seller**”), and **GENERATION INCOME PROPERTIES, L.P.**, a Delaware limited partnership (the “**Purchaser**”).

RECITALS

- A. Seller and Purchaser previously entered into that certain Purchase and Sale Agreement having an Effective Date of October 27, 2021 (the “**Agreement**”), regarding certain real property located in Chicago, Cook County, Illinois, and more particularly described in the Agreement.
- B. Seller and Purchaser desire to amend certain provisions of the Agreement in the manner provided for in this First Amendment.
- C. All capitalized terms used in this First Amendment shall have the same meanings ascribed to them in the Agreement, unless otherwise indicated herein to the contrary.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

- 1. **Recitals.** The above-referenced recitals are true and correct and hereby incorporated into this First Amendment for all purposes.
 - 2. **Ratification.** The Agreement is hereby ratified as of the date hereof and declared in full force and effect as of such date, as modified and amended hereby. From and after the last date of execution of this First Amendment, all references to the Agreement shall be deemed to refer to the Agreement as amended by this First Amendment.
 - 3. **Inspection Period.** The Inspection Period is hereby extended to expire at 11:59 P.M. Eastern Daylight Time on December 16, 2021.
 - 4. **Closing Date.** Notwithstanding the extension of the Inspection Period in Section 3 of this First Amendment, the Closing Date shall occur on or before January 3, 2022.
 - 5. **No Further Amendments.** In the event of any inconsistencies between the terms and provisions of this First Amendment and the terms and provisions of the Agreement, the terms and provisions of this First Amendment shall control.
 - 6. **Counterparts.** This First Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all such counterparts together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to another to physically form one document. Facsimile copies or other electronic scans or reproductions of this First Amendment and the signatures thereon shall have the same force and effect as if the same were original.
-

IN WITNESS WHEREOF, Seller and Purchaser have entered into this First Amendment to Purchase and Sale Agreement as of the Amendment Effective Date.

SELLER:

ELLIOTT BAY HEALTHCARE REALTY LLC,
a Delaware limited liability company

By: /s/ Christain Whipple
Christian Whipple, its Manager

Date: December 10, 2021

PURCHASER:

GENERATION INCOME PROPERTIES, L.P.
a Delaware limited partnership

By: Generation Income Properties, Inc., its Sole General Partner

By: /s/ David Sobelman
David Sobelman, its CEO and President

Date: December 10, 2021

**ASSIGNMENT AND ASSUMPTION
OF PURCHASE AND SALE AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION OF PURCHASE AND SALE AGREEMENT (“**Assignment**”) is made and entered into, effective as of December 23, 2021, by and between **GENERATION INCOME PROPERTIES, L.P.**, a Delaware limited partnership (“**Assignor**”), and **GIPIL 3134 W 76th STREET, LLC**, a Delaware limited liability company (“**Assignee**”).

WITNESSETH:

AS, Assignor and Elliott Bay Healthcare Realty LLC, a Delaware limited liability company (“**Seller**”), entered into that certain Purchase and Sale Agreement dated as of October 27, 2021, as amended by that certain First Amendment to Purchase and Sale Agreement dated as of December 10, 2021 (the “**Agreement**”), pursuant to which Seller agreed to sell and to convey to Assignor, and Assignor agreed to purchase from Seller, that certain real property located at 3134 West 76th Street located in Chicago, Cook County, Illinois, as more particularly described in the Agreement;

AS, Assignor desires to assign the Agreement to Assignee, and Assignee desires to accept the assignment and assume the Agreement, upon the terms and conditions set forth in this Assignment;

HEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound and notwithstanding anything to the contrary set forth in the Agreement, hereby agree as follows:

Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Capitalized Terms. Unless otherwise expressly defined herein, capitalized terms used in this Assignment shall have the meanings ascribed to such terms in the Agreement.

Assignment and Assumption of Agreement. Assignor hereby assigns to Assignee the Agreement and all sums paid or deposited into escrow by Assignor in connection with the Agreement, together with all rights and privileges thereunder, subject to the terms and conditions of the Agreement. Assignee hereby accepts the assignment and agrees to comply with and be bound by all the terms and conditions of the Agreement, and to assume and fulfill all of the obligations and liabilities of the “Purchaser” under the Agreement.

Remaining Terms. Except as specifically modified in this Assignment, all remaining terms and conditions of the Agreement remain in full force and effect. To the extent that any provisions of the Agreement and this Assignment conflict, this Assignment shall control.

Counterparts. This Assignment may be executed in multiple counterparts, and notwithstanding that all of the parties do not execute the same counterpart, each executed counterpart shall be deemed an original, and all such counterparts together shall constitute one and the same Assignment binding all of the parties hereto. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this Assignment to physically form one document. Electronic or facsimile copies of the original signature of this Assignment, and electronic or facsimile copies of this Assignment fully executed, shall be deemed an original for all purposes.

Ratification. Except to the extent expressly modified by this Assignment, the Agreement remains unmodified and in full force and effect.

ESS WHEREOF, the parties have caused this Assignment to be executed by their duly authorized representative as of the date set forth above.

“ASSIGNOR”

GENERATION INCOME PROPERTIES, L.P.,
a Delaware limited partnership

By: Generation Income Properties, Inc.,
a Maryland corporation,
its General Partner

By: /s/ David Sobelman
David Sobelman, its President

“ASSIGNEE”

GIPIIL 3134 W 76th STREET, LLC,
a Delaware limited liability company

By: /s/ David Sobelman
David Sobelman, its President

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (the “**Second Amendment**”) is made and entered effective as of January 3, 2022 (the “**Amendment Effective Date**”), by and between **ELLIOTT BAY HEALTHCARE REALTY LLC**, a Delaware limited liability company (the “**Seller**”), and **GIPIIL 3134 W 76th STREET, LLC**, a Delaware limited liability company (the “**Purchaser**”).

RECITALS

A. Seller and Generation Income Properties, L.P., a Delaware limited partnership, previously entered into that certain Purchase and Sale Agreement dated as of October 27, 2021 (the “**Original Agreement**”), as amended by that certain First Amendment to Purchase and Sale Agreement dated as of December 10, 2021 (the “**First Amendment**”); the Original Agreement, as amended by the First Amendment, being hereinafter referred to as the “**Agreement**”), regarding certain real property located in Chicago, Cook County, Illinois, and more particularly described in the Agreement.

B. Purchaser is the successor-in-interest to Generation Income Properties, L.P. pursuant to that certain Assignment and Assumption of Purchase and Sale Agreement dated as of December 23, 2021.

C. Seller and Purchaser desire to amend certain provisions of the Agreement in the manner provided for in this Second Amendment.

D. All capitalized terms used in this Second Amendment shall have the same meanings ascribed to them in the Agreement, unless otherwise indicated herein to the contrary.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. **Recitals.** The above-referenced recitals are true and correct and hereby incorporated into this Second Amendment for all purposes.

2. **Ratification.** The Agreement is hereby ratified as of the date hereof and declared in full force and effect as of such date, as modified and amended hereby. From and after the last date of execution of this Second Amendment, all references to the Agreement shall be deemed to refer to the Agreement as amended by this Second Amendment.

3. **Closing Date.** The Closing Date shall occur on or before January 7, 2022.

4. **No Further Amendments.** In the event of any inconsistencies between the terms and provisions of this Second Amendment and the terms and provisions of the Agreement, the terms and provisions of this Second Amendment shall control.

5. **Counterparts.** This Second Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all such counterparts together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to another to physically form one document. Facsimile copies or other electronic scans or reproductions of this Second Amendment and the signatures thereon shall have the same force and effect as if the same were original.

IN WITNESS WHEREOF, Seller and Purchaser have entered into this Second Amendment to Purchase and Sale Agreement as of the Amendment Effective Date.

SELLER:

ELLIOTT BAY HEALTHCARE REALTY LLC,
a Delaware limited liability company

By: /s/ Christian Whipple
Christian Whipple, its Chief Executive Officer

Date: January 3, 2022

PURCHASER:

GIPII 3134 W 76th STREET, LLC,
a Delaware limited liability company

By: /s/ David Sobelman
David Sobelman, its President

Date: January 3, 2022

LEASE AGREEMENT

BY AND BETWEEN

Biomedical Medical Partners, LLC
(“LANDLORD”)

AND

Fresenius Medical Care of Illinois, LLC
(“TENANT”)
d/b/a Southside Dialysis

DATED: January 24, 2006

TABLE OF CONTENTS

ARTICLE 1 - PROPERTY, BUILDING, PREMISES	1
1.1. Lease of Premises	1
1.2. Right to Use Common Areas	1
1.3. Delivery and Condition of Premises; Landlord Work	1
1.4. Re-measurement & Adjustment of Rent	1
ARTICLE 2 - LEASE TERM	2
2.1. Lease Term	2
2.2. Options to Extend Term	2
ARTICLE 3 - BASE RENT	2
3.1. Base Rent; Pro-ration for Partial Months	2
3.2. Base Rent for Option Terms	2
3.3. Late Payment of Base Rent	3
ARTICLE 4 - TENANT'S PROPORTIONAL SHARE	3
4.1. Tenant's Proportional Share	3
ARTICLE 5 - ADDITIONAL RENT	3
5.1. Additional Costs	3
5.2. Exclusions from Additional Costs	3
5.3. Payment of Estimated Additional Costs	5
5.4. Annual Reconciliation of Additional Costs	5
5.5. Landlord's Books and Records; Tenant's Audit Rights	5
5.6. Time Limitation to Bill Tenant for Operating Expenses and Tax Expenses	6
ARTICLE 6 - USE AND COMPLIANCE WITH LAWS	6
6.1. Permitted Use	6
6.2. Condition of Premises; Repairs and Replacements	6
6.3. Compliance with Building Rules and Regulations	6
6.4. Compliance with Insurer Requirements	6
ARTICLE 7 - TENANT IMPROVEMENTS	7
7.1. Tenant Improvements	7
7.2. Construction Requirements	7
7.3. Tenant Allowance	7
ARTICLE 8 - ALTERATIONS	8
8.1. General	8
8.2. Prohibited Alterations; Landlord's Consent Required	8
8.3. Compliance with Laws and Insurance Requirements	8
8.4. Manner of Construction and Payment	8
8.5. Payment for Alterations	9
ARTICLE 9 - REPAIRS AND MAINTENANCE	9
9.1. Tenant's Repair and Maintenance Obligations	9
9.2. Maintenance and Repair of HVAC Systems	9
9.3. Limitations on Repair and Maintenance Obligations and Defaults	9
ARTICLE 10 - COVENANT AGAINST LIENS	9
10.1. Covenant Against Liens	9
ARTICLE 11 - ENTRY BY LANDLORD	9
11.1. Landlord's Access to Premises	9
11.2. HIPAA Compliance Provision	10
11.3. Method of Entry	10
ARTICLE 12 - UTILITIES AND SERVICES	10
12.1. Utilities and Services	10
12.2. Payment of Utility Charges	10
12.3. Interruption of Utility Services	11
ARTICLE 13 - TAXES	11
13.1. Tax Expenses	11
13.2. Payment of Tax Expenses	11
13.3. Payment of Personal Property Taxes	11
ARTICLE 14 - INSURANCE	11
14.1. Tenant's Insurance	11
14.2. Landlord's Insurance	11
14.3. Waivers	12
ARTICLE 15 - HAZARDOUS MATERIALS; MEDICAL WASTE	12
15.1. Definition of Hazardous Materials	12
15.2. Representations and Warranties of Landlord	12
15.3. Tenant's Use of Hazardous Materials	13
15.4. Notification to Other Party	13
15.5. Remediation Obligation	13

15.6. Indemnifications	13
15.7. Medical Waste	13
ARTICLE 16 - INDEMNIFICATIONS	14
16.1. Indemnification by Tenant	14
16.2. Indemnification by Landlord	14
ARTICLE 17 - DAMAGE AND DESTRUCTION	14
17.1. Partial Damage or Destruction	14
17.2. Complete Damage or Destruction	14
17.3. Damage Near End of Term	15
17.4. Effective Date of Termination; Rent Apportionment	15
ARTICLE 18 - CONDEMNATION	15
18.1. Condemnation	15
18.2. Apportionment of Base Rent	15
ARTICLE 19 - ASSIGNMENT AND SUBLEASING	15
19.1. Restricted Transfers	15
19.2. Permitted Transfers	16
19.3. Right to Collect Base Rent	16
ARTICLE 20 - DEFAULTS AND REMEDIES	16
20.1. Default by Tenant	16
20.2. Landlord's Remedies on Tenant's Default	17
20.3. Default by Landlord	17
20.4. Tenant's Right of Self Help	17
ARTICLE 21 - HOLDING OVER	18
21.1. Holdover Rent	18
21.2. Limitation on Tenant's Liability for Holdover	18
ARTICLE 22 - SURRENDER OF PREMISES	18
22.1. Surrender of Premises	18
22.2. Removal of Tenant's Trade Fixture and Personal Property	18
22.3. Removal of Tenant Improvements and Alterations	18
ARTICLE 23 - ESTOPPEL CERTIFICATES	19
ARTICLE 24 - SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT	19
24.1. Automatic Subordination of this Lease	19
24.2. Non-Disturbance and Attornment	19
24.3. Modifications of Lease Required by Landlord's Lender	19
ARTICLE 25 - FORCE MAJURE	20
25.1. Force Majeure	20
ARTICLE 26 - SIGNS	20
26.1. Building Name; Landlord's Signage Rights and Obligations	20
26.2. Tenant's Signage Rights	20
26.3. Compliance with Laws	20
26.4. Removal of Tenant's Signs Upon Lease Termination	20
ARTICLE 27 - PARKING	20
27.1. Grant of Parking Rights	20
ARTICLE 28 - BROKERS	20
28.1. Brokers	20
ARTICLE 29 - MISCELLANEOUS PROVISIONS	21
29.1. Quiet Enjoyment	21
29.2. Minimization of Interference	21
29.3. Application of Payments; No Accord and Satisfaction	21
29.4. No Waivers	21
29.5. Captions	21
29.6. Time of the Essence	21
29.7. Recording—Memorandum of Lease	21
29.8. Authority	21
29.9. Binding Effect	21
29.10. Governing Law; Venue	21
29.11. Attorney Fees and Costs	21
29.12. Interpretation of Lease Provisions	21
29.13. Severability	22
29.14. Exhibits; Entire Agreement; Amendments	22
29.15. Notices	22
29.16. Consents	23
29.17. Contingencies	23
29.18. Conditions, Covenants and Restrictions Affecting Title	23
EXHIBIT A: DESCRIPTION OF PROPERTY, BUILDING, AND PREMISES	A-1

EXHIBIT B: BUILDING RULES AND REGULATIONS
EXHIBIT C: LANDLORD'S WORK
EXHIBIT D: COMMENCEMENT DATE CERTIFICATE
EXHIBIT E: TENANT IMPROVEMENTS
EXHIBIT F: CONDITIONS, COVENANTS & RESTRICTIONS AFFECTING TITLE

B-1
C-1
D-1
E-1
F-1

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of this _____ day of _____, 2006 by and between Biomedical Medical Partners, LLC, an Illinois limited liability company ("**Landlord**"), and Fresenius Medical Care of Illinois, LLC d/b/a Southside Dialysis ("**Tenant**") and Fresenius Medical Care Holdings, Inc. a New York corporation ("**Guarantor**").

ARTICLE 1 - PROPERTY, BUILDING, PREMISES

1.1. Lease of Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises containing 10,947 rentable square feet (the "Premises") located at 1st Floor at 3134 West 76th Street, Chicago, IL (the "Property"). The Property and Premises are more particularly described and shown on Exhibit A attached hereto and made a part hereof.

1.2. Right to Use Common Areas. Tenant shall at all times have the right to the non-exclusive use of Common Areas of the Property. The Common Areas shall be defined as the parking lot servicing the Property (the "Common Areas"). The Common Areas shall be subject to the Property's rules and regulations attached hereto as Exhibit B (the "Rules and Regulations"). Landlord shall enforce the Rules and Regulations in a consistent and nondiscriminatory manner among and between all tenants of the Property, including their respective officers, agents, employees, independent contractors, and invitees.

1.3. Delivery and Condition of Premises: Landlord Work. Within thirty (30) days after the CON approval (as defined in Section 29.17(b) date, (the "Delivery Date"), Landlord shall complete all work described and detailed on Exhibit C to this Lease ("Landlord Work") to Tenant's commercially reasonable satisfaction. Upon completion of all Landlord Work, Landlord shall deliver possession of the Premises, which shall include a minimum of two (2) keys to all locked areas and all information necessary for Tenant to disarm any security systems so that Tenant may access, the Premises, the Common Areas, and all mechanical, electrical, telephone and switching rooms that serve the Premises. Except as to latent defects, the Premises shall be accepted by Tenant in its "as is" condition and configuration without any representations or warranties by Landlord except as provided elsewhere in this Lease. In the event that Landlord fails to complete all Landlord Work prior to the Delivery Date, Landlord shall have an additional ten (10) days to cure and deliver possession, and thereafter, if Landlord still has not delivered the Premises, Tenant shall have the right to exercise its rights contained in Section 20.4.

In the event that another tenant is occupying the Premises as of the date of this Lease, Landlord shall use all reasonably available means, including but not limited to the commencement of an eviction proceeding, to obtain possession thereof upon the expiration or earlier termination of such other tenant's lease.

1.4. Re-measurement & Adjustment of Rent. The parties hereby agree that within sixty (60) days following the full execution of this Lease, the Building and the Premises shall be re-measured and certified by an independent registered architect or engineer, at Landlord's sole cost and expense, pursuant to Building Owners and Managers Association ("BOMA") Standards. The results of such re-measurement shall be binding on the parties and the new rentable square footage of the Building and the Premises shall be documented in the Commencement Date Certificate attached hereto as Exhibit D. In the event that the rentable square footage of the Premises or the Building is different than the square footage stated in Paragraph 1.1 of this Lease, Base Rent (as defined in Section 3.1) and Tenant's Proportional Share (as defined in Section 4.1) shall be recalculated in accordance with that final determination. Notwithstanding the foregoing, regardless of the results of the re-measurement of the Building and the Premises, the Base Rent shall be computed at \$19.00 per square foot.

ARTICLE 2 - LEASE TERM

2.1. Lease Term. The term of this Lease shall be for Ten (10) years and five (5) months (“Initial Term”) commencing on the date that is one hundred twenty (120) days from the Delivery Date . (the “Commencement Date”). The parties shall execute and deliver the Commencement Date Certificate in the form set forth in Exhibit D attached to this Lease, in order to confirm and memorialize the Commencement Date.

2.2. Options to Extend Term. Landlord hereby grants to Tenant Three (3) consecutive options to extend the term of this Lease (each a “Renewal Option”) each for a period of five (5) years (each an “Option Term”). The lease of the Premises for each Option Term shall be on the same terms and conditions contained in this Lease except that the Base Rent for each Option Term shall be determined pursuant to the terms and conditions of Section 3.2 of this Lease. Each Renewal Option may be exercised only by written notice delivered by Tenant to Landlord no later than ninety (90) days prior to the expiration of the then current term. Tenant may only exercise its Renewal Options if, on the date of delivery of the notice to Landlord, Tenant is not in default of this Lease beyond the expiration of any applicable cure periods. The Initial Term and all Option Terms are hereby referred to collectively as the “Lease Term”.

ARTICLE 3 - BASE RENT

3.1. Base Rent: Pro-ration for Partial Months. Within ten (10) days following the CON approval date, Tenant shall pay Landlord prepaid rent in the amount of \$51,998.25 to be credited against Tenant’s first three (3) months of monthly Base Rent due under the Lease. Three (3) months following the Commencement Date however no later than June 1, 2006, and during the First Year of the Initial Term, Tenant shall pay to Landlord rent (“Base Rent”) in equal monthly installments of Seventeen Thousand Three Hundred Thirty Two and 75/100 Dollars (\$17,332.75) in advance on or before the first day of every calendar month, without any setoff or deduction except as provided elsewhere in this Lease. However, in the event the re-measurement is different than anticipated, the Base Rent shall be computed at \$19.00 per square foot. Payment shall be made to Landlord at the address specified in Section 29.15 of this Lease, or at such other place that Landlord may from time to time designate in writing. The Base Rent for the first full calendar month of the Initial Term shall be paid no later than fifteen (15) days after the Commencement Date. If any payment of Base Rent is for a period shorter than one full calendar month, Base Rent for that fractional calendar month shall accrue on a daily basis at a rate equal to 1/365 of the annual Base Rent. Every twelve (12) month period following the Commencement Date, Base Rent shall increase by three percent (3%) over the Base Rent paid during the previous twelve (12) month period.

3.1.1. Base Rent Components. Landlord and Tenant hereby agree that Base Rent during the Initial Term is comprised of the following components:

- (a) a rental rate on a per square foot basis equal to \$19.00 per square foot on an annual basis, (the “Square Foot Rental”) and
- (b) Tenant Allowance (as defined in Section 7.3 of this Lease) equal to Six Hundred Thousand and 00/100 Dollars (\$600,000.00) which amount shall be held in escrow pursuant to the terms hereof and used for improvements to the Premises.

3.2. Base Rent for Option Terms.

Base Rent for each Option Term shall be calculated based on the Square Foot Rental only and shall be equal to an amount that is the greater of (i) Fair Market Value of the Premises (as defined in Section 3.2.1 of this Lease) or (ii) \$19.00 per square foot on an annual basis.

3.2.1. Fair Market Value. Fair Market Value shall be defined as the then fair market rental value of all space of this Lease, that is Comparable in size to the Premises, leased for a term comparable to the Option

Term, and located in buildings equivalent in quality and location to the Building. Fair Market Value shall be based on space that is not (i) subleased, (ii) subject to another tenant's expansion or right of first refusal rights, or (iii) leased to a tenant that holds an ownership interest in or is otherwise affiliated with the Landlord.

3.2.2. Determination of Fair Market Value. Fair Market Value shall be determined as follows: Within thirty (30) days of Tenant's exercise of a Renewal Option pursuant to Section 2.2 of this Lease, each party, at its own cost and by giving notice to the other party, shall appoint a real estate appraiser with at least five (5) years full-time commercial appraisal experience in the area in which the Premises are located to appraise the Fair Market Value. The appraisers shall have fifteen (15) days to agree upon the Fair Market Value of the Premises. Any agreement reached by the two appraisers shall be binding upon Landlord and Tenant. In the event that the two appraisers are unable to agree on the Fair Market Value, they shall immediately and mutually select an independent third appraiser meeting the qualifications stated in this Section 3.2.2. The third appraiser's determination of the Fair Market Value of the Premises shall be made within ten (10) days, and Landlord and Tenant shall share the cost of retaining the third appraiser equally. The two appraisers or the third appraiser, as the case may be, shall immediately notify the parties of their determination of Fair Market Value of the Premises, which shall be binding on both Landlord and Tenant and which shall serve as the Base Rent for the Option Term.

3.3. Late Payment of Base Rent. If Landlord does not receive any payment of Base Rent within five (5) days after that Rent is due, interest shall accrue on such unpaid Base Rent at the rate of ten percent (10%) per annum until fully paid by Tenant.

ARTICLE 4 - TENANT'S PROPORTIONAL SHARE

4.1. Tenant's Proportional Share. Subject to the re-measurement of the rentable square footage of the Premises pursuant to Section 1.4 of this Lease, Tenant's Proportional Share is equal to (1%). If the Premises is expanded or reduced, Tenant's Proportional Share shall be appropriately adjusted. Tenant's Proportional Share for the calendar year in which such a change occurs shall be determined on the basis of the number of days in which each Tenant's Proportional Share was in effect.

ARTICLE 5 - ADDITIONAL COSTS

5.1. Additional Costs. Tenant shall pay Tenant's Proportional Share of costs associated with the repair and maintenance of the Common Areas including snow removal, landscaping maintenance, and parking lot maintenance ("Additional Costs"). Additional Costs are payable for the same periods and in the same manner, time, and place as the Base Rent.

(a)

5.2. Exclusions from Additional Costs. Notwithstanding the foregoing, Additional Costs shall not include:

- (a) Expenses paid for or reimbursed directly by Landlord and/or third parties, including insurers;
- (b) Expenses incurred in connection with the financing, sale or acquisition of the Property including points, fees and other costs imposed on Landlord by Landlord's lender, closing costs, and depreciation, interest, or amortization of mortgages or ground lease payments;
- (c) Except as provided in Section 9.3 of this Lease, expenses incurred in procuring other tenants and retaining current tenants including, without limitation, the costs of obtaining any permits and licenses (including building permits), leasing and/or real estate brokers' commissions, advertising expenses, attorneys' fees, and the costs of renovating, improving, altering, decorating and painting other tenant's premises;

- (d) Legal expenses and other professional fees incurred in defending Landlord's title to the Property or in negotiating, enforcing, or resolving disputes with other tenants or, except as provided for in Section 29.11 of this Lease, Tenant;
- (e) Interest or penalties resulting from Landlord's late payment of any Additional Costs;
- (f) Expenses incurred by Landlord that are associated with the operation of Landlord's business, including the costs of partnership or corporate accounting and legal matters; defending or prosecuting any lawsuit with any mortgagee, lender, ground landlord, broker, tenant, occupant, or prospective tenant or occupant; the sale or syndication of any portion of Landlord's interest in the Property; and expenses incurred as a result of any dispute between Landlord and Landlord's property manager;
- (g) Landlord's general corporate or partnership overhead and general administrative expenses, including wages, salaries and other compensation paid to management personnel or any employee of Landlord above the grade of building manager who are not primarily engaged in the operation, maintenance, and repair of the Premises;
- (h) Expenses, fines, penalties and interest, as well as the cost of repairs, replacements, alterations, or improvements incurred by Landlord due to a violation of any valid and applicable building code, regulation or law (including but not limited to sprinkler installation or requirements under the Americans with Disabilities Act of 1990 (42 USC §§1210112213));
- (i) Expenses, including legal fees, resulting from the treatment, removal or remediation of Hazardous Materials (as defined in Section 11.1 of this Lease), pursuant to the *terms of* Article 11 of this Lease, that was not placed on the Property by Tenant;
- (j) Expenses incurred for repairs or replacements covered by warranties;
- (k) Expenses incurred due to the negligence or willful misconduct of Landlord or Landlord's employees, agents, or contractors;
- (l) Net income, franchise, capital stock, estate or inheritance taxes or taxes which are the personal obligation of Landlord or another tenant;
- (m) Landlord's charitable or political contributions;
- (n) Payments to subsidiaries and affiliates of Landlord for services, supplies or other materials that exceed the cost that Landlord would have paid had the services, supplies or materials been provided by unaffiliated parties on a competitive basis;
- (o) Advertising and promotional expenditures for any purpose;
- (p) Expenses incurred for the initial construction or reconstruction of the Premises, and any modification, alteration, or repair of any portion of the Premises due to faulty construction or latent defects in that construction;
- (q) Assessments and special assessments that result from deed restrictions, declarations, owners' association agreements, declarations, by-laws, or other rules that accrue against the Property or the Premises; and
- (r) Expenses incurred by Landlord for use of any portion of the Property to accommodate special events such as shows, promotions, filming, displays, photography, private events, or parties, ceremonies, and advertising.

5.2.1. *Capital Expenditures.* Expenses incurred by Landlord that are considered to be capital improvements or capital replacements but that are not intended as a labor saving device pursuant to this Section 5.2.1 or under generally accepted accounting and management practices' shall not be included in Additional Costs. Notwithstanding the foregoing, Landlord may charge as an Additional Cost any capital expenditures

intended to reduce Additional Costs or affect economies in the operation, maintenance, or repair of the Premises provided that Landlord shall provide Tenant with (i) an estimate of the amount of reduction in Additional Costs anticipated as a result of that capital improvement or replacement, (ii) an estimate of the cost of the capital improvement and Tenant's Proportional Share of the annual amortization charge of that capital expenditure, and (iii) reasonably sufficient information to support those estimates. All capital improvements or capital replacement expenditures included in Additional Costs shall be amortized over Landlord's commercially reasonable determination of the useful life of that capital improvement or replacement in accordance with Generally Accepted Accounting Principles.

