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

FORM 10-Q

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

For the quarterly period ended March 31, 2016

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

For the transition period from _____ to _____

Commission file number 01-11350

CONSOLIDATED-TOMOKA LAND CO.

(Exact name of registrant as specified in its charter)

Florida	**59-0483700**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1530 Cornerstone Blvd., Suite 100 Daytona Beach, Florida	**32117**
(Address of principal executive offices)	**(Zip Code)**

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

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer	o	Accelerated filer	☒
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

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

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

Class of Common Stock	Outstanding
	April 21, 2016
$1.00 par value	5,829,154

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED BALANCE SHEETS

	(Unaudited) March 31, 2016	December 31, 2015
ASSETS		
Property, Plant, and Equipment:		
Income Properties, Land, Buildings, and Improvements	$ 222,050,371	$ 268,970,875
Golf Buildings, Improvements, and Equipment	3,432,681	3,432,681
Other Furnishings and Equipment	1,060,007	1,044,139
Construction in Progress	300,537	50,610
Total Property, Plant, and Equipment	226,843,596	273,498,305
Less, Accumulated Depreciation and Amortization	(13,810,409)	(16,242,277)
Property, Plant, and Equipment—Net	213,033,187	257,256,028
Land and Development Costs ($11,329,574 Related to Consolidated VIE as of March 31, 2016 and December 31, 2015)	55,839,895	53,406,020
Intangible Lease Assets—Net	17,227,910	20,087,151
Assets Held for Sale	47,657,971	-
Impact Fee and Mitigation Credits	4,445,209	4,554,227
Commercial Loan Investments	38,343,673	38,331,956
Cash and Cash Equivalents	7,371,196	4,060,677
Restricted Cash	15,156,505	14,060,523
Investment Securities	-	5,703,767
Refundable Income Taxes	660,491	858,471
Other Assets	8,518,819	6,034,824
Total Assets	$ 408,254,856	$ 404,353,644
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts Payable	$ 4,383,188	$ 1,934,417
Accrued and Other Liabilities	7,160,789	8,867,919
Deferred Revenue	9,051,509	14,724,610
Intangible Lease Liabilities - Net	31,476,665	31,979,559
Accrued Stock-Based Compensation	75,662	135,554
Deferred Income Taxes—Net	42,233,843	39,526,406
Long-Term Debt	170,798,799	166,796,853
Total Liabilities	265,180,455	263,965,318
Commitments and Contingencies - See Note 17		
Shareholders' Equity:		
Consolidated-Tomoka Land Co. Shareholders' Equity:		
Common Stock – 25,000,000 shares authorized; $1 par value, 6,017,673 shares issued and 5,828,938 shares outstanding at March 31, 2016; 6,068,310 shares issued and 5,908,437 shares outstanding at December 31, 2015	5,910,536	5,901,510
Treasury Stock – 188,735 shares at March 31, 2016; 159,873 shares at December 31, 2015	(9,206,024)	(7,866,410)
Additional Paid-In Capital	18,926,384	16,991,257
Retained Earnings	121,868,720	120,444,002
Accumulated Other Comprehensive Income (Loss)	-	(688,971)
Total Consolidated-Tomoka Land Co. Shareholders' Equity	137,499,616	134,781,388
Noncontrolling Interest in Consolidated VIE	5,574,785	5,606,938
Total Shareholders' Equity	143,074,401	140,388,326
Total Liabilities and Shareholders' Equity	$ 408,254,856	$ 404,353,644

See Accompanying Notes to Consolidated Financial Statements

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	March 31, 2016	March 31, 2015
Revenues		
Income Properties	$ 6,429,241	$ 4,260,675
Interest Income from Commercial Loan Investments	881,245	631,484
Real Estate Operations	9,560,898	859,801
Golf Operations	1,464,359	1,537,426
Agriculture and Other Income	18,692	18,939
Total Revenues	18,354,435	7,308,325
Direct Cost of Revenues		
Income Properties	(1,176,707)	(640,846)
Real Estate Operations	(2,257,041)	(598,723)
Golf Operations	(1,404,588)	(1,389,612)
Agriculture and Other Income	(48,051)	(55,151)
Total Direct Cost of Revenues	(4,886,387)	(2,684,332)
General and Administrative Expenses	(4,797,457)	(1,469,766)
Impairment Charges	(209,908)	(510,041)
Depreciation and Amortization	(2,067,367)	(1,155,739)
Gain on Disposition of Assets	—	5,440
Total Operating Expenses	(11,961,119)	(5,814,438)
Operating Income	6,393,316	1,493,887
Investment Income (Loss)	(566,384)	150,459
Interest Expense	(2,091,766)	(1,066,502)
Income from Continuing Operations Before Income Tax Expense	3,735,166	577,844
Income Tax Expense	(2,342,601)	(224,488)
Income from Continuing Operations	1,392,565	353,356
Income from Discontinued Operations (Net of Tax)	—	—
Net Income	1,392,565	353,356
Less: Net Loss Attributable to Noncontrolling Interest in Consolidated VIE	32,153	—
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 1,424,718	$ 353,356
Per Share Information- See Note 10:		
Basic		
Net Income from Continuing Operations Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06
Net Income from Discontinued Operations Attributable to Consolidated-Tomoka Land Co. (Net of Tax)	-	-
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06
Diluted		
Net Income from Continuing Operations Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06
Net Income from Discontinued Operations Attributable to Consolidated-Tomoka Land Co. (Net of Tax)	-	-
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06
Dividends Declared and Paid	$ -	$ -

See Accompanying Notes to Consolidated Financial Statements

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended	
	March 31, 2016	March 31, 2015
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 1,424,718	$ 353,356
Other Comprehensive Income		
Realized Loss (Gain) on Investment Securities Sold (Net of Tax of $222,025 and $(49,240) for the three months ended March 31, 2016 and 2015, respectively)	353,542	(81,551)
Unrealized Gain on Investment Securities (Net of Tax of $210,652 and $144,200 for the three months ended March 31, 2016 and 2015, respectively)	335,429	229,619
Total Other Comprehensive Income, Net of Tax	688,971	148,068
Total Comprehensive Income	$ 2,113,689	$ 501,424

See Accompanying Notes to Consolidated Financial Statements

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

	Consolidated-Tomoka Land Co. Shareholders							
	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Consolidated-Tomoka Land Co. Shareholders' Equity	Noncontrolling Interest in Consolidated VIE	Total Shareholders' Equity
Balance January 1, 2016	5,901,510	(7,866,410)	16,991,257	120,444,002	(688,971)	134,781,388	5,606,938	140,388,326
Net Income	—	—	—	1,424,718	—	1,424,718	(32,153)	1,392,565
Stock Repurchase	—	(1,339,614)	—	—	—	(1,339,614)	—	(1,339,614)
Vested Restricted Stock	8,884	—	(205,090)	—	—	(196,206)	—	(196,206)
Stock Issuance	142	—	7,342	—	—	7,484	—	7,484
Stock Compensation Expense from Restricted Stock Grants and Equity Classified Stock Options	—	—	2,132,875	—	—	2,132,875	—	2,132,875
Other Comprehensive Income, Net of Tax	—	—	—	—	688,971	688,971	—	688,971
Balance March 31, 2016	$ 5,910,536	$ (9,206,024)	$ 18,926,384	$ 121,868,720	$ -	$ 137,499,616	$ 5,574,785	$ 143,074,401

See Accompanying Notes to Consolidated Financial Statements

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended	
	March 31, 2016	March 31, 2015
Cash Flow from Operating Activities:		
Net Income	$ 1,392,565	$ 353,356
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,067,367	1,155,739
Amortization of Intangible Liabilities to Income Property Revenue	(606,979)	—
Loan Cost Amortization	102,451	72,537
Amortization of Discount on Convertible Debt	273,545	25,458
Amortization of Discount on Debt Securities within Investment Securities	—	(1,691)
Gain on Disposition of Property, Plant, and Equipment and Intangible Assets	—	(5,440)
Impairment Charges	209,908	510,041
Accretion of Commercial Loan Origination Fees	(15,035)	(13,364)
Amortization of Fees on Acquisition of Commercial Loan Investments	3,318	—
Realized Loss (Gain) on Investment Securities	575,567	(130,791)
Deferred Income Taxes	2,272,246	39,522
Non-Cash Compensation	2,072,982	75,352
Decrease (Increase) in Assets:		
Refundable Income Taxes	197,980	(398,194)
Land and Development Costs	(2,433,875)	(219,062)
Impact Fees and Mitigation Credits	109,018	353,006
Other Assets	(2,483,995)	(1,022,408)
Increase (Decrease) in Liabilities:		
Accounts Payable	2,448,771	360,036
Accrued and Other Liabilities	(1,707,130)	(702,480)
Deferred Revenue	(5,673,101)	(792,527)
Net Cash Used In Operating Activities	(1,194,397)	(340,910)
Cash Flow from Investing Activities:		
Acquisition of Property, Plant, and Equipment	(289,079)	(81,375)
Acquisition of Property, Plant, and Equipment and Intangible Lease Assets and Liabilities through Business Combinations	(2,460,000)	—
Acquisition of Commercial Loan Investments	—	(161,796)
Increase in Restricted Cash	(1,095,982)	(943,597)
Proceeds from Sale of Investment Securities	6,252,362	834,964
Acquisition of Investment Securities	—	(5,048,646)
Proceeds from Disposition of Property, Plant, and Equipment	—	6,500
Net Cash Provided By (Used In) Investing Activities	2,407,301	(5,393,950)
Cash Flow from Financing Activities:		
Proceeds from Long-Term Debt	3,750,000	76,375,000
Cash Paid for Loan Fees	(124,049)	(47,540,011)
Cash Proceeds from Exercise of Stock Options	7,484	127,022
Cash Used to Purchase Common Stock	(1,339,614)	—
Cash From (Used for) Excess Tax Benefit (Expense) from Vesting of Restricted Stock	2,507	(29,563)
Cash Paid for Vesting of Restricted Stock	(198,713)	—
Net Cash Provided By Financing Activities	2,097,615	28,932,448
Net Increase in Cash	3,310,519	23,197,588
Cash, Beginning of Year	4,060,677	1,881,195
Cash, End of Period	$ 7,371,196	$ 25,078,783

See Accompanying Notes to Consolidated Financial Statements

Supplemental Disclosure of Cash Flows:

Income taxes refunded totaling approximately $133,000 were received during the three months ended March 31, 2016, while income taxes paid totaled approximately $577,000 during the three months ended March 31, 2015.

Interest totaling approximately $2.5 million and $815,000 was paid during the three months ended March 31, 2016 and 2015, respectively. No interest was capitalized during the three months ended March 31, 2016 or 2015, respectively.

During the three months ended March 31, 2015, in connection with the issuance of the Company's $75.0 million convertible senior notes due 2020, approximately $2.1 million of the issuance was allocated to the equity component for the conversion option. This non-cash allocation was reflected on the balance sheet as a decrease in long-term debt of approximately $3.4 and an increase in deferred income taxes of approximately $1.3 million.

The Company sold investment securities resulting in a net realized loss of approximately $576,000 during the three months ended March 31, 2016 and a net realized gain of approximately $117,000 during the three months ended March 31, 2015. Cash proceeds from these sales totaled approximately $6.3 million and $835,000 during the three months ended March 31, 2016 and 2015, respectively.

During the three months ended March 31, 2016, non-cash compensation includes a reduction in the value of accrued stock-based compensation of approximately $60,000. This portion of non-cash compensation was reflected on the consolidated balance sheet as a decrease in accrued stock-based compensation and on the consolidated income statement as a decrease in general and administrative expenses.

See Accompanying Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1. DESCRIPTION OF BUSINESS AND PRINCIPLES OF INTERIM STATEMENTS

Description of Business

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

We are a diversified real estate operating company. We own and manage forty-one commercial real estate properties in ten states in the U.S. As of March 31, 2016, we owned thirty-two single-tenant and nine multi-tenant income-producing properties with over 1,700,000 square feet of gross leasable space. We also own and manage a land portfolio of over 10,500 acres. As of March 31, 2016, we had four commercial loan investments including one fixed-rate and one variable–rate mezzanine loan, a variable-rate B-Note representing a secondary tranche in a commercial mortgage loan, and a variable-rate first mortgage. Our golf operations consist of the LPGA International golf club, which is managed by a third party. We also lease property for twenty billboards, have agricultural operations that are managed by a third party, which consists of leasing land for hay and sod production, timber harvesting, and hunting leases, and own and manage subsurface interests. The results of our agricultural and subsurface leasing operations are included in Agriculture and Other Income and Real Estate Operations, respectively, in our consolidated statements of operations.

Interim Financial Information

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited consolidated financial statements do not include all of the information and notes required by accounting principles generally accepted in the United States of America (“GAAP”) for complete financial statements and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, which provides a more complete understanding of the Company’s accounting policies, financial position, operating results, business properties, and other matters. The unaudited consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present fairly the financial position of the Company and the results of operations for the interim periods.

The results of operations for the three months ended March 31, 2016 are not necessarily indicative of results to be expected for the year ending December 31, 2016.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and other entities in which we have a controlling interest. Any real estate entities or properties included in the consolidated financial statements have been consolidated only for the periods that such entities or properties were owned or under control by us. All significant inter-company balances and transactions have been eliminated in the consolidated financial statements. Noncontrolling interests in consolidated pass-through entities are recognized before income taxes.

Use of Estimates in Preparation of Financial Statements

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

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank demand accounts, and money market accounts having maturities at acquisition date of 90 days or less. The Company’s bank balances as of March 31, 2016 include certain amounts over the Federal Deposit Insurance Corporation limits.

Restricted Cash

Restricted cash totaled approximately $15.2 million at March 31, 2016 of which approximately $13.6 million of cash is being held in escrow, from the sales of an income property and land, to be reinvested through the like-kind exchange structure into another income property. Approximately $219,000 is being held in a reserve primarily for property taxes and insurance escrows in connection with our financing of two properties acquired in January 2013; approximately $751,000 is being held in three separate escrow accounts related to three separate land transactions of which one closed in December 2013 and two closed in December 2015; approximately $4,000 is being held by the consolidated variable interest entity in which the Company is the primary beneficiary; and approximately $626,000 is being held in a reserve primarily for certain required tenant improvements for the Lowes in Katy, Texas.

Investment Securities

In accordance with *ASC Topic 320, Investments – Debt and Equity Securities*, the Company's debt and equity securities investments have been determined to be equity securities classified as available-for-sale. Available-for-sale securities are carried at fair value in the consolidated balance sheets, with the unrealized gains and losses, net of tax, reported in other comprehensive income.

Realized gains and losses, and declines in value judged to be other-than-temporary related to equity securities, are included in investment income in the consolidated statements of operations. With respect to debt securities, when the fair value of a debt security classified as available-for-sale is less than its cost, management assesses whether or not: (i) it has the intent to sell the security or (ii) it is more likely than not that the Company will be required to sell the security before its anticipated recovery. If either of these conditions are met, the Company must recognize an other-than-temporary impairment through earnings for the differences between the debt security's cost basis and its fair value, and such amount is included in investment income in the consolidated statements of operations. There were no other-than-temporary impairments during the three months ended March 31, 2016 or 2015. During the fourth quarter of 2015, an other-than-temporary impairment was deemed to exist on a portion of the equity securities held by the Company, resulting in an impairment charge of approximately $60,000. The Company completed the disposition of its remaining position in investment securities during the three months ended March 31, 2016 resulting in a loss of approximately $576,000.

The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in investment income in the consolidated statements of operations.

The fair value of the Company's available-for-sale equity securities are measured quarterly, on a recurring basis, using Level 1 inputs, or quoted prices for identical, actively traded assets. The fair value of the Company's available-for-sale debt securities are measured quarterly, on a recurring basis, using Level 2 inputs.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial assets and liabilities including cash and cash equivalents, restricted cash, accounts receivable, and accounts payable at March 31, 2016 and December 31, 2015, approximate fair value because of the short maturity of these instruments. The carrying amount of the Company's investments in commercial loans approximates fair value at March 31, 2016 and December 31, 2015, since the floating and fixed rates of the loans reasonably approximate current market rates for notes with similar risks and maturities. The total face value of the Company's long-term debt approximates fair value at March 31, 2016 and December 31, 2015, since the floating rate of our credit facility and the fixed rates of our secured financings and convertible debt reasonably approximate current market rates for notes with similar risks and maturities.

Fair Value Measurements

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

- Level 1 – Valuation is based upon quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuation is based upon inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include option pricing models, discounted cash flow models and similar techniques.

Classification of Commercial Loan Investments

Loans held for investment are stated at the principal amount outstanding and include the unamortized deferred loan fees offset by any applicable unaccreted purchase discounts and origination fees, if applicable, in accordance with U.S. generally accepted accounting principles ("GAAP").

Commercial Loan Investment Impairment

The Company's commercial loans are held for investment. For each loan, the Company evaluates the performance of the collateral property and the financial and operating capabilities of the borrower/guarantor, in part, to assess whether any deterioration in the credit has occurred and for possible impairment of the loan. Impairment would reflect the Company's determination that it is probable that all amounts due according to the contractual terms of the loan would not be collected. Impairment is measured based on the present value of the expected future cash flows from the loan discounted at the effective rate of the loan or the fair value of the collateral. Upon determination of an impairment, the Company would record an allowance to reduce the carrying value of the loan with a corresponding recognition of loss in the results of operations. Significant exercise of judgment is required in determining impairment, including assumptions regarding the estimate of expected future cash flows, collectability of the loan, the value of the underlying collateral and other factors including the existence of guarantees. The Company has determined that, as of March 31, 2016 and December 31, 2015, no allowance for impairment was required.

Recognition of Interest Income from Commercial Loan Investments

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

Impact Fees and Mitigation Credits

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

Accounts Receivable

Accounts receivable related to income properties, which are classified in other assets on the consolidated balance sheets, primarily consist of tenant reimbursable expenses. Receivables related to tenant reimbursable expenses totaled approximately $295,000 and $831,000 as of March 31, 2016 and December 31, 2015, respectively.

Accounts receivable related to real estate operations, which are classified in other assets on the consolidated balance sheets, totaled approximately $2.8 million and $1.3 million as of as of March 31, 2016 and December 31, 2015, respectively. These accounts receivable are related to the reimbursement of certain infrastructure costs completed by the Company in conjunction with three land sale transactions that closed during the fourth quarter of 2015 and one land sale transaction that closed during the first quarter of 2016.

Trade accounts receivable primarily consist of receivables related to golf operations, which are classified in other assets on the consolidated balance sheets. Trade accounts receivable related to golf operations, which primarily consist of membership and event receivables, totaled approximately $435,000 and $253,000 as of March 31, 2016 and December 31, 2015, respectively.

The collectability of the aforementioned receivables is determined based on a review of specifically identified accounts using judgments. As of as of March 31, 2016 and December 31, 2015, no allowance for doubtful accounts was required.

NOTE 1. DESCRIPTION OF BUSINESS AND PRINCIPLES OF INTERIM STATEMENTS (continued)

Purchase Accounting for Acquisitions of Real Estate Subject to a Lease

In accordance with the Financial Accounting Standards Board ("FASB") guidance on business combinations, the fair value of the real estate acquired with in-place leases is allocated to the acquired tangible assets, consisting of land, building and tenant improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, the value of in-place leases, and the value of leasing costs, based in each case on their relative fair values. The Company has determined that income property purchases with a pre-existing lease at the time of acquisition qualify as a business combination, in which case acquisition costs are expensed in the period the transaction closes. For income property purchases in which a new lease is originated at the time of acquisition, the Company has determined that these asset purchases are outside the scope of the business combination standards and accordingly, the acquisition costs are capitalized with the purchase.

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

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

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

Sales of Real Estate

Gains and losses on sales of real estate are accounted for as required by the "Accounting for Sales of Real Estate" Topic of FASB Accounting Standards Codification ("FASB ASC") FASB ASC 976-605-25. The Company recognizes revenue from the sale of real estate at the time the sale is consummated, unless the property is sold on a deferred payment plan and the initial payment does not meet established criteria, or the Company retains some form of continuing involvement in the property. For sales of real estate which we estimate would cause us to incur a loss on the transaction, we would record a provision for the loss at the time the sales contract is deemed highly probable of closing.

Adoption of New Accounting Standard

A certain item in the prior period's consolidated balance sheet has been reclassified to conform to the presentation as of and for the three months ended March 31, 2016. Specifically, upon the adoption of ASU 2015-03, related to simplifying the presentation of debt issuance costs effective January 1, 2016, debt issuance costs, net of accumulated amortization, are required to be presented as a direct deduction from the carrying amount of the related long-term debt liability. The amount reclassified from other assets to long-term debt was approximately $1.7 million as of December 31, 2015.

NOTE 2. INCOME PROPERTIES

During the three months ended March 31, 2016, the Company acquired one multi-tenant income property, for an acquisition cost of approximately $2.5 million. Of the total acquisition cost, approximately $1.0 million was allocated to land, approximately $1.6 million was allocated to buildings and improvements, approximately $100,000 was allocated to intangible assets pertaining to the in-place lease value and leasing fees, and approximately $200,000 was allocated to intangible liabilities for the below market lease value. The amortization period for the intangible assets and liabilities is approximately 8.3 years. The property acquired during the three months ended March 31, 2016 is described below:

- On February 18, 2016, the Company acquired a 4,685 square-foot building situated on approximately 0.37 acres in Dallas, TX which was 100% occupied and leased to two tenants, anchored by 7-Eleven, Inc. The purchase price was approximately $2.5 million, and as of the acquisition date, the weighted average remaining term of the leases was approximately 8.2 years.

No income properties were disposed of during the three months ended March 31, 2016; however, seventeen single-tenant properties were classified as held for sale as of March 31, 2016. Three of the seventeen properties were for sales which closed in April 2016, as described in Note 21, “Subsequent Events.” An impairment of approximately $210,000 was charged to earnings during the three months ended March 31, 2016, related to one of the April 2016 sales as described in Note 8, “Impairment of Long-Lived Assets.” The remaining fourteen properties classified as held for sale are described below:

- On March 28, 2016, the Company entered into a purchase and sale agreement for the sale of a portfolio of fourteen single-tenant income properties (the “Portfolio Sale”). The properties include nine properties leased to Bank of America, located primarily in Orange County and also in Los Angeles County, California; two properties leased to Walgreens, located in Boulder, Colorado and Palm Bay, Florida; a property leased to a subsidiary of CVS located in Tallahassee, Florida; a ground lease for a property leased to Chase Bank located in Chicago, Illinois; and a ground lease for a property leased to Buffalo Wild Wings in Phoenix, Arizona. The sales price for the Portfolio Sale is approximately $51.6 million. The Portfolio Sale contemplates that the sales price includes the buyer’s assumption of the existing $23.1 million mortgage loan secured by the aforementioned properties. The Portfolio Sale, if completed, would result in an estimated gain of approximately $11.4 million, or approximately $1.22 per share, after tax. The Portfolio Sale is anticipated to close in the third quarter of 2016. The closing of the Portfolio Sale is subject to customary closing conditions.

No income properties were acquired or disposed of during the three months ended March 31, 2015; however two single-tenant properties were classified as held for sale as of March 31, 2015, for which the sale closed in April 2015. An impairment of approximately $510,000 was charged to earnings during the three months ended March 31, 2015, related to the April 2015 sale as described in Note 8, “Impairment of Long-Lived Assets.”

NOTE 3. COMMERCIAL LOAN INVESTMENTS

As of March 31, 2016, the Company owned four performing commercial loan investments which have an aggregate outstanding principal balance of approximately $38.5 million. These loans are secured by real estate, or the borrower’s equity interest in real estate, located in Dallas, Texas, Sarasota, Florida, Atlanta, Georgia, and San Juan, Puerto Rico and have an average remaining maturity of approximately 1.5 years and a weighted average interest rate of 9.0%.