5.3. Payment of Estimated Additional Costs. On or before December 31st of each year during the Lease Term, Landlord shall provide Tenant with a statement detailing Landlord's reasonable estimate of the Additional Costs for the upcoming calendar year (the "Estimated Statement") and a calculation showing the Landlord's estimate of Tenant's Proportional Share of such expenses. Tenant shall pay to Landlord, one-twelfth (1/12) of Tenant's Proportional Share of Landlord's estimate of Additional Costs each month together with Tenant's payment of Base Rent.

5.4. Annual Reconciliation of Additional Costs. On or before April 15th of each year, Landlord shall provide Tenant with a statement showing the actual Additional Costs for the previous calendar year (the "Actual Expenses Statement"). Landlord shall indicate on Actual Expenses Statement whether there is a shortfall or overpayment by Tenant in its payment of Additional Costs for the prior calendar year. If a shortfall exists, Tenant shall pay, within thirty (30) days of receipt of the Actual Expenses Statement, the full amount of that shortfall. If an excess exists, Landlord shall refund the full amount of such excess to Tenant within thirty (30) days. No interest shall accrue on any shortfall or overpayment by Tenant of the estimated Tax Expenses. Should Landlord fail to reimburse Tenant hereunder, Tenant shall have the right to offset Base Rent and Additional Rent.

5.5. Landlord's Books and Records: Tenant's Audit Rights. Upon thirty (30) days written notice to Landlord, Tenant and/or its authorized representatives may examine, inspect, audit, and copy the records of Landlord concerning Additional Costs for the two (2) prior calendar years of the Lease Term at Landlord's office during normal business hours. If Tenant's audit reveals that Landlord overstated the actual Additional Costs for any calendar year, Tenant shall submit a written claim to Landlord ("Tenant's Audit Claim") that shall describe in detail how the Additional Costs have been overstated. If Tenant's audit reveals that the Additional Costs taken as a whole were overstated by at least five percent (5%), Landlord shall pay for Tenant's reasonable costs of conducting the audit. Otherwise, Tenant shall pay its own costs.

5.5.1. Resolution of Tenant's Audit. If Landlord agrees with Tenant's Audit Claim, Landlord shall reimburse Tenant for Tenant's overpayment or Tenant shall pay Landlord for any shortfall, within thirty (30) days. If Landlord disputes the results of Tenant's audit, the parties shall agree on a certified public accounting firm to conduct its own independent audit of the Additional Costs for the calendar year or years in question. The parties shall cooperate with such accounting firm so that it can make a determination as to the validity of Tenant's Audit Claim. The determination of the accounting firm shall be given to the parties with sixty (60) days and shall be final and binding upon the parties. Upon the conclusion of the accounting firm's audit, all amounts owed by Landlord to Tenant or by Tenant to Landlord, as the case may be, shall be made within ten (10) days. The parties shall share the costs of retaining the accounting firm equally. Should Landlord fail to reimburse Tenant hereunder, Tenant shall have the right to offset Base Rent and Additional Rent.

5.5.2. Confidentiality. Tenant shall keep any information gained from the inspection of Landlord's records, books, and general ledger confidential and shall not disclose any information contained therein to any other party, except as required by law. If requested by Landlord, Tenant shall require those employees or agents inspecting Landlord's records, books, and general ledger to sign a confidentiality agreement prior to their inspection and review of the same.

5.6. Time Limitation to Bill Tenant for Operating Expenses and Tax Expenses. In no event shall Tenant be required to pay Tenant's Proportional Share of any Additional Costs that Landlord failed to bill Tenant for and that accrued more than two (2) years prior to the date that Tenant is notified by Landlord of such expenses. In addition, Landlord may not seek reimbursement from Tenant due to an adjustment in Additional Costs more than two (2) years after furnishing an Actual Expenses Statement to Tenant.

ARTICLE 6 - USE AND COMPLIANCE WITH LAWS

6.1. Permitted Use. Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office and administrative uses. Tenant shall not use or occupy the Premises for any other purpose without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall not conduct any activity in the Premises that are excessively noisy or offensive, or in a manner that violates federal, state, county, city, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued (collectively, "Laws"). Tenant may operate on the Premises, at Tenant's option, on a three hundred sixty-five (365) days a year, seven (7) days a week, twenty-four (24) hours-a-day basis, subject, however, to zoning and other regulatory requirements.

6.2. Condition of Premises: Repairs and Replacements. Tenant shall keep the Premises in a neat and orderly fashion during the Lease Term. Tenant, at Tenant's sole expense, shall promptly make all repairs, replacements, alterations, or improvements to the Premises including its Tenant Improvements (as defined in Article 7), Alterations (as defined in Article 8), fixtures, and furnishings, in order to comply with all Laws to the extent that such Laws relate to or are triggered by Tenant's particular use of the Premises. Notwithstanding the foregoing, Tenant shall not be obligated to make any structural changes to the Building. Landlord, at Landlord's sole expense, shall promptly make all repairs, replacements, alterations, or improvements, retrofitting, or remediation needed to comply with all Laws to the extent that such Laws apply to the Building as a whole, or any of its structural components or mechanical or electrical systems.

6.3. Compliance with Building Rules and Regulations. Tenant shall comply in all material respects with the Property's Rules and Regulations attached to this Lease as Exhibit B and any reasonable amendments or additions promulgated by Landlord during the Lease Term for the safety, care, and cleanliness of the Premises and Property or for the preservation of good order. No amendment or addition to the Property's Rules and Regulations shall be binding on Tenant until the tenth (10th) business day after Tenant receives written notice of the change, and in no event shall the Property's Rules and Regulations take precedence over the specific terms and conditions of this Lease. Landlord shall enforce the Property's Rules and Regulations in a nondiscriminatory manner and, whenever necessary, shall use its authority under leases with other tenants to ensure that such other tenants of the Property also comply with the Property's Rules and Regulations.

6.4. Compliance with Insurer Requirements. Tenant shall, at Tenant's sole expense, comply with all rules, orders, regulations, or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and of any similar body in effect during the Lease Term that (a) have been disclosed to Tenant by Landlord and (b) pertain to Tenant's business operations, conduct, or use of the Premises or Common Areas. If Tenant's business operations, conduct, or permitted use of the Premises cause any increase in the premium for any insurance policies carried by Landlord, Tenant shall, within thirty (30) days after receipt of written notice and evidence of such increases from Landlord, reimburse Landlord the full amount for such increase. Additionally, Tenant shall name Landlord as an additional insured as its interest may appear.

ARTICLE 7 -TENANT IMPROVEMENTS

7.1. Tenant Improvements. Upon the delivery of the Premises to Tenant pursuant to Section 1.3 of this Lease, Tenant shall be allowed to construct its initial improvements to the Premises, using contractors of its own choosing, pursuant to the plans and specifications attached hereto as Exhibit E (“Tenant Improvements”). Landlord specifically consents to all of the Tenant Improvements detailed on such plans and specifications, and hereby grants Tenant and its contractors, agents, equipment and materials suppliers, and subcontractors a license to access the Property, the Building and the Premises for purposes of delivering supplies and constructing the Tenant Improvements. During the construction of the Tenant Improvements, Tenant shall submit all changes to its plans and specifications to Landlord for approval, which shall not be unreasonably withheld, conditioned or delayed, and which shall be deemed granted if Landlord does not respond within five (5) business days of Tenant’s request.

7.1.1. Flooring. Landlord hereby recognizes that Tenant plans to install flooring within the Premises as part of the Tenant Improvements, that such flooring is critical to the proper day to day operation of Tenant’s business, and that proper functioning of such flooring requires that vapor emissions from the concrete floor slab cannot exceed three (3) pounds per one thousand (1,000) square feet every twenty-four (24) hours (the “Flooring Threshold”). Landlord hereby grants Tenant permission to test for such vapors, at Tenant’s sole cost and expense.

7.2. Construction Requirements. Tenant shall obtain all building and other permits or licenses required for the work. The Tenant Improvements shall be constructed in a good and workmanlike manner using quality materials. During construction of the Tenant Improvements, Tenant shall use reasonable efforts not to disturb other tenants in the Building. Promptly after completion of the Tenant Improvements, Tenant shall procure a certificate of occupancy for the Premises from the applicable authorities. Copies of each such permit, license and certificate obtained by Tenant pursuant to this Section 7.2 shall be delivered to Landlord. Subject to the terms of Article 10 of this Lease, Tenant covenants not to suffer any mechanic’s liens to be filed against the Property, Building or Premises by reason of any work, labor, services or materials performed at or furnished to the Premises by Tenant, or by anyone acting through or on behalf of Tenant related to the construction of the Tenant Improvements. In the event that Tenant intends to disturb the soil on the Property, Tenant will first obtain the written consent of Landlord and Landlord’s Lender which consent will not unreasonable be withheld.

7.3. Tenant Allowance. Landlord shall provide Tenant an allowance equal to Six Hundred Thousand and 00/100 Dollars (\$600,000.00) (the “Tenant Allowance”) in order to allow Tenant to construct the Tenant Improvements. Tenant shall submit to Landlord and Chicago Title Insurance Company (a) copies of all invoices received by Tenant as part of its construction of the Tenant Improvements and (b) lien waivers and lien releases from all contractors and subcontractors whose total value of services provided to Tenant as part of Tenant’s construction of the Tenant Improvements exceeds Ten Thousand and 00/100 Dollars (\$10,000.00). Landlord shall, within thirty (30) days of Tenant’s submission of the foregoing documentation, direct Chicago Title Insurance Company to pay the amount of the Tenant Allowance to Tenant for each such Tenant Improvement. Any charges incurred by Tenant over and above the amount of the Tenant Allowance shall be borne by Tenant. For charges incurred by Tenant over and above the Tenant allowance, Tenant shall submit to Landlord and Chicago Title Insurance Company copies of all invoices, lien waivers and lien releases. Upon Landlord’s approval which approval shall not be unreasonably withheld Landlord shall consent to Chicago Title Insurance Company’s payment of such invoices. Tenant shall submit to Landlord and Chicago Title Insurance Company copies of all invoices, lien waivers and lien releases sufficient to allow Landlord’s Lender to receive a clean date down endorsement.

7.3.1. Failure to Provide Tenant Allowance. The failure of Landlord to pay the Tenant Allowance to Tenant pursuant to the terms of this Article 7 shall be deemed a material breach of this Lease and the following provisions shall apply:

- (a) Interest shall accrue on the unpaid portion of the Tenant Allowance at the rate of prime rate plus two percent (2%) per annum, unless such rate exceeds the maximum rate permitted by law, in which case interest shall accrue on such unpaid amounts at the maximum legal rate; and
- (b) Tenant may deduct the full amount of the unpaid portion of the Tenant Allowance, and any interest accrued thereon, from Tenant's monthly payments of Base Rent and Additional Rent until such time that Landlord pays the full amount of the Tenant Allowance.

ARTICLE 8 - ALTERATIONS

8.1. General. Tenant may remodel the Premises during the Lease Term in accordance with the terms and conditions of Section 8.2 of this Lease. In addition, without the necessity of obtaining Landlord's consent, Tenant may install such counters, partitions, walls, shelving, fixtures, fittings, machinery and equipment in the Premises as Tenant deems necessary to conduct its business. Tenant may also install a television or satellite antenna on the roof of the Premises, flues and wall or roof penetrations and an emergency generator in a location close in proximity to the Premises. Tenant shall cooperate with Landlord with respect to the location and method of installation of such equipment.

8.2. Prohibited Alterations: Landlord's Consent Required. Notwithstanding anything contained in Section 8.1, Tenant shall not be permitted to make any alteration or modification to the Premises after the Commencement Date which either (a) costs more than Seventy-Five Thousand and 00/100 Dollars (\$75,000.00) in each instance or (b) affects the structural, electrical, mechanical or life safety systems of the Building, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. The Alterations for which Landlord may reasonably withhold consent include those that would:

- (a) Adversely impact the structural integrity of the Building or any of its mechanical and electrical systems;
- (b) Result in Landlord being required to perform any work pursuant to any Law that Landlord could otherwise avoid or defer, unless Tenant agrees in writing to pay for the entire cost of the of such additional work;
- (c) Result in a material increase in the demand for utilities or services that Landlord is required to provide, unless Tenant agrees in writing to pay for the additional cost of such utilities; or
- (d) Cause an increase in the premiums for hazard or liability insurance carried by Landlord, unless Tenant agrees in writing to pay the amount of the increase in such premiums.

8.2.1. Consent Procedure. Tenant shall request Landlord's consent by submitting the plans and specifications for its proposed Alterations to Landlord, and Landlord shall have ten (10) days thereafter to review such plans and specifications. If Landlord fails to give or withhold its consent in writing to Tenant within such ten (10) day period, Landlord shall be deemed to have given its consent to Tenant's proposed Alterations.

8.3. Compliance with Laws and Insurance Requirements. Tenant shall ensure that its construction of all Alterations complies with all Laws and any applicable requirements. Tenant shall obtain all permits that may be required by any governmental entity having jurisdiction over the Premises.

8.4. Manner of Construction and Payment. Tenant shall have the right to use contractors and subcontractors of its choosing. All work relating to any Alterations shall be done in a good and workmanlike manner, using materials equivalent in quality to those used in the construction of the Tenant Improvements. The construction of Alterations by Tenant shall be diligently prosecuted to completion, and Tenant shall ensure that all work is performed in a manner that does not obstruct access to or through the Building or the Common Areas. In addition, Tenant shall take reasonable steps to ensure that its construction does not interfere either with other tenants' use of their premises or with any other work being undertaken by Landlord in the Building.

8.5. Payment for Alterations. Tenant shall promptly pay all charges and costs incurred in connection with its construction of all Alterations. Subject to the terms of Article 10 of this Lease, Tenant covenants not to suffer any mechanic's liens to be filed against the Property, Building or Premises by reason of any work, labor, services or materials performed at or furnished to the Premises by Tenant, or by anyone acting through or on behalf of Tenant related to the construction of any Alteration.

ARTICLE 9 - REPAIRS AND MAINTENANCE

9.1. Tenant's Repair and Maintenance Obligations. During the Lease Term, Landlord shall at its sole cost and expense keep and maintain the exterior of the Premises, foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, and footings, in good order and repair and free of refuse and rubbish. Tenant shall, at its sole cost and expense, keep and maintain the interior, non-structural portions of the Premises including all Tenant Improvements and Alteration.

9.2. Maintenance and Repair of HVAC Systems. Tenant shall be responsible for the installation of ductwork for and regular maintenance of the heating and air conditioning equipment exclusively serving the Premises. Tenant may, at its sole cost and expense, hire an independent licensed contractor to perform such installation and maintenance. Repairs of the HVAC System in excess of \$10,000 shall be Landlord's responsibility.

9.3. Limitations on Repair and Maintenance Obligations and Defaults. All of the foregoing in this Article 9 notwithstanding, neither Landlord nor Tenant shall be obligated to perform any maintenance, repair or replacement necessitated by the negligence or willful misconduct of the other party, or of the other's employees, contractors, or agents. The party whose negligence or willful misconduct caused the need for such maintenance, repair or replacement shall be responsible for same, at its sole cost. Neither party shall be in default of its repair and maintenance obligations under this Article 9 if Landlord or Tenant, as the case may be, begins performing repairs and maintenance and, due to the nature of the particular repair or maintenance obligation, more than thirty (30) days are reasonably required to complete such work and the responsible party is diligently prosecuting such work to completion.

ARTICLE 10 - COVENANT AGAINST LIENS

10.1. Covenant Against Liens. Tenant shall not permit mechanics' or other liens to be placed upon the Property, Building, or Premises or Tenant's leasehold interest therein. Landlord shall have the right to post and record notices of non-responsibility in the Premises during Tenant's construction of the Tenant Improvements or any Alteration. Within ninety (90) days of written notice from Landlord, Tenant shall fully discharge any lien by settlement, bonding, or insuring over the lien in the manner prescribed by the applicable lien Law. Nothing contained in this .. Section 10.1 shall restrict or prohibit Tenant from initiating a legal action or defending itself in an existing legal proceeding to determine the validity of any lien or attachment. In all such cases, Tenant shall indemnify, protect, defend, and hold Landlord harmless from and against all claims, demands, causes of action loss, damage, liability, costs, and expenses (including attorneys fees and court costs) relating to such liens and attachments. In no event shall Tenant be in default under the terms of this Lease so long as Tenant is diligently pursuing the full discharge of any lien placed upon the Property, Building or Premises, as the case may be.

ARTICLE 11 - ENTRY BY LANDLORD

11.1. Landlord's Access to Premises. Tenant shall permit Landlord or its agent to enter the Premises upon reasonable prior notice to (a) inspect the Premises, (b) make such alterations, maintenance, or repairs therein as may be required under this Lease or pursuant to any Law, (c) show the Premises to prospective purchasers or mortgagees or to ground or underlying landlords, or (d) serve or post all notices required by law or permitted by this Lease. In addition to the foregoing, during the last one hundred eighty (180) days of the Lease Term,

Tenant shall permit Landlord to show the Premises to prospective tenants at reasonable times, and to place notices on the front of the Premises or on any part thereof offering the Premises for lease. Landlord shall exercise its rights under this Article 11 at such times and in such a manner as to minimize the impact of any interference with Tenant's business in and occupancy of the Premises.

11.1.1. Emergency Entries. Landlord and Landlord's agents may enter the Premises without any advance notice when necessary to address emergency situations. For purposes of this Section 11.1.1, an emergency situation is one that poses a threat of imminent bodily harm or property damage. If Landlord makes an emergency entry into the Premises when no authorized representative of Tenant is present, Landlord shall provide notice to Tenant as soon as reasonably possible after that entry and shall take reasonable steps to secure the Premises until a representative of Tenant arrives at the Premises.

11.2. HIPAA Compliance Provision. Landlord acknowledges that Tenant is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 and related regulations ("HIPAA"), and that HIPAA requires Tenant to ensure the safety and confidentiality of patient medical records. Landlord further acknowledges that, in order for Tenant to comply with HIPAA, Tenant must restrict access to the portions of the Premises where patient medical records are kept or stored. Landlord hereby agrees that, notwithstanding the rights granted to Landlord pursuant to this Article 11, except for an emergency entry into the Premises taken pursuant to Section 11.1.1 of this Lease or when accompanied by an authorized representative of Tenant, neither Landlord nor its employees, agents, representatives or contractors shall be permitted to enter those areas of the Premises designated by Tenant as locations where patient medical records are kept and/or stored.

11.3. Method of Entry. Landlord shall at all times have a key or, if applicable, a card key with which to unlock all the doors in the Premises except for the locations in the Premises designated by Tenant as areas where patient records are kept or stored. In an emergency situation, Landlord shall have the right to use any means that Landlord considers proper to open the doors in and to the Premises. Any such entry into the Premises by Landlord shall not be considered a forcible or unlawful entry into the Premises or an actual or constructive eviction of Tenant from any portion of the Premises.

ARTICLE 12 - UTILITIES AND SERVICES

12.1. Utilities and Services. Tenant, at its own expense, shall install heating and air conditioning equipment to serve the Premises, and shall provide heating and air conditioning services to the Premises on a 24-hour-a-day, 7-day-a-week basis at an industry accepted temperature and at an air flow required by any applicable building codes or Tenant's specifications. Landlord shall also ensure that hot and cold water, electricity, gas, sewer, and other standard utility services for a first class commercial building are provided to the Premises on all days during the Lease Term. Tenant shall be solely responsible for all connection or hook-up charges and fees, including any impact and tapping fees, with respect to utility services supplied to the Premises and pay for the separate metering of the Premises.

Tenant, at its sole cost and expense, shall be responsible for bringing telephone service and cable or satellite television service to the Premises.

12.2. Payment of Utility Charges. Tenant shall pay or cause the payment of all charges for gas, water, sewer, electrical, telephone and other utility services supplied to the Premises during the Lease Term. Tenant shall receive all savings, credits, allowances, rebates or other incentives granted or awarded by any third party as a result of any of Tenant's utility specifications in the Premises. Should Landlord elect to supply any or all of such utilities, Tenant agrees to purchase and pay for the same that (a) the rate charged by Landlord to Tenant shall not exceed the rate charged Landlord by any supplying utility plus any expenses incurred by Landlord in connection with billing and supplying such utility service to Tenant and (b) Tenant shall not be required to pay for any utility charges that Landlord fails to notify or bill Tenant of after two (2) years. In addition, Landlord may not seek reimbursement from Tenant due to an adjustment in utility costs or charges that are more than two (2) years old.

12.3. Interruption of Utility Services. In no event shall Landlord be liable for any interruption or failure in the supply of any utility to the Premises unless such interruption was caused by the negligence or willful misconduct of Landlord or any person or entity acting on behalf of Landlord. In such event, Tenant shall be entitled to an abatement of Base Rent and Additional Rent for the period of such interruption if Landlord does not make repairs and restore all interrupted services to the Premises within two (2) business days.

ARTICLE 13 - TAXES

13.1. Tax Expenses. "Tax Expenses" means all federal, state, county, or local government or municipal taxes, fees, charges, or other impositions of every kind (whether general, special, ordinary, or extraordinary) during any calendar year (without regard to any different fiscal year used by any government or municipal authority) because of or in connection with the ownership, leasing, and/or operation of the Premises. Tax Expenses shall include taxes, fees, and charges such as real property taxes, general and special assessments, transit taxes, leasehold taxes, and taxes based on the receipt of rent (including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant). Tenant and Landlord acknowledge that assessments, taxes, fees, levies, and charges may be imposed by government agencies for services such as fire protection, street, sidewalk, and road maintenance, conservation, refuse removal, and other governmental services formerly provided without charge to property owners or occupants. Tax Expenses shall also include any government or private assessments (or the Building's contribution toward a government or private cost-sharing agreement) for the purpose of augmenting or improving the quality of services and amenities normally provided by government agencies. Tenant and Landlord intend that all new and increased assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies, and charges be included within the definition of "Tax Expenses" for purposes of this Lease.

13.2. Payment of Tax Expenses. Tenant shall pay before due all Tax Expenses assessed against the Premises. Tenant shall have the right to make arrangements with all relevant taxing authorities so that tax bills are sent directly to Tenant.

13.3. Payment of Personal Property Taxes. Tenant shall pay before due all taxes levied or assessed against its personal property, furniture, or fixtures placed within the Premises.

ARTICLE 14 - INSURANCE

14.1. Tenant's Insurance. Tenant covenants and agrees that throughout the Lease Term it will keep in full force and effect the following insurance policies:

- (a) "All risk" property insurance, including fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and water damage, demolition and debris removal and flood insurance (if the Building is located in a flood hazard area) insuring, on a replacement cost basis Tenant Improvements and Alterations that Tenant is responsible for.
- (b) Comprehensive general liability or public liability insurance with limits not less than \$2,000,000 combined single limit, including coverage for bodily injury and property damage to third parties.
- (c) Insurance agreed to in this Section 14.1 may be provided in a combination of self-insured retention, primary insurance and /or excess / umbrella insurance. Policies shall be placed with companies holding an A.M. Best's rating of B+ or better. Tenant shall annually provide the Landlord with a certificate of insurance evidencing the existence and amounts of such insurance required herein.

14.2. Landlord's Insurance. Tenant shall reimburse Landlord for Landlord's costs associated with the insurance premiums (but not deductibles) for the insurance contained in Section 14.2(a) for the Premises and Tenant's Proportional Share of Landlord's insurance premiums (but not deductibles) the insurance contained in Section 14.2(a) for the Property. With respect to any and all insurance costs billed by Landlord to Tenant, Tenant shall

be entitled to the audit rights contained in Article 5 of the Lease. Landlord covenants and agrees that throughout the Lease Term, it will keep in full force and effect the following insurance policies:

- (a) "All risk" property insurance, including fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and water damage, demolition and debris removal and flood insurance (if the Premises is located in a flood hazard area) insuring, on a replacement cost basis, the Property and the Premises, including but not limited to the parking lot, common areas, foundation, and roof.
- (b) Comprehensive general liability or public liability insurance with limits not less than. \$2,000,000 combined single limit, including coverage for bodily injury and property damage to third parties.
- (c) Insurance agreed to herein may be provided in a combination of self-insured retention, primary insurance and /or excess / umbrella insurance. Policies shall be placed with companies holding an A.M. Best's rating of B+ or better. The Landlord shall, upon written request, provide the Tenant with a certificate of insurance evidencing the existence and amounts of such insurance required herein.

14.3. Waivers. Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by the "all risk" property insurance policies existing for the benefit of the respective parties. Each party shall obtain any special endorsements, if required by their insurer to evidence compliance with the aforementioned waiver.

ARTICLE 15 - HAZARDOUS MATERIALS; MEDICAL WASTE

15.1. Definition of Hazardous Materials. Hazardous Materials shall mean any hazardous or toxic substance, material, or waste in any concentration that is or becomes regulated by the United States of America, the state in which the Property is located, or any local governmental authority having jurisdiction over the Premises, and shall include:

- (a) Any "hazardous substance," as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 United States Code sections 9601-9675);
- (b) "Hazardous waste," as that term is defined in the Resource Conservation and Recovery Act of 1976 (42 United States Code sections 6901-6992k);
- (c) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement;
- (d) Petroleum products, asbestos containing materials ("ACM's") in any form or condition, and polychlorinated biphenyls ("PCB's") and substances or compounds containing ACM's or PCB's; and
- (e) Radioactive material, including any source, special nuclear, or byproduct material as defined in 42 United States Code sections 2011-2297g-4;

15.2. Representations and Warranties of Landlord. Landlord hereby represents and warrants that (a) as of the date of this Lease it has no knowledge of any Hazardous Materials located in, on, or under the Property or the Premises, (b) Landlord has provided Tenant with a copy of all tests and reports that Landlord has conducted prior to the date of this Lease which relate to the existence of Hazardous Materials including, without limitation, a Phase 1 Study, and (c) Landlord has not received any notices or other notifications from any governmental entity that the Property or the Premises is in violation of any environmental law. In the event that a Hazardous Material of whatever kind or nature and wherever located, including, but not limited to, soil, water, building components, above ground or below ground storage containers is found to be present at the

Premises or the Property, then so long as the presence of such Hazardous Material is not the fault of Tenant, or Tenant's employees, agents, contractors or invitees, Landlord will assume full responsibility and liability for treatment of same in accordance with all applicable Laws.

15.3. Tenant's Use of Hazardous Materials. Except as may be required in Tenant's ordinary course of business and as provided by law, Tenant shall not cause any Hazardous Materials to be generated, brought onto, used, stored, or disposed of in or about the Property or the Premises. Tenant shall comply at all times during the Lease Term with all Laws governing the use, storage, and disposal of Hazardous Materials, including those Laws cited in Section 15.1 of this Lease.

15.4. Notification to Other Party. During the Lease Term, if either Landlord or Tenant becomes aware of (a) any release of any Hazardous Material on, under, or about the Premises or the Property or (b) any investigation, proceeding, or claim by any governmental agency regarding the presence of Hazardous Material on, under, or about the Premises, that party shall give the other party written notice of the release or investigation within three (3) days after learning of it and shall simultaneously furnish to the other party copies of any claims, notices of violation, reports, or other writings received by the party providing notice that concern the release or investigation.