The Company’s commercial loan investment portfolio was comprised of the following at March 31, 2016:

Description	Date of Investment	Maturity Date	Original Face Amount	Current Face Amount	Carrying Value	Coupon Rate
Mezz – Hotel – Atlanta, GA	January 2014	February 2019	$ 5,000,000	$ 5,000,000	$ 5,000,000	12.00%
B-Note – Retail Shopping Center, Sarasota, FL	May 2014	June 2016	8,960,467	8,960,467	8,960,467	30-day LIBOR plus 7.50%
Mezz – Hotel, Dallas, TX	September 2014	September 2016	10,000,000	10,000,000	10,000,000	30-day LIBOR plus 7.25%
First Mortgage – Hotel, San Juan, Puerto Rico	September 2015	September 2018	14,500,000	14,500,000	14,383,206	30-day LIBOR plus 9.00%
Total			$ 38,460,467	$ 38,460,467	$ 38,343,673	

NOTE 3. COMMERCIAL LOAN INVESTMENTS (continued)

The carrying value of the commercial loan investment portfolio as of March 31, 2016 consisted of the following:

	Total
Current Face Amount	$ 38,460,467
Unamortized Fees	33,064
Unaccreted Origination Fees	(149,858)
Total Commercial Loan Investments	$ 38,343,673

The Company's commercial loan investment portfolio was comprised of the following at December 31, 2015:

Description	Date of Investment	Maturity Date	Original Face Amount	Current Face Amount	Carrying Value	Coupon Rate
Mezz – Hotel – Atlanta, GA	January 2014	February 2019	$ 5,000,000	$ 5,000,000	$ 5,000,000	12.00%
B-Note – Retail Shopping Center, Sarasota, FL	May 2014	June 2016	8,960,467	8,960,467	8,960,467	30-day LIBOR plus 7.50%
Mezz – Hotel, Dallas, TX	September 2014	September 2016	10,000,000	10,000,000	10,000,000	30-day LIBOR plus 7.25%
First Mortgage – Hotel, San Juan, Puerto Rico	September 2015	September 2018	14,500,000	14,500,000	14,371,489	30-day LIBOR plus 9.00%
Total			$ 38,460,467	$ 38,460,467	$ 38,331,956	

The carrying value of the commercial loan investment portfolio as of December 31, 2015 consisted of the following:

	Total
Current Face Amount	$ 38,460,467
Unamortized Fees	36,382
Unaccreted Origination Fees	(164,893)
Total Commercial Loan Investments	$ 38,331,956

NOTE 4. LAND AND SUBSURFACE INTERESTS

During the three months ended March 31, 2016, a total of approximately 7.46 acres of land was sold for approximately $2.2 million as described below:

- On February 12, 2016, the Company sold approximately 3.06 acres of land located in Daytona Beach, Florida at a sales price of $190,000, or approximately $62,000 per acre, for a gain of approximately $145,000.
- On March 30, 2016, the Company sold approximately 4.40 acres of land located within the 235-acre Tomoka Town Center located in Daytona Beach, Florida east of Interstate 95 and south of LPGA Boulevard (the "Town Center") at a sales price of approximately $2.0 million, or approximately $455,000 per acre, for a gain of approximately $1.25 million recognized at closing, with the remaining estimated gain of approximately $683,000 to be recognized as related infrastructure work is completed.

NOTE 4. LAND AND SUBSURFACE INTERESTS (continued)

In addition, the gain recognized on the percentage-of-completion basis for the sales within the Town Center, of which approximately 180 of the total 235 acres are developable, is described below. The Town Center infrastructure work was approximately 66% complete as of March 31, 2016. The gain consists of revenue from a portion of the sales price and revenue from expected infrastructure reimbursement of infrastructure costs, less the allocated cost basis of the infrastructure costs, as the infrastructure work is completed:

Land Tract	Date Closed	No. of Acres	Sales Price	Avg. Sales Price per Acre	Gain Recognized in 2015	Gain Recognized in Q1 2016	Deferred Revenue as of March 31, 2016 (1)
Tanger Outlet	11/12/2015	38.93	$ 9,700,000	$ 249,165	$ 2,793,419	$ 2,791,549	$ 3,223,855
Sam's Club	12/23/2015	18.10	4,500,000	248,619	1,278,747	1,462,727	1,443,493
NADG - First Parcel	12/29/2015	37.26	5,168,335	138,710	1,421,303	1,555,240	1,791,790
NADG - Outparcel	3/30/2016	4.40	2,000,000	454,545	-	1,251,989	693,371
Total Tomoka Town Center Sales		98.69	$ 21,368,335	$ 216,520	$ 5,493,469	$ 7,061,505	$ 7,152,509

(1) Deferred revenue to be recognized on the percentage-of-completion basis as remaining infrastructure costs are incurred. The total revenue remaining to be recognized for the above land transactions includes the approximately $7.2 million of deferred revenue plus an estimated approximately $1.5 million of revenue related to the reimbursement of the infrastructure costs to be incurred through completion of the work, less the estimated remaining cost basis of approximately $1.8 million. See Note 17, "Commitments and Contingencies" for a description of the commitments related to the remaining infrastructure costs to be incurred

The NADG First Parcel and Outparcel sales represent the first two of multiple transactions contemplated under a single purchase and sale agreement with an affiliate of North American Development Group (“NADG”). The NADG Agreement provides NADG (the “NADG Agreement”) with the ability to acquire portions of the remaining acreage under contract (the “Option Parcels”) in multiple, separate transactions through 2018 (the “Option Period”). The Option Parcels represent a total of approximately 81.55 acres and total potential proceeds to the Company of approximately $20.2 million. Pursuant to the NADG Agreement, NADG can close on any and all of the Option Parcels at any time during the Option Period. The NADG Agreement also establishes a price escalation that would be applied to any of the Option Parcels that are acquired after January 2017, and an additional higher price escalation that would be applied to any Option Parcels acquired in 2018.

Pursuant to the agreements with Tanger, Sam’s Club, and NADG (the “Town Center Sales Agreements”), which together represent the potential sale of the developable acreage in the Town Center, the Company is responsible for the completion of certain infrastructure improvements (the “Infrastructure Work”) at the 235-acre Town Center. The Infrastructure Work is currently estimated to cost between $12.5 million and $13.0 million and is expected to be completed in or around October 2016. In connection with the transaction with Tanger, the Company expects to receive approximately $4.5 million for the portion of the Infrastructure Work attributable to the Tanger property from the Tomoka Town Center Community Development District (the “Town Center District”), a special purpose governmental entity, based upon the achievement of certain milestones related to the Infrastructure Work and the Tanger project, and based upon when the Company dedicates the Infrastructure Work to the Town Center District. The payment of the $4.5 million will be recognized into revenue when earned. The Company expects to receive payments, in addition to the sales proceeds from each of the Town Center Sales Agreements (the “Incremental Payments”), including certain fixed annual payments, over the next ten years from Tanger and Sam’s, which annual amounts are included in the estimated gains from the transactions. In aggregate, the majority of the Incremental Payments and the payment received from the Town Center District are expected to largely offset the cost of the Infrastructure Work. As a result of our responsibility for completing the Infrastructure Work, we have applied the percentage of completion basis of accounting to the Tanger Outlet, Sam’s Club and NADG transactions whereby we will recognize the revenue deferred for each transaction as the Infrastructure Work is completed. The Incremental Payments recorded as receivables as of March 31, 2016 and December 31, 2015 totaled approximately $2.8 million and $1.3 million, respectively, and are included as a part of other assets on the consolidated balance sheets.

NOTE 4. LAND AND SUBSURFACE INTERESTS (continued)

The following table provides a reconciliation of the land transactions closed (as of March 31, 2016) or under contract for all the developable parcels of the Town Center (Sales price and estimated infrastructure reimbursement presented in $000's) and the reimbursement amounts for the Infrastructure Work from each buyer:

Land Tract	No. of Acres	Sales Price (In $000's)	Sales Price per Acre	Infrastructure Reimbursement (in $000s)
Tanger Outlet [Closed] (1)	38.93	$ 9,700	$ 249,165	$ 5,500
Sam's Club [Closed] (2)	18.10	4,500	248,619	1,100
NADG - First Parcel [Closed] (3)	37.26	5,168	138,710	1,800
NADG - Outparcel [Closed] (3)	4.40	2,000	454,545	211
NADG - Option Parcels (4)	81.55	20,195	247,645	3,889
Total Developable Area	**180.24**	**41,564**	**230,602**	**12,500**
Common Area (5)	54.32	N/A	N/A	(12,800)
Total Town Center	**234.56**	**$ 41,564**	**$ 177,199**	**$ (300)**

(1) Includes $4.5 million in incentives from the Town Center District, with remainder to be paid in equal installments over 10 years;
(2) Infrastructure reimbursement, pursuant to contract, paid in equal installments over 10 years;
(3) Infrastructure reimbursement due upon the later of i) Infrastructure Work completion or, ii) August 31, 2016;
(4) Under Contract. Sales price reflects current contract price; price escalations would occur should any of the transactions close in 2017 and 2018. Infrastructure reimbursements for each Option Parcel occurs upon later of i) transaction closing, ii) Infrastructure Work completion, or iii) August 31, 2016; and
(5) Includes common area for the Town Center association and land dedicated for public use, both to be conveyed by the Company.

There were no land sales during the three months ended March 31, 2015.

During the year ended December 31, 2015, the Company acquired, through a real estate venture with an unaffiliated third party institutional investor, an interest in approximately six acres of vacant beachfront property located in Daytona Beach, Florida as more fully described in Note 20, “Variable Interest Entity.”

The Company owns full or fractional subsurface oil, gas, and mineral interests in approximately 500,000 “surface” acres of land owned by others in 20 counties in Florida. The Company leases its interests to mineral exploration firms for exploration. Our subsurface operations consist of revenue from the leasing of exploration rights and in some instances additional revenues from royalties applicable to production from the leased acreage.

During November 2015, the Company hired Lantana Advisors, a subsidiary of SunTrust, to evaluate the possible sale of its subsurface interests. On April 13, 2016 the Company entered into a purchase and sale agreement with Land Venture Partners, LLC for the sale of its 500,000 acres of subsurface interests, all located in the state of Florida, including the royalty interests in two operating oil wells in Lee County, Florida and its interests in the oil exploration lease with Kerogen Florida Energy Company LP, for a sales price of approximately $24 million (the “Subsurface Sale”). The purchase and sale agreement contemplates a closing of the Subsurface Sale prior to year-end 2016. The Subsurface Sale, if completed, would result in an estimated gain of approximately $22.6 million, or approximately $2.40 per share, after tax. The Company intends to use the proceeds from this sale as part of a Section 1031 like-kind exchange. The closing of the Subsurface Sale is subject to customary closing conditions. There can be no assurances regarding the likelihood or timing of the Subsurface Sale being completed or the final terms thereof, including the sales price.

During 2011, an eight-year oil exploration lease was executed. The lease calls for annual lease payments which are recognized as revenue ratably over the respective twelve month lease periods. In addition, non-refundable drilling penalty payments are made as required by the drilling requirements in the lease which are recognized as revenue when received. Cash payments for both the annual lease payment and the drilling penalty, if applicable, are received in full on or before the first day of the respective lease year.

NOTE 4. LAND AND SUBSURFACE INTERESTS (continued)

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

Lease Year	Acreage (Approximate)	Florida County	Lease Payment (1)	Drilling Penalty (1)
Lease Year 1 - 9/23/2011 - 9/22/2012	136,000	Lee and Hendry	$ 913,657	$ -
Lease Year 2 - 9/23/2012 - 9/22/2013	136,000	Lee and Hendry	922,114	-
Lease Year 3 - 9/23/2013 - 9/22/2014	82,000	Hendry	3,293,000	1,000,000
Lease Year 4 - 9/23/2014 - 9/22/2015	42,000	Hendry	1,866,146	600,000
Lease Year 5 - 9/23/2015 - 9/22/2016	25,000	Hendry	1,218,838	175,000
Total Payments Received to Date			$ 8,213,755	$ 1,775,000

(1) Cash payment for the Lease Payment and Drilling Penalty is received on or before the first day of the lease year. The Drilling Penalty is recorded as revenue when received, while the Lease Payment is recognized on a straight-line basis over the respective lease term. See separate disclosure of the revenue per year below.

The terms of the lease state the Company will receive royalty payments if production occurs, and may receive additional annual rental payments if the lease is continued in years six through eight. The lease is effectively eight one-year terms as the lessee has the option to terminate the lease.

Lease income generated by the annual lease payments is recognized on a straight-line basis over the guaranteed lease term. For the three months ended March 31, 2016 and 2015, lease income of approximately $303,000 and $460,000 was recognized, respectively. There can be no assurance that the oil exploration lease will be extended beyond the expiration of the current term of September 22, 2016 or, if renewed, on similar terms or conditions.

The Company also received oil royalties from operating oil wells on 800 acres under a separate lease with a separate operator. Revenues received from oil royalties totaled approximately $5,000 and $21,000, during the three months ended March 31, 2016 and 2015, respectively.

The Company may release surface entry rights or other rights upon request of a surface owner for a negotiated release fee based on a percentage of the surface value. No releases occurred during the three months ended March 31, 2016, while cash payments for the release of surface entry rights totaled approximately $2,000 during the three months ended March 31, 2015, which is included in revenue from real estate operations.

NOTE 5. INVESTMENT SECURITIES

During the three months ended March 31, 2016, the Company completed the disposition of its remaining position in investment securities, including common stock and debt securities, of a publicly traded real estate company with a total basis of approximately $6.8 million resulting in net proceeds of approximately $6.3 million, or a loss of approximately $576,000. During the three months ended March 31, 2015, the Company sold preferred stock of a publicly traded real estate company with a total basis of approximately $704,000 resulting in net proceeds of approximately $835,000, or a gain of approximately $131,000.

The Company had no remaining available-for-sale securities as of March 31, 2016.

NOTE 5. INVESTMENT SECURITIES (continued)

Available-for-Sale securities consisted of the following as of December 31, 2015:

	As of December 31, 2015			
	Cost (1)	Gains in Accumulated Other Comprehensive Income	Losses in Accumulated Other Comprehensive Income	Estimated Fair Value (Level 1 and 2 Inputs)
Debt Securities	$ 843,951	$ —	$ (41,451)	$ 802,500
Total Debt Securities	843,951	-	(41,451)	802,500
Common Stock	5,981,464	—	(1,080,197)	4,901,267
Total Equity Securities	5,981,464	—	(1,080,197)	4,901,267
Total Available-for-Sale Securities	$ 6,825,415	$ -	$ (1,121,648)	$ 5,703,767

(1) The cost basis in the common stock investment is net of an other-than-temporary impairment charge of approximately $60,000 charged to earnings through investment income in the consolidated statements of operations.

The gross unrealized loss included in accumulated other comprehensive income as of December 31, 2015 was approximately $1.1 million, net of tax of approximately $433,000. During the three months ended March 31, 2016, but prior to the disposition of the investment securities, gross unrealized gains of approximately $546,000, net of tax of approximately $211,000, were earned and included in other comprehensive income to reduce the accumulated comprehensive loss balance. The remaining unrealized loss of approximately $576,000, was then realized upon disposition during the three months ended March 31, 2016, and removed from accumulated other comprehensive income, net of tax of approximately $222,000, and charged to earnings as an investment loss.

During the three months ended March 31, 2015, gross unrealized gains of approximately $374,000, net of tax of approximately $144,000, were earned and included in other comprehensive income. The remaining unrealized gain of approximately $131,000, was realized upon disposition during the three months ended March 31, 2015, and removed from the accumulated other comprehensive income, net of tax of approximately $49,000.

Following is a table reflecting the sale of investment securities and the gains or losses recognized during the three months ended March 31, 2016 and 2015:

	For the three months ended March 31,	
	2016	2015
Proceeds from the Disposition of Debt Securities	$ 827,738	$ —
Cost Basis of Debt Securities Sold	(843,951)	—
Loss recognized in Statement of Operations on the Disposition of Debt Securities	$ (16,213)	$ —
Proceeds from the Disposition of Equity Securities	5,424,624	834,964
Cost Basis of Equity Securities Sold	(5,983,978)	(704,173)
Gain (Loss) recognized in Statement of Operations on the Disposition of Equity Securities	$ (559,354)	$ 130,791
Total Gain (Loss) recognized in Statement of Operations on the Disposition of Debt and Equity Securities	$ (575,567)	$ 130,791

NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying value and estimated fair value of the Company's financial instruments at March 31, 2016 and December 31, 2015:

	March 31, 2016		December 31, 2015	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and Cash Equivalents - Level 1	$ 7,371,196	$ 7,371,196	$ 4,060,677	$ 4,060,677
Restricted Cash - Level 1	15,156,505	15,156,505	14,060,523	14,060,523
Commercial Loan Investments - Level 2	38,343,673	38,460,467	38,331,956	38,460,467
Long-Term Debt - Level 2	170,798,799	175,210,485	166,796,853	172,572,305

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

The following table presents the fair value of assets by Level at December 31, 2015 (there were none as of March 31, 2016):

		Fair Value at Reporting Date Using		
	12/31/2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available-for-Sale Securities				
Available-for-Sale Debt Securities	$ 802,500	$ -	$ 802,500	$ -
Available-for-Sale Equity Securities	4,901,267	4,901,267	-	-
Total Available-for-Sale Securities	5,703,767	4,901,267	802,500	-
Total	$ 5,703,767	$ 4,901,267	$ 802,500	$ -

NOTE 7. INTANGIBLE LEASE ASSETS AND LIABILITIES

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

Intangible lease assets and liabilities consisted of the following as of March 31, 2016 and December 31, 2015:

	As of	
	March 31, 2016	December 31, 2015
Intangible Lease Assets:		
Value of In-Place Leases	$ 16,896,630	$ 19,588,642
Value of Above Market In-Place Leases	1,178,878	1,469,143
Value of Intangible Leasing Costs	3,719,078	3,835,158
Sub-total Intangible Lease Assets	21,794,586	24,892,943
Accumulated Amortization	(4,566,676)	(4,805,792)
Sub-total Intangible Lease Assets—Net	17,227,910	20,087,151
Intangible Lease Liabilities:		
Value of Below Market In-Place Leases	(32,483,281)	(32,315,741)
Sub-total Intangible Lease Liabilities	(32,483,281)	(32,315,741)
Accumulated Amortization	1,006,616	336,182
Sub-total Intangible Lease Liabilities—Net	(31,476,665)	(31,979,559)
Total Intangible Assets and Liabilities—Net	$ (14,248,755)	$ (11,892,408)

NOTE 7. INTANGIBLE LEASE ASSETS AND LIABILITIES (continued)

Total amortization related to intangible lease assets during the three months ended March 31, 2016 was approximately $583,000 and was included in depreciation and amortization in the consolidated statements of operations. Total amortization related to intangible lease liabilities during the three months ended March 31, 2016 was approximately $607,000 and was included as an increase to income properties revenue in the consolidated statements of operations. Total amortization of intangible assets and liabilities was approximately $422,000 during the three months ended March 31, 2015, which was included in depreciation and amortization expense in the consolidated statements of operations.

The estimated future amortization and accretion of intangible lease assets and liabilities is as follows:

Year Ending December 31,	Future Amortization Expense	Future Accretion to Income Property Revenue	Net Future Amortization of Intangible Assets and Liabilities
Remainder of 2016	$ 1,521,601	$ (1,667,404)	$ (145,803)
2017	1,941,511	(2,189,685)	(248,174)
2018	1,937,911	(2,191,717)	(253,806)
2019	1,935,341	(2,192,911)	(257,570)
2020	1,886,208	(2,192,911)	(306,703)
2021	1,369,584	(2,279,897)	(910,313)
Thereafter	5,609,190	(17,735,576)	(12,126,386)
Total	$ 16,201,346	$ (30,450,101)	$ (14,248,755)

NOTE 8. IMPAIRMENT OF LONG-LIVED ASSETS

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

During the three months ended March 31, 2016, an impairment charge of approximately $210,000 was recognized on an income property held for sale as of March 31, 2016 for which the sale closed on April 6, 2016, as described in Note 21, “Subsequent Events.” The total impairment charge represented the loss on the sale of approximately $134,000 plus closing costs of approximately $76,000.

During the three months ended March 31, 2015, an impairment charge of approximately $510,000 was recognized on two income properties held for sale as of March 31, 2015, for which the sale closed on April 17, 2015. The total impairment charge represented the loss on the sale of approximately $277,000 plus estimated closing costs of approximately $233,000.

NOTE 9. OTHER ASSETS

Other assets consisted of the following:

	As of	
	March 31, 2016	December 31, 2015
Income Property Tenant Receivables	$ 295,119	$ 830,574
Income Property Straight-line Rent Adjustment	1,930,261	1,781,798
Interest Receivable from Commercial Loan Investments	229,218	155,163
Infrastructure Reimbursement Receivables	2,760,759	1,306,602
Golf Operations Receivables	435,132	253,358
Deferred Deal Costs	528,386	520,308
Prepaid Expenses, Deposits, and Other	2,339,944	1,187,021
Total Other Assets	$ 8,518,819	$ 6,034,824

NOTE 10. COMMON STOCK AND EARNINGS PER SHARE

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

	Three Months Ended	
	March 31, 2016	March 31, 2015
Income Available to Common Shareholders:		
Net Income from Continuing Operations Attributable to Consolidated-Tomoka Land Co.	$ 1,424,718	$ 353,356
Net Income from Discontinued Operations Attributable to Consolidated-Tomoka Land Co. (Net of Tax)	-	-
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 1,424,718	$ 353,356
Weighted Average Shares Outstanding	5,734,884	5,826,640
Common Shares Applicable to Stock		
Options Using the Treasury Stock Method	-	33,721
Total Shares Applicable to Diluted Earnings Per Share	5,734,884	5,860,361
Per Share Information:		
Basic Net Income Per Share		
Net Income from Continuing Operations Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06
Net Income from Discontinued Operations Attributable to Consolidated-Tomoka Land Co. (Net of Tax)	-	-
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06
Diluted Net Income per Share		
Net Income from Continuing Operations Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06
Net Income from Discontinued Operations Attributable to Consolidated-Tomoka Land Co. (net of tax)	-	-
Net Income Attributable to Consolidated-Tomoka Land Co.	$ 0.25	$ 0.06

The effect of 67,500 and 25,200 potentially dilutive securities were not included for the three months ended March 31, 2016 and 2015, respectively, as the effect would be antidilutive.

The Company intends to settle its 4.50% Convertible Senior Notes due 2020 (the “Notes”) in cash upon conversion with any excess conversion value to be settled in shares of our common stock. Therefore, only the amount in excess of the par value of the Notes will be included in our calculation of diluted net income per share using the treasury stock method. As such, the Notes have no impact on diluted net income per share until the price of our common stock exceeds the conversion price of $68.90. The average price of our common stock during the three months ended March 31, 2016 and 2015 did not exceed the conversion price which resulted in no additional diluted outstanding shares.

NOTE 11. TREASURY STOCK

In November 2008, the Company's Board of Directors authorized the Company to repurchase from time to time up to $8 million of its common stock. There was no expiration date for the repurchase authorization. The Company repurchased 4,660 shares of its common stock at a cost of approximately $105,000 through December 31, 2013 and those shares were retired. During 2014, the Company repurchased an additional 25,836 shares of its common stock on the open market for a total cost of approximately $928,000, or an average price per share of $35.92, and placed those shares in treasury. During the year ended December 31, 2015, the Company repurchased an additional 119,403 shares of its common stock on the open market for a total cost of approximately $6.5 million, or an average price per share of $54.31, and placed those shares in treasury, thereby completing the $8 million share repurchase program.

In the fourth quarter of 2015, the Company also announced a new $10 million repurchase program. Under the new $10 million repurchase program, during the three months ended March 31, 2016, the Company repurchased 28,862 shares of its common stock on the open market for a total cost of approximately $1.3 million, or an average price per share of $46.41, and placed those shares in treasury.

NOTE 12. LONG-TERM DEBT

Credit Facility. The Company has a revolving credit facility, as amended (the "Credit Facility"), with Bank of Montreal ("BMO") as the administrative agent for the lenders thereunder. The Credit Facility is unsecured and is guaranteed by certain wholly-owned subsidiaries of the Company. The Credit Facility bank group is led by BMO and also includes Wells Fargo Bank, N.A. ("Wells Fargo") and Branch Banking & Trust Company. The Credit Facility matures on August 1, 2018 with the ability to extend the term for 1 year.

The Credit Facility has a total borrowing capacity of $75.0 million with the ability to increase that capacity up to $125.0 million during the term. The Credit Facility provides the lenders with a secured interest in the equity of the Company subsidiaries that own the properties included in the borrowing base. The indebtedness outstanding under the Credit Facility accrues interest at a rate ranging from the 30-day LIBOR plus 135 basis points to the 30-day LIBOR plus 225 basis points based on the total balance outstanding under the Credit Facility as a percentage of the total asset value of the Company, as defined in the Credit Facility. The Credit Facility also accrues a fee of 20 to 25 basis points for any unused portion of the borrowing capacity based on whether the unused portion is greater or less than 50% of the total borrowing capacity.

At March 31, 2016, the current commitment level under the Credit Facility was $75.0 million. The available borrowing capacity under the Credit Facility was approximately $33.0 million subject to the borrowing base requirements.

On March 21, 2016, the Company entered into an amendment of the Credit Facility (the "First Amendment"). The First Amendment modifies certain terms of the Company's Credit Facility effective as of September 30, 2015, including, among other things, (i) modifying certain non-cash or non-recurring items in the calculation of adjusted EBITDA and eliminating stock repurchases from the calculation of fixed charges, both of which are part of the calculation of the fixed charge coverage ratio financial covenant, (ii) the addition of a measure for the fixed charge coverage ratio that must be met before the Company may repurchase shares of its own stock, and (iii) providing a consent of the lenders regarding the amount of the Company's stock repurchases since the third quarter of 2015. As of the date of the First Amendment, the Company could not complete any additional repurchases of its own common stock due to the required fixed charge coverage ratio not being achieved. However, on April 13, 2016, the Company entered into the second amendment of the Credit Facility (the "Second Amendment") as further described in Note 21, "Subsequent Events" which modifies the section of the Credit Facility pertaining to stock repurchases by the Company.

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

Mortgage Notes Payable. On February 22, 2013, the Company closed on a $7.3 million loan originated with UBS Real Estate Securities Inc., secured by its interest in the two-building office complex leased to Hilton Resorts Corporation, which was acquired on January 31, 2013. The mortgage loan matures in February 2018, carries a fixed rate of interest of 3.655% per annum, and requires payments of interest only prior to maturity.

NOTE 12. LONG-TERM DEBT (continued)

On March 8, 2013, the Company closed on a $23.1 million loan originated with Bank of America, N.A., secured by its interest in fourteen income properties. The mortgage loan matures in April 2023, carries a fixed rate of 3.67% per annum, and requires payments of interest only prior to maturity.

On September 30, 2014, the Company closed on a $30.0 million loan originated with Wells Fargo, secured by its interest in six income properties. The mortgage loan matures in October 2034, and carries a fixed rate of 4.33% per annum during the first ten years of the term, and requires payments of interest only during the first ten years of the loan. After the tenth anniversary of the effective date of the loan, the cash flows generated by the underlying six income properties must be used to pay down the principal balance of the loan until paid off or until the loan matures. The loan is fully pre-payable after the tenth anniversary date of the effective date of the loan.

On April 15, 2016, the Company entered into a $25 million first mortgage with Wells Fargo as further described in Note 21, “Subsequent Events.”

Convertible Debt. On March 11, 2015, the Company issued $75.0 million aggregate principal amount of 4.50% Convertible Senior Notes due 2020 (the “Notes”). The Notes bear interest at a rate of 4.50% per year, payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2015. The Notes will mature on March 15, 2020, unless earlier purchased or converted. The initial conversion rate is 14.5136 shares of common stock for each $1,000 principal amount of Notes, which represents an initial conversion price of approximately $68.90 per share of common stock.

The conversion rate is subject to adjustment in certain circumstances. Holders may not surrender their Notes for conversion prior to December 15, 2019 except upon the occurrence of certain conditions relating to the closing sale price of the Company’s common stock, the trading price per $1,000 principal amount of Notes, or specified corporate events. The Company may not redeem the Notes prior to the stated maturity date and no sinking fund is provided for the Notes. The Notes are convertible, at the election of the Company, into solely cash, solely shares of the Company’s common stock, or a combination of cash and shares of the Company’s common stock. The Company intends to settle the Notes in cash upon conversion with any excess conversion value to be settled in shares of our common stock. In accordance with GAAP, the Notes are accounted for as a liability with a separate equity component recorded for the conversion option. A liability was recorded for the Notes on the issuance date at fair value based on a discounted cash flow analysis using current market rates for debt instruments with similar terms. The difference between the initial proceeds from the Notes and the estimated fair value of the debt instruments resulted in a debt discount, with an offset recorded to additional paid-in capital representing the equity component. The discount on the Notes was approximately $6.1 million at issuance, which represents the cash discount paid of approximately $2.6 million and the approximate $3.5 million attributable to the value of the conversion option recorded in equity, which is being amortized into interest expense through the maturity date of the Notes. As of March 31, 2016 the unamortized debt discount of our Notes was approximately $5.0 million.

Net proceeds from issuance of the Notes was approximately $72.4 million (net of the cash discount paid of approximately $2.6 million) of which approximately $47.5 million was used to repay the outstanding balance of our Credit Facility as of March 11, 2015. We utilized the remaining amount for investments in income-producing properties or investments in commercial loans secured by commercial real estate.

Long-term debt consisted of the following:

	March 31, 2016	
	Total	Due Within One Year
Credit Facility	$ 42,050,000	$ —
Mortgage Note Payable (originated with UBS)	7,300,000	—
Mortgage Note Payable (originated with BOA)	23,100,000	—
Mortgage Note Payable (originated with Wells Fargo)	30,000,000	—
4.50% Convertible Senior Notes due 2020, net of discount	70,033,267	—
Loan Costs, net of accumulated amortization	(1,684,468)	—
Total Long-Term Debt	$ 170,798,799	$ —

NOTE 12. LONG-TERM DEBT (continued)

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

Year Ending December 31,	Amount
Remainder of 2016	$ —
2017	—
2018	49,350,000
2019	—
2020	75,000,000
2021	—
Thereafter	53,100,000
Total Long-Term Debt - Face Value	$ 177,450,000

The carrying value of long-term debt as of March 31, 2016 consisted of the following:

	Total
Current Face Amount	$ 177,450,000
Unamortized Discount on Convertible Debt	(4,966,733)
Loan Costs, net of accumulated amortization	(1,684,468)
Total Long-Term Debt	$ 170,798,799

For the three months ended March 31, 2016, interest expense, excluding amortization of loan costs and debt discounts, was approximately $1.7 million with approximately $2.5 million paid during the period including approximately $1.7 million related to the semi-annual payment on the Notes. No interest was capitalized during the three months ended March 31, 2016.

For the three months ended March 31, 2015, interest expense, excluding amortization of loan costs and debt discounts, was approximately $969,000 with approximately $815,000 paid during the period. No interest was capitalized during the three months ended March 31, 2015.

The amortization of loan costs incurred in connection with the Company's long-term debt is included in interest expense in the consolidated financial statements. Loan costs are amortized over the term of the respective loan agreements using the straight-line method, which approximates the effective interest method. For the three months ended March 31, 2016 and 2015, the amortization of loan costs totaled approximately $102,000 and $73,000, respectively.

The amortization of the approximate $6.1 million discount on the Company's Notes is also included in interest expense in the consolidated financial statements. The discount is amortized over the term of the Notes using the effective interest method. For the three months ended March 31, 2016 and 2015, the amortization of the discount totaled approximately $273,000 and $25,000, respectively.

The Company was in compliance with all of its debt covenants as of March 31, 2016 and December 31, 2015.

NOTE 13. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities consisted of the following:

	As of	
	March 31, 2016	December 31, 2015
Golf Course Lease	$ 2,509,019	$ 2,602,638
Accrued Property Taxes	627,290	40,042
Reserve for Tenant Improvements	760,060	812,493
Accrued Interest	253,785	1,195,231
Environmental Reserve and Restoration Cost Accrual	2,366,921	2,405,635
Other	643,714	1,811,880
Total Accrued and Other Liabilities	$ 7,160,789	$ 8,867,919

NOTE 13. ACCRUED AND OTHER LIABILITIES (continued)

In July 2012, the Company entered into an agreement with the City of Daytona Beach, Florida (the "City") to, among other things, amend the lease payments under its golf course lease (the "Lease Amendment"). Under the Lease Amendment, the base rent payment, which was scheduled to increase from $250,000 to $500,000 as of September 1, 2012, will remain at $250,000 for the remainder of the lease term and any extensions would be subject to an annual rate increase of 1.75% beginning September 1, 2013. The Company also agreed to invest $200,000 prior to September 1, 2015 for certain improvements to the facilities. In addition, pursuant to the Lease Amendment, beginning September 1, 2012, and continuing throughout the initial lease term and any extension option, the Company will pay additional rent to the City equal to 5.0% of gross revenues exceeding $5,500,000 and 7.0% of gross revenues exceeding $6,500,000. Since the inception of the lease, the Company has recognized the rent expense on a straight-line basis resulting in an estimated accrual for deferred rent. Upon the effective date of the Lease Amendment, the Company's straight-line rent was revised to reflect the lower rent levels through expiration of the lease. As a result, approximately $3.0 million of the rent previously deferred will not be due to the City, and will be recognized into income over the remaining lease term, which expires in 2022. As of March 31, 2016, approximately $1.6 million of the rent, previously deferred that will not be due to the City, remained to be amortized through September 2022.

In connection with the acquisition of the Lowes on April 22, 2014, the Company was credited approximately $651,000 at closing for certain required tenant improvements, some of which are not required to be completed until December 2016. As of March 31, 2016, approximately $100,000 of these tenant improvements had been completed and funded, leaving approximately $551,000 remaining to be funded.

During the year ended December 31, 2014, the Company accrued an environmental reserve of approximately $110,000 in connection with an estimate of additional costs required to monitor a parcel of less than one acre of land owned by the Company in Highlands County, Florida on which environmental remediation work had previously been performed. The Company engaged legal counsel who, in turn, engaged environmental engineers to review the site and the prior monitoring test results. During the year ended December 31, 2015, their review was completed, and the Company made an additional accrual of approximately $500,000, representing the low end of the range of possible costs estimated by the engineers to be between $500,000 and $1.0 million to resolve this matter subject to the approval of the state department of environmental protection (the "FDEP"). The FDEP has preliminarily accepted the Company's proposed remediation plan which supports the approximate $500,000 accrual. Since the initial accrual of approximately $110,000 was made, approximately $131,000 in costs have been incurred through March 31, 2016.

During the year ended December 31, 2015, the Company accrued approximately $187,500 for the potential costs associated with wetlands mitigation and restoration costs related to a federal regulatory agency inquiry relating to approximately 160 acres of the Company's land. Additionally, as of December 31, 2015, the Company accrued an obligation for the low end of the estimated range of possible restoration costs of approximately $1.7 million and included such estimated costs on the consolidated balance sheet as a corresponding increase in the basis of our land and development costs associated with those acres. Although as of March 31, 2016, this matter is not yet resolved, the accrual is deemed appropriate as of March 31, 2016. This matter is more fully described in Note 17 "Commitments and Contingencies".

NOTE 14. DEFERRED REVENUE

Deferred revenue consisted of the following:

	As of	
	March 31, 2016	December 31, 2015
Deferred Oil Exploration Lease Revenue	$ 582,778	$ 885,822
Deferred Land Sale Revenue	7,152,509	12,656,773
Prepaid Rent	1,029,431	907,325
Other Deferred Revenue	286,791	274,690
Total Deferred Revenue	$ 9,051,509	$ 14,724,610

On September 22, 2015, the Company received an approximate $1.2 million rent payment for the fifth year of the Company's eight-year oil exploration lease, which is being recognized ratably over the twelve month lease period ending in September 2016.

In connection with the 98.69 acres of land sales in the Tomoka Town Center which closed during the fourth quarter of 2015 and the first quarter of 2016, approximately $7.2 million of the aggregate $21.4 million sales price is deferred as of March 31, 2016 to be recognized as revenue on a percentage-of-completion basis as the required infrastructure costs completed. The estimated completion date in or around October 2016.

NOTE 15. STOCK-BASED COMPENSATION

EQUITY-CLASSIFIED STOCK COMPENSATION

Market Condition Restricted Shares – Peer Group Vesting

Under the Amended and Restated 2010 Equity Incentive Plan (the "2010 Plan") in September 2010 and January 2011, the Company granted to certain employees restricted shares of the Company's common stock, which would vest upon the achievement of certain market conditions, including thresholds relating to the Company's total shareholder return as compared to the total shareholder return of a certain peer group during a five-year performance period.

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

A summary of activity during the three months ended March 31, 2016, is presented below:

Market Condition Non-Vested Restricted Shares	Shares	Wtd. Avg. Grant Date Fair Value
Outstanding at January 1, 2016	2,400	$ 23.42
Granted	—	—
Vested	(2,300)	23.42
Expired	—	—
Forfeited	(100)	23.42
Outstanding at March 31, 2016	-	$ -

As of March 31, 2016, there is no unrecognized compensation cost as there are no outstanding shares remaining.

Market Condition Restricted Shares – Stock Price Vesting

"Inducement" grants of 96,000 and 17,000 shares of restricted Company common stock were awarded to Mr. Albright and Mr. Patten in 2011 and 2012, respectively. Mr. Albright's restricted shares were granted outside of the 2010 Plan while Mr. Patten's restricted shares were awarded under the 2010 Plan. The Company filed a registration statement with the Securities and Exchange Commission on Form S-8 to register the resale of Mr. Albright's restricted stock award. The restricted shares will vest in six increments based upon the price per share of the Company's common stock during the term of their employment (or within sixty days after termination of employment by the Company without cause), meeting or exceeding the target trailing sixty-day average closing prices ranging from $36 per share for the first increment to $65 per share for the final increment. If any increment of the restricted shares fails to satisfy the applicable stock price condition prior to six years from the grant date, that increment of the restricted shares will be forfeited. As of March 31, 2016, four increments of Mr. Albright's and Mr. Patten's grants had vested.

Additional grants of 2,500 and 3,000 shares of restricted Company common stock were awarded to Mr. Smith and another officer under the 2010 Plan, during the fourth quarter of 2014 and the first quarter of 2015, respectively. The restricted stock will vest in two increments based upon the price per share of Company common stock during the term of their employment (or within sixty days after termination of employment by the Company without cause), meeting or exceeding the target trailing sixty-day average closing prices of $60 per share and $65 per share for the two increments. If any increment of the restricted shares fails to satisfy the applicable stock price condition prior to six years from the grant date, that increment of the restricted shares will be forfeited. As of March 31, 2016, no increments of Mr. Smith's or the other officer's grants had vested.

NOTE 15. STOCK-BASED COMPENSATION (continued)

A grant of 94,000 shares of restricted Company common stock was awarded to Mr. Albright under the 2010 Plan during the second quarter of 2015. As more fully described at the end of Note 15 “Stock-Based Compensation,” on February 26, 2016, 72,000 of these shares were surrendered, of which 4,000 were re-granted on February 26, 2016 with identical terms of the surrendered common stock and 68,000 were permanently surrendered. The 26,000 shares of restricted Company common stock outstanding from these grants will vest in seven increments based upon the price per share of Company common stock during the term of his employment (or within sixty days after termination of employment by the Company without cause), meeting or exceeding the target trailing thirty-day average closing prices ranging from $60 per share for the first increment to $75 per share for the final increment. If any increment of the restricted shares fails to satisfy the applicable stock price condition prior to January 28, 2021, that increment of the restricted shares will be forfeited. As of March 31, 2016, no increments of this grant had vested.

On February 26, 2016, the Company entered into amendments to the employment agreements and certain restricted share award agreements to clarify the Company’s intention that the restricted shares granted thereunder, if they are subject to performance-based vesting conditions, will fully vest at any time during the 24-month period following a change in control and termination of the employee subsequent to the change in control.

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

A summary of the activity for these awards during the three months ended March 31, 2016, is presented below:

Market Condition Non-Vested Restricted Shares	Shares	Wtd. Avg. Fair Value
Outstanding at January 1, 2016	137,500	$ 30.58
Granted	4,000	38.98
Vested	—	—
Expired	—	—
Forfeited	(72,000)	34.46
Outstanding at March 31, 2016	69,500	$ 27.03

In connection with the permanent surrender of 68,000 shares of restricted Company common stock, approximately $1.6 million of related stock-based compensation expense was recognized during the three months ended March 31, 2016 to accelerate the remaining expense pertaining the total grant date fair value of these awards.

As of March 31, 2016, there was approximately $330,000 of unrecognized compensation cost, adjusted for estimated forfeitures, related to market condition non-vested restricted shares, which will be recognized over a remaining weighted average period of 0.5 years.

Three Year Vest Restricted Shares

On January 22, 2014, the Company granted to certain employees 14,500 shares of restricted Company common stock under the 2010 Plan. One-third of the restricted shares will vest on each of the first, second, and third anniversaries of the grant date, provided the grantee is an employee of the Company on those dates. In addition, any unvested portion of the restricted shares will vest upon a change in control.

On January 28, 2015, the Company granted to certain employees, which did not include Mr. Albright, 11,700 shares of restricted Company common stock under the 2010 Plan. Additionally, on February 9, 2015, the Company granted 8,000 shares of restricted Company common stock to Mr. Albright under the 2010 Plan. One-third of both awards of restricted shares will vest on each of the first, second, and third anniversaries of the January 28, 2015 grant date, provided the grantee is an employee of the Company on those dates. In addition, any unvested portion of the restricted shares will vest upon a change in control.

On January 27, 2016, the Company granted to certain employees 21,100 shares of restricted Company common stock under the 2010 Plan. One-third of both awards of restricted shares will vest on each of the first, second, and third anniversaries of January 28, 2016, provided the grantee is an employee of the Company on those dates. In addition, any unvested portion of the restricted shares will vest upon a change in control.

NOTE 15. STOCK-BASED COMPENSATION (continued)

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

A summary of activity during the three months ended March 31, 2016, is presented below:

Three Year Vest Non-Vested Restricted Shares	Shares	Wtd. Avg. Fair Value Per Share
Outstanding at January 1, 2016	26,900	$ 49.73
Granted	21,100	44.88
Vested	(10,363)	47.89
Expired	—	—
Forfeited	—	—
Outstanding at March 31, 2016	37,637	$ 47.52

As of March 31, 2016, there was approximately $1.6 million of unrecognized compensation cost, adjusted for estimated forfeitures, related to the three year vest non-vested restricted shares, which will be recognized over a remaining weighted average period of 2.3 years.

Non-Qualified Stock Option Awards

Pursuant to the Non-Qualified Stock Option Award Agreements between the Company and Messrs. Albright, Patten, and Smith, each of these Company employees was granted an option to purchase 50,000, 10,000, and 10,000 shares of Company common stock, in 2011, 2012, and 2014, respectively, under the 2010 Plan with an exercise price per share equal to the fair market value on their respective grant dates. One-third of the options will vest on each of the first, second, and third anniversaries of their respective grant dates, provided the recipient is an employee of the Company on those dates. In addition, any unvested portion of the options will vest upon a change in control. The options expire on the earliest of: (a) the tenth anniversary of the grant date; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

On January 23, 2013, the Company granted options to purchase 51,000 shares of the Company's common stock under the 2010 Plan to certain employees of the Company, including 10,000 shares to Mr. Patten, with an exercise price per share equal to the fair market value at the date of grant. One-third of these options vested on each of the first, second, and third anniversaries of the grant date, provided the recipient was an employee of the Company on those dates. The options expire on the earliest of: (a) the fifth anniversary of the grant date; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

On February 9, 2015, the Company granted to Mr. Albright an option to purchase 20,000 shares of the Company's common stock under the 2010 Plan with an exercise price of $57.50. The option vested on January 28, 2016. The option expires on the earliest of: (a) January 28, 2025; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

On May 20, 2015, the Company granted to Mr. Albright an option to purchase 40,000 shares of the Company's common stock under the 2010 Plan, with an exercise price of $55.62. As more fully described at the end of Note 15 "Stock-Based Compensation", on February 26, 2016, this option to purchase 40,000 shares was surrendered and an option to purchase 40,000 shares was granted on February 26, 2016 with identical terms. One-third of the option will vest on each of January 28, 2016, January 28, 2017, and January 28, 2018, provided he is an employee of the Company on such dates. In addition, any unvested portion of the option will vest upon a change in control. The option expires on the earliest of: (a) January 28, 2025; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

On June 29, 2015, the Company granted to an officer of the Company an option to purchase 10,000 shares of the Company's common stock under the 2010 Plan, with an exercise price of $57.54. One-third of the option will vest on each of the first, second, and third anniversaries of the grant date, provided the recipient is an employee of the Company on such dates. In addition, any unvested portion of the option will vest upon a change in control. The option expires on the earliest of: (a) June 29, 2025; (b) twelve months after the employee's death or termination for disability; or (c) thirty days after the termination of employment for any reason other than death or disability.

NOTE 15. STOCK-BASED COMPENSATION (continued)

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

A summary of the activity for the awards during the three months ended March 31, 2016, is presented below:

Non-Qualified Stock Option Awards	Shares	Wtd. Avg. Ex. Price	Wtd. Avg. Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2016	116,850	$ 48.63		
Granted	40,000	55.62		
Exercised	—	—		
Expired	—	—		
Forfeited	(40,000)	55.62		
Outstanding at March 31, 2016	116,850	$ 48.63	6.07	$ 88,652
Exercisable at March 31, 2016	73,350	$ 44.73	1.94	$ 103,378

A summary of the non-vested options for these awards during the three months ended March 31, 2016, is presented below:

Non-Qualified Stock Option Awards	Shares	Fair Value of Shares Vested
Non-Vested at January 1, 2016	88,260	
Granted	40,000	
Vested	(44,760)	$ 2,288,206
Expired	—	
Forfeited	(40,000)	
Non-Vested at March 31, 2016	43,500	

The weighted average grant date fair value of options granted during the three months ended March 31, 2016 was approximately $13.97 per share. No options were exercised during the three months ended March 31, 2016. As of March 31, 2016, there was approximately $564,000 of unrecognized compensation related to non-qualified, non-vested stock option awards, which will be recognized over a remaining weighted average period of 2.1 years.

LIABILITY-CLASSIFIED STOCK COMPENSATION

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

NOTE 15. STOCK-BASED COMPENSATION (continued)

A summary of share option activity under the 2001 Plan for the three months ended March 31, 2016 is presented below:

Stock Options

Liability-Classified Stock Options	Shares	Wtd. Avg. Ex. Price	Wtd. Avg. Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2016	18,000	$ 64.69		
Granted	—	—		
Exercised	—	—		
Expired	(3,000)	67.27		
Forfeited	—	—		
Outstanding at March 31, 2016	15,000	$ 64.17	1.35	$ —
Exercisable at March 31, 2016	15,000	$ 64.17	1.35	$ —

In connection with the grant of non-qualified stock options, a stock appreciation right for each share covered by the option was also granted. The stock appreciation right entitles the optionee to receive a supplemental payment, which may be paid in whole or in part in cash or in shares of common stock, equal to a portion of the spread between the exercise price and the fair market value of the underlying shares at the time of exercise. No options were exercised during the three months ended March 31, 2016. All options had vested as of December 31, 2013.

Stock Appreciation Rights

Liability-Classified Stock Appreciation Rights	Shares	Wtd. Avg. Fair Value	Wtd. Avg. Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2016	18,000	$ 2.64		
Granted	—	—		
Exercised	—	—		
Expired	(3,000)	—		
Forfeited	—	—		
Outstanding at March 31, 2016	15,000	$ 1.76	1.35	$ —
Exercisable at March 31, 2016	15,000	$ 1.76	1.35	$ —

No stock appreciation rights were exercised during the three months ended March 31, 2016. All stock appreciation rights had vested as of December 31, 2013.

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

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

NOTE 15. STOCK-BASED COMPENSATION (continued)

Following are assumptions used in determining the fair value of stock options and stock appreciation rights:

Assumptions at:	March 31, 2016	December 31, 2015
Expected Volatility	30.57%	29.40%
Expected Dividends	0.17%	0.15%
Expected Term	1.3 years	1.3 years
Risk-Free Rate	0.66%	0.75%

There were no stock options or stock appreciation rights granted under the 2001 Plan during the three months ended March 31, 2016 or 2015. The liability for stock options and stock appreciation rights, valued at fair value, reflected on the consolidated balance sheets at March 31, 2016 and December 31, 2015, was approximately $76,000 and $136,000, respectively. These fair value measurements are based on Level 2 inputs based on Black-Scholes and market implied volatility. The Black-Scholes determination of fair value is affected by variables including stock price, expected stock price volatility over the term of the awards, annual dividends, and a risk-free interest rate assumption.

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

	Three Months Ended	
	March 31, 2016	March 31, 2015
Total Cost of Share-Based Plans Charged		
Against Income Before Tax Effect	$ 2,072,982	$ 75,352
Income Tax Expense		
Recognized in Income	$ (163,353)	$ (29,067)

As described above, in January 2015, the Compensation Committee awarded to Mr. Albright 8,000 restricted shares of the Company's common stock. In February 2015, the Compensation Committee awarded to Mr. Albright options to purchase a total of 20,000 shares of the Company's common stock. In May 2015, in connection with the extension of Mr. Albright's employment agreement, the Compensation Committee awarded to Mr. Albright 94,000 restricted shares of the Company's common stock (the "May 2015 Restricted Share Grant") and options to purchase a total of 40,000 shares of the Company's common stock (the "May 2015 Option Grant"). Each of these awards were approved by the Company's Board.

Upon review of the total grant awards to Mr. Albright in 2015 it was determined that the individual annual per person award limit under the 2010 Plan was inadvertently exceeded. In determining the extent to which the 2010 Plan's individual annual award limit had been exceeded by the above awards, the Compensation Committee, as the administrator of the 2010 Plan, identified a conflict between Sections 3(d) and 3(e) of the 2010 Plan, the relevant provisions which provide limitations of the 2010 Plan. Section 3(d) of the 2010 Plan could be read to provide an overall limit of 50,000 shares applicable to all awards granted to a participant in any calendar year; however, the Compensation Committee could not disregard Section 3(e) of the 2010 Plan. Section 3(e) could be read to provide for two additional limits of 50,000 shares each for any (a) "Qualified Performance-Based Awards" (as defined in the 2010 Plan) constituting stock options and stock appreciation rights and (b) "Qualified Performance-Based Awards" (as defined in the 2010 Plan) other than stock options and stock appreciation rights. If the Compensation Committee were to determine that Section 3(e) of the 2010 Plan provides the applicable limits for two categories of "Qualified Performance-Based Awards," then the Compensation Committee could conclude that Section 3(d) of the 2010 Plan provides the limit for awards other than Qualified Performance-Based Awards.

The Compensation Committee consulted with outside advisors and determined that it was not possible to conclude which interpretation of the 2010 Plan was conclusively correct. Pursuant to its authority to interpret the 2010 Plan, the Compensation Committee elected to comply with the limit in Section 3(d) of the 2010 Plan. As a result of applying this interpretation of the 2010 Plan, the awards granted to Mr. Albright in 2015 exceeded the 2010 Plan's individual annual award limit by 112,000 shares of our common stock (the "Excess 2015 Awards").

On February 26, 2016, the Company notified the NYSE MKT that the Excess 2015 Awards may have violated Rule 711 of the NYSE MKT Company Guide. On March 4, 2016, the NYSE MKT notified the Company that they would not take any action and considered the matter closed.