15.5. Remediation Obligations. If the presence of any Hazardous Material brought onto the Property or the Premises by either Landlord or Tenant or by Landlord's or Tenant's employees, agents, contractors, or invitees results in contamination of the Property or the Premises, that party shall promptly take all necessary actions, at its sole cost and expense, to return the Property or the Premises, as the case may be, to the condition that existed before the introduction of such Hazardous Material. The costs of any Hazardous Material cleanup or remediation undertaken by Landlord during the Lease Term shall be borne solely by Landlord and shall not be included in Additional Costs. If Landlord undertakes any cleanup, remediation, detoxification, or similar action pursuant to this Section 15.5 as a result of the presence, release, or disposal in or about the Property or the Premises of any Hazardous Material, and that action requires that Tenant be denied access or use of the Premises to conduct its business on the Premises for a period of greater than one (1) business day, Base Rent and Additional Rent payable under this Lease shall be abated for the period that Tenant is unable to conduct its business in the Premises.

15.6. Indemnifications. Landlord and Tenant shall, at that party's sole expense and with counsel reasonably acceptable to the other party, indemnify, defend, and hold harmless the other party and the other party's shareholders, directors, officers, employees, partners, affiliates, agents, and successors with respect to all losses arising out of or resulting from the release of any Hazardous Material in, on, under or about the Property or the Premises, or the violation of any environmental law, by that party or that party's agents, assignees, subtenants, contractors, or invitees. This indemnification includes all losses, costs of characterization, costs of removal, remedial actions, repairs, liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. This indemnification shall survive the expiration or earlier termination of this Lease.

15.7. Medical Waste. For purposes of this Lease, "Medical Waste" shall include (i) medical devices, instruments, or paraphernalia such as syringes, sutures, swabs or wraps of any sort that are intended to come into contact with any part of the body, and (ii) biological wastes and other waste materials that results from the administration of medical care to a patient by Tenant During the Lease Term, Tenant shall not dispose of medical waste in the trash receptacles provided by Landlord at the Property or Premises. Notwithstanding anything to the contrary contained in this Lease or any exhibit to this Lease, Tenant shall at all times during the Term have the right, in a manner consistent with applicable law, to (a) determine the kind of container in which to store medical waste in the Premises prior to its disposal, (b) dispose of medical waste generated in the Premises, and/or (c) retain the services of a licensed independent contractor to dispose of the medical waste generated in the Premises.

ARTICLE 16 - INDEMNIFICATIONS

16.1. *Indemnification by Tenant.* Tenant agrees to indemnify and hold Landlord harmless against all claims, demands, costs and expenses, including reasonable attorney's fees for the defense thereof, arising from Tenant's conduct, management of Tenant's business, use and occupancy of the Premises, construction of Tenant Improvements and Alterations, breach of any of the terms and conditions of this Lease, or the negligence or willful misconduct of Tenant, its agents, servants, contractors or employees. Notwithstanding anything to the contrary contained herein, the foregoing provision shall not be construed to hold Tenant responsible for any loss, damage, liability or expense resulting from injuries caused by any negligence or intentional misconduct of Landlord, its agents, servants, contractors or employees. In case of any action or proceeding brought against Landlord by reason of such claim as is described in the initial sentence of this paragraph, Tenant, upon written notice from Landlord, covenants to defend such action or proceeding by counsel reasonably acceptable to Landlord.

16.2. *Indemnification by Landlord.* Landlord agrees to indemnify and hold Tenant harmless against all claims, demands, costs and expenses, including reasonable attorney's fees for the defense thereof, arising from Landlord's conduct, management of Landlord's business, construction of improvements by Landlord including Landlord's Work, breach of any of the terms and conditions of this Lease, or the negligence or willful misconduct of Landlord, its agents, servants, contractors or employees. Notwithstanding anything to the contrary contained herein, the foregoing provision shall not be construed to hold Landlord responsible for any loss, damage, liability or expense resulting from injuries caused by any negligence or intentional misconduct of Tenant, its agents, servants, contractors or employees. In case of any action or proceeding brought against Tenant by reason of such claim as is described in the initial sentence of this paragraph, Landlord, upon written notice from Tenant, covenants to defend such action or proceeding by counsel reasonably acceptable to Tenant.

ARTICLE 17 - DAMAGE AND DESTRUCTION

17.1. *Partial Damage or Destruction.* If no more than forty percent (40%) of the Property, Premises, parking areas or Common Areas are partially destroyed from any cause and such damage or destruction renders the Premises partially inaccessible or unusable, Landlord shall promptly restore the Property, Premises, parking areas and Common Areas to substantially the same condition as they were in immediately before the destruction within one hundred eighty (180) days after the date of such partial destruction. Base Rent and Additional Rent shall be abated for the portion of the Premises not occupied by Tenant during the time of such restoration and for any portion of the Premises which may be occupied by Tenant but which are unfit for the purposes permitted under this Lease. In the event that Landlord fails to restore the Property,

Premises, parking areas or Common Areas, as the case may be, within the one hundred eight (180) day timeframe provided herein, Tenant shall have right to terminate this Lease upon ten (10) days notice to Landlord or exercise its rights under Section 20.4 of this Lease. Notwithstanding the foregoing, Landlord shall not be required to make any repairs or restorations that are prohibited by law, and Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof.

17.2. *Complete Damage or Destruction.* If forty percent (40%) or more of the Property, Building, Premises, parking areas or Common Areas are destroyed from any cause, such damage shall be deemed a complete destruction for purposes of this Lease. In such event, Landlord shall, within sixty (60) days after the date of the casualty, commence its reconstruction. The following provisions shall apply in the event of a complete destruction:

- (a) Landlord and Tenant shall each have the right to terminate this Lease upon thirty (30) days written notice to the other party if Landlord's commercially reasonable determination of period for reconstruction will exceed two-hundred and seventy (270) days from the date of the casualty;
- (b) Base Rent and Additional Rent shall be fully abated during the period beginning on the date of the casualty and ending on the date of completion of Landlord's restoration obligations as provided in this Article 17. If Tenant occupies a portion of the Premises during Landlord's restoration of the Premises, Base Rent shall be abated only for the portion of the Premises not occupied by Tenant.

17.3. Damage Near End of Term. Notwithstanding any other provision of this Article 17 to the contrary, if any portion of the Property, Premises, Building, Common Areas or parking areas are destroyed or damaged by a casualty during the last twelve (12) months of the Lease Term, Landlord and Tenant shall each have the option to terminate this Lease by giving ten (10) days written notice to the other party within thirty (30) days of the date of the casualty.

17.4. Effective Date of Termination: Rent Apportionment. If Landlord or Tenant elects to terminate this under this Article 17 in connection with a casualty, Tenant shall pay Base Rent properly apportioned up to the date of the casualty. After the effective date of the termination, Landlord and Tenant shall be discharged of all future obligations under this Lease, except for those provisions that, by their terms, survive the expiration or earlier termination of the Lease.

ARTICLE 18 - CONDEMNATION

18.1. Condemnation. If any portion of the Premises or the parking lot serving the Premises is taken or condemned by any competent authority for any public or quasi-public use or purpose or is sold to the condemning authority in lieu of condemnation, Landlord and Tenant shall each have the right to terminate this Lease upon thirty (30) days written notice to the other party. Tenant shall have the right to make such claims as may be available to Tenant under applicable law, provided such claims do not reduce the amount of condemnation proceeds available to Landlord.

18.2. Apportionment of Base Rent. If this Lease is terminated under this Article 18, Tenant shall only be obligated to pay Base Rent for the period up to, but not including, the termination date of this Lease. Landlord shall return to Tenant any prepaid Base Rent allocable to any period on or after the Termination Date.

ARTICLE 19 - ASSIGNMENT AND SUBLEASING

19.1. Restricted Transfers. Except as provided in Section 19.2 of this Lease, Tenant shall not voluntarily assign, sublease or otherwise encumber any part of its interest in this Lease or in the Premises without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Concurrent with Tenant's written request for Landlord's consent to a transfer, Tenant shall provide Landlord with (a) information regarding the proposed transferee, including their name, address, and ownership profile, (b) the nature of the proposed transferee's business and anticipated use of the Premises; (c) current audited financial statements of the proposed transferee, and (d) all material terms of the proposed transfer, including the base rent to be paid by the proposed transferee for the term of the proposed assignment or sublease, the portion of the Premises to be transferred, a general description of any planned alterations or improvements to be made by the proposed transferee to the Premises, the effective date of the transfer, and copies of other relevant documentation concerning the proposed transfer to the extent then available.

19.1.1. Standard of Landlord's Reasonableness. It shall not be deemed unreasonable for Landlord to withhold consent to subletting or assignment by Tenant under this Lease if Landlord in its sole judgment determines that the proposed transferee (a) is of a character or is engaged in a business which is not in keeping with Landlord's standards for the Building, as determined solely by Landlord; (b) has a use which conflicts with

the general character of the Building or any provision in another tenant's lease with Landlord; (c) does not meet the then current commercially reasonable financial standards required by Landlord; or (d) is unacceptable because Tenant is in default under this Lease at the time of the request for Landlord's consent. Consent given by Landlord to any such assignment or subletting shall not operate as a waiver of the necessity for a consent to any subsequent assignment or subletting.

19.1.2. *Release of Tenant.* If Landlord consents to any Restricted Transfer, Tenant and any guarantor of this Lease shall thereafter be released from all liability under this Lease accruing after the date of the Restricted Transfer.

19.2. *Permitted Transfers.* Notwithstanding Section 19.1, Tenant may assign this Lease or sublease the Premises in whole or in part, upon written notice to Landlord, but without the consent of Landlord to:

- (a) any entity into which or with which Tenant has merged or consolidated;
- (b) any parent, subsidiary, successor, or wholly-owned affiliated entity of Tenant;
- (c) any entity which acquires all or substantially all of the assets or issued and outstanding shares of capital stock of Tenant;
- (d) any partnership, the majority interest of which shall be owned by Tenant or a parent, subsidiary, successor or wholly-owned affiliate entity of Tenant;
- (e) any purchaser of substantially all of Tenant's assets located at the Premises, provided that any such assignee or successor shall agree in writing to assume and perform all of the terms and conditions of this Lease on Tenant's part to be performed from and after the effective date of such assignment or subletting; or
- (f) any doctor or medical director associated with Tenant, provided that no more than ten percent (10%) of the Premises are transferred pursuant to this Section 19.2(f).

19.2.1. *No Release of Tenant.* Neither Tenant nor any guarantor of this Lease shall be released from liability accruing under this Lease after the date of any Permitted Transfer.

19.3. *Right to Collect Base Rent.* If this Lease is assigned, Landlord shall collect Base Rent directly from the assignee. If all or part of the Premises is subleased and Tenant defaults, Landlord shall have the right to collect the base rent payable by the sublessee to Tenant directly from the sublessee provided that Landlord shall apply all amounts collected to Tenant's monetary obligations under this Lease.

ARTICLE 20 - DEFAULTS AND REMEDIES

20.1. *Default by Tenant.* The occurrence of any of the following shall constitute a default by Tenant under this Lease:

- (a) Tenant's failure to pay when due any Base Rent, Additional Rent, or any other monetary obligation required to be paid under this Lease if the failure continues for ten (10) days after Tenant's receipt of written notice of its failure from Landlord to Tenant;
- (b) Tenant's failure to perform any other obligation under this Lease if the failure continues for thirty (30) days after Tenant's receipt of written notice of its failure from Landlord to Tenant. If the required cure of the noticed default cannot be completed within thirty (30) days, Tenant's failure to perform shall not constitute a default under this Lease if Tenant has taken steps to cure the failure and is diligently and continuously attempting to complete the cure as soon as reasonably possible;
- (c) Abandonment of the Premises by Tenant without Landlord's prior written consent for a period exceeding forty-five (45) consecutive days;

- (d) The entry of an order for relief with respect to Tenant or any guarantor of this Lease under any chapter of the Federal Bankruptcy Code, the dissolution or liquidation of Tenant or any guarantor of this Lease, the appointment of a trustee or receiver to take possession of all or substantially all of Tenant's or any guarantor's assets or Tenant's interest under this Lease that is not discharged within thirty (30) days; or
- (e) The execution by Tenant or any guarantor of this Lease of an assignment for the benefit of creditors.

20.2. Landlord's Remedies on Tenant's Default. Upon the occurrence of any event of default by Tenant, Landlord shall have the following rights and remedies, each of which shall be cumulative and nonexclusive:

- (a) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord and, if Tenant fails to do so, Landlord may without prejudice to any other remedy which it may have for possession or arrearages under this Lease enter upon and take possession of the Premises and expel or remove Tenant from the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor;
- (b) Recover from the following sums from Tenant:
 - (i) any unpaid rent which has been earned at the time of such termination plus accrued interest thereon at the rate ten percent (10%) per annum; plus
 - (ii) the net present value, using a discount rate of ten percent (10%), of the unpaid rent for the balance of the Lease Term less any rental loss that Tenant proves could have been reasonably avoided; plus
 - (iii) any amounts reasonably expended by Landlord to restore the Premises to the condition the Premises were in as of the Commencement Date of this Lease;
- (c) Cure any default by Tenant by making any payment required to be made by Tenant (other than payments of Rent) or performing any of Tenant's other obligations under this Lease. Tenant shall repay any sums expended by Landlord pursuant to this Section within ten (10) days of Landlord's submission to Tenant of invoices and proof of payment. In the event that Tenant fails to reimburse Landlord hereunder, interest shall accrue on such sums at the rate of eighteen percent (18%) per annum unless such interest rate violates applicable usury laws, in which case interest shall accrue at the maximum allowable legal rate. No such payment or expenditure by Landlord shall be deemed a waiver of Tenant's default nor shall it affect any other remedy of Landlord by reason of such default; and
- (d) Accept any payments made by Tenant without waiving any rights under this Lease, including any rights that Landlord has to fully address and seek remedy for Tenant's default.

20.3. Default by Landlord. Landlord's failure to perform any its obligations under this Lease shall constitute a default by Landlord under the Lease if the failure continues for thirty (30) days after written notice of the failure from Tenant to Landlord. If the required cure of the noticed default cannot be completed within thirty (30) days, Landlord's failure to perform shall not constitute a default under this Lease if Landlord has taken steps to cure the failure within thirty (30) days and is diligently and continuously attempting to complete the cure as soon as reasonably possible.

Landlord hereby acknowledges that the infiltration of water into the Premises represents a health and safety hazard to Tenant, its employees, and its patients. Therefore, notwithstanding anything to the contrary contained in this Section 20.3, Tenant shall have the right to exercise its rights pursuant to Section 20.4 of this Lease in the event that Tenant provides Landlord with written notice of a roof leak or other water infiltration into the Premises and Landlord fails to fully repair the same within five (5) business days.

20.4. Tenant's Right of Self Help. In the event of a default of this Lease by Landlord pursuant to Section 20.3, Tenant shall have the right, without waiving any claim of damages for breach of this Lease, at any time thereafter to cure such default for the account of Landlord. In exercising its self help rights pursuant to this

Section 20.4, Tenant shall have the right to use contractors of its choosing. Landlord hereby grants to Tenant and Tenant's contractors a license, effective during the Lease Term, to enter those portions of the Property, Building and Premises that are reasonably necessary for Tenant to take such action. Any reasonable amount paid or any liability reasonably incurred by Tenant in exercising its self help rights pursuant to this Section 20.4 shall be deemed paid or incurred for the account of Landlord and Landlord shall reimburse Tenant therefore within ten (10) days of Lessee's submission of invoices and proof of Tenant's payment of such invoices. In the event that Lessor fails to reimburse Lessee as provided herein, such failure shall be considered a material breach of this Lease and the following provisions shall apply:

- (i) Interest shall accrue on such unpaid amounts at the rate of eighteen percent (18%) per annum unless such interest rate violates applicable usury laws, in which case interest shall accrue at the maximum allowable legal rate; and
- (ii) Tenant may deduct the full cost incurred in curing Lessor's default and any accrued interest thereon pursuant to Section 20.4(i) of this Lease from future payments of Base Rent and Additional Rent.

ARTICLE 21 - HOLDING OVER

21.1. Holdover Rent. If Tenant remains in possession of the Premises after the expiration or earlier termination of this Lease, Tenant's occupancy shall be deemed a month-to-month tenancy upon the same terms and conditions of this Lease except that (a) Base Rent shall be equal to One hundred twenty five percent (125%) of the Base Rent paid by Tenant to Landlord for the month in which this Lease expired or was otherwise terminated and (b) Tenant shall not have any right to extend the Lease Term.

21.2. Limitation on Tenant's Liability for Holdover. Tenant shall not be liable for any damages sustained by Landlord on account of Tenant's holdover unless Landlord provides Tenant with thirty (30) days written notice to vacate the Premises and Tenant thereafter fails to do so.

ARTICLE 22 - SURRENDER OF PREMISES

22.1. Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenant, at its sole cost and expense, shall remove all debris and rubbish from the Premises. Tenant shall quit the Premises and surrender possession thereof to Landlord in broom clean condition except for reasonable wear and tear and damage caused by acts of God, Landlord, casualties, and/or condemnation.

22.2. Removal of Tenant's Trade Fixture and Personal Property. Tenant shall remove from the Premises all movable trade fixtures and personal property of Tenant including furniture, equipment, freestanding cabinetwork, and other articles of personal property owned by Tenant. Tenant's water treatment equipment and process piping shall be considered one of Tenant's trade fixtures for purposes of this Lease. Tenant shall repair all damage to the Premises and the Building resulting from such removal. If Tenant fails to remove any of its trade fixtures or personal property on or before the expiration or earlier termination of this Lease, Landlord, at Tenant's sole cost and expense, shall have the right to remove and store Tenant's trade fixtures and personal property in an off-site storage facility. Landlord shall not be liable for any damage caused as a result of such removal, and Tenant shall pay Landlord for its removal and storage expenses within ten (10) days of Landlord's written demand for reimbursement of such expenses.

22.3. Removal of Tenant Improvements and Alterations. Tenant shall have the right, but not the obligation, to remove Tenant Improvements and Alterations installed on or in the Premises by Tenant during the Lease Term pursuant to Articles 7 and 8 of this Lease. In the event that Tenant removes any Tenant Improvements and/or Alterations pursuant to this Section 22.3, Tenant shall, at Tenant's expense, repair all damage to the Premises and the Building resulting from such removal. In the event Tenant does not remove any Tenant Improvements and/or Alterations prior to the expiration or earlier termination of this Lease, such Tenant Improvements and

Alterations not so removed shall be conclusively deemed abandoned by Tenant and title thereto shall pass to Landlord without any payment or credit to Tenant.

ARTICLE 23 - ESTOPPEL CERTIFICATES

23.1. Obligation to Provide Estoppel Certificates. Within twenty-one (21) business days after receipt of a written request by Landlord, Tenant shall execute and deliver a commercially reasonable estoppel certificate or other form required by any existing or prospective lender, mortgagee, or purchaser of all or part of the Property or the Building. Tenant shall be permitted to indicate in the estoppel certificate any exceptions to the statements contained therein that may exist at the time Tenant executes the certificate. Tenant shall also execute and deliver such other documents or instruments may be reasonably required for the purpose of supporting Landlord's underlying transaction.

ARTICLE 24 - SUBORDINATION, NONDISTURBANCE, AND ATTORNMEN

24.1. Automatic Subordination of this Lease. This Lease shall at all times be subject and subordinate to the lien of any mortgages, deeds of trust, ground leases, or other encumbrances recorded now or subsequently against the Premises, the Building or the Property and all renewals, modifications, re-financings and extensions thereof (collectively, "Encumbrances"). This clause shall be self-operative, but within twenty-one (21) business days after the receipt of a written request from Landlord or any Encumbrance holder, Tenant shall execute a commercially reasonable subordination agreement together with any customary additional documents evidencing the priority of the Encumbrance and the subordination of this Lease with respect to such Encumbrance. Notwithstanding the foregoing, Tenant shall not be required to execute any agreement or other documentation that materially increases Tenant's obligations during the remainder of the Lease Term or adversely alters or negates any of Tenant's rights and remedies granted under this Lease or applicable law.

24.2. Non-Disturbance and Attornment. Provided that Tenant's occupancy of the Premises is not disturbed and that the terms and conditions of this Lease are honored by the transferee of Landlord's interest in the Property, Tenant covenants and agrees to attorn to the transferee of Landlord's interest in the Property by foreclosure, deed in lieu of foreclosure, exercise of any remedy provided in any Encumbrance or underlying lease, or operation of law, and to recognize such transferee as the new landlord under this Lease. In the event any Encumbrance holder notifies Tenant of such a transfer of Landlord's interest in the Property, Landlord agrees that Tenant shall not be liable for making payments of Base Rent, Additional Rent, and any other sums due pursuant the terms of this Lease directly to the transferee.

24.3. Modifications of Lease Required by Landlord's Lender. If any institutional lender of Landlord requests a modification of this Lease, Tenant shall endeavor in good faith to agree to that modification and to prepare and execute an amendment to this Lease so long as (a) Base Rent, Additional Rent, and any other amounts required to be paid under this Lease are not changed, (b) the time for and manner of payments under this Lease are not changed, (c) the Lease Term (including any Option Terms and the times governing Tenant's exercise of any options) is not changed, (d) Tenant's possession of the Premises and rights to possession and use of other parts of the Building and Property are not changed, (e) Landlord's obligations to Tenant under this Lease are not reduced, (f) Tenant's obligations to Landlord under this Lease are not increased, and (g) the proposed modification does not materially or adversely change the other rights and obligations of Tenant under this Lease or applicable law. As a condition of Tenant's obligation to execute an amendment, Landlord shall reimburse Tenant for its costs, including reasonable attorney fees, that are incurred in connection with the review, negotiation, and preparation of the amendment.

ARTICLE 25 - FORCE MAJEURE

25.1. *Force Majeure.* Except for the payment of any monies due by one party to the other under the terms and conditions of this Lease, whenever a period of time is prescribed herein for the taking of an action by Landlord or Tenant, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party.

ARTICLE 26 - SIGNS

26.1. *Building Name: Landlord's Signage Rights and Obligations.* Subject to Tenant's signage rights under this Article 26, Landlord may at any time change the name of the Building and install, affix, and maintain all signs on the exterior and interior of the Building as Landlord may, in Landlord's sole discretion, desire. Tenant may use the name of the Building or pictures or illustrations of the Building in its advertising or other publicity during the Lease Term. Landlord shall, at its sole cost and expense, install Tenant's name and suite number on all directories located on the Property.

26.2. *Tenant's Signage Rights.* Tenant shall have the right, at its sole cost and expense, to erect, affix or display such signs or sign advertising its business as Tenant may consider necessary or desirable on the exterior or interior walls, doors, or windows of the Premises, and in locations on Building and/or exterior monuments where other tenant's signs are located. In addition, Tenant shall have the right to install directional signs in the Common Areas of the Building and the Property that indicate the location of the Premises. The location of all signs installed by Tenant pursuant to this Section 26.2 shall be subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed.

26.3. *Compliance with Laws.* Notwithstanding anything contained in this Article 26 to the contrary, Tenant's signage shall be subject to all governmental and quasi-governmental consents, approvals and permits as may be necessary in order for Tenant to erect its signage. Landlord agrees to cooperate with Tenant, at no cost to Landlord, in the filing any required applications for governmental approvals for signage.

26.4. *Removal of Tenant's Signs Upon Lease Termination.* Tenant shall promptly and permanently remove all of its signs installed pursuant to Section 26.2 of this Lease upon the termination or earlier expiration of this Lease.

ARTICLE 27 - PARKING

27.1. *Grant of Parking Rights.* Landlord shall provide a minimum of 45 parking spaces as per the schedule attached hereto as Exhibit G. Such parking shall be provided in accordance with all applicable federal, state and local laws, ordinances and regulations.

ARTICLE 28 - BROKERS

28.1. *Brokers.* Landlord and Tenant each represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for Loren Guzik of Cushman & Wakefield ("Tenants Broker") and Dan Leahy of NAI HIFFMAN ("Landlord Broker"), whose fees shall be paid by Landlord. Landlord and Tenant hereby represent to each other that they know of no other real estate broker or agent who is entitled to a commission or finder's fee in connection with this Lease. Each party shall indemnify, protect, defend, and hold harmless the other party against all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including reasonable attorney fees) for any leasing commission, finder's fee, or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than Broker. The terms of this Article 28 shall survive the expiration or earlier termination of this Lease.

ARTICLE 29 - MISCELLANEOUS PROVISIONS

29.1. Quiet Enjoyment. Provided that Tenant performs all of its obligations under this Lease, Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or any party claiming by, through, or under Landlord.

29.2. Minimization of Interference. Landlord shall exercise its rights and perform its obligations under this Lease in such a way as to minimize any resulting interference with Tenant's use of the Premises. Tenant shall exercise its rights and perform its obligations under this Lease in such a way as to reasonably minimize any resulting interference with the operation of the Property and the Building.

29.3. Application of Payments; No Accord and Satisfaction. All payments received by either party under the terms of this Lease shall be applied to the oldest payment obligation then owed by the payor. No designation contained in a separate writing or on a check or money order shall (a) modify this clause or have any force or effect without the written consent of the other party or (b) constitute an accord and satisfaction. Each party may accept checks or payments without prejudice to its right to recover all other amounts due under this Lease and to pursue all other remedies provided for in this Lease and applicable law. In no event shall the provisions of this Section 29.3 limit, hinder or otherwise prevent Tenant from exercising any of its offset rights pursuant to the terms of this Lease.

29.4. No Waivers. No waiver of any provision of this Lease shall be implied by any failure of either party to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by a party of any provision of this Lease must be in writing, and such written waiver shall affect only the provision(s) specified and only for the time and in the manner stated in the writing.

29.5. Captions. The captions of articles and sections of this Lease are for convenience only and shall have no effect on the interpretation of the provisions of this Lease.

29.6. Time of the Essence. Time is of the essence of this Lease and each of its provisions.

29.7. Recording—Memorandum of Lease. This Lease shall not be recorded but, at the request of the other party, Landlord and Tenant shall execute, acknowledge before a notary public, and deliver a memorandum of lease. The costs of recording any memorandum of lease shall be borne by the party requesting its execution.

29.8. Authority. Landlord and Tenant each warrant and represent to each other that the individuals executing this Lease are duly authorized to execute and deliver this Lease and, once fully executed and delivered, this Lease constitutes a valid, legal and binding obligation enforceable in accordance with the terms and conditions contained herein.

29.9. Binding Effect. This Lease shall bind and benefit the parties to this Lease and their legal representatives and successors in interest.

29.10. Governing Law: Venue. This Lease shall be construed and enforced in accordance with the laws of the state in which the Property is located without regard to the conflict of law principles thereof. Any action or proceeding in respect of any claim arising out of or related to this Lease, whether in tort or contract or at law or in equity, shall be filed in the state or federal court of competent jurisdiction located geographically closest to the Premises.

29.11. Attorney Fees and Costs. If either party undertakes litigation against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorney fees and all incurred court costs.

29.12. Interpretation of Lease Provisions. Landlord and Tenant hereby acknowledge that the terms and conditions of this Lease were reached after an arms length negotiation, that both parties participated in the drafting and preparation of this Lease, and that both parties had the opportunity to seek the advice of counsel

29.16. Consents. Unless a different standard is specifically stated in the applicable section of this Lease, whenever the consent of either party is required, such consent shall not be unreasonably withheld, conditioned, or delayed.