NOTE 15. STOCK-BASED COMPENSATION (continued)

In consultation with the Board, Mr. Albright elected to rectify the Excess 2015 Awards by surrendering, in full, the May 2015 Option Grant and surrendering, in part, the May 2015 Restricted Share Grant. A portion of the surrendered awards has been replaced with new awards under the 2010 Plan in 2016. Effective as of February 26, 2016, the Compensation Committee awarded Mr. Albright (i) an option to purchase an additional 40,000 shares of our common stock under the 2010 Plan (the "New Option Grant") and (ii) a grant of 4,000 restricted shares of our common stock (the "New Restricted Grant").

The New Option Grant has an exercise price per share of $55.62, which is equal to the exercise price per share applicable to the May 2015 Option Grant. This option is intended to have the same vesting terms as the May 2015 Option Grant, and as a result has vested with respect to 13,200 shares and will vest with respect to 13,200 shares and 13,600 shares on January 28, 2017 and January 28, 2018, respectively. The New Restricted Share Grant is intended to have the same vesting terms as the May 2015 Restricted Share Grant, and as a result will vest upon the price per share of Company common stock during the term of Mr. Albright's employment (or within 60 days after termination of his employment by the Company other than for cause, due to death or disability or due to his voluntary resignation) meeting or exceeding the target trailing 30-day average closing price of $75 per share. If the restricted shares fail to satisfy the stock price condition prior to January 28, 2021, the restricted shares will be forfeited. Any unvested restricted shares will vest immediately upon Mr. Albright's termination of employment without Cause or for his resignation for Good Reason (as such terms are defined in his amended and restated employment agreement), in each case, at any time during the 24-month period following a change in control. Mr. Albright has the right to vote the restricted shares prior to their vesting but is not entitled to dividends paid on any unvested shares. These restricted shares have not yet vested.

Because the Excess 2015 Awards exceeded the 2010 Plan limits, the grants do not qualify, for purposes of calculating the Code Section 162(m) compensation for Mr. Albright for tax purposes, as performance-based awards. The New Option Grant will be awarded with the same strike price as the May 2015 Option Grant that is being surrendered. The New Restricted Grant will contain the same pricing requirements for vesting as the May 2015 Restricted Share Grant being surrendered.

As noted herein, 112,000 shares of the awards granted to Mr. Albright in 2015 exceeded the limits of the 2010 Plan. However, when granted these shares were issued and outstanding as of their grant date and all legal requirements for their issuance under Florida law and the Company's organizational documents were fulfilled and Mr. Albright's ability to enforce his rights to such grants could not be negated or otherwise impaired. All requirements under ASC 718-10-20 were met, including a mutual understanding of the key terms and conditions of the awards, the company was contingently liable to issue the awards, and all required approvals for the awards to be legally issued and outstanding were obtained as of the grant date. Consequently, the 112,000 shares were deemed appropriately reflected as stock compensation expense as of the year ended December 31, 2015.

Effective as of February 26, 2016, the Company entered into amendments to the employment agreements and certain restricted share award agreements of Messrs. Albright, Patten, and Smith to clarify the Company's intention that the restricted shares granted thereunder, if they are subject to performance-based vesting conditions, will fully vest upon the executive's termination of employment without cause or his resignation for good reason (as such terms are defined in his employment agreement), in each case, at any time during the 24-month period following a change in control. There was no impact to the valuation established at the original date of grant of the modification of the restricted share award agreements of Messrs. Albright, Patten, and Smith.

NOTE 16. INCOME TAXES

The effective income tax rate was 62.2% and 38.8% for the three months ended March 31, 2016 and 2015, respectively. The provision for income taxes reflects the Company's estimate of the effective rate expected to be applicable for the full fiscal year, adjusted for any discrete events, which are reported in the period that they occur. During the three months ended March 31, 2016, 68,000 shares of restricted Company common stock were permanently surrendered which constituted a discrete event in which the total related stock compensation expense charged to earnings under GAAP of approximately $2.3 million, of which approximately $1.6 million was recognized during the three months ended March 31, 2016 and approximately $676,000 was recognized during the year ended December 31, 2015, became permanently non-deductible for tax purposes as the surrendered shares will not vest. Accordingly, no income tax benefit was recorded related to the approximately $2.3 million of stock compensation expense.

The Company files a consolidated income tax return in the United States Federal jurisdiction and the States of Arizona, Colorado, California, Florida, Illinois, Georgia, Maryland, North Carolina, Texas, and Washington. The Internal Revenue Service has audited the federal tax returns through the year 2012, with all proposed adjustments settled. The Company recognizes all potential accrued interest and penalties to unrecognized tax benefits in income tax expense.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

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

On November 21, 2011, the Company, Indigo Mallard Creek LLC and Indigo Development LLC, as owners of the property leased to Harris Teeter, Inc. ("Harris Teeter") in Charlotte, North Carolina, were served with pleadings filed in the General Court of Justice, Superior Court Division for Mecklenburg County, North Carolina, for a highway condemnation action involving the property. The proposed road modifications would impact access to the Company's property that is leased to Harris Teeter. The Company does not believe the road modifications provided a basis for Harris Teeter to terminate the Lease. Regardless, in January 2013, the North Carolina Department of Transportation ("NCDOT") proposed to redesign the road modifications to keep the all access intersection open for ingress with no change to the planned limitation on egress to the right-in/right-out only. Additionally, NCDOT and the City of Charlotte proposed to build and maintain a new access road/point into the property. Construction has begun. Harris Teeter has expressed satisfaction with the redesigned project and indicated that it will not attempt to terminate its lease if this project is built as currently redesigned. Because the redesigned project will not be completed until 2017, the condemnation case has been placed in administrative closure. As a result, the trial and mediation will not likely be scheduled until requested by the parties, most likely in 2017.

Contractual Commitments – Expenditures

In conjunction with the Company's sale of approximately 3.4 acres of land to RaceTrac Petroleum, Inc. ("RaceTrac") in December 2013, the Company agreed to reimburse RaceTrac for a portion of the costs for road improvements and the other costs associated with bringing multiple ingress/egress points to the entire 23 acre Williamson Crossing site, including the Company's remaining 19.6 acres. The estimated cost for the improvements equals approximately $1.26 million and the Company's commitment is to reimburse RaceTrac in an amount equal to the lesser of 77.5% of the actual costs or $976,500, and can be paid over five years from sales of the remaining land or at the end of the fifth year. During the year ended December 31, 2013, the Company deposited $283,500 of cash in escrow related to the improvements which is classified as restricted cash in the consolidated balance sheets. The total amount in escrow as of March 31, 2016 was approximately $286,000, including accrued interest. Accordingly as of March 31, 2016, the remaining maximum commitment is approximately $691,000.

In connection with the acquisition of the Lowes on April 22, 2014, the Company was credited approximately $651,000 at closing for certain required tenant improvements, some of which are not required to be completed until December 2016. As of March 31, 2016, $100,000 of these tenant improvements had been completed and funded, leaving approximately $551,000 remaining to be funded as of March 31, 2016.

In conjunction with the Company's sale of approximately 98.69 acres within the Tomoka Town Center the Company obligated to complete certain infrastructure improvements, including, but not limited to, the addition or expansion of roads and underlying utilities, and storm water retention (the "Infrastructure Work"). The Company entered into a construction agreement for approximately $7.8 million, including change orders through March 31, 2016, for the substantial portion of the Infrastructure Work. Approximately $5.1 million of these costs have been incurred through March 31, 2016 under this agreement and therefore, the remaining maximum commitment as of March 31, 2016 under this agreement is approximately $2.7 million. The anticipated completion for the Infrastructure Work is in or around October 2016.

In conjunction with the Company's sale of approximately 18.10 acres of land to an affiliate of Sam's Club ("Sam's") in December 2015, the Company agreed to reimburse Sam's for a portion of their construction costs applicable to adjacent outparcels retained by the Company. As a result, in December 2015, the Company deposited $125,000 of cash in escrow related to construction work which is classified as restricted cash in the consolidated balance sheets. The total amount in escrow as of March 31, 2016 was approximately $125,000, including accrued interest. Accordingly, the Company's maximum commitment related to the construction work benefitting outparcels adjacent to Sam's is approximately $125,000, to be paid from escrow upon completion.

NOTE 17. COMMITMENTS AND CONTINGENCIES (continued)

In conjunction with the Company's sale of approximately 14.98 acres of land to an affiliate of Integra Land Company ("Integra") in December 2015, the Company agreed to reimburse Integra approximately $276,000 for a portion of the costs for road access and related utility improvements that will benefit the 14.98 acre land parcel sold to Integra as well as the surrounding acreage still owned by the Company. The Company also agreed to reimburse Integra approximately $94,000 for site relocation costs. Accordingly, in December 2015, the Company deposited a combined $370,000 of cash in escrow related to these reimbursements which are classified as restricted cash in the consolidated balance sheets. During the three months ended March 31, 2016, approximately $30,000 was disbursed from the escrow account. Accordingly, as of March 31, 2016, the Company's maximum remaining commitment related to these reimbursements is approximately $340,000 to be paid from escrow as costs are incurred.

Contractual Commitments – Land Pipeline

As of May 3, 2016, the Company had seven executed definitive purchase and sale agreements with six different buyers whose intended use for the land under contract includes residential (including multi-family), retail and mixed-use retail, and office. These agreements, in aggregate, represent the potential sale of over 2,300 acres, or 22% of our land holdings, with anticipated sales proceeds totaling approximately $68 million. Each of the transactions are in varying stages of due diligence by the various buyers including, in some instances, having made submissions to the planning and development departments of the City of Daytona Beach, Florida and other permitting activities with other applicable governmental authorities. In addition to other customary closing conditions, the majority of these transactions are conditioned upon the receipt of approvals or permits from those various governmental authorities, as well as other matters that are beyond our control. If such approvals are not obtained, the prospective buyers may have the ability to terminate their respective agreements prior to closing. As a result, there can be no assurances regarding the likelihood or timing of any one of these potential land transactions being completed or the final terms thereof, including the sales price.

Minto Communities

One of the seven executed purchase and sale agreements is with an affiliate of Minto Communities for Minto's development of a 3,400 unit master planned age restricted residential community on an approximate 1,600 acre parcel of the Company's land holdings west of Interstate 95. In April 2016, Minto received zoning and entitlements from the City of Daytona Beach, Florida, for 3,400 residential units and approximately 215,000 square feet of commercial space. In addition, the contract with Minto currently contemplates the Company would provide seller financing for a portion of the sales price (the "Minto Note"). The Company anticipates utilizing the proceeds from the transaction in a 1031 like-kind exchange and therefore would be required to sell the Minto Note prior to the completion of the 1031 exchange which could be up to 180 days after the closing of the transaction with Minto. The Company now expects this transaction is more likely to close in the second half of 2016 as entitlement and permitting work is still on going.

Tomoka Town Center

The NADG-First Parcel and NADG-Outparcel sales represent the first two of multiple transactions contemplated under a single purchase and sale agreement with an affiliate of the North American Development Group (the "NADG Agreement"). The NADG Agreement provides NADG with the ability to acquire portions of the remaining acreage under contract (the "Option Parcels") in multiple, separate, transactions through 2018 (the "Option Period"). The Option Parcels represent a total of approximately 81.55 acres and total potential proceeds to the Company of approximately $20.2 million. Pursuant to the NADG Agreement, NADG can close on any and all of the Option Parcels at any time during the Option Period, should certain conditions be met. The NADG Agreement also establishes a price escalation that would be applied to any of the Option Parcels that are acquired after January 2017, and an additional higher price escalation that would be applied to any Option Parcels acquired in 2018.

NOTE 17. COMMITMENTS AND CONTINGENCIES (continued)

Other Matters

In connection with a certain land sale contract to which the Company is a party, the purchaser's pursuit of customary development entitlements gave rise to an inquiry by federal regulatory agencies regarding prior agricultural activities by the Company on such land. During the second quarter of 2015, we received a written information request regarding such activities. We submitted a written response to the information request along with supporting documentation. We believe the issues raised by, and the land which is the subject of, this inquiry are similar to or the same as those which were addressed and resolved by the settlement agreement executed in December 2012 between the Company and the St. Johns River Water Management District (the "District") and the permit which the District subsequently issued to the Company. During the fourth quarter of 2015, based on discussions with the federal regulatory agency, a penalty related to this matter was deemed probable, and accordingly the estimated penalty of approximately $187,500 has been accrued as of December 31, 2015, with no adjustment to that accrual being made during the three months ended March 31, 2016. Also during the fourth quarter of 2015, the federal regulatory agency advised the Company that the resolution to the inquiry would likely require the Company to incur costs associated with wetlands mitigation and restoration relating to the approximately 160 acres. The Company's third-party environmental engineers have estimated the cost for restoration activities to range from approximately $1.7 million to approximately $1.9 million. As of December 31, 2015, the Company accrued an obligation for the low end of the estimated range of possible restoration costs of approximately $1.7 million and included such estimated costs on the consolidated balance sheet as a corresponding increase in the basis of our land and development costs associated with those acres. No adjustment to that accrual was made during the three months ended March 31, 2016. The Company believes there is at least a reasonable possibility that the estimated liability of approximately $1.7 million could change within one year of the date of the consolidated financial statements, which in turn could have a material impact on the Company's consolidated balance sheet and future cash flows. On an ongoing basis, the Company evaluates its estimates, however, actual results may differ from those estimates. Additionally, the Company anticipates the remaining approximately 60 acres will require mitigation activities which could be satisfied by the Company

through the utilization of existing mitigation credits owned by the Company or the acquisition of mitigation credits. The Company anticipates that resolution of this matter will allow the Company to obtain certain permits from the applicable federal or state regulatory agencies needed in connection with the closing of the land sale contract. The number of mitigation credits that may be required is not currently estimable and as the utilization or purchase of such credits would be incorporated into the basis of the land under contract, no amounts related to mitigation credits have been accrued as of March 31, 2016. In addition, in connection with other land sale contracts to which the Company is or may become a party, the pursuit of customary development entitlements by the potential purchasers may require the Company to utilize or acquire mitigation credits for the purpose of obtaining certain permits from the applicable federal or state regulatory agencies. Any costs incurred in connection with utilizing or acquiring such credits would be incorporated into the basis of the land under contract and, accordingly, no amounts related to such potential future costs have been accrued as of March 31, 2016.

During the fourth quarter of 2015 and the first quarter of 2016, the Company has received communications from a single institutional shareholder, some of which have been filed publicly. In investigating the shareholder's allegations, the Company has incurred costs of approximately $988,000, to date, through March 31, 2016 of which approximately $927,000 was incurred during the first quarter of 2016, for legal representation, accounting services, additional director and committee meeting fees, or other third party costs. To date, none of the shareholder's allegations have been found to have any basis or merit; however, such costs could continue to be incurred and, while not reasonably estimable, may represent significant costs for the Company which would have an adverse impact on the Company's results of operations and cash flows.

NOTE 18. BUSINESS SEGMENT DATA

The Company operates in four primary business segments: income properties, commercial loan investments, real estate operations, and golf operations. Our income property operations consist primarily of income-producing properties, and our business plan is focused on investing in additional income-producing properties. Our income property operations accounted for 68.2% and 68.6% of our identifiable assets as of March 31, 2016 and December 31, 2015, respectively, and 35.0% and 58.3% of our consolidated revenues for the three months ended March 31, 2016 and 2015, respectively. As of March 31, 2016, we had four commercial loan investments including one fixed-rate and one variable-rate mezzanine loan, a variable-rate B-Note representing a secondary tranche in a commercial mortgage loan, and a variable-rate first mortgage loan. Our real estate operations primarily consist of revenues generated from land transactions and leasing and royalty income from our interests in subsurface oil, gas and mineral rights. Our golf operations consist of a single property located in the City, with two 18-hole championship golf courses, a practice facility, and clubhouse facilities, including a restaurant and bar operation, fitness facility, and pro-shop with retail merchandise. The majority of the revenues generated by our golf operations are derived from members and public customers playing golf, club memberships, and food and beverage operations.

NOTE 18. BUSINESS SEGMENT DATA (continued)

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

Information about the Company's operations in the different segments for the three months ended March 31, 2016 and 2015 is as follows:

	Three Months Ended	
	March 31, 2016	March 31, 2015
Revenues:		
Income Properties	$ 6,429,241	$ 4,260,675
Commercial Loan Investments	881,245	631,484
Real Estate Operations	9,560,898	859,801
Golf Operations	1,464,359	1,537,426
Agriculture and Other Income	18,692	18,939
Total Revenues	$ 18,354,435	$ 7,308,325
Operating Income:		
Income Properties	$ 5,252,534	$ 3,619,829
Commercial Loan Investments	881,245	631,484
Real Estate Operations	7,303,857	261,078
Golf Operations	59,771	147,814
Agriculture and Other Income	(29,359)	(36,212)
General and Corporate Expense	(7,074,732)	(3,130,106)
Total Operating Income	$ 6,393,316	$ 1,493,887
Depreciation and Amortization:		
Income Properties	$ 1,981,050	$ 1,085,637
Commercial Loan Investments	—	—
Real Estate Operations	—	—
Golf Operations	68,649	58,776
Agriculture and Other	17,668	11,326
Total Depreciation and Amortization	$ 2,067,367	$ 1,155,739
Capital Expenditures:		
Income Properties	$ 2,730,714	$ 54,264
Commercial Loan Investments	—	—
Real Estate Operations	—	—
Golf Operations	—	16,017
Agriculture and Other	15,867	11,072
Total Capital Expenditures	$ 2,746,581	$ 81,353

	As of	
	March 31, 2016	December 31, 2015
Identifiable Assets:		
Income Properties	$ 278,538,917	$ 277,519,902
Commercial Loan Investments	38,572,891	38,487,119
Real Estate Operations	63,574,249	59,787,157
Golf Operations	3,567,442	3,607,259
Agriculture and Other	24,001,357	24,952,207
Total Assets	$ 408,254,856	$ 404,353,644

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

NOTE 19. RECENTLY ISSUED ACCOUNTING POLICIES

In May 2014, the FASB issued ASU 2014-09, which amends its guidance on the recognition and reporting of revenue from contracts with customers. The amendments in this update are effective for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the provisions to determine the potential impact, if any, the adoption will have on its consolidated financial statements. The Company plans to implement ASU 2014-09 effective January 1, 2019.

In April 2015, the FASB issued ASU 2015-03, related to simplifying the presentation of debt issuance costs. The amendments in this update are effective for annual reporting periods beginning after December 15, 2015. The amendment requires entities to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of the debt liability, whereas previously, debt issuance costs were presented as a deferred charge in the asset section of the balance sheet. The Company has adopted ASU 2015-03 effective January 1, 2016. The amount of unamortized debt issuance costs as of December 31, 2015 that were reclassified to be included as a direct deduction from the carrying amount of the debt liability was approximately $1.7 million.

In January 2016, the FASB issued ASU 2016-01, relating to the recognition and measurement of financial assets and financial liabilities. The amendments in this update are effective for annual reporting periods beginning after December 15, 2017. The Company is currently evaluating the provisions to determine the potential impact, if any, the adoption will have on its consolidated financial statements. The Company plans to implement ASU 2016-01 effective January 1, 2018.

In February 2016, the FASB issued ASU 2016-02, which requires entities to recognize assets and liabilities that arise from financing and operating leases and to classify those finance and operating lease payments in the financing or operating sections, respectively, of the statement of cash flows. The amendments in this update are effective for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the provisions to determine the potential impact, if any, the adoption will have on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, which amends certain aspects of the stock-based compensation guidance. The amendments in this update are effective for annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the provisions to determine the potential impact, if any, the adoption will have on its consolidated financial statements. The Company plans to implement ASU 2016-09 effective January 1, 2017.

NOTE 20. VARIABLE INTEREST ENTITY

During the year ended December 31, 2015, the Company entered into a real estate venture with an unaffiliated third party institutional investor, whereby the venture acquired approximately six acres of vacant beachfront property located in Daytona Beach, Florida. The Company acquired its 50% interest in the real estate venture for approximately $5.7 million and serves as its general partner with day-to-day management responsibilities. The venture is structured such that the Company earns a base management fee and will receive a preferred interest as well as a promoted interest if certain return hurdles are achieved. The Company’s preferred interest represents the first 9% of the investment return achieved at the disposition of the property. GAAP requires consolidation of a variable interest entity (“VIE”) in which an enterprise has a controlling financial interest and is the primary beneficiary. Upon entering into the venture described above and as of March 31, 2016, the Company determined it has a controlling financial interest and is the primary beneficiary; therefore, the venture is a VIE and has been consolidated in the Company’s financial statements.

As of March 31, 2016, the VIE has one asset totaling $11,329,574 consisting of the six acre vacant beachfront property. During the year ended December 31, 2015, the Company contributed 50%, or $5,664,787, to the VIE for the initial property acquisition, with the other 50% contributed by the noncontrolling interest in the consolidated VIE. This consolidated venture has been accounted for in real estate operations with the inter-company management fees totaling approximately $6,000 during the three months ended March 31, 2016, eliminated upon consolidation.

NOTE 21. SUBSEQUENT EVENTS

On April 5, 2016, the Company entered into a 15 year lease with a national fitness center for the anchor space at The Grove at Winter Park located in Winter Park, Florida. The lease is for approximately 40,000 square feet, or 36%, of the 112,000 square foot multi-tenant retail center. The Company has committed to fund customary tenant improvements for the fitness center of an estimated $4.0 million, which could open as early as the fourth quarter of 2016.

NOTE 21. SUBSEQUENT EVENTS (continued)

On April 5, 2016, the Company sold its income property leased to American Signature Furniture located in Daytona Beach, Florida, which had 3.8 years remaining on the lease, for a sales price of approximately $5.2 million, reflecting an exit cap rate near the top end of our guidance. The Company intends to use the proceeds from this sale as part of a Section 1031 like-kind exchange for the single tenant office property in Raleigh, North Carolina that is leased to Wells Fargo Bank, N.A. The Company's estimated gain on the sale is approximately $197,000, or $0.02 per share after tax. This property was classified as held for sale as of March 31, 2016.

On April 6, 2016, the Company sold its income property leased to an affiliate of CVS, located in Sebring, Florida, which was sub-leased to Advanced Auto Parts and had approximately 3.1 years remaining on the lease, for a sales price of approximately $2.4 million, reflecting an exit cap rate above our guidance. The Company intends to use the proceeds from this sale as part of a Section 1031 like-kind exchange for the single tenant office property in Raleigh, North Carolina that is leased to Wells Fargo Bank, N.A. The Company's estimated loss on the sale is approximately $210,000, or $0.02 per share after tax. This property was classified as held for sale as of March 31, 2016 net of the estimated loss of approximately $210,000 which was charged to earnings during the three months ended March 31, 2016.

On April 13, 2016 the Company entered into a purchase and sale agreement with Land Venture Partners, LLC for the sale of its 500,000 acres of subsurface interests, all located in the state of Florida, including the royalty interests in two operating oil wells in Lee County, Florida and its interests in the oil exploration lease with Kerogen Florida Energy Company LP, for a sales price of approximately $24 million (the "Subsurface Sale"). The purchase and sale agreement contemplates a closing of the Subsurface Sale prior to year-end 2016. The Subsurface Sale, if completed, would result in an estimated gain of approximately $22.6 million, or approximately $2.40 per share, after tax. The Company intends to use the proceeds from this sale as part of a Section 1031 like-kind exchange. The closing of the Subsurface Sale is subject to customary closing conditions. There can be no assurances regarding the likelihood or timing of the Subsurface Sale being completed or the final terms thereof, including the sales price.

On April 13, 2016, the Company entered into a purchase and sale agreement for the sale of approximately 600 acres of land west of Interstate 95 (the "Land Sale") for a sales price of approximately $9 million. The land, which is adjacent to the Bayberry residential development and Champion Elementary School, was acquired by the Company in 2014 through the foreclosure of a lien and has a basis of approximately $3.6 million. The purchase and sale agreement contemplates a closing of the Land Sale by December 2016.

On April 13, 2016, the Company entered into the Second Amendment the Credit Facility, with BMO acting as Administrative Agent. The Second Amendment modifies section 8.8(n) of the Credit Facility which pertains to permitted stock repurchases by the Company, by, among other things, (i) adding the gains from the sale of unimproved land, including the sale of subsurface interests or the release of surface entry rights, net of taxes incurred in connection with the sale, to the calculation of Adjusted EBITDA, as defined in the Credit Facility, for the purpose of determining the coverage ratio that must be met before the Company may repurchase shares of its own stock, and (ii) reducing the coverage ratio that must be met before the Company may repurchase shares of its own stock pursuant to section 8.8(n) from 1.75x to 1.50x. As of the date of the Second Amendment, the Company meets the required coverage ratio; therefore, subject to black-out periods and other restrictions applicable to share repurchases, the Company will be able to continue to make additional repurchases of its own common stock under its existing $10 million repurchase program.

On April 15, 2016, the Company closed a $25 million non-recourse first mortgage loan with Wells Fargo Bank, N.A., secured by the Company's income property leased to Wells Fargo Bank, N.A. located in Raleigh, North Carolina (the "Mortgage Loan"). The Mortgage Loan has a 5-year term with two years interest only and interest and a 25-year amortization for the balance of the term. The Mortgage Loan carries an effective fixed interest rate of 3.17% per annum, after the Company entered into an interest rate swap. The Mortgage Loan can be prepaid at any time subject to the termination of the interest rate swap. The Company intends to use the proceeds from this financing to pay down its Credit Facility.