29.17. Contingencies.

a) In the event that applicable zoning laws or regulations prohibit Tenant from conducting its business as described herein, this Lease may be terminated at Tenant's option upon written notice to Landlord and neither party shall have any further obligation to the other party hereunder.

b) Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and , thus, Tenant cannot establish a dialysis facility on the premises or execute a binding real estate lease in connection therewith unless

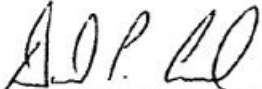
FMC obtains a Certificate of Need (CON) permit from the Illinois Health Facilities Planning Board (the "Planning Board"). Tenant Agrees to proceed using its commercially reasonable best efforts to submit an application for a CON permit and to prosecute said application to obtain the CON permit from the Planning Board. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to the approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective pending CON approval. Assuming CON permit approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the Planning Board does not award Tenant a CON permit to establish a dialysis center on the Premises, neither party shall have any further obligation to the other party with regard to the negotiations, lease or Premises contemplated by the letter of intent.

29.18. Conditions, Covenants and Restrictions Affecting Title. Landlord hereby represents and warrants to Tenant that, except as provided in Exhibit F, there are no conditions, covenants and/or restrictions affecting Landlord's title to the Property that (i) conflict with any of the terms or conditions contained in this Lease or (ii) prohibit Tenant's permitted use of the Premises pursuant to Section 6.1 of this Lease. Copies of all documents that may conflict with the terms of this Lease or affect Tenant's use of the Premises, the Property, the parking areas or the Common Areas are attached hereto as Exhibit F.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date and year first hereinabove written.

LANDLORD:


Biomedical Medical Partners, LLC



Name: DANIEL P LEAMY
Title: MANAGING MEMBER

TENANT:

Fresenius Medical Care of Illinois, LLC



Name:
Title: **Marc S. Lieberman**
Assistant Treasurer

GUARANTOR:

Fresenius Medical Care Holdings, Inc.



Name:
Title: **Marc S. Lieberman**
Assistant Treasurer

EXHIBIT A

DESCRIPTION OF PROPERTY AND PREMISES

EXHIBIT B

PROPERTY RULES AND REGULATION

EXHIBIT C

LANDLORD'S WORK

- (a) Landlord shall install deliver the premises in "as-is" condition with the exception of removing the existing pipe bollards and structural walkways within the facility
-

EXHIBIT D

COMMENCEMENT DATE CERTIFICATE

This Commencement Date Certificate is made as of this ____ day of _____, 200__ between _____ (“Landlord’*) and Fresenius Medical Care of Illinois, LLC, d/b/a Fresenius Medical Care of Lakeview (“Tenant”).

WHEREAS, the parties entered into a lease dated _____, 200____, (the “Lease”), attached hereto and incorporated by reference, in which Landlord leased to Tenant that certain property situated at _____, containing approximately _____ square feet (the “Premises”).

WHEREAS, Landlord and Tenant desire to confirm the Commencement Date and certain other facts concerning the Lease.

NOW, THEREFORE in consideration of the mutual covenants herein contained and further good and valuable consideration, the parties hereto incorporate the following into the terms of their existing Lease:

1. The actual rentable square footage of the Building is _____ square feet. The Premises contain _____ rentable square feet and _____ useable square feet.
2. Landlord’s Work was Substantially Complete according to the terms of the Lease on _____, 200____. The Commencement Date of the Lease is _____, 200____.
3. Except for the specific modifications to the Lease contained in this Commencement Date Certificate, all terms of the Lease shall remain unchanged, and are hereby ratified, republished and reaffirmed and are incorporated into this Agreement.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date and year first hereinabove written.

LANDLORD:

TENANT:

[Insert Name of Landlord]

Fresenius Medical Care of Illinois, LLC
d/b/a Southside Dialysis

Name:
Title:

Name:
Title:

EXHIBIT E
TENANT IMPROVEMENTS

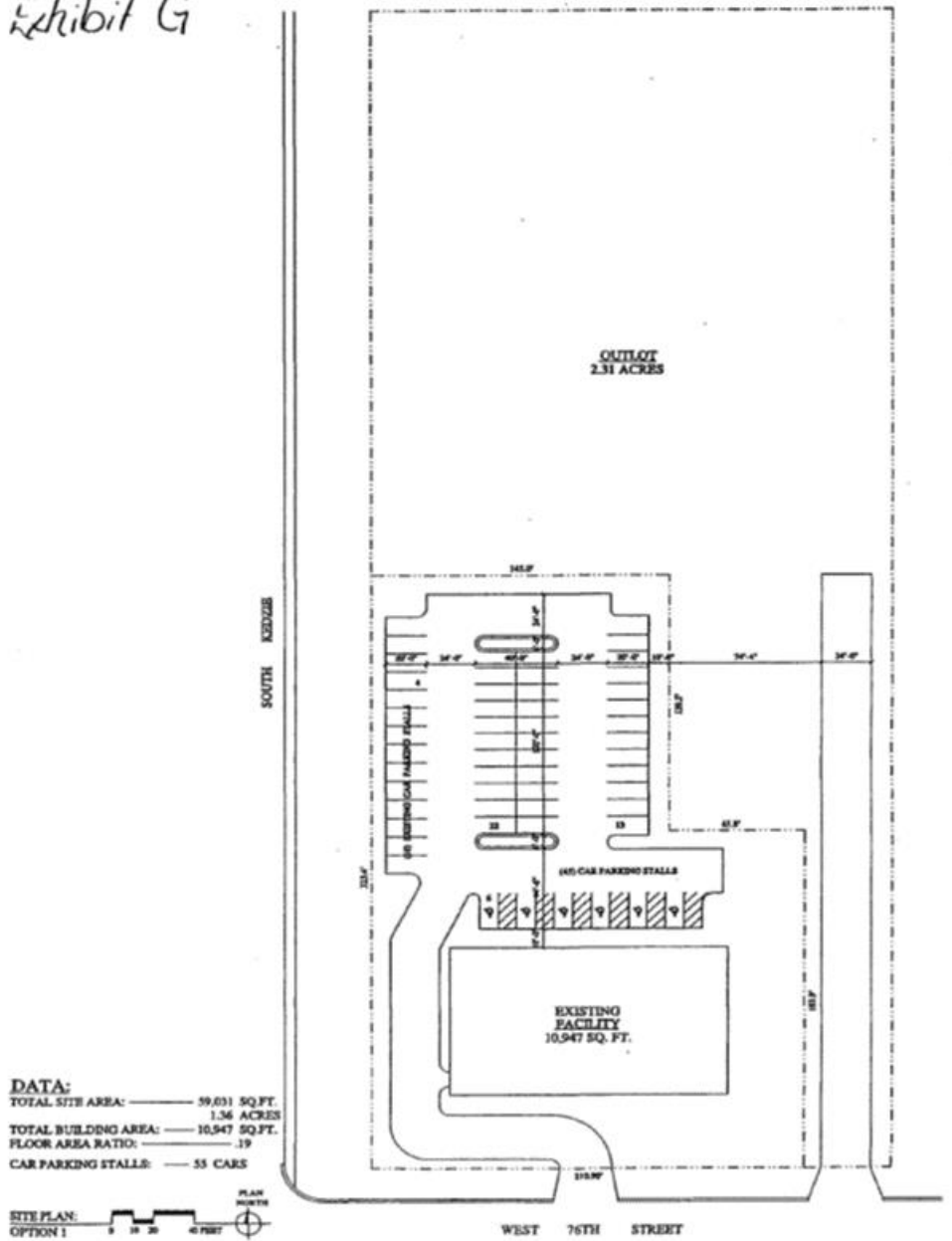
EXHIBIT F

CONDITIONS, COVENANTS & RESTRICTIONS AFFECTING TITLE

NONE

EXHIBIT G
PARKING

Exhibit G



FRESENIUS MEDICAL CARE
CHICAGO, ILLINOIS

NOVEMBER 23, 2005 #05150

CORNERSTONE
ARCHITECTS LTD.
©2005

FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment to Lease Agreement (this “First Amendment”) is entered into as of this 16 day of August, 2016, by and between Biomedical Medical Partners, LLC (“Landlord”) and WSKC Dialysis Services, Inc., d/b/a Southside Dialysis Center, a/k/a Fresenius Kidney Care Southside, as successor-in-interest to Fresenius Medical Care of Illinois, LLC (“Tenant”), and Fresenius Medical Care Holdings, Inc., a New York corporation (“Guarantor”).

WHEREAS, Landlord and Tenant are parties to a certain Lease Agreement dated January 24, 2006 together with any and all amendments, modifications, extensions, etc. (collectively, the “Lease”) containing approximately 10,947 square feet for certain property situated at 3134 West 76th Street, Chicago, Illinois (the “Premises”), as more particularly described in the Lease; and

WHEREAS, Landlord and Tenant desire to amend and extend the Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and further good and valuable consideration, the parties agree as follows:

1. The term of the Lease is hereby extended by five (5) years, commencing November I, 2016 and terminating on October 31,2021 (the “Extended Term”).
2. During the Extended Term, Tenant shall pay Base Rent to Landlord for the Premises as follows:

Dates (To/From)	Base Rent per Square Foot	Monthly Base Rent	Annual Base Rent
11/01/2016-10/31/2017	\$21.25	\$19,385.31	\$232,623.75
11/01/2017-10/31/2018	\$21.89	\$19,969.15	\$239,629.83
11/01/2018- 10/31/2019	\$22.55	\$20,571.24	\$246,854.85
11/01/2019-10/31/2020	\$23.23	\$21,191.57	\$254,298.81
11/01/2020- 10/31/2021	\$23.93	\$21,830.14	\$261,961.71

3. Landlord and Tenant hereby acknowledge and agree that pursuant to Section 2.2 of the Lease, Tenant has two (2) remaining Renewal Options. Tenant may exercise each Renewal Option hereunder in accordance with Section 2.2 of the Lease and the Base Rent payable for each Option Term shall be determined in accordance with Section 3.2 of the Lease.
4. The first sentence of Section 4.1 of the Lease is hereby deleted and replaced with the following:

“Tenant’s Proportional Share. Tenant’s Proportional Share is equal to one hundred percent (100 %).”
5. Effective November 1, 2016, Landlord agrees to release the Tenant from being responsible for reimbursing Landlord for Tax Expenses assessed again on the vacant land known as Property Index #19-25-300-004. Tenant shall only be responsible to pay Tax Expenses associated with Property Index #19-25-300-003.

The Leased Property expressly excludes the adjacent property identified as Property Identification Number 19-25-300-004 located to the east and north of the Property...

6. Exhibit A in the interim is a photometric display of the rectangular design of the leased real property and shall be replaced by a permanent Exhibit A in the form of a plat of survey for the rectangular design of the leased real property.

7. Landlord shall provide Tenant copies of written invoices or documentation detailing the expenses the Tenant is responsible to reimburse Landlord in accordance with the Lease.

8. Section 29.15 of the Lease is hereby deleted in its entirety and replaced with the following:

“29.15. NOTICES. All notices (including requests, demands, approvals, or other communications) under this Lease shall be made in writing and sent by prepaid certified mail with return receipt requested or by a nationally recognized overnight delivery service (e.g. Federal Express, United Parcel Service) with charges prepaid or charged to the sender’s account and sent to the following addresses:

If to Landlord: NAI Hiffman
 c/o Dan Leahy
 One Oakbrook Terrace, Suite 400
 Oakbrook Terrace, IL 60181

If to Tenant: WSKC Dialysis Services, Inc.
 At the Premises

With a copy to: WSICC Dialysis Services, Inc.
 c/o Fresenius Medical Care North America
 Attention: Law Department
 920 Winter Street
 Waltham, Massachusetts 02451

All notices shall be effective on delivery if delivery is confirmed by the delivery service. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities or overnight delivery service. Either party may change its address by giving the other party ten (10) days prior written notice of the change in any manner permitted by this Section 29.15”

9. Section 1.1 of the Lease is amended and restated as follows:

1.1 Leased Premise. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the real property identified as Property Index Number 19-25-300003 legally described on the attached Exhibit A and commonly known as 3134 W. 76th Street, Chicago, Illinois consisting of the commercial building containing approximately 10,947 square feet and associated driveway and parking area (herein building and land commonly collectively referred to as “Property”).

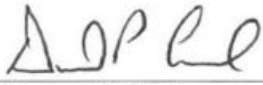
10. The notice period specified in Section 2.2 Options to Extend Term at line 7, page 2 is changed to one hundred eighty (180) days prior to expiration of the then current term.

11. Except as modified herein, all terms of the Lease shall remain unchanged, and are hereby ratified, republished and reaffirmed and are incorporated into this First Amendment.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment as of the day and year first above written.

LANDLORD:

Biometric Medical Partners LLC

By: 
Name: Daniel P. Leahy
Title: Managing Member

TENANT:

WSKC Dialysis Services, Inc.

By: 
Name: Bryan Mello
Title: Assistant Treasurer

GUARANTOR:

Fresenius Medical Care Holdings, Inc.

By: 
Name: Bryan Mello
Title: Assistant Treasurer

EXHIBIT A



SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement (this "Second Amendment") is entered into as of this 13th day of November, 2020, by and between Elliott Bay Healthcare Really LLC, as successor-in-interest to Biomedical Medical Partners, LLC ("Landlord") and WSKC Dialysis Services, Inc., d/b/a Southside Dialysis Center, a/k/a Fresenius Kidney Care Southside ("Tenant").

WHEREAS, Landlord and Tenant are parties to a certain Lease Agreement dated January 24, 2006 together with any and all amendments, modifications, extensions, etc. (collectively, the "Lease") containing approximately 10,947 square feet for certain property situated at 3134 West 76th Street, Chicago, Illinois (the "Premises"), as more particularly described in the Lease; and

WHEREAS, Landlord and Tenant desire to amend and extend the Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and further good and valuable consideration, the parties agree as follows:

1. The term of the Lease is hereby extended by five (5) years, commencing November 1, 2021 and terminating on October 31, 2026 (the "Second Extended Term").

2. During the Second Extended Term, Tenant shall pay Base Rent to Landlord for the Premises as follows:

Dates (From/To)	Base Rent per Square Foot	Monthly Base Rent	Annual Base Rent
11/01/2021 -10/31/2022	\$20.50	\$18,701.13	\$224,413.50
11/01/2022-10/31/2023	\$20.91	\$19,075.15	\$228,901.77
11/01/2023-10/31/2024	\$21.33	\$19,456.65	\$233,479.81
11/01/2024 -10/31/2025	\$21.75	\$19,845.78	\$238,149.40
11/01/2025-10/31/2026	\$22.19	\$20,242.70	\$242,912.39

3. Landlord and Tenant hereby acknowledge and agree that pursuant to Section 22 of the Lease, Tenant has two (2) remaining Renewal Options. Tenant may exercise each Renewal Option hereunder in accordance with Section 2.2 of the Lease and the Base Rent payable for each Option Term shall be determined in accordance with Section 3.2 of the Lease.

4. Within ninety (90) days following the full-execution of this Second Amendment, Landlord, at Landlord's sole cost and expense, shall complete the following improvements at the Premises:

- a. Fix all leaking gutters and downspouts;
- b. Repair all non-functioning parking lot lights;
- c. Repair the fencing around HVAC units and dumpster to ensure closure; and
- d. Repair the fencing around the driveway entrance.

5. Landlord hereby agrees that, whenever Landlord requests Tenant's reimbursement for any expenses under the Lease, Landlord shall provide Tenant with copies of any paid invoices or other reasonable supporting documentation to document any such expenses.

6. Section 8 of the First Amendment to Lease Agreement dated August 16, 2016 is hereby deleted in its entirety and replaced with the following:

“NOTICES. All notices (including requests, demands, approvals, or other communications) under this Lease shall be made in writing and sent by prepaid certified mail with return receipt requested or by a nationally recognized overnight delivery service (e.g. Federal Express, United Parcel Service) with charges prepaid or charged to the sender’s account and sent to the following addresses:

If to Landlord: Elliott Bay Healthcare Realty, LLC
c/o Christian Whipple
617 Eastlake Ave East, Suite 305
Seattle, WA 98109

If to Tenant: WSKC Dialysis Services, Inc.
At the Premises

With a copy to: WSKC Dialysis Services, Inc.
c/o Fresenius Medical Care North America
Attention: Law Department
920 Winter Street
Waltham, Massachusetts 02451

All notices shall be effective on delivery if delivery is confirmed by the delivery service. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities or overnight delivery service. Either party may change its address by giving the other party ten (10) days prior written notice of the change in any manner permitted by this Section 29.15.”

7. Notwithstanding anything to the contrary contained in this Lease, any rent, additional rent, or other payments payable to Landlord may be made, at Tenant’s election, by electronic fund transfer (“EFT”) payment to Landlord’s chosen financial institution. Landlord shall provide Tenant all reasonably requested documentation to effectuate said EFT payments within thirty (30) days from Tenant’s written request.

8. This Second Amendment may be executed in any number of separate counterparts, each of which shall be deemed an original and shall together constitute one and the same instrument. A PDF copy of this Second Amendment containing a PDF copy of the signatures of any party shall be deemed an original signature and such execution and delivery shall be considered valid, binding and effective for all purposes.

9. As stated in the Fresenius Medical Care Code of Ethics and Business Conduct, Tenant upholds the values of quality, honesty and integrity, innovation and improvement, respect and dignity, as well as lawful conduct, especially with regard to anti-bribery and anti-corruption. Tenant upholds these values in its own operations, as well as in its relationships with business partners. Tenant’s continued success and reputation depends on a common commitment to act accordingly. Together with Tenant, Landlord is committed to uphold these fundamental values by adherence to applicable laws and regulations with regard to anti-bribery and anti-corruption.

10. Except as modified herein, all terms of the Lease shall remain unchanged, and are hereby ratified, republished and reaffirmed and are incorporated into this Second Amendment.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Second Amendment as of the day and year first above written.

LANDLORD:

Elliott Bay Healthcare Realty LLC

By: Christina Whipple
Name: Christina Whipple
Title: Chief Executive Officer

TENANT:

WSKC Dialysis Services, Inc.

By: William Popken
Name: William Popken
Title: Director of Real Estate

Exhibit 10.11

ASSIGNMENT AND ASSUMPTION OF LEASE, SECURITY DEPOSIT AND GUARANTY

THIS ASSIGNMENT AND ASSUMPTION OF LEASE, SECURITY DEPOSIT AND GUARANTY ("**Assignment**") is made and entered into as of the 7th day of January, 2022, by and between **Elliott Bay Healthcare Realty LLC**, a Delaware limited liability company ("**Assignor**"), and **GIPL 3134 W 76th Street, LLC**, a Delaware limited liability company ("**Assignee**").

WITNESSETH:

WHEREAS, contemporaneously with the execution hereof, Assignor has conveyed to Assignee certain real property commonly known as 3134 West 76th Street located in Chicago, Cook County, Illinois, 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 Lease Agreement by and between Assignor, as successor-in-interest to Biomedical Medical Partners, LLC, and WSKC Dialysis Services, Inc., an Illinois corporation d/b/a Southside Dialysis Center a/k/a Fresenius Kidney Care Southside, as successor-in-interest to Fresenius Medical Care of Illinois, LLC dated as of January 24, 2006 (the "**Original Lease**"), as amended by that certain First Amendment to Lease Agreement dated as of August 16, 2016 ("**First Amendment**") and that certain Second Amendment to Lease Agreement dated as of November 13, 2020 ("**Second Amendment**"); the Original Lease, as amended by the First Amendment and Second Amendment, being hereinafter referred to as the "**Lease**") 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; 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 Guaranty made by Fresenius Medical Care Holdings, Inc., a New York corporation, dated as of January 24, 2006 (the "**Guaranty**") affecting the Lease.

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 the Guaranty 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.

[SIGNATURES ON THE FOLLOWING PAGE]

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:

Elliott Bay Healthcare Realty LLC,
a Delaware limited liability company

By: /s/ Christian Whipple
Name: Christian Whipple
Its: Chief Executive Officer

ASSIGNEE:

GIPIL 3134 W 76th Street, LLC,
a Delaware limited liability company

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

EXHIBIT "A"

Legal Description

THAT PART OF THE LOTS 1 AND 2 AND THE 16 FOOT VACATED ALLEY BY ORDINANCE RECORDED MARCH 03, 1998, AS DOCUMENT 98162263 ALL IN BLOCK 16 IN WABASH ADDITION TO CHICAGO IN SECTION 25, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 90° 00' 00" EAST ALONG THE SOUTH LINE OF SAID TRACT 47.0 FEET TO A POINT ON THE EAST LINE OF THAT PART OF LAND TAKEN FOR HIGHWAY PURPOSES PER DOCUMENT NUMBER 12365546 ALSO BEING THE POINT OF BEGINNING; THENCE NORTH 00°02'29" EAST ALONG SAID EAST LINE 344.40 FEET; THENCE SOUTH 90°00'00" EAST 188.75 FEET; THENCE SOUTH 00°00'00" WEST 344.40 FEET TO THE SOUTH LINE OF SAID TRACT; THENCE NORTH 90°00'00" WEST ALONG SAID SOUTH LINE 189.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

18564948v2

PROMISSORY NOTE

\$2,350,000.00

Effective as of December 28, 2021

1. **Promise to Pay.** GIPCO 585 24 1/2 ROAD, LLC, a Delaware limited liability company ("**Borrower**"), whose address is 401 E. Jackson Street, Suite 3300, Tampa, Florida 33602, for value received, promises to pay to the order of AMERICAN MOMENTUM BANK (the "**Lender**"), at 4830 West Kennedy Blvd., Suite 200, Tampa, Florida 33609, or at such other place as the holder of this Promissory Note ("**Note**") designates in writing to Borrower, the principal amount of TWO MILLION THREE HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$2,350,000.00), or so much thereof as may be outstanding, together with interest as required under this Note (the "**Loan**").

2. **Interest Rate.** Interest shall accrue on the outstanding principal amount of this Note at a variable rate equal to the Wall Street Journal Prime Rate (as hereinafter defined) (the "**Interest Rate**"), adjusted on a monthly basis. The term "**Wall Street Journal Prime Rate**" as used herein shall mean the rate of interest per annum as reported from time to time by *The Wall Street Journal* (or such other source for determining the prime rate of interest as may hereafter be selected by Lender in its reasonable discretion) as the prime rate of interest, and shall not necessarily mean or imply that such prime rate of interest is the lowest or most favorable rate of interest then available from Lender to specific borrowers.

Notwithstanding anything to the contrary herein, if the Wall Street Journal Prime Rate ceases to exist or is not determinable at any time during the term of this Note, the applicable rate of interest charged by Lender under this Note will be equal to the Successor Rate Index (as defined below) *plus* the Spread Percentage (as defined above). For purposes herein, the term "**Successor Rate Index**" is, at Lender's written election, any replacement index selected by Lender that measures the prime rate of interest comparable to the Wall Street Journal Prime Rate.

Notwithstanding anything contained in this Section 2 to the contrary, however, in no event shall the Interest Rate payable by Borrower hereunder for any day be lower than the "floor" of 3.25% per annum at any time during the term of this Note. Therefore, even if the calculation of the Interest Rate pursuant to the terms of this Section 2 would result in an effective rate of interest for the applicable period of less than 3.25% per annum, the Interest Rate payable by Borrower for such day shall be 3.25% per annum.

3. **Payments.**

DOCUMENTARY STAMP TAXES IN THE AMOUNT OF \$2,450.00 WILL BE PAID TO THE FLORIDA DEPARTMENT OF REVENUE UPON THE EXECUTION OF THIS NOTE. THE REAL PROPERTY ENCUMBERED BY THE MORTGAGE SECURING THIS NOTE IS LOCATED OUTSIDE OF THE STATE OF FLORIDA.

(a) Commencing on the 28th day of January, 2022, and continuing monthly on the same day of each and every month thereafter, through and including the Maturity Date (as defined below), Borrower shall make payments of interest only in amounts equal to the accrued and unpaid interest hereunder, calculated based on the Interest Rate.

(b) A final payment of all outstanding principal, all accrued and unpaid interest and all other charges then due from Borrower to Lender under this Note with regard to the loan evidenced hereby shall be due and payable in full on December 28, 2023 (the "**Maturity Date**").

4. Application and Form of Payments . Payments will be applied first to accrued interest and then to principal, and all interest on this Note will be computed on the basis of the actual number of days elapsed over a 360-day year. Payments of interest and principal must be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. Payments received after 2:00 p.m. will be treated as being received on the next banking day.

5. Prepayment, Late Fee, Interest on Default, and Maximum Interest. Borrower may prepay all or any portion of this Note without penalty. Borrower shall give Lender one day's prior written notice of any prepayment. Partial prepayments will be applied against required principal installments in the inverse order of their maturities. Therefore, partial prepayments will not affect the due date of any required installments under this Note until this Note is paid in full. Borrower agrees to pay a late fee equal to five percent (5%) of any payment due hereunder that is not paid within ten (10) days of the date the payment is due. Interest on all amounts not paid when due after maturity, acceleration, or otherwise (including any periods of time after entry of a judgment but prior to payment thereof), will accrue and will be payable at the maximum rate of interest allowed by applicable law (the "**Default Rate**").

6. Security. This Note is secured, inter alia, by that certain Deed of Trust and Security Agreement and Fixture Financing Statement, of even date herewith, from Borrower to Lender (the "**Mortgage**") and by any and all collateral presently and hereafter held by Lender from Borrower and given or agreed to be given to Lender by Borrower, plus any and all collateral presently or hereafter held by Lender given or agreed to be given by any third party or parties for the benefit of Borrower hereof.

7. Default and Remedies. The occurrence of any of the following events constitutes a "**Default**" (in the following provisions, the term "**Guarantor**" refers jointly and severally to any person or entity that previously has guaranteed or either currently or in the future guarantees the repayment of this Note):

(a) The nonpayment within five (5) days of the date due of any interest or principal under this Note or the nonpayment when due of any other liability, obligation, or indebtedness owing from Borrower to Lender, whether at maturity, by acceleration, or otherwise; or

(b) The occurrence of a default under the Loan Agreement, of even date herewith, by and between Borrower and Lender (the "**Loan Agreement**"), under the Mortgage or under any other agreement given by Borrower or Guarantor to Lender with

regard to the indebtedness evidenced hereby, which is not cured within any applicable grace or cure period.

Upon the occurrence of a Default and during the continuance of such Default, Lender, at its option and as often as it desires, may declare all liabilities, obligations, and indebtedness due Lender, including this Note, to be immediately due and payable without demand, notice, or presentment, and may exercise any other remedy available to it under the Mortgage, the Loan Agreement or any other agreement given by Borrower or Guarantor to Lender, and any other remedy available to it at law or in equity.

8. Payment of Costs. Borrower shall pay all costs incurred by the holder of this Note in enforcing or collecting this Note and enforcing each agreement executed in connection with this Note (including the Mortgage or any other agreement under which real or personal property is pledged as security for this Note), including without limitation all attorneys' fees, costs, and expenses incurred in all matters of interpretation, enforcement, and collection, before, during, and after demand, suit, proceeding, trial, appeal, and post-judgment collection efforts as well as all costs and fees incurred by the holder of this Note in connection with any bankruptcy, reorganization, or similar proceeding (including efforts to obtain relief from any stay) if Borrower or any other person or entity liable for the indebtedness represented by this Note becomes involved in any bankruptcy, reorganization, or similar proceeding.

9. Waiver and Consents. Borrower and every other person liable at any time for payment of this Note waives presentment, protest, notice of protest, and notice of dishonor. Borrower expressly consents to all extensions and renewals of this Note (as a whole or in part) and all delays in time or payment or other performance under this Note that the holder of this Note grants at any time and from time to time, without limitation and without any notice to or further consent of Borrower. Borrower agrees that its obligations under this Note are independent of the obligation of any other maker, guarantor or other person or entity that now or later is obligated to pay this Note. Borrower also agrees that Lender may release any security for or any other obligor of this Note or waive, extend, alter, amend, or modify this Note or otherwise take any action that varies the risk of Borrower without releasing or discharging Borrower from Borrower's obligation to repay this Note.