On April 22, 2016, the Company sold its 15,360 square foot self-developed property leased to Teledyne ODI ("Teledyne"), located in Daytona Beach, Florida, which had approximately 9.3 years remaining on the lease, for a sales price of approximately $3.0 million, reflecting an exit cap rate at the low end of our guidance. The Company's estimated gain on the sale is approximately $822,000, or $0.09 per share after tax. This property was classified as held for sale as of March 31, 2016.

On April 22, 2016, the Company entered into a purchase and sale agreement for the sale of approximately 21 acres of land east of I-95, located at the southeast corner of LPGA Boulevard & Williamson Boulevard. The purchase and sale agreement contemplates a closing of this transaction in the first quarter of 2017.

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

Forward-Looking Statements

When the Company uses any of the words "anticipate," "assume," "believe," "estimate," "expect," "intend," or similar expressions, the Company is making forward-looking statements. Although management believes that the expectations reflected in such forward-looking statements are based upon present expectations and reasonable assumptions, the Company's actual results could differ materially from those set forth in the forward-looking statements. Certain factors that could cause actual results or events to differ materially from those the Company anticipates or projects are described in "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K, for year ended December 31, 2015. Given these uncertainties, readers are cautioned not to place undue reliance on such statements, which speak only as of the date of this Quarterly Report on Form 10-Q or any document incorporated herein by reference. The Company undertakes no obligation to publicly release any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q, or the aforementioned risk factors. The terms "us," "we," "our," and "the Company" as used in this report refer to Consolidated-Tomoka Land Co. together with our consolidated subsidiaries.

OVERVIEW

We are a diversified real estate operating company. We own and manage forty-one commercial real estate properties in ten states in the U.S. As of March 31, 2016, we owned thirty-two single-tenant and nine multi-tenant income-producing properties with over 1,700,000 square feet of gross leasable space. We also own and manage a land portfolio of over 10,500 acres. As of March 31, 2016, we had four commercial loan investments including one fixed-rate and one variable–rate mezzanine loan, a variable-rate B-Note representing a secondary tranche in a commercial mortgage loan, and a variable-rate first mortgage. Our golf operations consist of the LPGA International golf club, which is managed by a third party. We also lease property for twenty billboards, have agricultural operations that are managed by a third party, which consists of leasing land for hay and sod production, timber harvesting, and hunting leases, and own and manage subsurface interests. The results of our agricultural and subsurface leasing operations are included in Agriculture and Other Income and Real Estate Operations, respectively, in our consolidated statements of operations.

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

During the three months ended March 31, 2016, the Company acquired one multi-tenant property, for an acquisition cost of approximately $2.5 million.

Our current portfolio of thirty-two single-tenant income properties generates approximately $14.9 million of revenues from lease payments on an annualized basis and had an average remaining lease term of 9.3 years as of March 31, 2016. Our current portfolio of nine multi-tenant properties generates approximately $5.8 million of revenue from lease payments on an annualized basis and has a weighted average remaining lease term of 5.5 years as of March 31, 2016. We expect to continue to focus on acquiring additional income-producing properties during fiscal year 2016, and in the near term thereafter, maintaining our use of the aforementioned tax deferral structure whenever possible.

As part of our overall strategy for investing in income-producing investments, we have self-developed five of our multi-tenant properties which are located in Daytona Beach, Florida. The first self-developed property, located at the northeast corner of LPGA and Williamson Boulevards in Daytona Beach, Florida, is an approximately 22,000 square foot, two-story, building, known as the Concierge Office Building, which was 100% leased as of March 31, 2016. The second two properties, known as the Mason Commerce Center, consists of two buildings totaling approximately 31,000 square-feet (15,360 each), which was 100% leased as of March 31, 2016. During the year ended December 31, 2014, construction was completed on two additional properties, known as the Williamson Business Park, which are adjacent to the Mason Commerce Center. Williamson Business Park consists of two buildings totaling approximately 31,000 square-feet (15,360 each), which was approximately 75% leased as of March 31, 2016. One of the two buildings in the Williamson Business Park was classified as held for sale as of March 31, 2016 as the sale of the property closed in April 2016.

Our focus on acquiring income-producing investments includes a continual review of our existing income property portfolio to identify opportunities to recycle our capital through the sale of income properties based on, among other possible factors, the current or expected performance of the property and favorable market conditions. Pursuant to our on-going review, seventeen properties for which purchase and sale agreements had been executed, were classified as held-for-sale as of March 31, 2016, for which the three of the seventeen sales closed in April 2016 as described in Note 21, "Subsequent Events." The other fourteen properties are described below. The Company intends to use the proceeds from the sale of its non-core income-producing properties to make future investments in income-producing assets, utilizing the tax-deferred like-kind exchange structure, as circumstances permit.

On March 28, 2016, the Company entered into a purchase and sale agreement for the sale of a portfolio of fourteen single-tenant income properties (the "Portfolio Sale"). The properties include nine properties leased to Bank of America, located primarily in Orange County and also in Los Angeles County, California; two properties leased to Walgreens, located in Boulder, Colorado and Palm Bay, Florida; a property leased to a subsidiary of CVS located in Tallahassee, Florida; a ground lease for a property leased to Chase Bank located in Chicago, Illinois; and a ground lease for a property leased to Buffalo Wild Wings in Phoenix, Arizona. The sales price for the Portfolio Sale is approximately $51.6 million. The Portfolio Sale contemplates that the sales price includes the buyer's assumption of the existing $23.1 million mortgage loan secured by the aforementioned properties. The Portfolio Sale, if completed, would result in an estimated gain of approximately $11.4 million, or approximately $1.22 per share, after tax. The Portfolio Sale is anticipated to close in the third quarter of 2016. The closing of the Portfolio Sale is subject to customary closing conditions

Real Estate Operations. As of March 31, 2016, the Company owned over 10,500 acres of land in Daytona Beach, Florida, along six miles of the west and east sides of Interstate 95. Presently, the majority of this land is used for agricultural purposes. Approximately 1,300 acres of our land holdings are located on the east side of Interstate 95 and are generally well suited for commercial development. Approximately 8,000 acres of our land holdings are located on the west side of Interstate 95 and the majority of this land is generally well suited for residential development. Included in the western land is approximately 1,100 acres which are located further west of Interstate 95 and a few miles north of Interstate 4 which is generally well suited for industrial purposes. Beginning in 2012, we have observed an increase in residential and commercial real estate activity in the area surrounding our land holdings.

During the year ended December 31, 2015, the Company acquired, through a real estate venture with an unaffiliated third party institutional investor, an interest in approximately six acres of vacant beachfront property located in Daytona Beach, Florida for approximately $5.7 million. The real estate venture is fully consolidated as the Company has determined that it is the primary beneficiary of the variable interest entity as of March 31, 2016.

During the three months ended March 31, 2016, the Company sold approximately 7.46 acres of land for approximately $2.2 million for total gains of approximately $1.4 million. In addition, gains totaling approximately $5.8 million were recognized during the three months ended March 31, 2016 for the sales within the Tomoka Town Center which closed during the fourth quarter of 2015, for which revenue is being recognized on the percentage-of-completion basis as related infrastructure costs are incurred.

There were no land sales during the three months ended March 31, 2015.

Land Pipeline Update. As of May 3, 2016, the Company had seven executed definitive purchase and sale agreements with six different buyers whose intended use for the land under contract includes residential (including multi-family), retail and mixed-use retail, and office. These agreements, in aggregate, represent the potential sale of over 2,300 acres, or 22% of our land holdings, with anticipated sales proceeds totaling approximately $68 million. Each of the transactions are in varying stages of due diligence by the various buyers including, in some instances, having made submissions to the planning and development departments of the City of Daytona Beach, Florida and other permitting activities with other applicable governmental authorities. In addition to other customary closing conditions, the majority of these transactions are conditioned upon the receipt of approvals or permits from those various governmental authorities, as well as other matters that are beyond our control. If such approvals are not obtained, the prospective buyers may have the ability to terminate their respective agreements prior to closing. As a result, there can be no assurances regarding the likelihood or timing of any one of these potential land transactions being completed or the final terms thereof, including the sales price.

Minto Communities

One of the seven executed purchase and sale agreements is with an affiliate of Minto Communities for Minto's development of a 3,400 unit master planned age restricted residential community on an approximate 1,600 acre parcel of the Company's land holdings west of Interstate 95. In April 2016, Minto received zoning and entitlements from the City of Daytona Beach, Florida, for 3,400 residential units and approximately 215,000 square feet of commercial space. In addition, the contract with Minto currently contemplates the Company would provide seller financing for a portion of the sales price (the "Minto Note"). The Company anticipates utilizing the proceeds from the transaction in a 1031 like-kind exchange and therefore would be required to sell the Minto Note prior to the completion of the 1031 exchange which could be up to 180 days after the closing of the transaction with Minto. The Company now expects this transaction is more likely to close in the second half of 2016 as entitlement and permitting work is still on going.

Tomoka Town Center

The NADG-First Parcel and NADG-Outparcel sales represent the first two of multiple transactions contemplated under a single purchase and sale agreement with an affiliate of the North American Development Group (the "NADG Agreement"). The NADG Agreement provides NADG with the ability to acquire portions of the remaining acreage under contract (the "Option Parcels") in multiple, separate, transactions through 2018 (the "Option Period"). The Option Parcels represent a total of approximately 81.55 acres and total potential proceeds to the Company of approximately $20.2 million. Pursuant to the NADG Agreement, NADG can close on any and all of the Option Parcels at any time during the Option Period. The NADG Agreement also establishes a price escalation that would be applied to any of the Option Parcels that are acquired after January 2017, and an additional higher price escalation that would be applied to any Option Parcels acquired in 2018.

Real Estate Impairments. During the three months ended March 31, 2016 and 2015, no impairment charges were recognized related to our land holdings.

Subsurface Interests. The Company owns full or fractional subsurface oil, gas, and mineral interests in approximately 500,000 "surface" acres of land owned by others in 20 counties in Florida. The Company leases its interests to mineral exploration firms for exploration. Our subsurface operations consist of revenue from the leasing of exploration rights and in some instances additional revenues from royalties applicable to production from the leased acreage.

During November 2015, the Company hired Lantana Advisors, a subsidiary of SunTrust, to evaluate the possible sale of its subsurface interests. On April 13, 2016 the Company entered into a purchase and sale agreement with Land Venture Partners, LLC for the sale of its 500,000 acres of subsurface interests, all located in the state of Florida, including the royalty interests in two operating oil wells in Lee County, Florida and its interests in the oil exploration lease with Kerogen Florida Energy Company LP, for a sales price of approximately $24 million (the "Subsurface Sale"). The purchase and sale agreement contemplates a closing of the Subsurface Sale prior to year-end 2016. The Subsurface Sale, if completed, would result in an estimated gain of approximately $22.6 million, or approximately $2.40 per share, after tax. The Company intends to use the proceeds from this sale as part of a Section 1031 like-kind exchange. The closing of the Subsurface Sale is subject to customary closing conditions. There can be no assurances regarding the likelihood or timing of the Subsurface Sale being completed or the final terms thereof, including the sales price.

During 2011, an eight-year oil exploration lease was executed. The lease calls for annual lease payments which are recognized as revenue ratably over the respective twelve month lease periods. In addition, non-refundable drilling penalty payments are made as required by the drilling requirements in the lease which are recognized as revenue when received. Cash payments for both the annual lease payment and the drilling penalty, if applicable, are received in full on or before the first day of the respective lease year.

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

Lease Year	Acreage (Approximate)	Florida County	Lease Payment (1)	Drilling Penalty (1)
Lease Year 1 - 9/23/2011 - 9/22/2012	136,000	Lee and Hendry	$ 913,657	$ -
Lease Year 2 - 9/23/2012 - 9/22/2013	136,000	Lee and Hendry	922,114	-
Lease Year 3 - 9/23/2013 - 9/22/2014	82,000	Hendry	3,293,000	1,000,000
Lease Year 4 - 9/23/2014 - 9/22/2015	42,000	Hendry	1,866,146	600,000
Lease Year 5 - 9/23/2015 - 9/22/2016	25,000	Hendry	1,218,838	175,000
Total Payments Received to Date			$ 8,213,755	$ 1,775,000

(1) Cash payment for the Lease Payment and Drilling Penalty is received on or before the first day of the lease year. The Drilling Penalty is recorded as revenue when received, while the Lease Payment is recognized on a straight-line basis over the respective lease term. See separate disclosure of the revenue per year below.

The terms of the lease state the Company will receive royalty payments if production occurs, and may receive additional annual rental payments if the lease is continued in years six through eight. The lease is effectively eight one-year terms as the lessee has the option to terminate the lease.

Lease income generated by the annual lease payments is recognized on a straight-line basis over the guaranteed lease term. For the three months ended March 31, 2016 and 2015, lease income of approximately $303,000 and $460,000 was recognized, respectively. There can be no assurance that the oil exploration lease will be extended beyond the expiration of the current term of September 22, 2016 or, if renewed, on similar terms or conditions.

The Company also received oil royalties from operating oil wells on 800 acres under a separate lease with a separate operator. Revenues received from oil royalties totaled approximately $5,000 and $21,000, during the three months ended March 31, 2016 and 2015, respectively.

The Company may release surface entry rights or other rights upon request of a surface owner for a negotiated release fee based on a percentage of the surface value. No releases occurred during the three months ended March 31, 2016, while cash payments for the release of surface entry rights totaled approximately $2,000 during the three months ended March 31, 2015, which is included in revenue from real estate operations.

Golf Operations. Golf operations consist of the LPGA International golf club, a semi-private golf club consisting of two 18-hole championship golf courses, an 18-hole course designed by Rees Jones and an 18-hole course designed by Arthur Hills, with a three-hole practice facility also designed by Rees Jones, a clubhouse facility, food and beverage operations, and a fitness facility located within the LPGA International mixed-use residential community on the west side of Interstate 95 in Daytona Beach, Florida. In 2012 and 2013, we completed approximately $534,000 of capital expenditures to renovate the clubhouse facilities, including a significant upgrade of the food and beverage operations, addition of fitness facilities, and renovations to public areas.

The Company entered into a management agreement with an affiliate of ClubCorp America ("ClubCorp"), effective January 25, 2012, to manage the LPGA International golf and clubhouse facilities. We believe ClubCorp, which owns and operates clubs and golf courses worldwide, brings substantial golf and club management expertise and knowledge to the LPGA International golf operations, including the utilization of national marketing capabilities, aggregated purchasing programs, and implementation of an affiliate member program, which has improved, and is expected to continue to improve, membership levels through the access to other member clubs in the affiliate program.

In July 2012, the Company entered into an agreement with the City of Daytona Beach, Florida (the "City") to, among other things, amend the lease payments under its golf course lease (the "Lease Amendment"). Under the Lease Amendment, the base rent payment, which was scheduled to increase from $250,000 to $500,000 as of September 1, 2012, will remain at $250,000 for the remainder of the lease term and any extensions would be subject to an annual rate increase of 1.75% beginning September 1, 2013. The Company also agreed to invest $200,000 prior to September 1, 2015 for certain improvements to the facilities. In addition, pursuant to the Lease Amendment, beginning September 1, 2012, and continuing throughout the initial lease term and any extension option, the Company will pay additional rent to the City equal to 5.0% of gross revenues exceeding $5,500,000 and 7.0% of gross revenues exceeding $6,500,000. Since the inception of the lease, the Company has recognized the rent expense on a straight-line basis resulting in an estimated accrual for deferred rent. Upon the effective date of the Lease Amendment, the Company's straight-line rent was revised to reflect the lower rent levels through expiration of the lease. As a result, approximately $3.0 million of the rent previously deferred will not be due to the City, and will be recognized into income over the remaining lease term, which expires in 2022. As of March 31, 2016, approximately $1.6 million of the rent, previously deferred that will not be due to the City, remained to be amortized through September 2022.

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

As of March 31, 2016, the Company owned four performing commercial loan investments which have an aggregate outstanding principal balance of approximately $38.5 million. These loans are secured by real estate, or the borrower's equity interest in real estate, located in Dallas, Texas, Sarasota, Florida, Atlanta, Georgia, and San Juan, Puerto Rico and have an average remaining maturity of approximately 1.5 years and a weighted average interest rate of 9.0%.

Agriculture and Other Income. Effectively all of our agriculture and other income consists of revenues generated by our agricultural operations. The Company's agricultural lands encompass approximately 9,700 acres on the west side of Daytona Beach, Florida. Our agricultural operations are managed by a third-party and consist of leasing land for hay production, timber harvesting, as well as hunting leases.

SUMMARY OF OPERATING RESULTS FOR THE QUARTER ENDED MARCH 31, 2016 COMPARED TO MARCH 31, 2015

Total revenue for the quarter ended March 31, 2016 increased 151% to approximately $18.4 million, as compared to approximately $7.3 million during the same period in 2015. This increase was primarily the result of an increase of approximately $8.7 million from our real estate operations as we closed two land sale transactions during the quarter ended March 31, 2016 which generated approximately $1.6 million in revenue. In addition, revenue totaling approximately $7.5 million was recognized during the quarter ended March 31, 2016 for the sales within the Tomoka Town Center which closed during the fourth quarter of 2015, for which revenue is being recognized on the percentage-of-completion basis as related infrastructure costs are incurred. We closed no land sale transactions during the quarter ended March 31, 2015. The remaining increase in total revenue is primarily due to an increase of approximately $2.2 million, or 51%, in revenue generated by our income properties, reflecting our increased portfolio of properties. Revenue from our income properties during the quarter ended March 31, 2016 included approximately $1.5 million of incremental rent revenue due to the addition of the 245 Riverside Avenue property, acquired in July 2015, and Wells Fargo property, acquired in November 2015. Revenue from our income properties during the quarter ended March 31, 2016 also includes approximately $607,000 in revenue from the accretion of the below-market lease intangible, which is primarily attributable to the Wells Fargo property.

Net income for the quarter ended March 31, 2016 was approximately $1.4 million, compared to approximately $353,000 in the same period in 2015. Net income per share for the quarter ended March 31, 2016 was $0.25 per share, as compared to $0.06 per share during the same period in 2015, an increase of $0.19 per share, or 317%. Our results in the first quarter of 2016 benefited from gains on the aforementioned land transactions and percent-complete revenue on land transactions closed in the fourth quarter of 2015 totaling approximately $7.1 million. Our first quarter 2016 results also benefited from an increase of approximately $2.2 million in revenue from our income property portfolio. These benefits were offset by increases in direct costs of revenues of approximately $2.2 million, or 82%, general and administrative expenses of approximately $3.3 million, or 226%, depreciation and amortization of approximately $912,000, or 79%, and interest expense of approximately $1.0 million, or 96%. Included in the net increase in direct cost of revenues of approximately $2.2 million was approximately $1.7 million of direct costs of real estate operations primarily due to the aforementioned land transactions and percent-complete revenue on land transactions closed in the fourth quarter of 2015 and approximately $536,000 of increased direct costs of revenues for our income properties, which was primarily comprised of approximately $532,000 in increased operating expenses related to our recent investments including the 245 Riverside Avenue property and the Wells Fargo property. In addition, our net income was impacted by increased depreciation and amortization expense of approximately $912,000, or 79%, reflecting our increased income property portfolio, increased general and administrative expenses of approximately $3.3 million, or 226%, primarily due to an increase in stock compensation expense of approximately $2.0 million, of which approximately $1.6 million is related to the acceleration of stock compensation expense in connection with the cancellation of certain grants, and increased legal costs of approximately $1.1 million as further described below. In addition, the approximate $1.0 million increase in interest expense resulted from our $75.0 million convertible Notes (hereinafter defined) which closed in March 2015. Of the total increase in interest expense, approximately $248,000 was non-cash relating to the amortization of the discount on the Notes.

INCOME PROPERTIES

Revenues and operating income from our income property operations totaled approximately $6.4 million and $5.3 million, respectively, during the quarter ended March 31, 2016, compared to total revenue and operating income of approximately $4.3 million and $3.6 million, respectively, for the quarter ended March 31, 2015. The direct costs of revenues for our income property operations totaled approximately $1.2 million and $641,000 for the quarters ended March 31, 2016 and 2015, respectively. The 51% increase in revenues during the quarter ended March 31, 2016 reflects our expanded portfolio of income properties. Our increased operating income from our income property operations reflects increased rent revenues offset by an increase of approximately $536,000 in our direct costs of revenues which was primarily comprised of approximately $532,000 in increased operating expenses related to our recent investments including the 245 Riverside Avenue property and the Wells Fargo property.

REAL ESTATE OPERATIONS

During the quarter ended March 31, 2016, operating income from real estate operations was approximately $7.3 million on revenues totaling approximately $9.6 million. During the quarter ended March 31, 2015, operating income was approximately $261,000 on revenues totaling approximately $860,000. The increase in revenue of approximately $8.7 million and operating income of approximately $7.0 million is primarily attributable to the land sales of approximately 7.46 acres for approximately $2.2 million for total gains of approximately $1.4 million as well as gains totaling approximately $5.8 million recognized for the sales within the Tomoka Town Center which closed during the fourth quarter of 2015, for which revenue is being recognized on the percentage-of-completion basis as related infrastructure costs are incurred. No land sale transactions closed in the first quarter of 2015. These increases were partially offset by the decrease in revenue generated from the eight-year oil exploration lease which totaled approximately $303,000 and $460,000 during the quarters ended March 31, 2016 and 2015, respectively, a decrease of approximately $157,000. The increase in direct costs of real estate operations are a result of the cost basis and closing costs related to the land sale transactions closed during the first quarter of 2016 and the basis related to the sales within the Tomoka Town Center which closed during the fourth quarter of 2015 which, in the aggregate, totaled approximately $1.9 million.

GOLF OPERATIONS

Revenues from golf operations totaled approximately $1.5 million for the quarters ended March 31, 2016 and 2015. The total direct cost of golf operations revenues totaled approximately $1.4 million for the quarters ended March 31, 2016 and 2015. The Company's golf operations had net operating income of approximately $60,000 and $148,000 during the quarters ended March 31, 2016 and 2015, respectively, representing a 60% decrease in operating results. The approximate $88,000 decline in the net operating results from the golf operations was primarily due to decreased revenues from golf revenue, a combination of a decrease in rounds played and rate per round, as well as increased building repairs and maintenance costs during the quarter ended March 31, 2016, as compared to the same period in 2015.

INTEREST INCOME FROM COMMERCIAL LOAN INVESTMENTS

Interest income from our commercial loan investments totaled approximately $881,000 during the quarter ended March 31, 2016 compared to approximately $631,000 in the same period in 2015. The interest income in the quarter ended March 31, 2016 reflected the interest earned from our portfolio of four commercial loan investments, one of which was acquired during the latter part of September 2015 for an increase of approximately $357,000. The increase related to the September 2015 loan investment was partially offset by the payoff of two loans during the second quarter of 2015, for a decrease of approximately $130,000.

AGRICULTURE AND OTHER INCOME

For the quarters ended March 31, 2016 and 2015, revenues from agriculture and other income, primarily our agriculture operations, totaled approximately $19,000. For the quarters ended March 31, 2016 and 2015, the direct cost of revenues totaled approximately $48,000 and $55,000, respectively.

GENERAL AND ADMINISTRATIVE AND OTHER CORPORATE EXPENSES

General and administrative expenses totaled approximately $4.8 million and $1.5 million for the quarters ended March 31, 2016 and 2015, respectively. The increase of approximately $3.3 million, or 226%, includes an increase in our stock compensation expenses of approximately $2.0 million primarily due to approximately $1.6 million of expense which was recognized during the quarter ended March 31, 2016 to accelerate the remaining expense of the total grant date fair value of the 68,000 shares of restricted Company common stock that were permanently surrendered in February 2016. See Note 15, "Stock-Based Compensation." Additional increases were attributable to an increase in legal and related costs of approximately $1.1 million which was primarily comprised of approximately $927,000 incurred in connection with investigating and responding to claims made by one of the Company's shareholders. See Note 17, "Commitments and Contingencies."

During the three months ended March 31, 2016, an impairment charge of approximately $210,000 was recognized on one income property held for sale as of March 31, 2016 for which the sale closed in April 2016. This represents a decrease in impairment charges of approximately $300,000 as during the three months ended March 31, 2015, an impairment charge of approximately $510,000 was recognized on two income properties held for sale as of March 31, 2015 for which the sale closed in April 2015.

INTEREST EXPENSE

Interest expense totaled approximately $ 2.1 million and $1.1 million for the quarters ended March 31, 2016 and 2015, respectively. The increased interest expense during the quarter ended March 31, 2016, as compared to the same quarter in 2015, reflects our increased net borrowings, including our Notes issuance in March 2015 for which only a partial quarter of interest expense was incurred in the first quarter of 2015, as well as borrowings on the credit facility. Also, included in interest expense in the consolidated financial statements is the amortization of loan costs incurred in connection with the Company's long-term debt and the amortization of the discount on the Notes.

During the twelve month period ending March 31, 2016, our long-term debt, at face value, increased approximately $42.1 million, as a result of net borrowings on the credit facility.

LIQUIDITY AND CAPITAL RESOURCES

Cash and equivalents totaled approximately $7.4 million at March 31, 2016, excluding restricted cash. Restricted cash totaled approximately $15.2 million, approximately $13.6 million of cash is being held in escrow from the sales of an income property and land to be reinvested through the like-kind exchange structure into another income property. Approximately $219,000 is being held in a reserve primarily for property taxes and insurance escrows in connection with our financing of two properties acquired in January 2013; approximately $751,000 is being held in three separate escrow accounts related to three separate land transactions of which one closed in December 2013 and two closed in December 2015; approximately $4,000 is being held by the consolidated variable interest entity in which the Company is the primary beneficiary; and approximately $626,000 is being held in a reserve primarily for certain required tenant improvements for the Lowes in Katy, Texas. Cash and cash equivalents totaled approximately $4.1 million at December 31, 2015, excluding restricted cash.

Our total cash balance at March 31, 2016 reflects cash flows used by our operating activities totaling approximately $1.2 million during the three months then ended, compared to the prior year's cash flows used by operating activities in the same period totaling approximately $341,000. A portion of the $1.2 million used by our operating activities during the quarter ended March 31, 2016 is related to the timing of when cash was received in the fourth quarter of 2015 for land sales in which the remaining gain is being recognized on the percentage-of-completion basis in 2016.

Our cash flows provided by investing activities totaled approximately $2.4 million for the three months ended March 31, 2016, and reflected the use of approximately $2.5 million to acquire one multi-tenant income property offset by the proceeds from the sales of investment securities of approximately $6.3 million. In addition, approximately $1.1 million of restricted cash was released upon completion of a 1031 transaction.

Our cash flows provided by financing activities totaled approximately $2.1 million, for the three months ended March 31, 2016, primarily related to the $3.8 million in net borrowings on our revolving credit facility offset by our stock repurchases during the three months ended March 31, 2016 of approximately $1.4 million.

Our long-term debt balance, at face value, totaled approximately $177.5 million at March 31, 2016, representing an increase of approximately $3.8 million from the face value balance of approximately $173.7 million at December 31, 2015. The increase in the long-term debt was primarily due to the $3.8 million in net borrowings on our revolving credit facility.

Credit Facility. The Company has a revolving credit facility, as amended (the "Credit Facility"), with Bank of Montreal ("BMO") as the administrative agent for the lenders thereunder. The Credit Facility is unsecured and is guaranteed by certain wholly-owned subsidiaries of the Company. The Credit Facility bank group is led by BMO and also includes Wells Fargo Bank, N.A. ("Wells Fargo") and Branch Banking & Trust Company. The Credit Facility matures on August 1, 2018 with the ability to extend the term for 1 year.

The Credit Facility has a total borrowing capacity of $75.0 million with the ability to increase that capacity up to $125.0 million during the term. The Credit Facility provides the lenders with a secured interest in the equity of the Company subsidiaries that own the properties included in the borrowing base. The indebtedness outstanding under the Credit Facility accrues interest at a rate ranging from the 30-day LIBOR plus 135 basis points to the 30-day LIBOR plus 225 basis points based on the total balance outstanding under the Credit Facility as a percentage of the total asset value of the Company, as defined in the Credit Facility. The Credit Facility also accrues a fee of 20 to 25 basis points for any unused portion of the borrowing capacity based on whether the unused portion is greater or less than 50% of the total borrowing capacity.

At March 31, 2016, the current commitment level under the Credit Facility was $75.0 million. The available borrowing capacity under the Credit Facility was approximately $33.0 million subject to the borrowing base requirements.

On March 21, 2016, the Company entered into an amendment of the Credit Facility (the "First Amendment"). The First Amendment modifies certain terms of the Company's Credit Facility effective as of September 30, 2015, including, among other things, (i) modifying certain non-cash or non-recurring items in the calculation of adjusted EBITDA and eliminating stock repurchases from the calculation of fixed charges, both of which are part of the calculation of the fixed charge coverage ratio financial covenant, (ii) the addition of a measure for the fixed charge coverage ratio that must be met before the Company may repurchase shares of its own stock, and (iii) providing a consent of the lenders regarding the amount of the Company's stock repurchases since the third quarter of 2015. As of the date of the First Amendment, the Company could not complete any additional repurchases of its own common stock due to the required fixed charge coverage ratio not being achieved. However, on April 13, 2016, the Company entered into the second amendment of the Credit Facility (the "Second Amendment") as further described in Note 21, "Subsequent Events" which modifies the section of the Credit Facility pertaining to stock repurchases by the Company.

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

Mortgage Notes Payable. On February 22, 2013, the Company closed on a $7.3 million loan originated with UBS Real Estate Securities Inc., secured by its interest in the two-building office complex leased to Hilton Resorts Corporation, which was acquired on January 31, 2013. The mortgage loan matures in February 2018, carries a fixed rate of interest of 3.655% per annum, and requires payments of interest only prior to maturity.

On March 8, 2013, the Company closed on a $23.1 million loan originated with Bank of America, N.A., secured by its interest in fourteen income properties. The mortgage loan matures in April 2023, carries a fixed rate of 3.67% per annum, and requires payments of interest only prior to maturity.

On September 30, 2014, the Company closed on a $30.0 million loan originated with Wells Fargo, secured by its interest in six income properties. The mortgage loan matures in October 2034, and carries a fixed rate of 4.33% per annum during the first ten years of the term, and requires payments of interest only during the first ten years of the loan. After the tenth anniversary of the effective date of the loan, the cash flows generated by the underlying six income properties must be used to pay down the principal balance of the loan until paid off or until the loan matures. The loan is fully pre-payable after the tenth anniversary date of the effective date of the loan.

Convertible Debt. On March 11, 2015, the Company issued $75.0 million aggregate principal amount of 4.50% Convertible Senior Notes due 2020 (the "Notes"). The Notes bear interest at a rate of 4.50% per year, payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2015. The Notes will mature on March 15, 2020, unless earlier purchased or converted. The initial conversion rate is 14.5136 shares of common stock for each $1,000 principal amount of Notes, which represents an initial conversion price of approximately $68.90 per share of common stock.

The conversion rate is subject to adjustment in certain circumstances. Holders may not surrender their Notes for conversion prior to December 15, 2019 except upon the occurrence of certain conditions relating to the closing sale price of the Company's common stock, the trading price per $1,000 principal amount of Notes, or specified corporate events. The Company may not redeem the Notes prior to the stated maturity date and no sinking fund is provided for the Notes. The Notes are convertible, at the election of the Company, into solely cash, solely shares of the Company's common stock, or a combination of cash and shares of the Company's common stock. The Company intends to settle the Notes in cash upon conversion with any excess conversion value to be settled in shares of our common stock. In accordance with GAAP, the Notes are accounted for as a liability with a separate equity component recorded for the conversion option. A liability was recorded for the Notes on the issuance date at fair value based on a discounted cash flow analysis using current market rates for debt instruments with similar terms. The difference between the initial proceeds from the Notes and the estimated fair value of the debt instruments resulted in a debt discount, with an offset recorded to additional paid-in capital representing the equity component. The discount on the Notes was approximately $6.1 million at issuance, which represents the cash discount paid of approximately $2.6 million and the approximate $3.5 million attributable to the value of the conversion option recorded in equity, which is being amortized into interest expense through the maturity date of the Notes. As of March 31, 2016 the unamortized debt discount of our Notes was approximately $5.0 million.

Net proceeds from issuance of the Notes was approximately $72.4 million (net of the cash discount paid of approximately $2.6 million) of which approximately $47.5 million was used to repay the outstanding balance of our Credit Facility as of March 11, 2015. We utilized the remaining amount for investments in income-producing properties or investments in commercial loans secured by commercial real estate.

Section 1031 Like-Kind Exchange. Our sources of liquidity include the release of restricted cash from a Section 1031 like-kind exchange transaction upon the completion of the like-kind exchange. As of March 31, 2016, we had approximately $13.6 million included in restricted cash representing proceeds from the sales of an income property and land that were part of a reverse exchange for the acquisition of the income property leased to Wells Fargo in Raleigh, North Carolina. As of May 3, 2016, after the completion of certain sales of income properties in April 2016, the restricted cash balance related to this Section 1031 like-kind exchange transaction was approximately $23.6 million. This restricted cash will become unrestricted upon the completion of the Section 1031 like-kind exchange in mid-May 2016.

Acquisitions and Investments. During the three months ended March 31, 2016, the Company acquired one multi-tenant income property, for an acquisition cost of approximately $2.5 million. We are targeting investments between approximately $67.5 million and $82.5 million in income-producing properties or investments in commercial loans secured by commercial real estate during the remainder of 2016. If certain land sale transactions were to close in 2016 and we complete the Portfolio Sale our targeted investments for the remainder of 2016 would likely increase substantially. We expect to fund these acquisitions utilizing our cash on hand, the available capacity under our credit facility, cash from operations, proceeds from land sales transactions, the dispositions of income properties, and potentially the sale of our subsurface interests, each of which we expect will qualify under the like-kind exchange deferred-tax structure, and additional funding sources.

Dispositions. No income properties were disposed of during the three months ended March 31, 2016; however seventeen single-tenant properties were classified as held for sale as of March 31, 2016. Three of the seventeen properties were for sales which closed in April 2016. The remaining fourteen properties are described below:

On March 28, 2016, the Company entered into a purchase and sale agreement for the sale of a portfolio of fourteen single-tenant income properties (the "Portfolio Sale"). The properties include nine properties leased to Bank of America, located primarily in Orange County and also in Los Angeles County, California; two properties leased to Walgreens, located in Boulder, Colorado and Palm Bay, Florida; a property leased to a subsidiary of CVS located in Tallahassee, Florida; a ground lease for a property leased to Chase Bank located in Chicago, Illinois; and a ground lease for a property leased to Buffalo Wild Wings in Phoenix, Arizona. The sales price for the Portfolio Sale is approximately $51.6 million. The Portfolio Sale contemplates that the sales price includes the buyer's assumption of the existing $23.1 million mortgage loan secured by the aforementioned properties. The Portfolio Sale, if completed, would result in an estimated gain of approximately $11.4 million, or approximately $1.22 per share, after tax. The Portfolio Sale is anticipated to close in the third quarter of 2016. The closing of the Portfolio Sale is subject to customary closing conditions.

Capital Expenditures In conjunction with the Company's sale of approximately 3.4 acres of land to RaceTrac Petroleum, Inc. ("RaceTrac") in December 2013, the Company agreed to reimburse RaceTrac for a portion of the costs for road improvements and the other costs associated with bringing multiple ingress/egress points to the entire 23 acre Williamson Crossing site, including the Company's remaining 19.6 acres. The estimated cost for the improvements equals approximately $1.26 million and the Company's commitment is to reimburse RaceTrac in an amount equal to the lesser of 77.5% of the actual costs or $976,500, and can be paid over five years from sales of the remaining land or at the end of the fifth year. During the year ended December 31, 2013, the Company deposited $283,500 of cash in escrow related to the improvements which is classified as restricted cash in the consolidated balance sheets. The total amount in escrow as of March 31, 2016 was approximately $286,000, including accrued interest. Accordingly as of March 31, 2016, the remaining maximum commitment is approximately $691,000.

In connection with the acquisition of the Lowes on April 22, 2014, the Company was credited approximately $651,000 at closing for certain required tenant improvements, some of which are not required to be completed until December 2016. As of December 31, 2015, $100,000 of these tenant improvements had been completed and funded, leaving approximately $551,000 remaining to be funded as of March 31, 2016.

In conjunction with the Company's sale of approximately 98.69 acres within the Tomoka Town Center the Company obligated to complete certain infrastructure improvements, including, but not limited to, the addition or expansion of roads and underlying utilities, and storm water retention (the "Infrastructure Work"). The Company entered into a construction agreement for approximately $7.8 million, including change orders through March 31, 2016, for the substantial portion of the Infrastructure Work. Approximately $5.1 million of these costs have been incurred through March 31, 2016 under this agreement and therefore, the remaining maximum commitment as of March 31, 2016 under this agreement is approximately $2.7 million. The anticipated completion for the Infrastructure Work in or around 2016.

In conjunction with the Company's sale of approximately 18.10 acres of land to an affiliate of Sam's Club ("Sam's") in December 2015, the Company agreed to reimburse Sam's for a portion of their construction costs applicable to adjacent outparcels retained by the Company. As a result, in December 2015, the Company deposited $125,000 of cash in escrow related to construction work which is classified as restricted cash in the consolidated balance sheets. The total amount in escrow as of March 31, 2016 was approximately $125,000, including accrued interest. Accordingly, the Company's maximum commitment related to the construction work benefitting the outparcels adjacent to Sam's is $125,000, to be paid from escrow upon completion.

In conjunction with the Company's sale of approximately 14.98 acres of land to an affiliate of Integra Land Company ("Integra") in December 2015, the Company agreed to reimburse Integra approximately $276,000 for a portion of the costs for road access and related utility improvements that will benefit the 14.98 acre land parcel sold to Integra as well as the surrounding acreage still owned by the Company. The Company also agreed to reimburse Integra approximately $94,000 for site relocation costs. Accordingly, in December 2015, the Company deposited a combined $370,000 of cash in escrow related to these reimbursements which are classified as restricted cash in the consolidated balance sheets. During the three months ended March 31, 2016, approximately $30,000 was disbursed from the escrow account. Accordingly, the Company's maximum remaining commitment related to these reimbursements is approximately $340,000 to be paid from escrow as costs are incurred.

On April 5, 2016, the Company entered into a 15-year lease with a national fitness center for the anchor space at The Grove at Winter Park located in Winter Park, Florida. The lease is for approximately 40,000 square feet, or 36% of the approximately 112,000 square foot multi-tenant retail center. The Company has committed to fund customary tenant improvements for the fitness center for an estimated $4.0 million, which could open as early as the fourth quarter of 2016.

As of March 31, 2016, we have no other contractual requirements to make capital expenditures.

In connection with a certain land sale contract to which the Company is a party, the purchaser's pursuit of customary development entitlements gave rise to an inquiry by federal regulatory agencies regarding prior agricultural activities by the Company on such land. During the second quarter of 2015, we received a written information request regarding such activities. We submitted a written response to the information request along with supporting documentation. We believe the issues raised by, and the land which is the subject of, this inquiry are similar to or the same as those which were addressed and resolved by the settlement agreement executed in December 2012 between the Company and the St. Johns River Water Management District (the "District") and the permit which the District subsequently issued to the Company. During the fourth quarter of 2015, based on discussions with the federal regulatory agency, a penalty related to this matter was deemed probable, and accordingly the estimated penalty of approximately $187,500 has been accrued as of December 31, 2015, with no adjustment to that accrual being made during the three months ended March 31, 2016. Also during the fourth quarter of 2015, the federal regulatory agency advised the Company that the resolution to the inquiry would likely require the Company to incur costs associated with wetlands mitigation and restoration relating to the approximately 160 acres.

The Company's third-party environmental engineers have estimated the cost for restoration activities to range from approximately $1.7 million to approximately $1.9 million. As of December 31, 2015, the Company accrued an obligation for the low end of the estimated range of possible restoration costs of approximately $1.7 million and included such estimated costs on the consolidated balance sheet as a corresponding increase in the basis of our land and development costs associated with those acres. No adjustment to that accrual was made during the three months ended March 31, 2016. The Company believes there is at least a reasonable possibility that the estimated liability of approximately $1.7 million could change within one year of the date of the consolidated financial statements, which in turn could have a material impact on the Company's consolidated balance sheet and future cash flows. On an ongoing basis, the Company evaluates its estimates, however, actual results may differ from those estimates. Additionally, the Company anticipates the remaining approximately 60 acres will require mitigation activities which could be satisfied by the Company through the utilization of existing mitigation credits owned by the Company or the acquisition of mitigation credits. The Company anticipates that resolution of this matter will allow the Company to obtain certain permits from the applicable federal or state regulatory agencies needed in connection with the closing of the land sale contract. The number of mitigation credits that may be required is not currently estimable and as the utilization or purchase of such credits would be incorporated into the basis of the land under contract, no amounts related to mitigation credits have been accrued as of March 31, 2016. In addition, in connection with other land sale contracts to which the Company is or may become a party, the pursuit of customary development entitlements by the potential purchasers may require the Company to utilize or acquire mitigation credits for the purpose of obtaining certain permits from the applicable federal or state regulatory agencies. Any costs incurred in connection with utilizing or acquiring such credits would be incorporated into the basis of the land under contract and, accordingly, no amounts related to such potential future costs have been accrued as of March 31, 2016.

During the fourth quarter of 2015 and the first quarter of 2016, the Company has received communications from a single institutional shareholder, some of which have been filed publicly. In investigating the shareholder's allegations, the Company has incurred costs of approximately $988,000, to date, through March 31, 2016 of which approximately $927,000 was incurred during the first quarter of 2016, for legal representation, accounting services, additional director and committee meeting fees, or other third party costs. To date, none of the shareholder's allegations have been found to have any basis or merit; however, such costs could continue to be incurred and, while not reasonably estimable, may represent significant costs for the Company which would have an adverse impact on the Company's results of operations and cash flows.

We believe we will have sufficient liquidity to fund our operations, capital requirements, and debt service requirements over the next twelve months and into the foreseeable future, with our cash on hand, cash flow from our operations, cash from the completion of 1031 like-kind exchanges, and the available borrowing capacity of approximately $33.0 million under the Credit Facility, based on the borrowing base requirements, as of March 31, 2016.

During November 2015, the Company hired Lantana Advisors, a subsidiary of SunTrust, to evaluate the possible sale of its subsurface interests. On April 13, 2016 the Company entered into a purchase and sale agreement with Land Venture Partners, LLC for the sale of its 500,000 acres of subsurface interests, all located in the state of Florida, including the royalty interests in two operating oil wells in Lee County, Florida and its interests in the oil exploration lease with Kerogen Florida Energy Company LP, for a sales price of approximately $24 million (the "Subsurface Sale"). The purchase and sale agreement contemplates a closing of the Subsurface Sale prior to year-end 2016. The Subsurface Sale, if completed, would result in an estimated gain of approximately $22.6 million, or approximately $2.40 per share, after tax. The Company intends to use the proceeds from this sale as part of a Section 1031 like-kind exchange. The closing of the Subsurface Sale is subject to customary closing conditions. There can be no assurances regarding the likelihood or timing of the Subsurface Sale being completed or the final terms thereof, including the sales price.

In the fourth quarter of 2015, the Company announced a new $10 million repurchase program. Under the new $10 million repurchase program, during the three months ended March 31, 2016, the Company repurchased 28,862 shares of its common stock on the open market for a total cost of approximately $1.3 million, or an average price per share of $46.41, and placed those shares in treasury.

Our Board of Directors and management consistently review the allocation of capital with the goal of providing the best long-term return for our shareholders. These reviews consider various alternatives, including increasing or decreasing regular dividends, repurchasing stock, and retaining funds for reinvestment.

At least annually, the Board reviews our business plan and corporate strategies and makes adjustments as circumstances warrant.

Management's focus is to continue to execute on our strategy, which is to diversify our portfolio by redeploying proceeds from like-kind exchange transactions utilizing leverage including the borrowing capacity available under our Credit Facility and possibly the disposition or payoffs on our commercial loan investments to increase our portfolio of income-producing properties, to provide stabilized cash flows with good risk adjusted returns primarily in larger metropolitan areas.

We believe that we currently have a reasonable level of leverage. Proceeds from closed land transactions provide us with investible capital. Our strategy is to utilize our moderate leverage, when appropriate and necessary, and proceeds from land transactions to acquire income properties, acquire or originate commercial loan investments, and invest in securities of real estate companies, or other shorter term investments. Our primary targeted investment classes include the following:

- Single-tenant retail and office double-or-triple net leased properties in major metropolitan areas;
- Multi-tenant office and retail properties in major metropolitan areas and typically stabilized;
- Self-developed properties on Company owned land including select office, flex, industrial, and retial;
- Joint venture development using Company owned land;
- Origination or purchase of 1-10 year term loans with strong risk-adjusted yields with property types to include hotel, office, retail, land and industrial;
- Real estate related investment securities, including commercial mortgage backed securities, preferred or common stock, and corporate bonds;
- Select regional area investments using Company market knowledge and expertise to earn good risk-adjusted yields; and
- Purchase or origination of ground leases.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Our significant accounting policies are described in the notes to the consolidated financial statements included in our Annual Report on Form 10-K for the year-ended December 31, 2015. Judgments and estimates of uncertainties are required in applying our accounting policies in many areas. During the three months ended March 31, 2016, there have been no material changes to the critical accounting policies affecting the application of those accounting policies as noted in our Annual Report on Form 10-K for the year ended December 31, 2015.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

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

We are primarily exposed to interest rate risk relating to our own debt in connection with our credit facility, as this facility carries a variable rate of interest. The outstanding balance on our credit facility totaled approximately $42.1 million at March 31, 2016. Our borrowings on our $75.0 million revolving credit facility bear a variable rate of interest based on the 30-day LIBOR plus a rate of between 135 basis points and 225 basis points based on our level of borrowing as a percentage of our total asset value. Management's objective is to limit the impact of interest rate changes on earnings and cash flows and to manage our overall borrowing costs. A hypothetical change in the interest rate of 100 basis points (i.e., 1%) would affect our financial position, results of operations, and cash flows by approximately $421,000.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation, as required by Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). Based on that evaluation, our CEO and CFO have concluded that the design and operation of the Company's disclosure controls and procedures were effective as of March 31, 2016, to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and to provide reasonable assurance that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during the fiscal quarter ended March 31, 2016, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

On November 21, 2011, the Company, Indigo Mallard Creek LLC and Indigo Development LLC, as owners of the property leased to Harris Teeter, Inc. ("Harris Teeter") in Charlotte, North Carolina, were served with pleadings filed in the General Court of Justice, Superior Court Division for Mecklenburg County, North Carolina, for a highway condemnation action involving the property. The proposed road modifications would impact access to the Company's property that is leased to Harris Teeter. The Company does not believe the road modifications provided a basis for Harris Teeter to terminate the Lease. Regardless, in January 2013, the North Carolina Department of Transportation ("NCDOT") proposed to redesign the road modifications to keep the all access intersection open for ingress with no change to the planned limitation on egress to the right-in/right-out only. Additionally, NCDOT and the City of Charlotte proposed to build and maintain a new access road/point into the property. Construction has begun. Harris Teeter has expressed satisfaction with the redesigned project and indicated that it will not attempt to terminate its lease if this project is built as currently redesigned. Because the redesigned project will not be completed until 2017, the condemnation case has been placed in administrative closure. As a result, the trial and mediation will not likely be scheduled until requested by the parties, most likely in 2017.

ITEM 1A. RISK FACTORS

Certain statements contained in this report (other than statements of historical fact) are forward-looking statements. The words “believe,” “estimate,” “expect,” “intend,” “anticipate,” “will,” “could,” “may,” “should,” “plan,” “potential,” “predict,” “forecast,” “project,” and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Forward-looking statements are made based upon management’s expectations and beliefs concerning future developments and their potential effect upon the Company.

There can be no assurance that future developments will be in accordance with management’s expectations or that the effect of future developments on the Company will be those anticipated by management.

We wish to caution readers that the assumptions, which form the basis for forward-looking statements with respect to or that may impact earnings for the year-ended December 31, 2016, and thereafter, include many factors that are beyond the Company’s ability to control or estimate precisely. These risks and uncertainties include, but are not limited to, the strength of the real estate market in the City and Volusia County, Florida; the impact of a prolonged recession or downturn in economic conditions; our ability to successfully execute acquisition or development strategies; any loss of key management personnel; changes in local, regional, and national economic conditions affecting the real estate development business and income properties; the impact of environmental and land use regulations generally and on certain land sale transactions specifically; extreme or severe weather conditions; the impact of competitive real estate activity; variability in quarterly results due to the unpredictable timing of land transactions; the loss of any major income property tenants; the timing of land sale transactions; and the availability of capital. These risks and uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015. There have been no material changes to those risk factors. The risks described in the Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company.

While we periodically reassess material trends and uncertainties affecting our results of operations and financial condition, we do not intend to review or revise any particular forward-looking statement referenced herein in light of future events.

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

There were no unregistered sales of equity securities during the three months ended March 31, 2016, which were not previously reported.

The following share repurchases were made during the three months ended March 31, 2016:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as a Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
1/1/2016 - 1/31/2016	—	$ —	—	$ 10,028,941
2/1/2016 - 2/29/2016	24,024	46.21	24,024	$ 8,918,687
3/1/2016 - 3/31/2016	4,838	47.41	4,838	$ 8,689,328
Total	28,862	$ 46.41	28,862	$ 8,689,328

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 5. OTHER INFORMATION

On April 27, 2016, the Board of Directors of the Company approved an addition to the Company's Amended and Restated Bylaws to provide for the courts of Volusia County, Florida to be the exclusive forum for (a) any derivative action or proceeding brought on behalf of or in the name of the Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's shareholders, (c) any action asserting a claim arising pursuant to any provision of the Florida Business Corporation Act, the Company's articles of incorporation or these bylaws (in each case, as the same may be amended from time to time), or (d) any action asserting a claim governed by the internal affairs doctrine. The description of this amendment is qualified in its entirety by the copy of the Amended and Restated Bylaws of the Company, as so amended, attached as Exhibit 3.1 to this report.