10. Venue. Borrower further agrees that venue for each action, suit, or other legal proceeding arising under or relating to this Note or any agreement securing or related to this Note shall be in a court of competent jurisdiction in Mesa County, Colorado or Hillsborough County, Florida, and Borrower hereby waives any right to sue or be sued in any other counties in Colorado or Florida or any other states.

11. Savings Clause. Nothing herein, nor any transaction related hereto, shall be construed or so operated as to require Borrower to pay interest at a greater rate than shall be lawful. Should any interest or other charges paid by Borrower in connection with the loan evidenced by this Note result in the computation or earning of interest in excess of the maximum contract rate of interest which is legally permitted under applicable Florida law or Federal preemption statutes, if Lender shall elect a benefit thereof, then any and all such excess shall be, and the same is, hereby waived by Lender, and any and all such excess shall be automatically credited against and in reduction of the balance due under this Note and any portion which exceeds the balance due under this Note shall be paid by Lender to Borrower.

12. Waiver of Jury Trial. BY THE EXECUTION HEREOF, BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREES THAT NEITHER BORROWER NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF BORROWER SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS NOTE, THE MORTGAGE, OR ANY OTHER LOAN DOCUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS EVIDENCED BY THIS NOTE OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES HERETO. NEITHER BORROWER NOR LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT OR CAN NOT BE WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTION. NEITHER BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS TRANSACTION.

13. Modification. This Note may not be modified or terminated orally, but only by agreement or discharge in writing and signed by Lender. Any forbearance of Lender in exercising any right or remedy hereunder, under the Mortgage or under any other loan document relating to this transaction shall not be a waiver of or preclude the exercise of any right or remedy. Acceptance by Lender of payment of any sum payable hereunder after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums payable hereunder or to declare a default for the failure to make prompt payment in the future.

14. Right of Setoff. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, saving, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts following an event of default hereunder.

15. Successors and Assigns. Whenever Lender is referred to in this Note, such reference shall be deemed to include the successors and assigns of Lender, including, without limitation, any subsequent assignee or holder of this Note, and all covenants, provisions, and all agreements by or on behalf of Borrower and any endorsers, guarantors, and sureties hereof which are contained herein shall inure to the benefit of the successors and assigns of Lender.

16. Corrective Documentation. For and in consideration of the funding or renewal of the indebtedness evidenced hereby, Borrower further agrees to cooperate with Lender and to reexecute any and all documentation relating to the loan evidenced by this Note which is deemed necessary or desirable in Lender's discretion, in order to correct or adjust any clerical errors or omissions contained in any document executed in connection with the loan evidenced by this Note.

17. Miscellaneous. The headings preceding the text of the sections of this Note have been inserted solely for convenience of reference and do not limit or affect the meaning,

interpretation, or effect of this Note or the sections. The validity, construction, interpretation, and enforceability of this Note are governed by the laws of the State of Florida, excluding its laws relating to the resolution of conflicts of laws of different jurisdictions. Each required notice, consent, or approval, if any, under this Note will be valid only if it is given in writing (or sent by telex, telegram, or telecopy and promptly confirmed in writing) and addressed by the sender to the recipient's address that is listed in this Note or to such other addresses as either party may designate by written notice to the other party. A validly given notice, consent, or approval will be effective (i) on receipt of hand delivery to the recipient, (ii) seven (7) days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed or prepaid, or (iii) one (1) business day after it is deposited with an expedited, overnight courier service (such as by way of example but not limitation, U.S. Express Mail, Federal Express or UPS). These notice provisions apply only if a notice is required by this Note. They do not apply if no notice is required by this Note. This Note is not assignable by Borrower.

(Signature Pages Follow)

[SIGNATURE PAGE TO PROMISSORY NOTE]

IN WITNESS WHEREOF, Borrower has caused this Note to be executed and delivered as of the date first above written.

BORROWER:

GIPCO 585 24 1/2 ROAD, LLC,
a Delaware limited liability company

By: /s/ David Sobelman

David Sobelman, President

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23rd day of December, 2021, by David Sobelman, as President of GIPCO 585 24 1/2 ROAD, LLC, a Delaware limited liability company, on behalf of the company. He is personally known to me or has produced a valid driver's license as identification.

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "**Agreement**") is made as of December 28, 2021, by and between GIPCO 585 24 1/2 ROAD, LLC, a Delaware limited liability company (the "**Borrower**"), whose address is 401 E. Jackson Street, Suite 3300, Tampa, Florida 33602, and AMERICAN MOMENTUM BANK (the "**Lender**"), whose address is 4830 W. Kennedy Boulevard, Suite 200, Tampa, Florida 33609.

BACKGROUND

A. Borrower has requested that Lender make available to Borrower a loan in the aggregate sum of TWO MILLION THREE HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$2,350,000.00) (the "**Loan**"), the proceeds of which Loan shall be used to finance the acquisition of an approximately 10,947 square foot medical clinic located at 585 24 1/2 Road, Grand Junction, Mesa County, Colorado, as more particularly described on **Exhibit A** attached hereto (the "**Property**"), which Property is leased to BEST BUY STORES, L.P., a Virginia limited liability company (the "**Tenant**"), as tenant, under that certain Lease dated February 27, 2006, as amended and assigned (collectively, the "**Lease**").

B. Lender has agreed to make the Loan to Borrower, upon the terms and conditions set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises herein made and Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is acknowledged, Borrower and Lender agree as follows:

1. **Background.** The above background is true and correct and is incorporated into this Agreement by reference.
 2. **Loan.** Lender agrees to make the Loan available to Borrower upon the terms and subject to the conditions set forth in this Agreement:
 - (a) **The Loan.** Lender shall make the Loan available to Borrower upon the execution by Borrower of the Promissory Note dated the date hereof, in the original principal amount of \$2,350,000.00, made by Borrower to the order of Lender (the "**Note**"), the Deed of Trust and Security Agreement and Fixture Financing Statement, dated the date hereof, made by Borrower in favor of Lender, to be recorded in the Records of Mesa County, Colorado (the "**Deed of Trust**"), encumbering the Property, and all of the other Loan Documents (as defined below).
 - (b) **Origination Fee.** Borrower agrees to pay Lender a non-refundable loan origination fee in the amount of \$11,250.00 (the "**Origination Fee**") upon or prior to execution of this Agreement. Borrower and Lender recognize and agree that the Origination Fee (i) is not a charge for the use of money, but rather a purchase of the right to secure a loan of money on the part of Borrower; and (ii) is a material inducement for Lender to make the Loan and for having Lender ready, willing and able to fund the Loan in accordance with the terms of this Agreement. Borrower's payment of the Origination Fee to Lender is and shall be in addition to all other payments (including without limitation principal and interest) now or hereafter payable to Lender pursuant to the terms and conditions of the Note or the other Loan Documents.
 - (c) **Financial Statements.** Borrower shall deliver or cause to be delivered to Lender the financial statements and tax returns for Borrower and, as applicable, for Generation Income Properties, L.P., a Delaware limited partnership ("**GIP**"), and David Sobelman, an individual (collectively, the "**Guarantors**" and each, individually, a "**Guarantor**"), as provided in Section 7 below.
 - (d) **Depository Relationship.** Borrower shall establish its banking relationship with Lender and move and maintain with Lender all accounts, including but not limited to an operating account for the Property, as may be necessary as part thereof.
-

(e) Master Facility. Borrower acknowledges and agrees that the Loan evidenced by this Agreement and the Note is being made available by Lender to Borrower pursuant to the terms of that certain “Commitment for \$25,000,000.00 Master Credit Facility” letter dated October 26, 2021 (the “**Master Facility Commitment**”). Pursuant to the terms of the Master Facility Commitment, Lender agreed to make a master credit facility available to GIP in the amount of \$25,000,000.00 (the “**Master Facility**”). While each loan to be made available under the Master Facility (subject to the terms of the Master Facility Commitment and such other terms and conditions as reasonably required by Lender) shall have a maturity date as set forth in the notes executed in connection therewith, all loans to be made available pursuant to the Master Facility shall be closed within two (2) years after the date of this Agreement, or December 28, 2023 (the “**Master Facility Deadline**”). As a result, while a loan may have a maturity date after December 28, 2023, in no event shall Lender be obligated to make a new loan under the Master Facility after the Master Facility Deadline.

3. Term. The term of this Agreement shall be for a period beginning with the date hereof and terminating upon payment of all unpaid principal and accrued interest under the Note, unless sooner terminated pursuant to the terms of this Agreement.

4. Representations and Warranties. Borrower represents and warrants that:

(a) Financial Condition. All balance sheets, financial statements, profit and loss statements, and all other financial information heretofore furnished to Lender are true and correct and fairly reflect the financial condition of Borrower as of the dates thereof, including all contingent liabilities of every type and that the financial condition of Borrower as stated in the financial statements provided to Lender has not changed materially and adversely since the dates of such documents.

(b) Capacity and Standing. Borrower warrants and represents that it is (i) duly organized and existing under the laws of the State of Delaware; (ii) duly qualified and in good standing in every other state in which the nature of its business shall require such qualification, and (iii) duly authorized to make and perform the obligations under the Note, the Deed of Trust, this Agreement and any related documents executed pursuant to this Agreement (the Note, the Deed of Trust, this Agreement, and any other related documents executed pursuant to this Agreement are hereinafter collectively referred to as the “Loan Documents”). The Loan Documents, when executed, shall constitute valid and binding obligations of Borrower.

(c) Violation of Other Agreements. The execution of the Loan Documents and the performance of the undersigned pursuant to the Loan Documents will not violate any provision of law, or any agreement, indenture, note or other instrument binding upon Borrower or give cause for the acceleration of any obligations of Borrower.

(d) Authority. All authority from and approval by any governmental body, commission or agency, State or Federal, necessary to the making or validity of the Loan Documents has been obtained.

(e) Asset Ownership. Borrower has good and marketable title to all of the properties and assets reflected on the balance sheets and financial statements supplied Lender by Borrower, and that all such properties and assets are free and clear of mortgages, security deeds, pledges, liens, charges, and all other encumbrances, except as otherwise disclosed by the financial statements submitted to Lender.

(f) Discharge of Liens and Taxes. Borrower has duly filed, paid and/or discharged all taxes or other claims which may become a lien on any of its property or assets, excepting to the extent that such items are being appropriately contested in good faith and an adequate reserve for the payment thereof is being maintained.

(g) Regulation U. None of the proceeds of the Loan made pursuant to this Agreement shall be used directly or indirectly for the purposes of purchasing or carrying any stock in violation of any of the provisions of Regulation U of the Board of Governors of the Federal Reserve System.

(h) ERISA. Each employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974 (“**ERISA**”) maintained by the Borrower or any subsidiary of the Borrower meets, as of the date hereof, the minimum funding standards of Section 302 of ERISA, all applicable requirements of ERISA and of the Internal Revenue Code, and no “reportable event” (as defined by ERISA) has occurred with respect to any plan.

5. Affirmative Covenants. Borrower covenants and agrees that until payment in full of the principal of and interest on the Note, and its satisfaction of its obligations under this Agreement, unless Lender shall otherwise consent in writing, Borrower will:

(a) Intentionally Omitted.

(b) Corporate Existence and Properties. Comply fully with all applicable statutes, laws and regulations, and maintain the corporate existence of itself and shall maintain, preserve and keep its property and assets in good repair, working order and condition, making all needed replacements, additions, improvements and renewals thereto, to the extent allowed by this Agreement.

(c) Access to Books and Records. Allow Lender, or its agents, during normal business hours, at Borrower's primary place of business to have access to the books, financial records and such other financial documents of Borrower, as Lender shall reasonably require, and allow Lender to make copies thereof at Lender's expense which copies will be kept confidential by Lender.

(d) Insurance. Maintain insurance coverage in accordance with the terms of the Deed of Trust.

(e) Compliance with Other Agreements. Comply with all covenants, terms and conditions contained in this Agreement, the Deed of Trust and any other agreements or instruments entered into pursuant to this Agreement.

(f) Litigation. Borrower shall give prompt notice to Lender of any litigation or governmental proceedings pending or threatened against the Property, Borrower, or any Guarantor which might materially adversely affect the Property or Borrower's or Guarantor's condition (financial or otherwise) or business (including Borrower's ability to perform its obligations under the Loan Documents).

(g) Access to Property. Subject to the rights of tenants pursuant to commercial leases, Borrower shall permit agents, representatives and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice.

(h) Intentionally Deleted.

(i) Subordination of Debt. Within thirty (30) days of demand by Lender, in its reasonable discretion, and solely to the extent such persons have a debt, cause of action, lien, security interest or other type of claim or encumbrance against Borrower or its personal property or real estate, Borrower shall deliver to Lender full and effective subordinations made and executed by any and all persons (including individuals, entities, corporations, partnerships, limited liability companies, associations or *de jure* organizations) holding common stock or any form of legal or beneficial ownership in Borrower or having any type of control or affiliation with Borrower, including any and all sister, parent, subsidiary or affiliated corporations, partnerships, limited liability companies, entities, associations and *de jure* organizations. The required subordinations shall subordinate to the Loan any debt, cause of action, lien, security interest or any other type of claim or encumbrance held against Borrower or its personal property or real estate.

(j) Debt Service Coverage Ratio. As of December 31, 2022, and continuing on the same day and month of each year while the Loan remains outstanding (each, a "**Calculation Date**"), Borrower shall be obligated to have achieved and maintained a Debt Service Coverage Ratio (as defined below) of not less than 1.50 to 1.00. For the purposes hereof, the term "**Debt Service Coverage Ratio**" shall mean the ratio of (i) the Net Operating Income (as hereinafter defined) to (ii) the aggregate amount of principal and interest payable by Borrower under the Loan for the next succeeding twelve (12) months based upon a 25-year amortization and the then current Interest Rate (as defined in the Note). For the purposes hereof, "**Net Operating Income**" shall mean all of the earnings derived from the operation and leasing of the Property, less ordinary expenses and less a 3% management fee and 2% replacement reserve, annualized.

In the event that on any Calculation Date, the Debt Service Coverage Ratio shall be less than 1.50 to 1.00, Borrower shall be obligated to pay to Lender, within ten (10) days after receipt of written notice thereof, a prepayment of principal in an amount such that after giving effect to such prepayment of principal and re-amortization of the Loan, the Debt Service Coverage Ratio shall once again be equal to or greater than 1.50 to 1.00.

6. Negative Covenants. Borrower covenants and agrees that until payment in full of the principal and interest on the Note, and Borrower's satisfaction of its obligations hereunder, unless Lender shall otherwise consent in writing, Borrower will not:

(a) Guarantees. Guarantee or otherwise become responsible for obligations of any other person, corporation, or entity excepting for the endorsement of negotiable instruments by Borrower or any subsidiary, if any, in the ordinary course of business for collection.

(b) Liens. Create, assume, or permit to exist any mortgage, security deeds, pledge, lien, charge or other encumbrance on any of the property given as security for the Loan contemplated by this Agreement, whether now owned or hereafter acquired, other than: (i) the lien of the Deed of Trust; (ii) liens for taxes contested in good faith; and (iii) liens accruing by law for employee benefits.

(c) Limitation on Debt, Capital Expenditures and Leases. Create, assume or become liable for any debt, contingent or otherwise, make any material capital expenditures, or enter into any lease agreements, without the prior written consent of Lender. Any additional debt consented to by Lender shall be subordinated to the Loan and Lender at all times.

(d) Transfers. Other than a Permitted Transfer (as defined below), sell or transfer (directly or indirectly) any interest in Borrower or its sole member, GIP. For purposes herein, the term "**Permitted Transfer**" or "**Permitted Transfers**" shall include any direct or indirect sale, mortgage, pledge or other transfer (each a "**Transfer**") of any membership interest in GIP provided that any such Transfer does not result in a change of control of either Borrower or GIP. Further, and in all events, the transferee in any Transfer must not violate any of the Lender's typical requirements for AML, KYC, Patriot Act, BSA and other similar requirements applicable to transfers reviewed by Lender generally.

(e) Change in Management of Property. Modify, amend or terminate the Management Agreement without Lender's prior written consent or Borrower shall not (i) surrender, terminate, cancel, modify, renew or extend any property management agreement, (ii) consent to the assignment by the then Lender-approved property manager of its interest under any management agreement, or (iii) waive or release any of its rights and remedies under any management agreement, in each case without the express consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed.

(f) Lease. Modify, amend or terminate the Lease without Lender's prior written consent.

(g) Transfer of Interests. Sell, convey, assign, lease, pledge or otherwise transfer any of Borrower's interest in or to the real property given as security for the loan contemplated by this Agreement.

(h) Affiliate Transactions. Enter into, or be a party to, any transaction with an affiliate of Borrower or any of the partners, members or shareholders, as applicable, of Borrower except in the ordinary course of business and on terms which are no less favorable to Borrower or such affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party.

7 Financial Statements. For so long as any balance remain unpaid on the Note, Borrower shall at all times comply with the following unless Lender shall otherwise consent in writing:

(a) Borrower Annual Statements.

(i) On a quarterly basis, within ninety (90) days after each quarter-year end, deliver to Lender company prepared financial statements for Borrower and, including a consolidated balance sheet and a consolidated statement of income (loss) and surplus (deficit) and a statement of cash flows, together with supporting schedules, all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, showing the financial condition of Borrower and its subsidiaries, if any, at the close of such year and the result of operations of each of Borrower and its subsidiaries, if any, during the year.

(ii) On an annual basis, within one hundred twenty (120) days after Borrower's fiscal year end, deliver to Lender audited financial statements for Borrower, including a consolidated balance sheet and a consolidated statement of income (loss) and surplus (deficit) and a statement of cash flows, together with supporting schedules, all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, showing the financial condition of Borrower and its subsidiaries, if any, at the close of such year and the result of operations of each of Borrower and its subsidiaries, if any, during the year.

(b) Entity Guarantor Annual Statements. On an annual basis, within one hundred twenty (120) days after GIP's fiscal year end, deliver to Lender company prepared financial statements for GIP, including a consolidated balance sheet and

a consolidated statement of income (loss) and surplus (deficit) and a statement of cash flows, together with supporting schedules, all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, showing the financial condition of GIP and its subsidiaries, if any, at the close of such year and the result of operations of GIP and its subsidiaries, if any, during the year.

(c) Intentionally Omitted.

(d) Intentionally Omitted.

(e) Tax Returns. On an annual basis, within thirty (30) days after the filing thereof (or any extension filing), deliver and caused to be delivered to Lender complete copies of Borrower's and each Guarantor's Federal Tax Returns for each year, including any schedules and K-1s; provided, however, to the extent Borrower is deemed to be a disregarded entity for tax purposes, then Borrower shall provide the Federal Tax Return for the entity filing on its behalf within the same required time period as provided herein.

(f) SEC Documents; Subscription Agreements. For Borrower and GIP, to the extent any documents or filings are required to be filed with the SEC, copies shall be simultaneously provided to Lender upon filing. In addition, to the extent such agreements are not available to the public (through sec.gov, or otherwise), deliver to Lender within fifteen (15) days after each quarter-end, copies of current contribution and/or subscription agreements (or other securities purchase agreements) for Borrower and GIP.

(g) Other Financial Information. Borrower shall deliver, promptly, such other information regarding the operation, business affairs, and financial condition of Borrower or any of its subsidiaries, if any, which the Lender may reasonably request.

8. Security. The obligations of Borrower to Lender pursuant to this Agreement and the Note executed pursuant thereto, are secured wholly or partially by the grant of a security interest described in the Deed of Trust.

9. Events of Default. The following shall be events of default hereunder by Borrower (a "Default"):

(a) Any representation or warranty made in this Agreement shall prove to be false or misleading in any material respect;

(b) Any report, certificate (including but not limited to any certification of the correctness of the articles of incorporation or bylaws of any of the corporate entities which constitute Borrower), financial statement or other document furnished in connection with this Agreement or the loan made pursuant hereto, shall prove to be false or misleading in any material respect;

(c) Failure to make payment of any installment of principal or interest on the Note as and when due and payable (subject to applicable grace or cure period);

(d) Failure of Borrower to make any payment required hereunder prior to when due, or failure of Borrower to perform any other covenant required to be performed by Borrower hereunder within thirty (30) days after receipt of written notice thereof from Lender;

(e) The occurrence of a material default under the Lease (beyond any applicable notice or cure period) or early termination of the Lease; or

(f) The occurrence of a default by Borrower or any of the Guarantors under any of the other Loan Documents which is not cured within any applicable grace or cure period.

10. Remedies Upon Default. In the event of the occurrence of any Default and during the continuance of such Event of Default, then Lender may, at its option, take any or all of the following actions, at the same or different times:

(a) Declare the balance of the Note to be forthwith due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived by Borrower, anything contained herein or in the Note to the contrary notwithstanding; and

(b) Exercise such other rights and remedies as Lender may be provided in the Note, the Deed of Trust and any other Loan Documents executed pursuant to this Agreement, or as provided by law or equity.

11. Miscellaneous Provisions.

(a) Commitment Letter. The terms and conditions of any commitment letter from the Lender to Borrower shall be superseded by the terms of the Loan Documents and shall be of no further force or effect after the execution of such Loan Documents.

(b) Indirect Means. Any act which Borrower is prohibited from doing shall not be done indirectly through a subsidiary or by any other indirect means.

(c) Non-Impairment. If any one or more provisions contained in this Agreement or any other document executed pursuant to this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement and the documentation executed pursuant hereto, shall not in any way be affected or impaired thereby and this Agreement shall otherwise remain in full force and effect.

(d) Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida.

(e) Waiver. Neither the failure nor any delay on the part of Lender in exercising any right, power, or privilege granted pursuant to this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

(f) Modification. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless in writing and signed by Lender, it being acknowledged by the parties hereto that all terms, conditions and covenants therein and herein contained are deemed to be material and relied upon by Lender.

(g) Stamps and Fees. Borrower shall pay all federal or state stamps or taxes, or other fees and charges, if any, payable or determined to be payable by reason of the execution, delivery or issuance of this Agreement, the Note, the Deed of Trust or any security granted to Lender, or the making of any advance from time to time, whether they be payable upon execution or recurring from time to time, Borrower agrees to indemnify and hold harmless Lender against any and all liability in respect therefor.

(h) Attorneys' Fees. In the event that Borrower shall default in any of its obligations under the Loan Documents, Lender believes it reasonably necessary or proper to employ an attorney to assist in the enforcement or collection of the indebtedness of Borrower to Lender or to enforce any other term or condition of any of the Loan Documents, or in the event Lender voluntarily or otherwise shall become a party to any suit or legal proceeding (including a proceeding conducted under bankruptcy Code), Borrower agrees to pay the reasonable attorneys' fees of Lender and all other costs that may reasonably be incurred by Lender. Borrower shall be liable for such attorneys' fees and costs whether or not any suit or proceeding is commenced (including costs for appellate proceedings, if any).

(i) Successors and Assigns. This Agreement shall be binding upon the parties and their respective successors and assigns.

(j) Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and such counterparts together constitute one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Signature Pages to Follow]

[SIGNATURE PAGE TO LOAN AGREEMENT]

IN WITNESS WHEREOF, Borrower and Lender have caused this Loan Agreement to be duly executed all as of the day and year first above written.

BORROWER:

GIPCO 585 24 1/2 ROAD, LLC,
a Delaware limited liability company

By: /s/ David Sobelman
David Sobelman, President

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23rd day of December, 2021, by David Sobelman, as President of GIPCO 585 24 1/2 ROAD, LLC, a Delaware limited liability company, on behalf of the company. He is personally known to me or has produced a valid driver's license as identification.

/s/ Angela D. Fields

Notary Public

Angela D. Fields

(Print, Type or Stamp Name)



ANGELAD. FIELDS
Commission # GG984941
Expires May 28, 2024
Bonded Thru Budget Notary Services

My Commission Expires: May 28, 2024

[SIGNATURE PAGE TO LOAN AGREEMENT]

LENDER:

AMERICAN MOMENTUM BANK

By /s/ Porter Smith
Porter Smith, Tampa Bay Market President

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23 day of December, 2021, by Porter Smith, as Tampa Bay Market President of AMERICAN MOMENTUM BANK, on behalf of the bank. He is personally known to me or has produced a valid driver's license as identification.

/s/ Alyssa Vandenbosch
Notary Public

/s/ Alyssa Vandenbosch
(Print, Type or Stamp Name)

My Commission Expires:

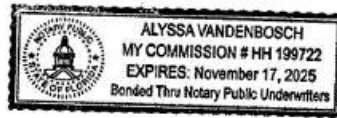


EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

Lot I, Mesa Mall Minor Subdivision, according to the official Plat thereof, recorded in Plat Book 14 at Page 64 official records of Mesa County, Colorado.

PARCEL TWO:

TOGETHER WITH the benefits under the Operating Agreement and Amendments recorded March 5, 1980, in Book 1247 at Page 110, together with the First Amendment recorded June 15, 1981, in Book 1318 at Page 580, First Amendment to Supplemental Agreement recorded March 8, 1982, in Book 1360 at Page 483, the Second Amendment recorded October 5, 1982, in Book 1394 at Page 237, the Third Amendment recorded December 23, 1982, in Book 1406 at Page 723, the Fourth Amendment recorded September 5, 1984, in Book 1508 at Page 592, Fifth Amendment recorded January 10, 1997, in Book 2293 at Page 603, Sixth Amendment of Operating Agreement recorded June 3, 2004 in Book 3667 at Page 218, and Seventh Amendment of Operating Agreement recorded September 2, 2011 in Book 5195 at Page 543, County of Mesa, State of Colorado.

PARCEL THREE:

TOGETHER WITH the Benefits under the Reciprocal Easement and Operating Agreement recorded July 30, 1992, in Book 1914 at Page 685, County of Mesa, State of Colorado.

For Informational Purposes:

Tax ID No.: 2945-092-10-019

Also known as 585 24 ½ Road, Grand Junction, Colorado 81505

ABSOLUTE GUARANTY OF PAYMENT AND PERFORMANCE

THIS ABSOLUTE GUARANTY OF PAYMENT AND PERFORMANCE (hereinafter referred to as the "**Guaranty**"), made to be effective the 28th day of December, 2021, by DAVID SOBELMAN, an individual (the "**Individual Guarantor**"), and GENERATION INCOME PROPERTIES, L.P., a Delaware limited partnership (the "**Entity Guarantor**," who together with the Individual Guarantor may be referred to herein as a "**Guarantor**" and collectively, the "**Guarantors**"), to AMERICAN MOMENTUM BANK (the "**Lender**").

WITNESSETH:

In consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, and for the purpose of inducing Lender to make a loan in the amount of TWO MILLION THREE HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$2,350,000.00) (the "**Loan**") to GIPCO 585 24 1/2 ROAD, LLC, a Delaware limited liability company (the "**Borrower**"), which Loan, Lender would not make absent the within Guaranty, Guarantors covenant and agree with Lender as follows:

1. Each Guarantor has examined the Promissory Note in the original principal amount of \$2,350,000.00, dated the date hereof, made by Borrower to the order of Lender (the "**Note**"), the Deed of Trust and Security Agreement and Fixture Financing Statement, dated the date hereof, made by Borrower in favor of Lender, to be recorded in the Records of Mesa County, Colorado (the "**Deed of Trust**"), the Loan Agreement dated the date hereof, made by and between Borrower and Lender (the "**Loan Agreement**"), and other loan documents entered into by Borrower with respect to the Loan (the "**Other Loan Documents**"). The Note, the Deed of Trust, the Loan Agreement and the Other Loan Documents are hereinafter sometimes referred to, collectively, as the "**Loan Documents**".