ITEM 6. EXHIBITS

(a) Exhibits:

Exhibit 3.1	Amended and Restated Articles of Incorporation of Consolidated-Tomoka Land Co., dated October 26, 2011, filed as Exhibit 3.1 to the registrant's Current Report Form 8-K filed October 28, 2011, and incorporated herein by reference.
Exhibit 3.2	Amended and Restated Bylaws of Consolidated-Tomoka Land Co., dated April 26, 2016.
Exhibit 10.24	Consent and First Amendment to Amended and Restated Credit Agreement by and among Consolidated-Tomoka Land Co., as Borrower, the subsidiaries of Consolidated-Tomoka Land Co. party thereto, as Guarantors, the financial institutions party thereto, as Lenders, Bank of Montreal, as Administrative Agent, Wells Fargo Bank, National Association as Syndication Agent, and Branch Banking and Trust Company, as Documentation Agent, dated March 21, 2016, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed March 28, 2016, and incorporated herein by reference.
Exhibit 10.25	Purchase and sale agreement by and between Consolidated-Tomoka Land Co. and SBMC Mesmer, L.P. for the sale of a portfolio of 14 single-tenant income properties, dated March 28, 2016.
Exhibit 10.26	Purchase and sale agreement by and between Consolidated-Tomoka Land Co. and Land Venture Partners, LLC for the sale of the Company's subsurface interests, dated April 13, 2016, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed April 18, 2016, and incorporated herein by reference.
Exhibit 10.27	Second Amendment to the Amended and Restated Credit Agreement with Bank of Montreal and the other lenders thereunder, with Bank of Montreal acting as Administrative Agent, dated April 13, 2016, filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed April 19, 2016, and incorporated herein by reference.
Exhibit 31.1	Certification furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification furnished pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certification pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	Certification pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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.

CONSOLIDATED-TOMOKA LAND CO.
(Registrant)

May 3, 2016 By: /s/ John P. Albright

John P. Albright
President and Chief Executive Officer
(Principal Executive Officer)

May 3, 2016 By: /s/ Mark E. Patten

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

Exhibit 3.2

AMENDED AND RESTATED BYLAWS OF CONSOLIDATED-TOMOKA LAND CO.

ARTICLE I

SHAREHOLDERS

Section 1.1. Annual Meetings. An annual meeting of shareholders of Consolidated-Tomoka Land Co. (the "corporation") shall be held for the election of directors and for the transaction of such other business as may be properly brought before the meeting at such date, time and place, either within or without the State of Florida, as may be designated by resolution of the board of directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of shareholders for any purpose or purposes may be called at any time by the board of directors or by a committee of the board of directors which has been duly designated by the board of directors, and whose powers and authority, as expressly provided in a resolution of the board of directors, include the power to call such meetings.

A special meeting of shareholders shall be called if holders of not less than 50% of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. Within sixty days of receipt of such written demand, the corporation's secretary will issue notice calling for a special meeting of the shareholders to be held at such time and such date as the board of directors may determine.

Section 1.3. Notice of Meetings. Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each shareholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Notwithstanding the other provisions of this Section 1.3, no notice of a meeting of shareholders need be given to a shareholder if: (a) an annual report and proxy statement for two consecutive annual meetings of shareholders; or (b) all, and at least two, checks in payment of dividends or interest on securities during a twelve-month period have been sent by first-class, United States mail, addressed to the shareholder at his or her address as it appears on the stock record books of the corporation, and returned undeliverable. The obligation of the corporation to give notice of a shareholders' meeting to any such shareholder shall be reinstated once the corporation has received a new address for such shareholder for entry on its stock record books.

Section 1.4. Adjournments. Any meeting of shareholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 1.5. Quorum. At each meeting of shareholders, except where otherwise provided by law, the articles of incorporation or these bylaws, the holders of a majority of the votes entitled to be cast on a matter, present in person or by proxy, shall constitute a quorum for action on that matter. In the absence of a quorum, the holders of a majority of the shares represented, and who would be entitled to vote at a meeting if a quorum were present, may adjourn such meeting from time to time in the manner provided in Section 1.4 of these bylaws. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

Section 1.6. Organization. Meetings of shareholders shall be presided over by the chairman of the board, if any, or in his absence by the most senior independent director (based on length of service on the board) in attendance, if any, or in his absence by the president, or in his absence by a vice president, or in the absence of the foregoing persons by a chairman designated by the board of directors, or in the absence of such designation by a chairman chosen at the meeting. The board of directors may adopt by resolution rules, regulations and procedures for the proper conduct of the meeting, including, without limitation: (a) the establishment of an agenda or order of business for the meeting, including fixing the time for opening and closing the polls for voting on each matter; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to shareholders of record of the corporation, their duly authorized and constituted proxies or such other persons as such chairman shall permit; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to discussion of the business of the meeting or questions or comments by participants. Except to the extent inconsistent with applicable law and such rules and regulations as may be adopted by the board of directors, the chairman of each meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts, including causing an adjournment of such meeting, as, in the judgment of such chairman, are appropriate.

The board of directors may appoint inspectors of election to act at any meeting of shareholders at which any vote is taken. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors of election shall determine the number of shares outstanding, the voting rights with respect to each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; receive votes, ballots, consents, and waivers; hear and determine all challenges and questions arising in connection with the vote; count and tabulate all votes, consents, and waivers; determine and announce the result; and do such acts as are proper to conduct the election or vote with fairness to all shareholders. No inspector need be a shareholder. The inspectors may appoint and retain other persons or entities to assist the inspectors in the performance of the duties of the

inspectors. On request of the person presiding at the meeting, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them.

Section 1.7. Voting; Proxies. Except as provided by law or in the articles of incorporation, each outstanding share, regardless of class, is entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

If a quorum exists, action on a matter (other than the election of directors, which shall be governed by Section 2.2 of these bylaws) is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or applicable law requires a greater number of affirmative votes. The articles of incorporation require a greater number of affirmative votes under specified circumstances as set forth therein.

A shareholder, other person entitled to vote on behalf of a shareholder pursuant to applicable law, or attorney in fact for a shareholder may vote the shareholder's shares in person or by proxy. No proxy shall be valid after the expiration of eleven months from the date thereof, unless a longer period is expressly provided in the proxy. An appointment of a proxy is revocable by the shareholder unless the appointment form or electronic transmission conspicuously states that it is irrevocable and the appointment is coupled with an interest.

Section 1.8. Fixing Date for Determination of Shareholders of Record. In order that the corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than seventy days before the date of such meeting or action requiring a determination of shareholders. If no record date is fixed: (a) the record date for determining shareholders entitled to notice or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (b) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the board of directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

Section 1.9. List of Shareholders Entitled to Vote. After fixing a record date for a meeting, the corporation shall prepare an alphabetical list of the names of all of its shareholders who are entitled to notice of the shareholders' meeting, arranged by voting group with the address of, and the number and class and series, if any, of shares held by, each shareholder. The shareholders' list shall be available for inspection by any shareholder for a period of 10 days prior to the meeting or such shorter time as exists between the record date and the meeting and continuing through the meeting at the corporation's principal office, at a place identified in the meeting notice in the city

where the meeting will be held, or at the office of the corporation's transfer agent or registrar. A shareholder or the shareholder's agent or attorney is entitled on written demand to inspect the list, subject to the requirements of applicable law, during regular business hours and at his or her expense, during the period it is available for inspection. The corporation shall make the shareholders' list available at the meeting, and any shareholder or the shareholder's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment. The shareholders' list is prima facie evidence of the identity of shareholders entitled to examine the shareholders' list or to vote at any meeting of shareholders.

Section 1.10. Vote or Consent of Shareholders. No action that requires the vote or consent of shareholders of the corporation may be taken without a meeting held upon prior notice and a vote of shareholders, except with the advance written consent of two-thirds of the full board of directors. With such consent, any action required or permitted to be taken at any annual or special meeting of the shareholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Within 10 days after obtaining such authorization by written consent, notice as prescribed by law of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those shareholders that have not consented in writing or who are not entitled to vote on the action.

Section 1.11. Advance Notice Provisions for Business at Meetings.

(a) At an annual meeting of shareholders, only such nominations of persons for election to the board of directors and other business to be considered by the shareholders shall be conducted as shall have been properly brought before the meeting. To be properly brought before the annual meeting, any nominations or other business must (1) be specified in the notice of meeting (or in any supplement) given by or at the direction of the board of directors, (2) be otherwise properly brought before the meeting by or at the direction of the board of directors or (3) be otherwise properly brought before the annual meeting by any shareholder of the corporation who (A) is a shareholder of record on both (i) the date of the giving of the notice provided for in this Section 1.11 and (ii) the record date for the determination of shareholders entitled to vote at such annual meeting, and (B) complies with the notice procedures set forth in this Section 1.11. Clause (3) of the immediately preceding sentence shall be the exclusive means for a shareholder to submit such business (other than matters properly brought under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the corporation's notice of meeting) before an annual meeting of shareholders.

(b) In addition to any other applicable requirements, for any nominations or any other business to be properly brought before an annual meeting by a shareholder pursuant to Section 1.11(a)(3) of these bylaws, such shareholder must have given timely notice thereof in proper written form to the secretary of the corporation.

(1) To be timely, a written notice of the intent of a shareholder to make a nomination of a person for election as a director or to bring any other business before the annual

meeting shall be received by the secretary at the principal executive offices of the corporation not earlier than the close of business on the 210th day and not later than the close of business on the 150th day prior to the first anniversary (the "Anniversary") of the date of the preceding year's annual meeting of shareholders. However, if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 60 days after the Anniversary, notice by the shareholder must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than one hundred days prior to such annual meeting, the 10th day following the day on which public announcement of the date of such annual meeting is first made by the corporation.

(2) To be in proper written form every such notice by a shareholder shall set forth as to each matter such shareholder proposes to bring before the annual meeting:

(A) as to each person whom the shareholder proposes to nominate for election or reelection as a director (each, a "proposed nominee"): (i) the name, business address and residence address of the proposed nominee; (ii) the principal occupation or employment of the proposed nominee; (iii) the class or series and number of shares of capital stock of the corporation, if any, which are owned beneficially and of record by the proposed nominee; (iv) any other information regarding each proposed nominee proposed by such shareholder as would be required to be included in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; (v) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, on whose behalf the nomination is being made, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand; and (vi) the written consent of each proposed nominee to serve as a director of the corporation if so elected;

(B) as to any other business that the shareholder proposes to bring before the annual meeting: (i) a description of the matter and the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the bylaws of the corporation, the text of the proposed amendment); (ii) the reasons for conducting such business at the annual meeting; and (iii) any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and

(C) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal of other business is made: (i) the name and address of such shareholder, as they appear on the corporation's stock transfer books, and the name and address of such beneficial owner; (ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially and of record by such shareholder and such beneficial owner; (iii) the date or dates upon which such

shareholder acquired ownership of such shares; and (iv) a representation that the shareholder is a holder of record of capital stock of the corporation, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to bring such business before the meeting.

(c) If a shareholder is entitled to vote only for a specific class or category of directors at a meeting of the shareholders, such shareholder's right to nominate one or more persons for election as a director at the meeting shall be limited to such class or category of directors.

(d) To be eligible to be a nominee for election or reelection as a director of the corporation, the prospective nominee, or someone acting on such prospective nominee's behalf, must deliver (in accordance with any applicable time periods prescribed for delivery of notice under this Section 1.11) to the secretary at the principal executive offices of the corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the secretary upon written request and shall include the consent of such nominee to being named as a nominee and to serving as a director if elected). The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee.

(e) Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the corporation's notice of meeting (1) by or at the direction of the board of directors or (2) provided that the board of directors has determined that directors shall be elected at such meeting, by any shareholder of the corporation who (A) is a shareholder of record at the time of giving of notice provided for in these bylaws and at the time of the special meeting, (B) is entitled to vote at the meeting and (C) complies with the notice procedures set forth in this Section 1.11 as to such nomination. In the event the corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the board of directors, any such shareholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the corporation's notice of meeting, if the shareholder's notice required by this Section 1.11 with respect to any nomination shall be delivered to the secretary at the principal executive offices of the corporation not earlier than the close of business on the 120th day prior to the date of such special meeting and not later than the close of business on the later of the 90th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting.

(f) At a meeting of shareholders, the chairman of the board shall declare out of order and disregard any nomination or other proposal not made in compliance with the foregoing procedures.

(g) In no event shall the adjournment or postponement of an annual or special meeting of the shareholders, or any announcement thereof, or the setting of a new record date, commence a new period (or extend any time period) for the giving of notice under this Section 1.11.

(h) As used in these Bylaws, the terms “owned beneficially” and “beneficial owner” means all shares which such person is deemed to beneficially own pursuant to Rules 13d-3 and 13d-5 promulgated under the Exchange Act. For purposes of these Bylaws, a matter shall be deemed to have been “publicly announced” if such matter is disclosed in a press release reported by the Dow Jones News Service, the Associated Press or a comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission.

(i) Notwithstanding the foregoing provisions of this Section 1.11, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.11; provided, however, that any references in these bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be conducted pursuant to this Section 1.11. Nothing in this Section 1.11 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the corporation’s proxy statement pursuant to Rule 14a-8 under the Exchange Act nor grant any shareholders a right to have any nominee included in the corporation’s proxy statement.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1. Function; Number; Qualifications. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors. The total number of directors constituting the board of directors of the corporation shall be determined by, and the number of directors may be increased or decreased only by, the affirmative vote of (a) the holders of at least 85% of the shares of the corporation then entitled to vote on such change, or (b) two-thirds of the directors then in office, but the total number of directors shall not be more than eleven. Directors need not be shareholders.

Section 2.2. Election; Resignation; Removal; Vacancies.

(a) At the 2011 annual meeting of shareholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2014 annual meeting of shareholders and until such directors' successors are elected and qualified. Commencing at the 2012 annual meeting of shareholders, directors shall be elected annually for terms of one year, except that any director in office at the 2011 annual meeting whose term expires at the annual meeting of shareholders in 2013 or 2014 (a "Continuing Classified Director") shall continue to hold office until the end of the term for which such director was elected and until such director's successor is elected and qualified. At each annual meeting of shareholders after the terms of all Continuing Classified Directors have expired, all directors shall be elected for terms expiring at

the next annual meeting of shareholders and until such directors' successors are elected and qualified.

(b) Except as may be otherwise provided by the articles of incorporation, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting of shareholders for the election of directors at which a quorum is present; provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of shareholders at which the number of nominees exceeds the number of directors to be elected. For purposes of this section, a majority of the votes cast means that the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that director nominee. If directors are to be elected by a plurality of the votes cast, shareholders may withhold their vote with respect to a director nominee, but shall not be permitted to vote against a director nominee. The board of directors shall, by resolution, adopt policies and procedures under which any director nominee who is not elected by a majority of the votes cast in an uncontested election as required by this section shall tender his or her resignation to the board of directors.

(c) Any vacancy occurring in the board of directors may be filled by a majority of the directors then in office. A new directorship resulting from an increase in the number of directors shall be construed to be a vacancy. The term of any director elected to fill a vacancy will expire at the next shareholders' meeting at which directors are elected. No decrease in the number of directors will have the effect of shortening the term of any directors then in office. A director may be removed only for cause and only by the affirmative vote of 85% of all of the shareholders of the corporation entitled to vote on the election of directors. Any director may resign at any time upon written notice to the corporation.

Section 2.3. Regular Meetings. Regular meetings of the board of directors may be held at such places within or without the State of Florida and at such times as the board of directors may from time to time determine, and if so determined notices thereof need not be given.

Section 2.4. Special Meetings. Special meetings of the board of directors may be held at any time or place within or without the State of Florida whenever called by the president, any vice president, the secretary, or by any member of the board of directors. Reasonable notice thereof shall be given by the person or persons calling the meeting, not later than the second day before the date of the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the board of directors, or any committee designated by the board, may participate in a meeting of such board or committee by means of conference telephone or any means of communication by which all persons participating in the meeting may simultaneously hear each other during the meeting, and participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.

Section 2.6. Quorum, Vote Required for Action. At all meetings of the board of directors a majority of the whole board shall constitute a quorum for the transaction of business. Except in cases in which the articles of incorporation or these bylaws otherwise provide, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

Section 2.7. Organization. Meetings of the board of directors shall be presided over by the chairman of the board, if any, or in his absence by the most senior independent director (based on length of service on the board). The secretary shall act as secretary of the meeting.

Section 2.8. Action by Directors Without a Meeting. Unless the articles of incorporation or these bylaws provide otherwise, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if the action is taken by all members of the board or committee. Such action shall be evidenced by one or more written consents filed with the minutes or proceedings of the board or committee, describing the action taken and signed by each director of committee member.

Section 2.9. Mandatory Retirement of Directors. A director of the Company shall retire from the board of directors at the first annual meeting of shareholders held after the director attains age 75.

ARTICLE III

COMMITTEES

Section 3.1. Committees. The board of directors may, by resolution adopted by a majority of the full board of directors, designate one or more committees, each committee to consist of two or more of the directors of the corporation who shall serve at the pleasure of the board. The board, by resolution, may designate one or more directors as alternate members of any such committee who may act in the place and stead of any absent member or members at any meeting of such committee. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, except that no such committee shall have the power or authority to: (a) approve or recommend to shareholders actions or proposals required by the Florida Business Corporation Act to be approved by the shareholders; (b) fill vacancies on the board of directors or any committee thereof; (c) adopt, amend or repeal the bylaws; (d) authorize or approve reacquisition of shares unless pursuant to a general formula or method specified by the board of directors; or (e) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a voting group, except that the board of directors may authorize a committee (or a senior executive officer of the corporation) to do so within limits specifically prescribed by the board of directors.

Section 3.2. Committee Charter and Rules. The board of directors may adopt a charter for any such committee specifying requirements with respect to committee chairs and membership, responsibilities of the committee, the conduct of meetings and business of the committee and such other matters as the board of directors may designate. In the absence of a committee charter or a provision of a committee charter governing such matters, the provisions of these bylaws which govern meetings of the board of directors, including notice and waiver of notice thereof, shall apply to any such committee and its members.

ARTICLE IV

OFFICERS

Section 4.1. Executive Officers; Election; Qualification; Term of Office; Resignation; Removal; Vacancies. The board of directors shall choose a president and secretary, and it may, if it so determines, choose a chairman of the board and a vice chairman of the board from among its members. The board of directors may also choose one or more vice presidents, one or more assistant secretaries, a treasurer and one or more assistant treasurers. Each such officer shall hold office until the first meeting of the board of directors after the annual meeting of shareholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. The board of directors shall designate from among the officers it elects those who shall be the executive officers of the corporation responsible for all policy making functions, under the direction of the board of directors. Any officer may resign at any time upon written notice to the corporation. The board of directors may remove any officer with or without cause at anytime, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the board of directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed by the board of directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors. Unless the board of directors delegates responsibility to another officer, the secretary shall have responsibility for preparing minutes of the directors' and shareholders' meetings and for authenticating records of the corporation. The board of directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

SHARES

Section 5.1. Certificates. Shares may but need not be represented by certificates. The rights and obligations of shareholders shall be identical whether or not their shares are represented by certificates. If shares are represented by certificates, each certificate shall be signed by or in the name of the corporation by the chairman or vice chairman of the board of directors, if any, or the president or a vice president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such shareholder in the corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Share Certificates; Issuance of New Certificates. The corporation may issue a new share certificate in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to (a) give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate and (b) satisfy any other reasonable requirements imposed by the corporation.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the board of directors.

Section 6.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the board of directors.

Section 6.3. Waiver of Notice of Meetings of Shareholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the shareholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 6.4. Indemnification of Directors, Officers, Employees, and Agents.

(a) The corporation shall indemnify to the full extent authorized by law any person made or threatened to be made a party to any threatened, pending, or completed action, suit, or other type of proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal (a “proceeding”), by reason of the fact that he is or was a director, officer or employee or agent of the corporation or any predecessor of the corporation or serves or served any other corporation, partnership, joint venture, trust, or other enterprise as a director, officer, employee, or agent at the request of the corporation or any predecessor of the corporation (an “indemnified person”); provided, however, that this section shall not apply as to any proceeding brought by or on behalf of an indemnified person without prior approval of the board of directors.

(b) To the fullest extent permitted or authorized by law, the corporation shall advance all expenses incurred by any officer or director who is an indemnified person in defending a proceeding within sixty days after the receipt by the corporation of a written request from a director or officer for such advancement and on a current basis thereafter, whether prior to or after final disposition of the underlying proceeding. Such written request shall be accompanied by evidence of the expenses incurred by such director or officer and shall include a written undertaking by or on behalf of the director or officer, as the case may be, to repay any and all amounts so advanced

in the event that it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this Section 6.4. Expenses incurred by employees and agents may be paid in advance upon such terms or conditions that the board of directors deems appropriate.

(c) Indemnification and advancement of expenses as provided in this Section 6.4 shall continue as, unless otherwise provided when authorized or ratified, to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, administrators and estate of such person, unless otherwise provided when authorized or ratified. The rights of any person set forth in this Section 6.4 to indemnification and advancement of expenses are contractual rights and vest at the time a person becomes a director or officer of the corporation and no amendment to these indemnification provisions and advancement of expenses provisions shall affect any right in respect of acts or omissions of any director or officer occurring prior to such amendment. Any repeal of relevant provisions of the Florida Business Corporation Act or any other applicable law shall not in any way diminish any rights to indemnification of such indemnified persons, or the obligations of the corporation arising hereunder, for claims relating to matters occurring prior to such repeal or modification.

Section 6.5. Interested Directors; Quorum. No contract or other transaction between the corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers, or are financially interested, shall be either void or voidable because of such relationship or interest, or because such director or directors are present at the meeting of the board of directors or committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or their votes are counted for such purpose, if: (a) the fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; (b) the fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or (c) the contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee, or the shareholders. For purposes of Section 6.5(a) only, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board of directors, or on the committee, who have no relationship or interest in the transaction described above but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors who have no such relationship or interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with such relationship or interest in the transaction does not affect the validity of any action taken under Section 6.5(a) if the transaction is otherwise authorized, approved, or ratified as provided in Section 6.5(a), but such presence or vote of those directors may be counted for purposes of determining whether the transaction is approved under other sections of the Florida Business Corporation Act.

Section 6.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account and any minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other

information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

Section 6.7. Amendment of Bylaws. Amendment, alteration or repeal of the Bylaws by the board of directors shall require that affirmative vote of two-thirds of the directors then in office at a duly constituted meeting called expressly for that purpose, or by the shareholders shall require the affirmative vote of 85% of the votes eligible to be cast by the shareholders at a duly constituted meeting of shareholders called expressly for that purpose.

Section 6.8. Forum for Adjudication of Disputes. Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of or in the name of the corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the corporation to the corporation or the corporation's shareholders, (c) any action asserting a claim arising pursuant to any provision of the Florida Business Corporation Act, the corporation's articles of incorporation or these bylaws (in each case, as the same may be amended from time to time), or (d) any action asserting a claim governed by the internal affairs doctrine shall be any Florida court sitting in Volusia County, Florida (or, if no Florida court sitting in Volusia County, Florida has jurisdiction, the federal district court for the Middle District of Florida). If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Florida (a "Foreign Action") in the name of any shareholders, such shareholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Florida in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such shareholder in any such action by service upon such shareholder's counsel in the Foreign Action as agent for such shareholder.

As amended and restated April 27, 2016.

Exhibit 10.25

PURCHASE AND SALE AGREEMENT

BETWEEN

BLUEBIRD NORTH LA HABRA LLC,
BLUEBIRD NORTH WALNUT LLC,
BLUEBIRD NORTH YORBA LINDA LLC,
BLUEBIRD NORTH LOS ALAMITOS LLC,
BLUEBIRD SOUTH GARDEN GROVE LLC,
BLUEBIRD SOUTH LAGUNA LLC,
BLUEBIRD SOUTH TRABUCO MISSION VIEJO LLC,
BLUEBIRD SOUTH PUERTA REAL MISSION VIEJO LLC,
BLUEBIRD SOUTH WESTMINSTER LLC,
BLUEBIRD WAG BOULDER LLC,
BLUEBIRD WAG PALM BAY LLC,
BLUEBIRD CAPITAL CIRCLE LLC,
BLUEBIRD BWW PHOENIX LLC,
AND
BLUEBIRD CHASE CHICAGO LLC,
AS SELLERS,

AND

SBMC MESMER, L.P., a California limited partnership
AS PURCHASER

As of March 28, 2016

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (as amended, restated, replaced, supplemented or otherwise modified from time to time, this "Agreement") is made as of the 28th day of March, 2016 (the "Effective Date"), by and between the entities listed on Schedule 1 attached hereto and incorporated herein (each such entity a "Seller" and collectively, "Sellers"), each having an office at c/o Consolidated-Tomoka Land Co., 1530 Cornerstone Blvd., Daytona Beach, FL 32117, and **SBMC Mesmer, L.P.**, a California limited partnership having an office at c/o Black Equities Group, Ltd., 433 North Camden Drive, Suite 1070, Beverly Hills, CA 90210 (together with its permitted successors and permitted assigns, "Purchaser"). All capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in Exhibit A attached hereto.