2. Subject to the limitations upon the liability for Individual Guarantor as provided for in Section 31 below, each Guarantor does hereby unconditionally and absolutely guarantee to Lender, its endorsees, transferees, successors and assigns of either this Guaranty or of any of the obligations secured hereunder, due performance and prompt payment and discharge, in accordance with their terms, of all sums (principal, interest and such other costs and charges that may be incurred in connection therewith) owed to Lender under the Loan on any date when due and all other obligations, terms, covenants and conditions arising under the Loan Documents which may be executed by Borrower as part of the loan transaction including any amendments, renewals, modifications or extensions thereof, and do further agree that if the Note is not paid in accordance with its terms, or if any of the sums or obligations that may hereafter become due to Lender under the Loan Documents are not paid and performed in accordance with their terms, each Guarantor will immediately do so.

3. This is a continuing and irrevocable Guaranty and, subject to the provisions of Section 31 below, in all events shall be unconditional and absolute. This Guaranty may not be assigned, revoked, modified, or amended by Guarantors without Lender's written consent.

4. This Guaranty shall be unaffected by any substitution of any obligors of Borrower on the Loan Documents. Guarantors and any other persons or entities guaranteeing the Loan shall be

jointly and severally liable for the repayment of the Loan and the payment and performance by Borrower of all of the other obligations of Borrower guaranteed hereunder.

5. The obligations of this Guaranty include all of Borrower's warranties, representations, obligations, duties and responsibilities under the Loan Documents either now or hereafter existing, and any renewals or extensions, in whole or in part, together with all damages, losses, costs, charges, expenses, including reasonable attorneys' fees, paralegals' fees and liabilities of every kind, nature and description (including interest thereon at the maximum rate permitted by law) suffered or incurred by Lender arising in any manner of, or in any way connected with or growing out of the Loan Documents.

6. Each Guarantor hereby consents and agrees that Lender may at any time, either with or without consideration, surrender any property or other security of any kind or nature whatsoever held by it or by any person, firm or corporation on its behalf, or for its account, securing any indebtedness or liability covered by this Guaranty, or substitute for any collateral so held by it, other collateral of like kind, or of any kind, or modify the terms of the Loan Documents securing payment of the principal indebtedness without notice to or further consent from Guarantors, and such surrender, substitution or modification shall not in any way affect the obligation of Guarantors hereunder. The obligations of Guarantors hereunder shall not be subject to any counterclaim, set-off, deduction or defense, and shall remain in full force and effect without regard to, and the obligations of Guarantor hereunder shall not be released, discharged or terminated or in any way effected or impaired by, any circumstances or condition, whether or not Guarantors shall have notice or knowledge thereof, including without limitation (a) any amendment or modification of or addition or supplement to the Loan Documents; (b) any compromise, release, consent, extension, indulgence or other action or inaction with respect to the Loan Documents; (c) any default by Borrower under, or any invalidity or unenforceability of, or any irregularity or any defect in the Loan Documents; (d) any exercise or nonexercise of any right, remedy, power or privilege under or in respect of this Guaranty or the Loan Documents; (e) any assignment or transfer of the assets of Borrower to, or any consolidation or merger of Borrower with or into any other person, partnership or corporation, or any disposition by Guarantors of any interest in Borrower; (f) any bankruptcy, insolvency, reorganization, arrangement, adjustments, composition, liquidation or similar proceeding involving or effecting Borrower or Guarantors; (g) any assignment, sale, surrender, forfeiture or other transfer in respect of any or all of the properties or interests encumbered by the Deed of Trust; (h) a release, regardless of consideration, of the whole or any part of the property pledged pursuant to the Deed of Trust; (i) the release, regardless of consideration, of any obligation evidenced by the Loan Documents; (j) any partial prepayment, assignment or transfer of the Note; (k) any limitation of Borrower's liability which may now or hereafter be imposed by any statute, regulation or rule of law, or any invalidity or unenforceability, in whole or in part of any of the terms of the Loan Documents; or (l) any other circumstances whatsoever.

7. Each Guarantor hereby consents and agrees that Lender may, at any time, either with or without consideration, release Borrower or any endorser of the Loan Documents without notice to or further consent from Guarantors, and such release shall not in any way affect the obligation of Guarantors hereunder.

8. At the option of Lender, this Guaranty may be treated as a guaranty or as a suretyship. In any event, each Guarantor agrees that the obligations set forth in this Guaranty are independent of the obligations of Borrower, and Lender shall have the right to proceed against Guarantors, jointly or severally if Guarantors consists of more than one person or entity, without first proceeding against Borrower or any property securing payment of the Note and Deed of Trust, or any other Guarantors or endorser of the Note or Deed of Trust. Each Guarantor unconditionally waives any rights it may have to (a) all notices which may have been required by statutes, rule or law or otherwise to preserve intact any rights of any holder of Loan Documents against Guarantors, including, without limitation, notice to Borrower of default, presentment due and demand of payment from Borrower and protest for nonpayment or dishonor, (b) require Lender to exhaust any security granted by Borrower, or (c) require Lender to pursue any other remedy within the power of Lender.

9. No delay, act or omission on the part of Lender with respect to any right, power or privilege under the Loan Documents shall operate as a waiver of such privilege, power or right or as a waiver of any rights under the terms of this Guaranty or in any way affect or impair this Guaranty.

10. This Guaranty shall be construed as an absolute and unconditional guarantee of payment and performance, without regard to the validity, regularity or enforceability of any obligation or purported obligation of Borrower. Lender shall have its remedy under this Guaranty without being obliged to resort first to any security or to any other remedy or remedies to enforce payment or collection of the obligations hereby guaranteed, and may pursue all or any of its remedies at one or at different times.

11. The obligations of each Guarantor are joint and several.

12. Each Guarantor hereby waives and agrees not to assert or take advantage of (a) any right to require Lender to proceed against Borrower or any other person or entity or to proceed against or exhaust any security held by it at any time or to pursue any other remedy in its power before proceeding against Guarantors; (b) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of, or revocation hereof by, other persons or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of any other persons or entities; (d) presentment, demand, protest and notice of any kind including, without limitation, notice of acceptance of this Guaranty, dishonor, the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of any other person or entity whomsoever, in connection with any obligation hereby guaranteed; (e) any defense based upon any election of remedies by Lender, including without limitation an election to proceed by non-judicial rather than judicial foreclosure, which destroys or otherwise impairs the subrogation rights of the undersigned or the right of the undersigned to proceed against Borrower for reimbursement, or both; (f) any duty on the part of Lender to disclose to the undersigned any facts it may now or hereafter know about Borrower; (g) any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation from any cause whatsoever of the liability of Borrower; (h) any right or claim of right to cause a marshalling of Borrower's assets or to require Lender to proceed against Guarantors in any particular order.

Each Guarantor hereby agrees that, until all indebtedness of Borrower to Lender under the Loan Documents shall have been paid in full, Guarantors shall have no right of subrogation or reimbursement and waive any right to enforce any remedy which Lender now has or may hereafter have against Borrower, and waive any benefit of, and any right to participate in, any security now or hereafter held by Lender. Each Guarantor hereby irrevocably waives any and all rights which they may have at any time (whether arising directly or indirectly, by operation of law, contract or otherwise) to assert any claim against Borrower on account of payments made under this Guaranty including, by way of example but not limitation, any and all rights of subrogation, reimbursement, exoneration, contribution or indemnity until all such indebtedness of Borrower to Lender has been paid in full.

Each Guarantor covenants to cause Borrower to maintain and preserve the enforceability of any instruments now or hereafter executed in favor of Lender, and to take no action of any kind which might be the basis for a claim that Guarantors have any defense hereunder in connection with the Loan Documents other than payment in full of all indebtedness of Borrower to Lender under the Loan Documents.

Each Guarantor hereby indemnifies Lender against loss, cost or expense by reason of the assertion by Borrower of any defense to its obligations under any of the Loan Documents or resulting from the attempted assertion by Guarantors of any defense hereunder based upon any such action or inaction of Borrower.

This Guaranty and each Guarantor's payment obligations hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time the payment of any of the obligations secured hereunder and arising under this Guaranty and/or the Loan Documents is rescinded or must otherwise be restored or returned by Lender, all as though such payment had not been made. Lender's determination as to whether a payment must be restored or returned shall be absolutely binding upon Guarantors. If Lender is required to or agrees to repay any amount received by Lender on account of any payments, indebtedness, obligations and liabilities of Borrower to Lender as a result of a judgment, order or decree of a court of competent jurisdiction or as a result of a settlement or compromise concerning a claim for repayment by any party to such payments, indebtedness, obligations and liabilities, the undersigned shall remain liable to Lender for the amount repaid notwithstanding the revocation of this guaranty or the cancellation of any instrument evidencing such indebtedness, obligations and liabilities.

13. Any indebtedness of Borrower now or hereafter held by Guarantors is hereby subordinated to the indebtedness of Borrower to Lender. Any such indebtedness of Borrower to Guarantors, if Lender so requests, shall be collected, enforced and received by Guarantor as trustee for Lender and be paid over to Lender on account of the indebtedness of Borrower to Lender, but without reducing or affecting in any manner the liability of Guarantors under the other provisions of this Guaranty.

14. Each Guarantor represents and warrants to Lender that any financial statements previously furnished by Guarantors with respect to the request for this Loan remain true and correct in all material respects. On an annual basis Guarantors shall provide any financial information required from Guarantors under the Loan Agreement.

15. Each Guarantor represents and warrants to Lender that any financial statements previously furnished by Guarantors with respect to the request for this Loan remain true and correct in all material respects. On an annual basis no later than forty-five (45) days from the most recent financial statement on file with Lender and at such other times as may reasonably be requested by Lender, Individual Guarantor shall prepare and deliver to Lender complete and current financial statements setting forth all of his assets and liabilities, specifically including a listing of all contingent liabilities (and to the extent any person other than the Individual Guarantor has any interest in said assets or any person other than Individual Guarantor is jointly liable for any of said obligations, said matter shall be set forth in their entirety in the financial statements). On an annual basis no later than sixty (60) days after each calendar year-end and at such other times as may reasonably be requested by Lender, Entity Guarantor shall prepare and deliver to Lender complete and current financial statements setting forth all of its assets and liabilities, specifically including a listing of all contingent liabilities. In addition, each Guarantor shall deliver a complete copy of his or its federal tax return, including all schedules, to Lender within thirty (30) days after filing same.

16. Each Guarantor agrees to pay reasonable attorneys' fees, paralegals' fees and all other costs and expense of any nature whatsoever which may be incurred by Lender in the enforcement of Borrower's obligations under the Loan Documents and/or of this Guaranty.

17. Upon the default of Borrower with respect to any of its obligations or liabilities to Lender in connection with the Loan Documents, and provided said default is not cured within any applicable grace or curative period granted to Borrower by said documents, all or, at the option of Lender, any part of the obligation and liabilities of Borrower and/or Guarantors to Lender, whether direct or contingent, in connection with the Loan Documents shall, without notice or demand, at the option of Lender, become immediately due and payable and/or performable and shall be paid and performed forthwith by Guarantors.

18. If any Guarantor is a corporation, limited liability company or partnership, any such Guarantor hereby warrants and represents that it is a duly organized and validly existing corporation, limited liability company or partnership as the case may be under the laws of the state of its incorporation or formation; that it has the power to execute this Guaranty; that the execution of this Guaranty has been duly authorized; and that it is a binding and valid obligation of the corporation, limited liability company or partnership.

19. Notwithstanding any provision herein or in any instrument now or hereafter evidencing or securing the Loan, the total liability for payments in the nature of interest shall not exceed the limits imposed by any applicable usury laws governing the provisions of this Guaranty or in any instrument now or hereafter evidencing or securing the Loan.

20. Each Guarantor acknowledges that Lender has been induced by this Guaranty to make the loan hereinabove described, and this Agreement shall, without further reference or assignment, pass to, and be relied upon and enforced by, any successor or participant or assignee of Lender in and to any liabilities or obligations of Borrower.

21. Nothing in this Guaranty is intended or shall be construed to prevent Lender, upon the occurrence of any event of default, in the exercise of its sole discretion, from foreclosing the lien of

the Loan Documents and enforcing the provisions thereof or from enforcing any and all other rights and remedies afforded to Lender. Subject to the provisions of Section 31 below, this Guaranty shall survive the foreclosure of the Deed of Trust and any transfer of the Property by deed in lieu of foreclosure of the Deed of Trust and shall automatically, without the requirements of notice, demand or other action, remain fully effective and enforceable by Lender.

22. Subject to the provisions of Section 31 below, each Guarantor hereby agrees that until all of the terms, covenants and conditions of this Guaranty are fully performed, Guarantors' obligations hereunder shall not be released, in whole or in part, by any act or thing which might, but for this provision, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, extension, modification, forbearance or delay or other act or omission of Lender or its failure to proceed promptly or otherwise, or by reason of any action taken or omitted or circumstances which may or might vary the risk of or affect the rights or remedies of Guarantors, or by reason of any further dealings between Borrower or Lender, relating to the Loan Documents, or otherwise; and Guarantors hereby expressly waives and surrenders any defense to liability hereunder based upon any of the foregoing acts, omissions, things, agreements or waiver of any of them, it being the purpose and intent of the parties hereto that the obligations of Guarantor hereunder are absolute and unconditional under all circumstances.

23. All notices which are required or permitted hereunder must be in writing and shall be deemed to have been given, delivered or made, as the case may be, (notwithstanding lack of actual receipt by the addressee) (i) seven (7) business days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed and prepaid, or (ii) one (1) business day after having been deposited with an expedited, overnight courier service (such as by way of example but not limitation, U.S. Express Mail, Federal Express or Purolator), addressed to the party to whom notice is intended to be given at the address set forth below:

TO GUARANTOR: David Sobelman
 401 E. Jackson Street, Suite 3300
 Tampa, Florida 33602

 Generation Income Properties, L.P.
 401 E. Jackson Street, Suite 3300
 Tampa, Florida 33602

TO LENDER: American Momentum Bank
 4830 W. Kennedy Boulevard, Suite 200
 Tampa, Florida 33609

Any party may change the address to which its notices are sent by giving the other party written notice of any such change in the manner provided in this Section, but notice of change of address is effective only upon receipt.

24. The liabilities of Guarantors shall be separate and independent of the obligations of Borrower, and separate or joint actions may be instituted by Lender against any one or all of Guarantors or Borrower, as Lender may choose. Any action taken by Lender pursuant to the

provisions herein contained or contained in the Loan Documents shall not release the party or parties to this Guaranty until all of the obligations of Borrower to Lender are paid and performed in full. Furthermore, each Guarantor acknowledges and affirms that any exculpation provisions contained in the Loan Documents shall not in any manner whatsoever limit, impair or affect this Guaranty and the obligations of Guarantor hereunder.

25. Whenever the text of this instrument so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural. If any term of this Guaranty or any application thereof shall be invalid or unenforceable, the remainder of this Guaranty and any other application of such term shall not be effected thereby but shall remain in full force and effect.

26. This Guaranty shall inure to the benefit of Lender, its successors and assigns, and shall bind Guarantors, and the respective heirs, executors, administrators, legal representatives, successors and assigns of Guarantors.

27. The purpose of this Guaranty is to memorialize the parties' understanding that, if Borrower does not pay or otherwise fully perform its obligations in a timely manner as provided under the various Loan Documents, Guarantors will promptly pay the amounts due and payable by Borrower to Lender upon the demand of Lender.

28. Each Guarantor acknowledges that the making of the Loan by Lender to Borrower confers a real and substantial benefit to Guarantors and is fully supportive of, and valuable consideration for, the execution of this Guaranty by Guarantors. Each Guarantor further acknowledges that he is a beneficiary of Borrower and is thoroughly familiar with the business affairs, books and records, financial condition and operations of Borrower. Lender shall have no duty to Guarantors to observe the actions or financial conditions of Borrower or to monitor the performance of Borrower under the Loan Documents. It is the intention of the parties that Lender may rely completely on this Guaranty for its repayment of Borrower's indebtedness and obligations whether or not Borrower is creditworthy and whether or not it would be prudent to make loans and advances to Borrower or to permit the same to remain outstanding. Lender and its representatives shall have no duty to exercise diligence or care in and about the enforcement of the remedies or in respect to any other security for Borrower's obligations.

29. This Guaranty shall be governed and controlled as to its validity, enforcement, interpretation, construction, effect, and in all other respects by the statutes, laws and decisions of the State of Florida except to the extent that Lender elects the benefit of any applicable Federal pre-emption laws. Guarantors, in order to induce Lender to accept this Guaranty, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree that all actions or proceedings arising directly, indirectly or otherwise in connection with, out of, related to or from this Guaranty, or any of the Loan Documents shall be litigated, in Lender's sole discretion and at Lender's sole election, only in courts having a situs within or whose jurisdiction includes Mesa County, Colorado or Hillsborough County, Florida. For the purpose of the foregoing, each Guarantor hereby consents and submits to the jurisdiction of any local, state or federal court located within or whose jurisdiction includes Mesa County, Colorado or Hillsborough County, Florida. Each Guarantor, for itself and any parties claiming under it, hereby waives any right that Guarantor may

have to transfer or change the venue of any litigation brought against Guarantor in accordance with this paragraph. Furthermore, neither Guarantor, nor any successor, heir or personal representative of Guarantor, nor any parties claiming under them, or any such other person or entity shall seek a jury trial in any lawsuit, proceeding, counterclaim or any other litigation procedure based upon or arising out of this Guaranty, or any of the Loan Documents, any related instrument or agreement, any collateral for the payment hereof or the dealings or the relationship between or among such persons or entities, or any of them. Neither Guarantor nor any such person or entity will seek to consolidate any such action, in which a jury trial has been waived, with any other action in which a jury trial cannot or has not been waived. Each Guarantor acknowledges that the provisions of this paragraph have been fully discussed by each Guarantor and Lender, that each Guarantor was ably represented by licensed attorneys at law in the negotiation of this paragraph, that they bargained at arm's length and in good faith and without duress of any kind for the terms and conditions of this paragraph and that the provisions hereof shall be subject to no exceptions. No party has in any way agreed with or represented to any other party that the provisions of this paragraph will not be fully enforced in all instances.

30. This Guaranty may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute one and the same instrument.

31. Notwithstanding anything to the contrary herein, the liability of Individual Guarantor to Lender for obligations due under the Loan shall be limited to the payment of actual losses incurred by Lender arising out of or in connection with any of the following:

- a. damages suffered by Lender as a result of (i) fraud or intentional misrepresentation by Borrower, Guarantors or any other person acting on behalf of or at the direction of Borrower or Guarantors in connection with the Loan, (ii) intentional waste of any real property securing repayment of the Loan (the "**Mortgaged Property**"), including the removal of any personal property or fixtures from the Property by Borrower, Guarantors or any other person acting on behalf of or at the direction of Borrower or Guarantors, which are not replaced by similar property or fixtures of equal or greater value, (iii) the sale or further encumbrance of any of the Mortgaged Property in violation of any provision of the Loan Documents, (iv) failure to insure the Mortgaged Property in accordance with the terms of the Loan Documents, (v) failure to pay real estate taxes and assessments and ground lease payments (if applicable) which accrue prior to Lender taking possession of the Mortgaged Property or failure to make sufficient funds available through escrow payments to Lender to pay such taxes, assessments and ground lease payments, or (vi) the loss of any of the Mortgaged Property because of the forfeiture of same to any governmental agency or third party unrelated or not affiliated with Lender for any reason which does not result in a payment of proceeds by such governmental agency or third party to satisfy the outstanding balance on the Loan;
- b. any rents, issues or profits of any of the Mortgaged Property collected by or on behalf of Borrower which are intentionally not applied to payment of the Loan or paid to third parties not affiliated with Borrower for reasonable operating costs related to the Mortgaged Property (including real estate taxes and the establishment of a reasonable reserve for that purpose) after an uncured default or

an uncured Event of Default or any event or circumstance that with the passage of time, the giving of notice, or both, would reasonably be expected to constitute an Event of Default under the Loan Documents;

- c. any security deposits or other similar deposits received from tenants or occupants of the Mortgaged Property to the extent that funds for such security deposits are not obtained by Lender from Borrower after an Event of Default, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the leases prior to the occurrence of the Event of Default;
- d. any insurance proceeds, condemnation awards or proceeds resulting from any sale of any of the Mortgaged Property which are misapplied or misappropriated by or on behalf of Borrower or which, under the terms of the Loan Documents, should have been paid to Lender;
- e. the amount of any valid unpaid mechanic's liens, materialmen's liens or other liens, whether or not similar, arising due to work performed or materials furnished in connection with any of the Mortgaged Property which could create liens on any portion of the Mortgaged Property; and
- f. any loss or damage suffered by Lender in the event a voluntary or involuntary bankruptcy, reorganization, insolvency, arrangement, receivership, or similar proceeding is commenced by or against Borrower under any federal or state law, or Borrower makes any assignment for the benefit of creditors.

In addition, Guarantor shall be personally liable to Lender for the full repayment of all obligations due to Lender under Loan, and the Loan shall be fully recourse to Guarantor, upon the occurrence of any of the following:

- a. a transfer or conveyance of the Mortgaged Property or any interest in Borrower that is in violation of the transfer provisions under the Loan Documents;
- b. except at the written request by Lender, Borrower or the Mortgaged Property or any part thereof becomes an asset in a voluntary bankruptcy or insolvency proceeding, or Borrower or Guarantors encourages the filing of any bankruptcy proceeding against Borrower or Guarantors; or
- c. fraud, written material intentional misrepresentation or material intentional omission by Borrower or Guarantors in connection with any application for or creation of the Loan and/or any of the Loan Documents or the on-going financial reporting under the Loan Documents.

Individual Guarantor shall have no liability under the Loan Documents except as set forth in this Section 31. In addition, Individual Guarantor shall be fully liable to Lender for all costs and expenses, including reasonable attorneys' fees and costs, actually incurred by Lender in connection with enforcing Lender's rights under this Guaranty.

(Signature Pages Follow)

[SIGNATURE PAGE TO ABSOLUTE GUARANTY OF PAYMENT AND PERFORMANCE]

IN WITNESS WHEREOF, Guarantors have caused these presents to be signed, sealed and delivered the day and year first above written.

WITNESSES:

_____/s/ Laetitia Davis
Print Name: Laetitia Davis
_____/s/ Angela D Fields
Print Name: Angela D. Fields

_____/s/ David Sobelman
DAVID SOBELMAN

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23rd day of December, 2021, by DAVID SOBELMAN, who is personally known to me or has produced a valid driver's license as identification.



ANGELA D. FIELDS
Commission # GG 984941
Expires May 28, 2024
Bonded Thru Budget Notary
Services

_____/s/ Angela D Fields
Notary Public

_____/s/ Angela D Fields
(Print, Type or Stamp Name)

My commission Expires: May 28, 2024

WITNESSES:

GENERATION INCOME PROPERTIES,
L.P., a Delaware limited partnership

By: Generation Income Properties, Inc., a
Maryland corporation, as its General Partner

/s/ Laetitia Davis

Print Name: Laetitia Davis

Angela D. Fields

Print Name: _____

Angela D. Fields

By: /s/ David Sobelman

Print Name: David Sobelman

Its: President

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23rd day of December, 2021, by David Sobelman, as President of Generation Income Properties, Inc., a Maryland corporation, as General Partner of GENERATION INCOME PROPERTIES, L.P. a Delaware limited partnership, on behalf of the corporation and partnership. Such person is personally known to me or has produced a valid driver's license as identification.



ANGELA D. FIELDS
Commission # GG 984941
Expires May 28, 2024
Bonded Thru Budget Notary
Services

/s/ Angela D Fields

Notary Public

Angela D Fields

(Print, Type or Stamp Name)

My commission Expires: May 28, 2024

Loan No.: _____

PROMISSORY NOTE

\$1,550,000.00

Effective as of December_____,2021

1. **Promise to Pay.** GIPIL 3134 W 76TH STREET, LLC, a Delaware limited liability company ("**Borrower**"), whose address is 401 E. Jackson Street, Suite 3300, Tampa, Florida 33602, for value received, promises to pay to the order of AMERICAN MOMENTUM BANK (the "**Lender**"), at 4830 West Kennedy Blvd., Suite 200, Tampa, Florida 33609, or at such other place as the holder of this Promissory Note ("**Note**") designates in writing to Borrower, the principal amount of ONE MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (**\$1,550,000.00**), or so much thereof as may be outstanding, together with interest as required under this Note (the "**Loan**").

2. **Interest Rate.** Interest shall accrue on the outstanding principal amount of this Note at a variable rate equal to the Wall Street Journal Prime Rate (as hereinafter defined) (the "**Interest Rate**"), adjusted on a monthly basis. The term "**Wall Street Journal Prime Rate**" as used herein shall mean the rate of interest per annum as reported from time to time by *The Wall Street Journal* (or such other source for determining the prime rate of interest as may hereafter be selected by Lender in its reasonable discretion) as the prime rate of interest, and shall not necessarily mean or imply that such prime rate of interest is the lowest or most favorable rate of interest then available from Lender to specific borrowers.

Notwithstanding anything to the contrary herein, if the Wall Street Journal Prime Rate ceases to exist or is not determinable at any time during the term of this Note, the applicable rate of interest charged by Lender under this Note will be equal to the Successor Rate Index (as defined below) *plus* the Spread Percentage (as defined above). For purposes herein, the term "**Successor Rate Index**" is, at Lender's written election, any replacement index selected by Lender that measures the prime rate of interest comparable to the Wall Street Journal Prime Rate.

Notwithstanding anything contained in this Section 2 to the contrary, however, in no event shall the Interest Rate payable by Borrower hereunder for any day be lower than the "floor" of 3.25% per annum at any time during the term of this Note. Therefore, even if the calculation of the Interest Rate pursuant to the terms of this Section 2 would result in an effective rate of interest for the applicable period of less than 3.25% per annum, the Interest Rate payable by Borrower for such day shall be 3.25% per annum.

3. **Payments.**

DOCUMENTARY STAMP TAXES IN THE AMOUNT OF \$2,450.00 WILL BE PAID TO THE FLORIDA DEPARTMENT OF REVENUE UPON THE EXECUTION OF THIS NOTE. THE REAL PROPERTY ENCUMBERED BY THE MORTGAGE SECURING THIS NOTE IS LOCATED OUTSIDE OF THE STATE OF FLORIDA.

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(a) Commencing on the _____ day of January, 2022, and continuing monthly on the same day of each and every month thereafter, through and including the Maturity Date (as defined below), Borrower shall make payments of interest only in amounts equal to the accrued and unpaid interest hereunder, calculated based on the Interest Rate.

(b) A final payment of all outstanding principal, all accrued and unpaid interest and all other charges then due from Borrower to Lender under this Note with regard to the loan evidenced hereby shall be due and payable in full on December _____, 2023 (the "**Maturity Date**").

4. Application and Form of Payments. Payments will be applied first to accrued interest and then to principal, and all interest on this Note will be computed on the basis of the actual number of days elapsed over a 360-day year. Payments of interest and principal must be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. Payments received after 2:00 p.m. will be treated as being received on the next banking day.

5. Prepayment. Late Fee. Interest on Default, and Maximum Interest. Borrower may prepay all or any portion of this Note without penalty. Borrower shall give Lender one day's prior written notice of any prepayment. Partial prepayments will be applied against required principal installments in the inverse order of their maturities. Therefore, partial prepayments will not affect the due date of any required installments under this Note until this Note is paid in full. Borrower agrees to pay a late fee equal to five percent (5%) of any payment due hereunder that is not paid within ten (10) days of the date the payment is due. Interest on all amounts not paid when due after maturity, acceleration, or otherwise (including any periods of time after entry of a judgment but prior to payment thereof), will accrue and will be payable at the maximum rate of interest allowed by applicable law (the "**Default Rate**").

6. Security. This Note is secured, inter alia, by that certain Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement, of even date herewith, from Borrower to Lender (the "**Mortgage**") and by any and all collateral presently and hereafter held by Lender from Borrower and given or agreed to be given to Lender by Borrower, plus any and all collateral presently or hereafter held by Lender given or agreed to be given by any third party or parties for the benefit of Borrower hereof.

7. Default and Remedies. The occurrence of any of the following events constitutes a "**Default**" (in the following provisions, the term "**Guarantor**" refers jointly and severally to any person or entity that previously has guaranteed or either currently or in the future guarantees the repayment of this Note):

(a) The nonpayment within five (5) days of the date due of any interest or principal under this Note or the nonpayment when due of any other liability, obligation, or indebtedness owing from Borrower to Lender, whether at maturity, by acceleration, or otherwise; or

(b) The occurrence of a default under the Loan Agreement, of even date herewith, by and between Borrower and Lender (the "**Loan Agreement**"), under the Mortgage or under any other agreement given by Borrower or Guarantor to Lender with regard to the indebtedness evidenced hereby, which is not cured within any applicable grace or cure period.

Upon the occurrence of a Default and during the continuance of such Default, Lender, at its option and as often as it desires, may declare all liabilities, obligations, and indebtedness due Lender, including this Note, to be immediately due and payable without demand, notice, or presentment, and may exercise any other remedy available to it under the Mortgage, the Loan Agreement or any other agreement given by Borrower or Guarantor to Lender, and any other remedy available to it at law or in equity.

8. Payment of Costs. Borrower shall pay all costs incurred by the holder of this Note in enforcing or collecting this Note and enforcing each agreement executed in connection with this Note (including the Mortgage or any other agreement under which real or personal property is pledged as security for this Note), including without limitation all attorneys' fees, costs, and expenses incurred in all matters of interpretation, enforcement, and collection, before, during, and after demand, suit, proceeding, trial, appeal, and post-judgment collection efforts as well as all costs and fees incurred by the holder of this Note in connection with any bankruptcy, reorganization, or similar proceeding (including efforts to obtain relief from any stay) if Borrower or any other person or entity liable for the indebtedness represented by this Note becomes involved in any bankruptcy, reorganization, or similar proceeding.

9. Waiver and Consents. Borrower and every other person liable at any time for payment of this Note waives presentment, protest, notice of protest, and notice of dishonor. Borrower expressly consents to all extensions and renewals of this Note (as a whole or in part) and all delays in time or payment or other performance under this Note that the holder of this Note grants at any time and from time to time, without limitation and without any notice to or further consent of Borrower. Borrower agrees that its obligations under this Note are independent of the obligation of any other maker, guarantor or other person or entity that now or later is obligated to pay this Note. Borrower also agrees that Lender may release any security for or any other obligor of this Note or waive, extend, alter, amend, or modify this Note or otherwise take any action that varies the risk of Borrower without releasing or discharging Borrower from Borrower's obligation to repay this Note.

10. Venue. Borrower further agrees that venue for each action, suit, or other legal proceeding arising under or relating to this Note or any agreement securing or related to this Note shall be in a court of competent jurisdiction in Cook County, Illinois or Hillsborough County, Florida, and Borrower hereby waives any right to sue or be sued in any other counties in Illinois or Florida or any other states.

11. Savings Clause. Nothing herein, nor any transaction related hereto, shall be construed or so operated as to require Borrower to pay interest at a greater rate than shall be lawful. Should any interest or other charges paid by Borrower in connection with the loan evidenced by this Note result in the computation or earning of interest in excess of the maximum contract rate of interest which is legally permitted under applicable Florida law or Federal preemption statutes, if Lender shall elect a benefit thereof, then any and all such excess shall be, and the same is, hereby waived by Lender, and any and all such excess shall be automatically credited against and in reduction of the balance due under this Note and any portion which exceeds the balance due under this Note shall be paid by Lender to Borrower.

12. Waiver of Jury Trial. BY THE EXECUTION HEREOF, BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREES THAT NEITHER BORROWER NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF BORROWER SHALL SEEK A JURY TRIAL ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS NOTE, THE MORTGAGE, OR ANY OTHER LOAN DOCUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS EVIDENCED BY THIS NOTE OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES HERETO. NEITHER BORROWER NOR LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT OR CAN NOT BE WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTION. NEITHER BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS TRANSACTION.

13. Modification. This Note may not be modified or terminated orally, but only by agreement or discharge in writing and signed by Lender. Any forbearance of Lender in exercising any right or remedy hereunder, under the Mortgage or under any other loan document relating to this transaction shall not be a waiver of or preclude the exercise of any right or remedy. Acceptance by Lender of payment of any sum payable hereunder after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums payable hereunder or to declare a default for the failure to make prompt payment in the future.

14. Right of Setoff. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, saving, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts following an event of default hereunder.

15. Successors and Whenever. Lender is referred to in this Note, such reference shall be deemed to include the successors and assigns of Lender, including, without limitation, any subsequent assignee or holder of this Note, and all covenants, provisions, and all agreements by or on behalf of Borrower and any endorsers, guarantors, and sureties hereof which are contained herein shall inure to the benefit of the successors and assigns of Lender.

16. Corrective Documentation. For and in consideration of the funding or renewal of the indebtedness evidenced hereby, Borrower further agrees to cooperate with Lender and to re-execute any and all documentation relating to the loan evidenced by this Note which is deemed necessary or desirable in Lender's discretion, in order to correct or adjust any clerical errors or omissions contained in any document executed in connection with the loan evidenced by this Note.

17. Miscellaneous. The headings preceding the text of the sections of this Note have been inserted solely for convenience of reference and do not limit or affect the meaning, interpretation, or effect of this Note or the sections. The validity, construction, interpretation, and enforceability of this Note are governed by the laws of the State of Florida, excluding its laws relating to the resolution of conflicts of laws of different jurisdictions. Each required notice, consent, or approval, if any, under this Note will be valid only if it is given in writing (or sent by telex, telegram, or telecopy and promptly confirmed in writing) and addressed by the sender to the recipient's address that is listed in this Note or to such other addresses as either party may designate by written notice to the other party. A validly given notice, consent, or approval will be effective (i) on receipt of hand delivery to the recipient, (ii) seven (7) days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed or prepaid, or (iii) one (1) business day after it is deposited with an expedited, overnight courier service (such as by way of example but not limitation, U.S. Express Mail, Federal Express or UPS). These notice provisions apply only if a notice is required by this Note. They do not apply if no notice is required by this Note. This Note is not assignable by Borrower.

(Signature Pages Follow)

IN WITNESS WHEREOF, Borrower has caused this Note to be executed and delivered as of the date first above written.

BORROWER:

GIPIL 3134 W 76TH STREET, LLC,
a Delaware limited liability company

By: /s/ David Sobelman,
David Sobelman, President

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23rd day of December, 2021, by David Sobelman, as President of GIPIL 3134 W 76TH STREET, LLC, a Delaware limited liability company, on behalf of the company. He is personally known to me or has produced a valid driver's license as identification.



ANGELA D. FIELDS
Commission # GG 984941
Expires May 28, 2024
Bonded Thru Budget Notary Services

Angela D. Fields
Notary Public

Angela D. Fields

(Print, Type or Stamp Name)

My Commission Expires: May 28, 2024

LOAN AGREEMENT

THIS LOAN AGREEMENT (the “**Agreement**”) is made as of January 7, 2022, by and between GIPIL 3134 W 76TH STREET, LLC, a Delaware limited liability company (the “**Borrower**”), whose address is 401 E. Jackson Street, Suite 3300, Tampa, Florida 33602, and AMERICAN MOMENTUM BANK (the “**Lender**”), whose address is 4830 W. Kennedy Boulevard, Suite 200, Tampa, Florida 33609.

BACKGROUND

A. Borrower has requested that Lender make available to Borrower a loan in the aggregate sum of ONE MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$ 1,550,000.00) (the “**Loan**”), the proceeds of which Loan shall be used to finance the acquisition of an approximately 10,947 square foot medical clinic located at 3134 West 76th Street Chicago, Cook County, Illinois, as more particularly described on **Exhibit A** attached hereto (the “**Property**”), which Property is leased to WSKC DIALYSIS SERVICES, INC., an Illinois corporation, d/b/a SOUTHSIDE DIALYSIS CENTER, a/k/a FRESENIUS KIDNEY CARE SOUTHSIDE (the “**Tenant**”), as tenant, under that certain Lease Agreement dated January 24, 2006, as amended and assigned (collectively, the “**Lease**”).

B. Lender has agreed to make the Loan to Borrower, upon the terms and conditions set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises herein made and Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is acknowledged, Borrower and Lender agree as follows:

1. Background. The above background is true and correct and is incorporated into this Agreement by reference.

2. Loan. Lender agrees to make the Loan available to Borrower upon the terms and subject to the conditions set forth in this Agreement:

(a) The Loan. Lender shall make the Loan available to Borrower upon the execution by Borrower of the Promissory Note dated the date hereof, in the original principal amount of \$ 1,550,000.00, made by Borrower to the order of Lender (the “**Note**”), the Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement, dated the date hereof, made by Borrower in favor of Lender, to be recorded in the office of the Recorder of Deeds of Cook County, Illinois (the “**Mortgage**”), encumbering the Property, and all of the other Loan Documents (as defined below).

(b) Origination Fee. Borrower agrees to pay Lender a non-refundable loan origination fee in the amount of \$7,750.00 (the “**Origination Fee**”) upon or prior to execution of this Agreement. Borrower and Lender recognize and agree that the

Origination Fee (i) is not a charge for the use of money, but rather a purchase of the right to secure a loan of money on the part of Borrower; and (ii) is a material inducement for Lender to make the Loan and for having Lender ready, willing and able to fund the Loan in accordance with the terms of this Agreement. Borrower's payment of the Origination Fee to Lender is and shall be in addition to all other payments (including without limitation principal and interest) now or hereafter payable to Lender pursuant to the terms and conditions of the Note or the other Loan Documents.

(c) Financial Statements. Borrower shall deliver or cause to be delivered to Lender the financial statements and tax returns for Borrower and, as applicable, for Generation Income Properties, L.P., a Delaware limited partnership (“**GIP**”), and David Sobelman, an individual (collectively, the “**Guarantors**” and each, individually, a “**Guarantor**”), as provided in Section 7 below.

(d) Depository Relationship. Borrower shall establish its banking relationship with Lender and move and maintain with Lender all accounts, including but not limited to an operating account for the Property, as may be necessary as part thereof.

(e) Master Facility. Borrower acknowledges and agrees that the Loan evidenced by this Agreement and the Note is being made available by Lender to Borrower pursuant to the terms of that certain “Commitment for \$25,000,000.00 Master Credit Facility” letter dated October 26, 2021 (the “**Master Facility Commitment**”). Pursuant to the terms of the Master Facility Commitment, Lender agreed to make a master credit facility available to GIP in the amount of \$25,000,000.00 (the “**Master Facility**”). While each loan to be made available under the Master Facility (subject to the terms of the Master Facility Commitment and such other terms and conditions as reasonably required by Lender) shall have a maturity date as set forth in the notes executed in connection therewith, all loans to be made available pursuant to the Master Facility shall be closed prior to December 28, 2023 (the “**Master Facility Deadline**”). As a result, while a loan may have a maturity date after December 28, 2023, in no event shall Lender be obligated to make a new loan under the Master Facility after the Master Facility Deadline.

3. Term. The term of this Agreement shall be for a period beginning with the date hereof and terminating upon payment of all unpaid principal and accrued interest under the Note, unless sooner terminated pursuant to the terms of this Agreement.

4. Representations and Warranties. Borrower represents and warrants that:

(a) Financial Condition. All balance sheets, financial statements, profit and loss statements, and all other financial information heretofore furnished to Lender are true and correct and fairly reflect the financial condition of Borrower as of the dates thereof, including all contingent liabilities of every type and that the financial condition of Borrower as stated in the financial statements provided to Lender has not changed materially and adversely since the dates of such documents.

(b) Capacity and Standing. Borrower warrants and represents that it is (i) duly organized and existing under the laws of the State of Delaware; (ii) duly qualified and in good standing in every other state in which the nature of its business shall require such

qualification, and (iii) duly authorized to make and perform the obligations under the Note, the Mortgage, this Agreement and any related documents executed pursuant to this Agreement (the Note, the Mortgage, this Agreement, and any other related documents executed pursuant to this Agreement are hereinafter collectively referred to as the “**Loan Documents**”). The Loan Documents, when executed, shall constitute valid and binding obligations of Borrower.

(c) Violation of Other Agreements. The execution of the Loan Documents and the performance of the undersigned pursuant to the Loan Documents will not violate any provision of law, or any agreement, indenture, note or other instrument binding upon Borrower or give cause for the acceleration of any obligations of Borrower.

(d) Authority. All authority from and approval by any governmental body, commission or agency, State or Federal, necessary to the making or validity of the Loan Documents has been obtained.

(e) Asset Ownership. Borrower has good and marketable title to all of the properties and assets reflected on the balance sheets and financial statements supplied Lender by Borrower, and that all such properties and assets are free and clear of mortgages, security deeds, pledges, liens, charges, and all other encumbrances, except as otherwise disclosed by the financial statements submitted to Lender.

(f) Discharge of Liens and Taxes. Borrower has duly filed, paid and/or discharged all taxes or other claims which may become a lien on any of its property or assets, excepting to the extent that such items are being appropriately contested in good faith and an adequate reserve for the payment thereof is being maintained.

(g) Regulation U. None of the proceeds of the Loan made pursuant to this Agreement shall be used directly or indirectly for the purposes of purchasing or carrying any stock in violation of any of the provisions of Regulation U of the Board of Governors of the Federal Reserve System.

(h) ERISA. Each employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974 (“**ERISA**”) maintained by the Borrower or any subsidiary of the Borrower meets, as of the date hereof, the minimum funding standards of Section 302 of ERISA, all applicable requirements of ERISA and of the Internal Revenue Code, and no “reportable event” (as defined by ERISA) has occurred with respect to any plan.

5. Affirmative Covenants. Borrower covenants and agrees that until payment in full of the principal of and interest on the Note, and its satisfaction of its obligations under this Agreement, unless Lender shall otherwise consent in writing, Borrower will:

(a) Intentionally Omitted.

(b) Corporate Existence and Properties. Comply fully with all applicable statutes, laws and regulations, and maintain the corporate existence of itself and shall maintain, preserve and keep its property and assets in good repair, working order and

condition, making all needed replacements, additions, improvements and renewals thereto, to the extent allowed by this Agreement.

(c) Access to Books and Records. Allow Lender, or its agents, during normal business hours, at Borrower's primary place of business to have access to the books, financial records and such other financial documents of Borrower, as Lender shall reasonably require, and allow Lender to make copies thereof at Lender's expense which copies will be kept confidential by Lender.

(d) Insurance. Maintain insurance coverage in accordance with the terms of the Mortgage.

(e) Compliance with Other Agreements. Comply with all covenants, terms and conditions contained in this Agreement, the Mortgage and any other agreements or instruments entered into pursuant to this Agreement.

(f) Litigation. Borrower shall give prompt notice to Lender of any litigation or governmental proceedings pending or threatened against the Property, Borrower, or any Guarantor which might materially adversely affect the Property or Borrower's or Guarantor's condition (financial or otherwise) or business (including Borrower's ability to perform its obligations under the Loan Documents).

(g) Access to Property. Subject to the rights of tenants pursuant to commercial leases, Borrower shall permit agents, representatives and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice.

(h) Intentionally Deleted.

(i)

Subordination of Debt. Within thirty (30) days of demand by Lender, in its reasonable discretion, and solely to the extent such persons have a debt, cause of action, lien, security interest or other type of claim or encumbrance against Borrower or its personal property or real estate, Borrower shall deliver to Lender full and effective subordinations made and executed by any and all persons (including individuals, entities, corporations, partnerships, limited liability companies, associations or *de jure* organizations) holding common stock or any form of legal or beneficial ownership in Borrower or having any type of control or affiliation with Borrower, including any and all sister, parent, subsidiary or affiliated corporations, partnerships, limited liability companies, entities, associations and *de jure* organizations. The required subordinations shall subordinate to the Loan any debt, cause of action, lien, security interest or any other type of claim or encumbrance held against Borrower or its personal property or real estate.

(j) Debt Service Coverage Ratio. As of December 31, 2022, and continuing on the same day and month of each year while the Loan remains outstanding (each, a "**Calculation Date**"), Borrower shall be obligated to have achieved and maintained a Debt Service Coverage Ratio (as defined below) of not less than 1.50 to 1.00. For the purposes hereof, the term "**Debt Service Coverage Ratio**" shall mean the ratio of (i) the Net Operating Income (as hereinafter defined) to (ii) the aggregate amount of principal and interest payable by Borrower under the Loan for the next succeeding twelve (12) months

based upon a 25-year amortization and the then current Interest Rate (as defined in the Note). For the purposes hereof, “**Net Operating Income**” shall mean all of the earnings derived from the operation and leasing of the Property, less ordinary expenses and less a 3% management fee and 2% replacement reserve, annualized.

In the event that on any Calculation Date, the Debt Service Coverage Ratio shall be less than 1.50 to 1.00, Borrower shall be obligated to pay to Lender, within ten (10) days after receipt of written notice thereof, a prepayment of principal in an amount such that after giving effect to such prepayment of principal and re-amortization of the Loan, the Debt Service Coverage Ratio shall once again be equal to or greater than 1.50 to 1.00.

6. Negative Covenants. Borrower covenants and agrees that until payment in full of the principal and interest on the Note, and Borrower's satisfaction of its obligations hereunder, unless Lender shall otherwise consent in writing, Borrower will not:

(a) Guarantees. Guarantee or otherwise become responsible for obligations of any other person, corporation, or entity excepting for the endorsement of negotiable instruments by Borrower or any subsidiary, if any, in the ordinary course of business for collection.

(b) Liens. Create, assume, or permit to exist any mortgage, security deeds, pledge, lien, charge or other encumbrance on any of the property given as security for the Loan contemplated by this Agreement, whether now owned or hereafter acquired, other than: (i) the lien of the Mortgage; (ii) liens for taxes contested in good faith; and (iii) liens accruing by law for employee benefits.

(c) Limitation on Debt, Capital Expenditures and Leases. Create, assume or become liable for any debt, contingent or otherwise, make any material capital expenditures, or enter into any lease agreements, without the prior written consent of Lender. Any additional debt consented to by Lender shall be subordinated to the Loan and Lender at all times.

(d) Transfers. Other than a Permitted Transfer (as defined below), sell or transfer (directly or indirectly) any interest in Borrower or its sole member, GIP. For purposes herein, the term “**Permitted Transfer**” or “**Permitted Transfers**” shall include any direct or indirect sale, mortgage, pledge or other transfer (each a “**Transfer**”) of any membership interest in GIP provided that any such Transfer does not result in a change of control of either Borrower or GIP. Further, and in all events, the transferee in any Transfer must not violate any of the Lender's typical requirements for AML, KYC, Patriot Act, BSA and other similar requirements applicable to transfers reviewed by Lender generally.

(e) Change in Management of Property . Modify, amend or terminate the Management Agreement without Lender's prior written consent or Borrower shall not (i) surrender, terminate, cancel, modify, renew or extend any property management agreement, (ii) consent to the assignment by the then Lender-approved property manager of its interest under any management agreement, or (iii) waive or release any of its rights and remedies under any management agreement, in each case without the express consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed.

(f) Lease. Modify, amend or terminate the Lease without Lender's prior written consent.

(g) Transfer of Interests. Sell, convey, assign, lease, pledge or otherwise transfer any of Borrower's interest in or to the real property given as security for the loan contemplated by this Agreement.

(h) Affiliate Transactions. Enter into, or be a party to, any transaction with an affiliate of Borrower or any of the partners, members or shareholders, as applicable, of Borrower except in the ordinary course of business and on terms which are no less favorable to Borrower or such affiliate than would be obtained in a comparable arm'slength transaction with an unrelated third party.

7. Financial Statements. For so long as any balance remain unpaid on the Note, Borrower shall at all times comply with the following unless Lender shall otherwise consent in writing:

(a) Borrower Annual Statements.

(i) On a quarterly basis, within ninety (90) days after each quarter-year end, deliver to Lender company prepared financial statements for Borrower and, including a consolidated balance sheet and a consolidated statement of income (loss) and surplus (deficit) and a statement of cash flows, together with supporting schedules, all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, showing the financial condition of Borrower and its subsidiaries, if any, at the close of such year and the result of operations of each of Borrower and its subsidiaries, if any, during the year.

(ii) On an annual basis, within one hundred twenty (120) days after Borrower's fiscal year end, deliver to Lender audited financial statements for Borrower, including a consolidated balance sheet and a consolidated statement of income (loss) and surplus (deficit) and a statement of cash flows, together with supporting schedules, all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, showing the financial condition of Borrower and its subsidiaries, if any, at the close of such year and the result of operations of each of Borrower and its subsidiaries, if any, during the year.

(b) Entity Guarantor Annual Statements. On an annual basis, within one hundred twenty (120) days after GIP's fiscal year end, deliver to Lender company prepared financial statements for GIP, including a consolidated balance sheet and a consolidated statement of income (loss) and surplus (deficit) and a statement of cash flows, together with supporting schedules, all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year, showing the financial condition of GIP and its subsidiaries, if any, at the close of such year and the result of operations of GIP and its subsidiaries, if any, during the year.

(c) Intentionally Omitted.

(d) Intentionally Omitted.

(e) Tax Returns. On an annual basis, within thirty (30) days after the filing thereof (or any extension filing), deliver and caused to be delivered to Lender complete copies of Borrower's and each Guarantor's Federal Tax Returns for each year, including any schedules and K-1s; provided, however, to the extent Borrower is deemed to be a disregarded entity for tax purposes, then Borrower shall provide the Federal Tax Return for the entity filing on its behalf within the same required time period as provided herein.

(f) SEC Documents: Subscription Agreements. For Borrower and GIP, to the extent any documents or filings are required to be filed with the SEC, copies shall be simultaneously provided to Lender upon filing. In addition, to the extent such agreements are not available to the public (through sec.gov, or otherwise), deliver to Lender within fifteen (15) days after each quarter-end, copies of current contribution and/or subscription agreements (or other securities purchase agreements) for Borrower and GIP.

(g) Other Financial Information. Borrower shall deliver, promptly, such other information regarding the operation, business affairs, and financial condition of Borrower or any of its subsidiaries, if any, which the Lender may reasonably request.

8. Security. The obligations of Borrower to Lender pursuant to this Agreement and the Note executed pursuant thereto, are secured wholly or partially by the grant of a security interest described in the Mortgage.

9. Events of Default. The following shall be events of default hereunder by Borrower (a "Default"):

(a) Any representation or warranty made in this Agreement shall prove to be false or misleading in any material respect;

(b) Any report, certificate (including but not limited to any certification of the correctness of the articles of incorporation or bylaws of any of the corporate entities which constitute Borrower), financial statement or other document furnished in connection with this Agreement or the loan made pursuant hereto, shall prove to be false or misleading in any material respect;

(c) Failure to make payment of any installment of principal or interest on the Note as and when due and payable (subject to applicable grace or cure period);

(d) Failure of Borrower to make any payment required hereunder prior to when due, or failure of Borrower to perform any other covenant required to be performed by Borrower hereunder within thirty (30) days after receipt of written notice thereof from Lender;

(e) The occurrence of a material default under the Lease (beyond any applicable notice or cure period) or early termination of the Lease; or

(f) The occurrence of a default by Borrower or any of the Guarantors under any of the other Loan Documents which is not cured within any applicable grace or cure period.

10. Remedies Upon Default. In the event of the occurrence of any Default and during the continuance of such Event of Default, then Lender may, at its option, take any or all of the following actions, at the same or different times:

(a) Declare the balance of the Note to be forthwith due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived by Borrower, anything contained herein or in the Note to the contrary notwithstanding; and

(b) Exercise such other rights and remedies as Lender may be provided in the Note, the Mortgage and any other Loan Documents executed pursuant to this Agreement, or as provided by law or equity.

11. Miscellaneous Provisions.

(a) Commitment Letter. The terms and conditions of any commitment letter from the Lender to Borrower shall be superseded by the terms of the Loan Documents and shall be of no further force or effect after the execution of such Loan Documents.

(b) Indirect Means. Any act which Borrower is prohibited from doing shall not be done indirectly through a subsidiary or by any other indirect means.

(c) Non-Impairment. If any one or more provisions contained in this Agreement or any other document executed pursuant to this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement and the documentation executed pursuant hereto, shall not in any way be affected or impaired thereby and this Agreement shall otherwise remain in full force and effect.

(d) Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida.

(e) Waiver. Neither the failure nor any delay on the part of Lender in exercising any right, power, or privilege granted pursuant to this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

(f) Modification. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless in writing and signed by Lender, it being acknowledged by the parties hereto that all terms, conditions and covenants therein and herein contained are deemed to be material and relied upon by Lender.

(g) Stamps and Fees. Borrower shall pay all federal or state stamps or taxes, or other fees and charges, if any, payable or determined to be payable by reason of the execution, delivery or issuance of this Agreement, the Note, the Mortgage or any security granted to Lender, or the making of any advance from time to time, whether they be payable

upon execution or recurring from time to time, Borrower agrees to indemnify and hold harmless Lender against any and all liability in respect thereof.

(h) Attorneys' Fees. In the event that Borrower shall default in any of its obligations under the Loan Documents, Lender believes it reasonably necessary or proper to employ an attorney to assist in the enforcement or collection of the indebtedness of Borrower to Lender or to enforce any other term or condition of any of the Loan Documents, or in the event Lender voluntarily or otherwise shall become a party to any suit or legal proceeding (including a proceeding conducted under bankruptcy Code), Borrower agrees to pay the reasonable attorneys' fees of Lender and all other costs that may reasonably be incurred by Lender. Borrower shall be liable for such attorneys' fees and costs whether or not any suit or proceeding is commenced (including costs for appellate proceedings, if any).

(i) Successors and Assigns. This Agreement shall be binding upon the parties and their respective successors and assigns.

(j) Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and such counterparts together constitute one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Signature Pages to Follow]

[SIGNATURE PAGE TO LOAN AGREEMENT]

IN WITNESS WHEREOF, Borrower and Lender have caused this Loan Agreement to be duly executed all as of the day and year first above written.

BORROWER:

GIPIIL 3134 W 76TH STREET, LLC, a
Delaware limited liability company

By: /s/ David Sobelman
David Sobelman, President

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23rd day of December, 2021, by David Sobelman, as President of GIPIIL 3134 W 76TH STREET, LLC, a Delaware limited liability company, on behalf of the company. He is personally known to me or has produced a valid driver's license as identification.



ANGELA D. FIELDS
Commission # GG 984941
Expires May 28, 2024
Bonded Thru Budget Notary Services

Angela D. Fields
Notary Public

Angela D. Fields

(Print, Type or Stamp Name)

My Commission Expires: May 28, 2024

LENDER:

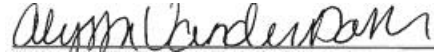
AMERICAN MOMENTUM BANK

By: _____ /s/ Porter Smith
Porter Smith, Tampa Bay Market President

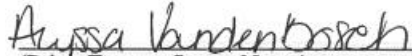
STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 27 day of December, 2021, by Porter Smith, as Tampa Bay Market President of AMERICAN MOMENTUM BANK, on behalf of the bank. He is personally known to me or has produced a valid driver's license as identification.



Notary Public



(Print, Type or Stamp Name)

My Commission Expires:

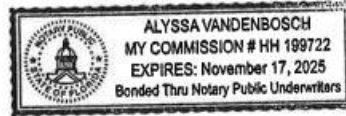


EXHIBIT A

Legal Description of Property

Real properw in the City of Chicago, County of Cook, State of Illinois, described as follows:

THAT PART OF THE LOTS 1 AND 2 AND THE 16 FOOT VACATED ALLEY BY ORDINANCE RECORDED MARCH 03, 1998, AS DOCUMENT 98162263 ALL IN BLOCK 16 IN WABASH ADDITION TO CHICAGO IN SECTION 25, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 90 0 00' 00" EAST ALONG THE SOUTH LINE OF SAID TRACT 47.0 FEET TO A POINT ON THE EAST LINE OF THAT PART OF LAND TAKEN FOR HIGHWAY PURPOSES PER DOCUMENT NUMBER 12365546 ALSO BEING THE POINT OF BEGINNING; THENCE NORTH 00⁰⁰229" EAST ALONG SAID EAST LINE 344.40 FEET;

THENCE SOUTH 90⁰⁰00" EAST 188.75 FEET; THENCE SOUTH 00⁰⁰100" WEST 344.40 FEET TO THE SOUTH LINE OF SAID TRACT; THENCE NORTH 90⁰⁰00" WEST ALONG SAID SOUTH LINE 189.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ABSOLUTE GUARANTY OF PAYMENT AND PERFORMANCE

THIS ABSOLUTE GUARANTY OF PAYMENT AND PERFORMANCE (hereinafter referred to as the "**Guaranty**"), made to be effective the _____ day of December, 2021, by DAVID SOBELMAN, an individual (the "**Individual Guarantor**"), and GENERATION INCOME PROPERTIES, L.P., a Delaware limited partnership (the "**Entity Guarantor**," who together with the Individual Guarantor may be referred to herein as a "**Guarantor**" and collectively, the "**Guarantors**"), to AMERICAN MOMENTUM BANK (the "**Lender**").

W I T N E S S E T H:

In consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, and for the purpose of inducing Lender to make a loan in the amount of ONE MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$1,550,000.00) (the "**Loan**") to GIPIL 3134 W 76TH STREET, LLC, a Delaware limited liability company (the "**Borrower**"), which Loan, Lender would not make absent the within Guaranty, Guarantors covenant and agree with Lender as follows:

1. Each Guarantor has examined the Promissory Note in the original principal amount of \$1,550,000.00, dated the date hereof, made by Borrower to the order of Lender (the "**Note**"), the Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement dated the date hereof, made by Borrower in favor of Lender, to be recorded in the office of the Recorder of Deeds of Cook County, Illinois (the "**Mortgage**"), the Loan Agreement dated the date hereof, made by and between Borrower and Lender (the "**Loan Agreement**"), and other loan documents entered into by Borrower with respect to the Loan (the "**Other Loan Documents**"). The Note, the Mortgage, the Loan Agreement and the Other Loan Documents are hereinafter sometimes referred to, collectively, as the "**Loan Documents**".

2. Subject to the limitations upon the liability for Individual Guarantor as provided for in Section 31 below, each Guarantor does hereby unconditionally and absolutely guarantee to Lender, its endorsees, transferees, successors and assigns of either this Guaranty or of any of the obligations secured hereunder, due performance and prompt payment and discharge, in accordance with their terms, of all sums (principal, interest and such other costs and charges that may be incurred in connection therewith) owed to Lender under the Loan on any date when due and all other obligations, terms, covenants and conditions arising under the Loan Documents which may be executed by Borrower as part of the loan transaction including any amendments, renewals, modifications or extensions thereof, and do further agree that if the Note is not paid in accordance with its terms, or if any of the sums or obligations that may hereafter become due to Lender under the Loan Documents are not paid and performed in accordance with their terms, each Guarantor will immediately do so.

3. This is a continuing and irrevocable Guaranty and, subject to the provisions of Section 31 below, in all events shall be unconditional and absolute. This Guaranty may not be assigned, revoked, modified, or amended by Guarantors without Lender's written consent.

4. This Guaranty shall be unaffected by any substitution of any obligors of Borrower on the Loan Documents. Guarantors and any other persons or entities guaranteeing the Loan shall be jointly and severally liable for the repayment of the Loan and the payment and performance by Borrower of all of the other obligations of Borrower guaranteed hereunder.

5. The obligations of this Guaranty include all of Borrower's warranties, representations, obligations, duties and responsibilities under the Loan Documents either now or hereafter existing, and any renewals or extensions, in whole or in part, together with all damages, losses, costs, charges, expenses, including reasonable attorneys' fees, paralegals' fees and liabilities of every kind, nature and description (including interest thereon at the maximum rate permitted by law) suffered or incurred by Lender arising in any manner of, or in any way connected with or growing out of the Loan Documents.

6. Each Guarantor hereby consents and agrees that Lender may at any time, either with or without consideration, surrender any property or other security of any kind or nature whatsoever held by it or by any person, firm or corporation on its behalf, or for its account, securing any indebtedness or liability covered by this Guaranty, or substitute for any collateral so held by it, other collateral of like kind, or of any kind, or modify the terms of the Loan Documents securing payment of the principal indebtedness without notice to or further consent from Guarantors, and such surrender, substitution or modification shall not in any way affect the obligation of Guarantors hereunder. The obligations of Guarantors hereunder shall not be subject to any counterclaim, setoff, deduction or defense, and shall remain in full force and effect without regard to, and the obligations of Guarantor hereunder shall not be released, discharged or terminated or in any way effected or impaired by, any circumstances or condition, whether or not Guarantors shall have notice or knowledge thereof, including without limitation (a) any amendment or modification of or addition or supplement to the Loan Documents; (b) any compromise, release, consent, extension, indulgence or other action or inaction with respect to the Loan Documents; (c) any default by Borrower under, or any invalidity or unenforceability of, or any irregularity or any defect in the Loan Documents; (d) any exercise or nonexercise of any right, remedy, power or privilege under or in respect of this Guaranty or the Loan Documents; (e) any assignment or transfer of the assets of Borrower to, or any consolidation or merger of Borrower with or into any other person, partnership or corporation, or any disposition by Guarantors of any interest in Borrower; (f) any bankruptcy, insolvency, reorganization, arrangement, adjustment, composition, liquidation or similar proceeding involving or effecting Borrower or Guarantors; (g) any assignment, sale, surrender, forfeiture or other transfer in respect of any or all of the properties or interests encumbered by the Mortgage; (h) a release, regardless of consideration, of the whole or any part of the property pledged pursuant to the Mortgage; (i) the release, regardless of consideration, of any obligation evidenced by the Loan Documents; (j) any partial prepayment, assignment or transfer of the Note; (k) any limitation of Borrower's liability which may now or hereafter be imposed by any statute, regulation or rule of law, or any invalidity or unenforceability, in whole or in part of any of the terms of the Loan Documents; or (l) any other circumstances whatsoever.

7. Each Guarantor hereby consents and agrees that Lender may, at any time, either with or without consideration, release Borrower or any endorser of the Loan Documents without notice to or further consent from Guarantors, and such release shall not in any way affect the obligation of Guarantors hereunder.

8. At the option of Lender, this Guaranty may be treated as a guaranty or as a suretyship. In any event, each Guarantor agrees that the obligations set forth in this Guaranty are independent of the obligations of Borrower, and Lender shall have the right to proceed against Guarantors, jointly or severally if Guarantors consists of more than one person or entity, without first proceeding against Borrower or any property securing payment of the Note and Mortgage, or any other Guarantors or endorser of the Note or Mortgage. Each Guarantor unconditionally waives any rights it may have to (a) all notices which may have been required by statutes, rule or law or otherwise to preserve intact any rights of any holder of Loan Documents against Guarantors, including, without limitation, notice to Borrower of default, presentment due and demand of payment from Borrower and protest for nonpayment or dishonor, (b) require Lender to exhaust any security granted by Borrower, or (c) require Lender to pursue any other remedy within the power of Lender.

9. No delay, act or omission on the part of Lender with respect to any right, power or privilege under the Loan Documents shall operate as a waiver of such privilege, power or right or as a waiver of any rights under the terms of this Guaranty or in any way affect or impair this Guaranty.

10. This Guaranty shall be construed as an absolute and unconditional guarantee of payment and performance, without regard to the validity, regularity or enforceability of any obligation or purported obligation of Borrower. Lender shall have its remedy under this Guaranty without being obliged to resort first to any security or to any other remedy or remedies to enforce payment or collection of the obligations hereby guaranteed, and may pursue all or any of its remedies at one or at different times.

11. The obligations of each Guarantor are joint and several.

12. Each Guarantor hereby waives and agrees not to assert or take advantage of (a) any right to require Lender to proceed against Borrower or any other person or entity or to proceed against or exhaust any security held by it at any time or to pursue any other remedy in its power before proceeding against Guarantors; (b) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of, or revocation hereof by, other persons or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of any other persons or entities; (d) presentment, demand, protest and notice of any kind including, without limitation, notice of acceptance of this Guaranty, dishonor, the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of any other person or entity whomsoever, in connection with any obligation hereby guaranteed; (e) any defense based upon any election of remedies by Lender, including without limitation an election to proceed by non-judicial rather than judicial foreclosure, which destroys or otherwise impairs the subrogation rights of the undersigned or the right of the undersigned to proceed against Borrower for reimbursement, or both; (f) any duty on the part of Lender to disclose to the undersigned any facts it may now or hereafter know about Borrower; (g) any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation from any cause whatsoever of the liability of Borrower; (h) any right or claim of right to cause a marshalling of Borrower's assets or to require Lender to proceed against Guarantors in any particular order.

Each Guarantor hereby agrees that, until all indebtedness of Borrower to Lender under the Loan Documents shall have been paid in full, Guarantors shall have no right of subrogation or reimbursement and waive any right to enforce any remedy which Lender now has or may hereafter have against Borrower, and waive any benefit of, and any right to participate in, any security now or hereafter held by Lender. Each Guarantor hereby irrevocably waives any and all rights which they may have at any time (whether arising directly or indirectly, by operation of law, contract or otherwise) to assert any claim against Borrower on account of payments made under this Guaranty including, by way of example but not limitation, any and all rights of subrogation, reimbursement, exoneration, contribution or indemnity until all such indebtedness of Borrower to Lender has been paid in full.

Each Guarantor covenants to cause Borrower to maintain and preserve the enforceability of any instruments now or hereafter executed in favor of Lender, and to take no action of any kind which might be the basis for a claim that Guarantors have any defense hereunder in connection with the Loan Documents other than payment in full of all indebtedness of Borrower to Lender under the Loan Documents.

Each Guarantor hereby indemnifies Lender against loss, cost or expense by reason of the assertion by Borrower of any defense to its obligations under any of the Loan Documents or resulting from the attempted assertion by Guarantors of any defense hereunder based upon any such action or inaction of Borrower.

This Guaranty and each Guarantor's payment obligations hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time the payment of any of the obligations secured hereunder and arising under this Guaranty and/or the Loan Documents is rescinded or must otherwise be restored or returned by Lender, all as though such payment had not been made. Lender's determination as to whether a payment must be restored or returned shall be absolutely binding upon Guarantors. If Lender is required to or agrees to repay any amount received by Lender on account of any payments, indebtedness, obligations and liabilities of Borrower to Lender as a result of a judgment, order or decree of a court of competent jurisdiction or as a result of a settlement or compromise concerning a claim for repayment by any party to such payments, indebtedness, obligations and liabilities, the undersigned shall remain liable to Lender for the amount repaid notwithstanding the revocation of this guaranty or the cancellation of any instrument evidencing such indebtedness, obligations and liabilities.

13. Any indebtedness of Borrower now or hereafter held by Guarantors is hereby subordinated to the indebtedness of Borrower to Lender. Any such indebtedness of Borrower to Guarantors, if Lender so requests, shall be collected, enforced and received by Guarantor as trustee for Lender and be paid over to Lender on account of the indebtedness of Borrower to Lender, but without reducing or affecting in any manner the liability of Guarantors under the other provisions of this Guaranty.

14. Each Guarantor represents and warrants to Lender that any financial statements previously furnished by Guarantors with respect to the request for this Loan remain true and correct in all material respects. On an annual basis Guarantors shall provide any financial information required from Guarantors under the Loan Agreement.

15. Each Guarantor represents and warrants to Lender that any financial statements previously furnished by Guarantors with respect to the request for this Loan remain true and correct in all material respects. On an annual basis no later than forty-five (45) days from the most recent financial statement on file with Lender and at such other times as may reasonably be requested by Lender, Individual Guarantor shall prepare and deliver to Lender complete and current financial statements setting forth all of his assets and liabilities, specifically including a listing of all contingent liabilities (and to the extent any person other than the Individual Guarantor has any interest in said assets or any person other than Individual Guarantor is jointly liable for any of said obligations, said matter shall be set forth in their entirety in the financial statements). On an annual basis no later than sixty (60) days after each calendar year-end and at such other times as may reasonably be requested by Lender, Entity Guarantor shall prepare and deliver to Lender complete and current financial statements setting forth all of its assets and liabilities, specifically including a listing of all contingent liabilities. In addition, each Guarantor shall deliver a complete copy of his or its federal tax return, including all schedules, to Lender within thirty (30) days after filing same.

16. Each Guarantor agrees to pay reasonable attorneys' fees, paralegals' fees and all other costs and expense of any nature whatsoever which may be incurred by Lender in the enforcement of Borrower's obligations under the Loan Documents and/or of this Guaranty.

17. Upon the default of Borrower with respect to any of its obligations or liabilities to Lender in connection with the Loan Documents, and provided said default is not cured within any applicable grace or curative period granted to Borrower by said documents, all or, at the option of Lender, any part of the obligation and liabilities of Borrower and/or Guarantors to Lender, whether direct or contingent, in connection with the Loan Documents shall, without notice or demand, at the option of Lender, become immediately due and payable and/or performable and shall be paid and performed forthwith by Guarantors.

18. If any Guarantor is a corporation, limited liability company or partnership, any such Guarantor hereby warrants and represents that it is a duly organized and validly existing corporation, limited liability company or partnership as the case may be under the laws of the state of its incorporation or formation; that it has the power to execute this Guaranty; that the execution of this Guaranty has been duly authorized; and that it is a binding and valid obligation of the corporation, limited liability company or partnership.

19. Notwithstanding any provision herein or in any instrument now or hereafter evidencing or securing the Loan, the total liability for payments in the nature of interest shall not exceed the limits imposed by any applicable usury laws governing the provisions of this Guaranty or in any instrument now or hereafter evidencing or securing the Loan.

20. Each Guarantor acknowledges that Lender has been induced by this Guaranty to make the loan hereinabove described, and this Agreement shall, without further reference or assignment, pass to, and be relied upon and enforced by, any successor or participant or assignee of Lender in and to any liabilities or obligations of Borrower.

21. Nothing in this Guaranty is intended or shall be construed to prevent Lender, upon the occurrence of any event of default, in the exercise of its sole discretion, from foreclosing the

lien of the Loan Documents and enforcing the provisions thereof or from enforcing any and all other rights and remedies afforded to Lender. Subject to the provisions of Section 31 below, this Guaranty shall survive the foreclosure of the Mortgage and any transfer of the Property by deed in lieu of foreclosure of the Mortgage and shall automatically, without the requirements of notice, demand or other action, remain fully effective and enforceable by Lender.

22. Subject to the provisions of Section 31 below, each Guarantor hereby agrees that until all of the terms, covenants and conditions of this Guaranty are fully performed, Guarantors' obligations hereunder shall not be released, in whole or in part, by any act or thing which might, but for this provision, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, extension, modification, forbearance or delay or other act or omission of Lender or its failure to proceed promptly or otherwise, or by reason of any action taken or omitted or circumstances which may or might vary the risk of or affect the rights or remedies of Guarantors, or by reason of any further dealings between Borrower or Lender, relating to the Loan Documents, or otherwise; and Guarantors hereby expressly waives and surrenders any defense to liability hereunder based upon any of the foregoing acts, omissions, things, agreements or waiver of any of them, it being the purpose and intent of the parties hereto that the obligations of Guarantor hereunder are absolute and unconditional under all circumstances.

23. All notices which are required or permitted hereunder must be in writing and shall be deemed to have been given, delivered or made, as the case may be, (notwithstanding lack of actual receipt by the addressee) (i) seven (7) business days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed and prepaid, or (ii) one (1) business day after having been deposited with an expedited, overnight courier service (such as by way of example but not limitation, U.S. Express Mail, Federal Express or Purolator), addressed to the party to whom notice is intended to be given at the address set forth below:

TO GUARANTOR:

David Sobelman
401 E. Jackson Street, Suite 3300
Tampa, Florida 33602

Generation Income Properties, L.P.
401 E. Jackson Street, Suite 3300
Tampa, Florida 33602

TO LENDER:

American Momentum Bank
4830 W. Kennedy Boulevard, Suite 200
Tampa, Florida 33609

Any party may change the address to which its notices are sent by giving the other party written notice of any such change in the manner provided in this Section, but notice of change of address is effective only upon receipt.

24. The liabilities of Guarantors shall be separate and independent of the obligations of Borrower, and separate or joint actions may be instituted by Lender against any one or all of Guarantors or Borrower, as Lender may choose. Any action taken by Lender pursuant to the provisions herein contained or contained in the Loan Documents shall not release the party or parties to this Guaranty until all of the obligations of Borrower to Lender are paid and performed in full. Furthermore, each Guarantor acknowledges and affirms that any exculpation provisions contained in the Loan Documents shall not in any manner whatsoever limit, impair or affect this Guaranty and the obligations of Guarantor hereunder.

25. Whenever the text of this instrument so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural. If any term of this Guaranty or any application thereof shall be invalid or unenforceable, the remainder of this Guaranty and any other application of such term shall not be effected thereby but shall remain in full force and effect.

26. This Guaranty shall inure to the benefit of Lender, its successors and assign, and shall bind Guarantors, and the respective heirs, executors, administrators, legal representatives, successors and assigns of Guarantors.

27. The purpose of this Guaranty is to memorialize the parties' understanding that, if Borrower does not pay or otherwise fully perform its obligations in a timely manner as provided under the various Loan Documents, Guarantors will promptly pay the amounts due and payable by Borrower to Lender upon the demand of Lender.

28. Each Guarantor acknowledges that the making of the Loan by Lender to Borrower confers a real and substantial benefit to Guarantors and is fully supportive of, and valuable consideration for, the execution of this Guaranty by Guarantors. Each Guarantor further acknowledges that he is a beneficiary of Borrower and is thoroughly familiar with the business affairs, books and records, financial condition and operations of Borrower. Lender shall have no duty to Guarantors to observe the actions or financial conditions of Borrower or to monitor the performance of Borrower under the Loan Documents. It is the intention of the parties that Lender may rely completely on this Guaranty for its repayment of Borrower's indebtedness and obligations whether or not Borrower is creditworthy and whether or not it would be prudent to make loans and advances to Borrower or to permit the same to remain outstanding. Lender and its representatives shall have no duty to exercise diligence or care in and about the enforcement of the remedies or in respect to any other security for Borrower's obligations.

29. This Guaranty shall be governed and controlled as to its validity, enforcement, interpretation, construction, effect, and in all other respects by the statutes, laws and decisions of the State of Florida except to the extent that Lender elects the benefit of any applicable Federal pre-emption laws. Guarantors, in order to induce Lender to accept this Guaranty, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree that all actions or proceedings arising directly, indirectly or otherwise in connection with,

out of, related to or from this Guaranty, or any of the Loan Documents shall be litigated, in Lender's sole discretion and at Lender's sole election, only in courts having a situs within or whose jurisdiction includes Cook County, Illinois or Hillsborough County, Florida. For the purpose of the foregoing, each Guarantor hereby consents and submits to the jurisdiction of any local, state or federal court located within or whose jurisdiction includes Cook County, Illinois or Hillsborough County, Florida. Each Guarantor, for itself and any parties claiming under it, hereby waives any right that Guarantor may have to transfer or change the venue of any litigation brought against Guarantor in accordance with this paragraph. Furthermore, neither Guarantor, nor any successor, heir or personal representative of Guarantor, nor any parties claiming under them, or any such other person or entity shall seek a jury trial in any lawsuit, proceeding, counterclaim or any other litigation procedure based upon or arising out of this Guaranty, or any of the Loan Documents, any related instrument or agreement, any collateral for the payment hereof or the dealings or the relationship between or among such persons or entities, or any of them. Neither Guarantor nor any such person or entity will seek to consolidate any such action, in which a jury trial has been waived, with any other action in which a jury trial cannot or has not been waived. Each Guarantor acknowledges that the provisions of this paragraph have been fully discussed by each Guarantor and Lender, that each Guarantor was ably represented by licensed attorneys at law in the negotiation of this paragraph, that they bargained at arm's length and in good faith and without duress of any kind for the terms and conditions of this paragraph and that the provisions hereof shall be subject to no exceptions. No party has in any way agreed with or represented to any other party that the provisions of this paragraph will not be fully enforced in all instances.

30. This Guaranty may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute one and the same instrument.

31. Notwithstanding anything to the contrary herein, the liability of Individual Guarantor to Lender for obligations due under the Loan shall be limited to the payment of actual losses incurred by Lender arising out of or in connection with any of the following:

- a. damages suffered by Lender as a result of (i) fraud or intentional misrepresentation by Borrower, Guarantors or any other person acting on behalf of or at the direction of Borrower or Guarantors in connection with the Loan, (ii) intentional waste of any real property securing repayment of the Loan (the "**Mortgaged Property**"), including the removal of any personal property or fixtures from the Property by Borrower, Guarantors or any other person acting on behalf of or at the direction of Borrower or Guarantors, which are not replaced by similar property or fixtures of equal or greater value, (iii) the sale or further encumbrance of any of the Mortgaged Property in violation of any provision of the Loan Documents, (iv) failure to insure the Mortgaged Property in accordance with the terms of the Loan Documents, (v) failure to pay real estate taxes and assessments and ground lease payments (if applicable) which accrue prior to Lender taking possession of the Mortgaged Property or failure to make sufficient funds available through escrow payments to Lender to pay such taxes, assessments and ground lease payments, or (vi) the loss of any of the Mortgaged Property because of the forfeiture of same to any governmental agency or third party unrelated or not affiliated with Lender for any reason

which does not result in a payment of proceeds by such governmental agency or third party to satisfy the outstanding balance on the Loan;

- b. any rents, issues or profits of any of the Mortgaged Property collected by or on behalf of Borrower which are intentionally not applied to payment of the Loan or paid to third parties not affiliated with Borrower for reasonable operating costs related to the Mortgaged Property (including real estate taxes and the establishment of a reasonable reserve for that purpose) after an uncured default or an uncured Event of Default or any event or circumstance that with the passage of time, the giving of notice, or both, would reasonably be expected to constitute an Event of Default under the Loan Documents;
- c. any security deposits or other similar deposits received from tenants or occupants of the Mortgaged Property to the extent that funds for such security deposits are not obtained by Lender from Borrower after an Event of Default, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the leases prior to the occurrence of the Event of Default;
- d. any insurance proceeds, condemnation awards or proceeds resulting from any sale of any of the Mortgaged Property which are misapplied or misappropriated by or on behalf of Borrower or which, under the terms of the Loan Documents, should have been paid to Lender;
- e. the amount of any valid unpaid mechanic's liens, materialmen's liens or other liens, whether or not similar, arising due to work performed or materials furnished in connection with any of the Mortgaged Property which could create liens on any portion of the Mortgaged Property; and
- f. any loss or damage suffered by Lender in the event a voluntary or involuntary bankruptcy, reorganization, insolvency, arrangement, receivership, or similar proceeding is commenced by or against Borrower under any federal or state law, or Borrower makes any assignment for the benefit of creditors.

In addition, Guarantor shall be personally liable to Lender for the full repayment of all obligations due to Lender under Loan, and the Loan shall be fully recourse to Guarantor, upon the occurrence of any of the following:

- a. a transfer or conveyance of the Mortgaged Property or any interest in Borrower that is in violation of the transfer provisions under the Loan Documents;
- b. except at the written request by Lender, Borrower or the Mortgaged Property or any part thereof becomes an asset in a voluntary bankruptcy or insolvency proceeding, or Borrower or Guarantors encourages the filing of any bankruptcy proceeding against Borrower or Guarantors; or
- c. fraud, written material intentional misrepresentation or material intentional omission by Borrower or Guarantors in connection with any application for or

creation of the Loan and/or any of the Loan Documents or the on-going financial reporting under the Loan Documents.

Individual Guarantor shall have no liability under the Loan Documents except as set forth in this Section 31. In addition, Individual Guarantor shall be fully liable to Lender for all costs and expenses, including reasonable attorneys' fees and costs, actually incurred by Lender in connection with enforcing Lender's rights under this Guaranty.

(Signature Pages Follow)

[SIGNATURE PAGE TO ABSOLUTE GUARANTY OF PAYMENT AND PERFORMANCE]

IN WITNESS WHEREOF, Guarantors have caused these presents to be signed, sealed and delivered the day and year first above written.

WITNESSES:

Print Name: /s/ Robert Rohrlack III
Robert Rohrlack III

/s/ DAVID SOBELMAN
DAVID SOBELMAN

Print Name: /s/ Laetitia Davis
Laetitia Davis

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 23rd day of December, 2021, by DAVID SOBELMAN, who is personally known to me or has produced a valid driver's license as identification.



ANGELA D. FIELDS
Commission # GG 984941
Expires May 28, 2024
Bonded Thru Budget Notary Services

/s/ Angela D. Fields
Notary Public

Angela D. Fields
(Print, Type or Stamp Name)

My Commission Expires: May 28, 2024

[SIGNATURE PAGE TO ABSOLUTE GUARANTY OF PAYMENT AND PERFORMANCE]

WITNESSES:

GENERATION INCOME PROPERTIES,
L.P., a Delaware limited partnership

By: Generation Income Properties, Inc., a
Maryland corporation, as its General Partner

Print Name: /s/ Robert Rohrlack III
Robert Rohrlack III

By: /s/ David Sobelman
Print Name: David Sobelman
Its: President

Print Name: /s/ Laetitia Davis
Laetitia Davis

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this, 23rd day of December, 2021, by David Sobelman, as President of Generation Income Properties, Inc., a Maryland corporation, as General Partner of GENERATION INCOME PROPERTIES, L.P., a Delaware limited partnership, on behalf of the corporation and partnership. Such person is personally known to me or has produced a valid driver's license as identification.



ANGELA D. FIELDS
Commission # GG 984941
Expires May 28, 2024
Bonded thru Budget Notary Services

/s/ Angela D. Fields
Notary Public

Angela D. Fields

(Print, Type or Stamp Name)

My Commission Expires: May 28, 2024

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, David Sobelman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Generation Income Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 16, 2022

/s/ David Sobelman

David Sobelman
Chief Executive Officer
(Principal Executive Officer)

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Allison Davies, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Generation Income Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 16, 2022

/s/ Allison Davies

Allison Davies

Chief Financial Officer

(Principal Financial and Accounting Officer)

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Executive Officer of Generation Income Properties, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2022 as filed with the Securities and Exchange Commission on May 16, 2022 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David Sobelman

David Sobelman

Chief Executive Officer

(Principal Executive Officer)

May 16, 2022

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Financial Officer of Generation Income Properties, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2022 as filed with the Securities and Exchange Commission on May 16, 2022 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Allison Davies

Allison Davies

Chief Financial Officer

(Principal Financial and Accounting Officer)

May 16, 2022

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.