RECITALS

WHEREAS, each Seller is the owner of the real property set forth next to such Seller's name on Schedule 1, which real property is more particularly described in Exhibit B attached hereto and incorporated herein (such real property, together with all appurtenances, rights, privileges, development rights, air rights, rights of way and easements appurtenance thereto, are collectively referred to herein as the "Land"); and

WHEREAS, each Seller desires to sell to Purchaser and Purchaser desires to purchase from each such Seller, each Seller's interest in the Sale Assets (as defined below), subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
PURCHASE AND SALE

1.1 Agreement of Purchase and Sale

. Subject to the terms and conditions hereinafter set forth, including, without limitation, the provisions of Article XI hereof, Sellers agree, jointly and severally, to sell, assign, transfer and convey to Purchaser such Seller's interest in the Sale Assets, and Purchaser agrees to purchase, assume, accept and acquire the Sale Assets. For purposes of this Agreement, "Sale Assets" means collectively the following:

(a) the Land;

(b) the buildings, structures, fixtures and other improvements on the Land (collectively, the "Improvements"; the Land and Improvements for each location are herein called a "Real Property" and collectively the "Real Properties");

(c) all of each Seller's right, title and interest in and to all tangible personal property owned by such Seller and located upon the Real Property (collectively, the "Personal Property"), including, without limitation, all appliances, equipment, mechanical systems,

machinery, keys, fixtures, furniture, carpeting, draperies and curtains, tools and supplies, and other items of personal property used exclusively in connection with the operation of the Real Property;

(d) all of each Seller's right, title and interest as landlord in and to all lease agreements set forth in Schedule 1.1(d) and made a part hereof (collectively, the "Leases"), together with all lease agreements hereafter entered into in accordance with this Agreement and all lease guaranties in connection therewith, and all security deposits paid to the applicable Seller under the Leases (including all interest thereon to which the tenants are entitled to receive) to the extent not applied in the case of a tenant default (collectively, the "Security Deposits");

(e) all of each Seller's right, title and interest in and to all contracts and agreements listed and described on Schedule 1.1(e) attached hereto and made a part hereof, relating to the upkeep, repair, maintenance, ownership, use or operation of the Real Property which will extend beyond the date of Closing, including, without limitation, to the extent transferable in accordance herewith, all equipment leases and leasing commission agreements, together with all such contracts or agreements hereafter entered into in accordance with this Agreement (collectively, the "Operating Agreements"); provided, that for the avoidance of doubt, the Leases shall not constitute Operating Agreements;

(f) all of each Seller's right, title and interest in and to the licenses, permits, certificates of occupancy, approvals, dedications, subdivision maps and entitlements now or hereafter issued, approved or granted to such Seller by any Governmental Authority having jurisdiction over the Real Property or any portion thereof, together with all renewals and modifications thereof to the extent the same are assignable (collectively, the "Licenses and Permits");

(g) all of each Seller's right, title and interest in and to all other intangible rights, titles, interests, privileges and appurtenances owned by such Seller and related to or used exclusively in connection with the ownership, use, development or operation of such Seller's Real Property (collectively, the "Other Intangibles");

(h) all plans, drawings, specifications, surveys, plans and specifications, engineering and architectural drawings, building or engineering records and reports, schedules and the like owned by any Seller relating to the Real Property, and tenant lease files with respect to the Leases (collectively, the "Books and Records"); and

(i) to the extent transferable in accordance herewith, any and all warranties and guaranties in favor of any Seller currently in effect, related to or used exclusively in connection with the ownership, use or operation of the Real Property or Personal Property (collectively, the "Warranties").

1.2 Purchase Price

. Sellers shall sell and Purchaser shall purchase the Sale Assets for a purchase price of $51,600,00.00, subject to the adjustments set forth herein (the "Purchase Price"). The Purchase Price shall be allocated to each Real Property as set forth on Schedule 1.2; provided, however, that Seller and Purchaser acknowledge and agree that such allocation is set forth only for the purposes of determining the appropriate amount of any transfer taxes

applicable to the conveyance of the Real Property, the insured amounts for each Real Property under the applicable Title Policy and for other purposes expressly set forth in this Agreement.

(a) SBKFC Holdings, LLC, a Colorado limited liability company ("SBKFC") is the successor to GE Capital Franchise Finance Corporation, a Delaware corporation with respect to that certain Amended and Restated Master Lease dated as of August 15, 2003 with KFC U.S. Properties, Inc. as amended by that certain First Amendment To Amended and Restated Master Lease dated as of August 15, 2003 (the "KFC Master Lease"). The KFC Lease is a master lease of multiple properties, including that certain real property located at 4250 Aloma Avenue, Winter Park, Florida (the "Winter Park Property"). Subject to an amendment to the KFC Lease which creates an individual lease for the Winter Park Property (the "Winter Park Lease") (which neither Purchaser nor SBKFC warrants will occur and the execution of which shall be subject to numerous factors beyond such parties' control), Purchaser will cause SBKFC to grant Seller (subject to all terms and conditions of the Winter Park Lease which may be negotiated in the Winter Park Lease) a right of first refusal to Consolidated-Tomoka Land Co. for the purchase of that certain real property located at 4250 Aloma Avenue, Winter Park, Florida (the "Winter Park Property"), the form of such right of first refusal attached as Exhibit M to this Agreement (the "Winter Park Property ROFR"). The provisions of this Section 1.2(a) shall survive Closing.

1.3 Payment of Purchase Price

. The Purchase Price, as increased or decreased, in each case by (a) the prorations and adjustments provided in this Agreement and (b) the terms of Sections 10.2 and 11.4, shall be payable on the Closing Date. Payment of the Purchase Price shall be made in full on the Closing Date in cash by wire transfer of immediately available federal funds to a bank account designated by Seller in writing to the Escrow Agent and Purchaser (subject to a credit for the Earnest Money); provided, however, that in the event Purchaser assumes the Existing Loan in accordance with Article X, (i) the outstanding principal balance of the Existing Loan assumed shall be credited against the Purchase Price in accordance with the terms of Section 10.2 and (ii) the Purchase Price shall be increased by the undrawn amount of any outstanding letters of credit provided by Seller or its Affiliates under the Existing Loan that are not replaced by Purchaser and returned to Seller at Closing.

1.4 Earnest Money

. Purchaser shall deposit with the Escrow Agent on the first Business Day after the Effective Date an amount equal to $1,000,000.00 (the "Initial Deposit") in cash by wire transfer. In the event that Purchaser does not terminate this Agreement on or before the expiration of the Due Diligence Period, Purchaser shall deposit with the Escrow Agent by 5:00 pm Pacific time on the date that the Due Diligence Period expires an additional amount equal to $1,000,000.00 (the "Second Deposit"; the Initial Deposit and Second Deposit are together herein called the "Deposit") in cash by wire transfer. The Escrow Agent shall hold the Deposit in an interest-bearing account in accordance with the terms of Agreement. The Deposit, together with all interest earned on such sum, is herein referred to collectively as the "Earnest Money" and shall be fully refundable as provided in this Agreement or credited against the Purchase Price on the Closing Date, as applicable. All interest accruing on such sums shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of the this Agreement.

1.5 Indivisible Economic Package

. Except as otherwise provided in Article II, Purchaser has no right to purchase, and Sellers have no obligation to sell, less than all of the Sale Assets it being the express agreement and understanding of Purchaser and Sellers that, as a material inducement to Sellers and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Sellers have agreed to sell, all of the Sale Assets, subject to and in accordance with the terms and conditions hereof.

1.6 Excluded Assets

. Notwithstanding the sale of the Sale Assets pursuant to Section 1.1, Sellers shall not sell, and Purchaser shall not acquire, (a) any cash, cash equivalents, interest rate protection agreements or caps, receivables or payables, reserves, bank accounts, short term or long term investments, government securities, insurance policies (and any proceeds therefrom) (except to the extent set forth in Article VII), and any condemnation awards (except to the extent set forth in Article VII), (b) any property that serves or is used in connection with any property other than the Real Properties, (c) any property owned by the tenants or other Persons other than Sellers, (d) any Sale Assets conveyed to a ROFR Party pursuant to Article XI hereof, or (e) any proprietary or confidential materials of Sellers or their Affiliates (collectively, the "Excluded Assets").

ARTICLE II
TITLE AND SURVEY

2.1 Permitted Liens

. At the Closing, Seller shall convey and Purchaser shall accept the Sale Assets, with title to the Real Properties being subject only to the Permitted Liens.

2.2 Commitment

. Purchaser shall have the right to obtain from the Title Company a commitment for the issuance of a Standard ALTA Form 2006 Owner's Policy of Title Insurance (or if such ALTA policy is not available in any jurisdiction in which the Sale Assets are located, an owner's policy of title insurance in a form customarily obtained for similar commercial transactions) covering the Real Property based on a title insurance commitment (each, a "Title Commitment" and collectively, the "Title Commitments") from the Title Company. Purchaser shall forward to the Sellers' attorneys, promptly upon receipt thereof, a copy of (a) each Title Commitment and a copy of each document referenced therein as an exception, and (b) each update to any Title Commitment.

2.3 Title Objections

. If the Title Commitments or any updates thereto, or any Existing Survey (as defined below), shall reveal or disclose any defects, objections or exceptions in the title to a Seller's interest in a Real Property which Purchaser is not required to accept or have been deemed to have accepted under the terms of this Agreement ("Title Objections"), then at any time prior to three (3) Business Days prior to the expiration of the Due Diligence Period, Purchaser shall notify Seller of such Title Objections in writing. In the event that any update to a Title Commitment delivered to Purchaser after the expiration of the Due Diligence Period includes an exception that is material in nature and was not previously included on any prior Title Commitment, Purchaser shall be entitled to object to such new exception by delivering written notice thereof to Seller within three (3) business days of Purchaser's receipt of the updated Title Commitment showing such exception. If Purchaser does not timely notify Seller in writing of any such Title Objections, **TIME BEING OF THE ESSENCE**, then Purchaser shall be deemed to have accepted the state of title to the Real Property reflected in such

Title Commitment and to have waived any claims or defects which it might otherwise have raised with respect to the matters reflected therein and the same shall be deemed to be Permitted Liens for all purposes of this Agreement.

2.4 Elimination of Liens

. If any Title Objections appear in the Title Commitments or any updates to the Title Commitments, then Sellers may, at their election, undertake to eliminate such Title Objections, it being agreed that Sellers shall have no obligation to incur any expense in connection with curing such Title Objections, except that Sellers shall cure and eliminate (a) all Title Objections which were caused by, resulted from or arose out of a grant by any of the Sellers of a mortgage or other security interest other than in connection with the Existing Loan and (b) any mechanic's liens resulting from work at any Real Property commissioned by any of the Sellers (collectively, "Monetary Title Matters"). Sellers or Purchaser, in their discretion, may adjourn the Closing for up to thirty (30) days in the aggregate in order to allow Sellers to eliminate such Title Objections. In lieu of eliminating any Title Objections which Sellers may elect, or be required, pursuant to the express terms hereof, to eliminate under this Agreement, Seller may deposit with the Title Company such amount of money as may be determined by the Title Company as being sufficient to induce the Title Company, without the payment of any additional premium by Purchaser, to omit such Title Objections from Purchaser's title insurance policy. If Sellers are unable to so eliminate or omit all such Title Objections in accordance with the terms of this Agreement on or before such adjourned date for the Closing, then Purchaser shall elect either to (i) proceed to Closing subject to the Permitted Liens, specifically including any matter objected to by Purchaser which Sellers are unwilling or unable to cure, without reduction of the Purchase Price or (ii) terminate this Agreement by notice given to Sellers and Escrow Agent, in which event the Earnest Money shall be returned to Purchaser, and this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder, except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Sellers notify Purchaser that Sellers do not intend to attempt to cure any Title Objection, or if, having commenced an attempt to cure any Title Objection, Sellers later notify Purchaser that Sellers will be unable to effect a cure thereof, Purchaser shall, within three (3) Business Days after such notice has been given, notify Sellers in writing whether Purchaser shall elect to proceed to Closing under clause (i) of this Section 2.4 or to terminate this Agreement under clause (ii) of this Section 2.4. In any case, if Purchaser fails to timely provide notice of its election to terminate under clause (ii) of this Section 2.4, Purchaser shall be deemed to have elected to proceed under clause (i) of this Section 2.4.

2.5 Survey

. Purchaser acknowledges that it has received those certain surveys listed on Schedule 2.5 (each, an "Existing Survey"). Purchaser shall have the right to cause each Existing Survey to be updated (each, an "Updated Survey") at Purchaser's expense and, if it elects to obtain an Updated Survey, Purchaser shall deliver a copy of any Updated Survey to Sellers and the Title Company. Sellers shall have no obligation to cure or eliminate any Title Objection resulting from any Updated Survey, the terms of Section 2.3 and Section 2.4 notwithstanding.

ARTICLE III
INSPECTION; DUE DILIGENCE PERIOD

3.1 Right of Inspection.

(a) During the Due Diligence Period, Purchaser, at its sole cost and expense, shall have the right to make a physical inspection of the Sale Assets and to examine at such place or places at the Real Property, in the offices of Sellers or elsewhere as the same may be located, the Books and Records. Purchaser acknowledges that some of such documents may have been prepared by third parties and may have been prepared prior to the Sellers' ownership of the Real Properties. Purchaser shall have the right to terminate this Agreement (and have the Earnest Money fully refunded to it) based upon anything it learns about the Sale Assets or any matter to which any of the Sale Assets is subject, as set forth in Section 3.3.

(b) Purchaser understands and agrees that any on-site inspections of the Real Property shall be conducted upon at least three (3) days' prior written notice to Sellers (provided that, as to in-unit inspections, the notice period shall be consistent with the notice period Sellers must give tenants under the Leases and under applicable state and local law) and in the presence of Sellers or its representative and shall occur at reasonable times agreed upon by Sellers and Purchaser. Purchaser may not contact any tenants, vendors or service providers without first obtaining Sellers' prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Such physical inspection shall not unreasonably interfere with the use of the Real Property or its tenants nor shall Purchaser's inspection damage the Real Property in any respect. Such physical inspection shall not be invasive in any respect unless Purchaser obtains Sellers' prior written consent (which consent may be granted or denied in Sellers' sole discretion), and in any event shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations. Following each entry by Purchaser with respect to inspections or tests on the Real Property, Purchaser shall restore the Real Property to the condition it was in prior to any such inspections or tests. Sellers shall reasonably cooperate with Purchaser in its due diligence but shall not be obligated to incur any liability or expense in connection therewith. Purchaser shall, promptly after completion thereof, provide Sellers with copies of all written reports, investigations and studies that are prepared, conducted or made by, for or behalf of Purchaser by third parties (and such shall be delivered to Sellers without any representation or warranty whatsoever as to its contents, completeness or otherwise by Purchaser), other than economic analyses, internal memoranda or those reports, opinions, investigations or studies that are privileged. Purchaser's obligation to deliver the foregoing shall survive expiration or termination of this Agreement.

(c) Purchaser agrees (i) that prior to entering on any Real Property to conduct any physical inspection, Purchaser shall obtain and maintain, or shall cause each of its contractors and agents to maintain (and shall deliver evidence satisfactory to Seller thereof), at no cost or expense to Seller, general liability insurance from an insurer reasonably acceptable to Sellers in the amount of $2,000,000 in force per occurrence with a $5,000,000 aggregate limit, such policies to name Sellers as an additional insured party, which insurance shall provide coverage against any claim for personal injury or property damage caused by Purchaser or its agents, representatives or consultants in connection with any such tests and investigations, and (ii) to keep the Real Property free from all liens and encumbrances.

3.2 Indemnity

. **PURCHASER AGREES TO INDEMNIFY AND HOLD SELLERS AND THEIR RESPECTIVE AGENTS, DIRECTORS, PARTNERS, MEMBERS, OFFICERS, EMPLOYEES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "SELLER INDEMNIFIED PARTIES") HARMLESS FROM**

AND AGAINST ANY CLAIM FOR LIABILITIES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) DAMAGES OR INJURIES ARISING OUT OF OR RESULTING FROM THE INSPECTION OF THE REAL PROPERTIES BY PURCHASER OR ITS AGENTS; NOTWITHSTANDING THE FOREGOING, PURCHASER WILL NOT BE LIABLE TO A SELLER INDEMNIFIED PARTY FOR ANY LOSS OR DAMAGE SUFFERED OR INCURRED BY SUCH SELLER INDEMNIFIED PARTY AS A RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH SELLER INDEMNIFIED PARTY, NOR WILL PURCHASER BE RESPONSIBLE FOR ANY DAMAGE CAUSED BY THE MERE DISCOVERY OF A PRE-EXISTING CONDITION BY PURCHASER OR ITS AGENTS; PROVIDED HOWEVER THAT PURCHASER SHALL BE LIABLE HEREUNDER TO THE EXTENT PURCHASER OR ITS AGENTS EXACERBATE SUCH PRE-EXISTING CONDITION. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, SUCH OBLIGATION TO INDEMNIFY AND HOLD HARMLESS THE SELLER INDEMNIFIED PARTIES SHALL SURVIVE CLOSING OR ANY TERMINATION OF THIS AGREEMENT.

3.3 Due Diligence Period.

(a) Purchaser shall have from the Effective Date until the date that is twenty one (21) days after the Effective Date (the "Due Diligence Period"), to determine if it is not satisfied, for any or no reason whatsoever, with any matter relating to the Sale Assets as a result of its inspections or other due diligence performed during the Due Diligence Period. The Due Diligence Period shall be extended until the earlier to occur of two (2) Business Days after (x) the expiration of all applicable ROFR rights without any exercise of any of the rights thereunder; and (y) the written election of the ROFR Parties to waive or exercise all ROFR's. Purchaser shall have the right to terminate this Agreement by written notice to Sellers (with a concurrent copy to the Escrow Agent), given prior to 5:00 pm Pacific time on the last day of the Due Diligence Period, in which event the Earnest Money shall be returned to Purchaser, this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder, except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. In the event that Purchaser does not terminate this Agreement within the Due Diligence Period, Purchaser shall be deemed to have waived its right to terminate this Agreement pursuant to this Article III.

(b) In the event Purchaser does not terminate this Agreement within the Due Diligence Period, the Earnest Money shall be deemed non-refundable, except to the extend otherwise expressly set forth herein.

ARTICLE IV
CLOSING

4.1 Time and Place

. The consummation of the transaction contemplated hereunder (the "Closing") shall occur at 10:00 am Pacific time on the Closing Date through escrow between Sellers, Purchaser and the Escrow Agent, so that it will not be necessary for either Sellers or Purchaser to attend any Closing. At Closing, Sellers and Purchaser shall perform the obligations set forth in, respectively, Section 4.2 and Section 4.3, the performance of which obligations shall

be concurrent conditions. Notwithstanding anything in the contrary contained herein, either Sellers or Purchaser may elect, by written notice thereof delivered to the other party prior to the Closing, to extend the Closing Date to July 31, 2016. Additionally, Sellers or Purchaser shall have the right to extend the Closing Date for one (1) thirty (30) day period after July 31, 2016 by providing written notice thereof to the other party prior to the Closing as provided in Section 10.4 hereof; provided, however, Sellers and Purchaser acknowledge and agree that the Closing Date shall not be extended beyond August 31, 2016.

4.2 Sellers' Obligations at Closing.

(a) Subject to Article XI, Sellers shall deliver to Purchaser at the Closing:

(i) for the Real Property owned by each Seller, a deed executed and acknowledged by the applicable Seller (1) in the form attached hereto as Exhibit C-1 for each Real Property located in California, (2) in the form attached hereto as Exhibit C-2 for the Real Property located in Colorado, (3) in the form attached hereto as Exhibit C-3 for the Real Property located in Arizona, (4) in the form attached hereto as Exhibit C-4 for the Real Property located in Florida, and (5) in the form attached hereto as Exhibit C-5 for the Real Property located in Illinois;

(ii) a Bill of Sale for each of the Sellers in the form attached hereto as Exhibit D;

(iii) an Assignment of Leases from each Seller in the form attached hereto as Exhibit E;

(iv) an Assignment and Assumption Agreement from each Seller in the form attached hereto as Exhibit F;

(v) any applicable transfer tax forms;

(vi) a certificate in the form attached hereto as Exhibit H, dated as of the Closing Date and executed on behalf of Sellers by a duly authorized officer thereof, confirming that the representations and warranties contained in Section 5.1 are true and correct in all material respects as of the Closing Date (with appropriate modifications of those representations and warranties made in Section 5.1 to reflect any changes therein including without limitation any changes resulting from actions under Section 5.3) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change;

(vii) such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of each of the Sellers;

(viii) a FIRPTA certificate in the form attached hereto as Exhibit G;

(ix) a counterpart of a closing statement prepared by the Escrow Agent ("Closing Statement") that sets forth the prorations, applicable portion of the Purchase Price and other amounts paid and disbursed in accordance with this Agreement;

(x) a current Rent Roll (the "Current Rent Roll") for each Real Property, dated within three (3) Business Days of such Closing Date, certified by Seller as being true, correct and complete in all respects;

(xi) a title affidavit in form and substance reasonably satisfactory to the Title Company so as to permit the Title Company to issue the Title Policy without any pre-printed exceptions found in the jacket of the Title Policy (to the extent the same may be deleted under applicable law or common practice); provided that no event shall such title affidavit require Seller to provide any form of indemnity to Title Company for any matters described therein;

(xii) such additional documents as shall be reasonably required by either party to consummate the transaction expressly contemplated by this Agreement;

(xiii) keys to the building entrances, garage, mailbox and any locks for any of the Improvements, to the extent in the possession of the Sellers;

(xiv) to the extent in the Sellers' possession or control, originals or photostatic copies of the Books and Records, the Operating Agreements and Licenses and Permits;

(xv) to the extent in the Sellers' possession or control, originals or photostatic copies of the Leases, together with all lease files maintained in connection therewith and all books, records, property maintenance and other files maintained by the Sellers with respect to the Sale Assets; and

(xvi) notice letters to each tenant under the Leases in substantially the same form as Exhibit I attached hereto.

4.3 Purchaser's Obligations at Closing

.

(a) Subject to Article XI, Purchaser shall deliver to Seller at the Closing:

(i) The cash portion of the Purchase Price, as increased or decreased in accordance with the terms hereof, in immediately available wire transferred funds pursuant to Section 1.3;

(ii) executed counterparts of the instruments described in Sections 4.2(a)(iii), (iv) and (ix);

(iii) a certificate in the form attached hereto as Exhibit J, dated as of the Closing Date and executed on behalf of Purchaser by a duly authorized officer thereof, confirming that the representations and warranties contained in Section 5.6 are true and correct in all material respects as of the Closing Date (with appropriate modifications of

those representations and warranties made in Section 5.6 to reflect any changes therein) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change;

(iv) Existing Lender's unconditional consent to the Assumption, together with all documents required by Existing Lender in connection therewith, with such conditions or requirements as may be acceptable to Purchaser (collectively, the "Existing Lender's Consent"), and an unconditional release, executed by Existing Lender, in form reasonably acceptable to Sellers (the "Release"), pursuant to which Existing Lender releases Sellers from any and all liability under the Loan Documents arising from and after the Closing Date;

(v) California Preliminary Change of Ownership Reports for each of the Real Properties located in California;

(vi) such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

(vii) such affidavits as may be reasonably required by the Title Company in order to consummate the transactions hereunder; and

(viii) such additional documents as shall be reasonably required to consummate the transaction expressly contemplated by this Agreement.

4.4 Credits and Prorations.

(a) The following shall be equitably apportioned between Sellers and Purchaser as of 12:01 am Pacific time on the Closing Date, as if Purchaser owned the Sale Assets during the entire day upon which the Closing occurs:

(i) rents, including prepaid rents, and other amounts and items of income relative to any of the Real Property payable during the month in which the Closing occurs (the term "rents" as used in this Agreement includes all payments due and payable by tenants under the Leases);

(ii) to the extent any of the Sellers, and not a tenant under any Lease, is obligated to pay the same, taxes (including personal property taxes on the Personal Property) and assessments levied against the Real Property, but excluding any penalties or fines incurred for any delinquency in payment thereof prior to the Closing Date;

(iii) payments under the Operating Agreements;

(iv) to the extent any of the Sellers, and not a tenant under any Lease, is obligated to pay the same, gas, electricity and other utility charges, such charges to be apportioned at the Closing on the basis of the most recent meter reading occurring prior to such Closing;

(v) to the extent any of the Sellers, and not a tenant under any Lease, is obligated to pay the same, any other operating expenses or other items pertaining to the Property, but specifically excluding any penalties or fines relating to any late renewal of permits or licenses, which are customarily prorated between a purchaser and a seller of real property in the area in which the Real Property is located; and

(vi) to the extent Purchaser is assuming the Existing Loan, any payments of regularly scheduled interest payable thereunder.

(b) Notwithstanding anything contained in the foregoing provisions:

(i) At Closing, (A) Purchaser will be credited with all Security Deposits pursuant to the Leases, if any (to the extent such Security Deposits are not applied against delinquent rents or otherwise as provided in the Leases), (B) Purchaser shall credit to the account of Sellers all refundable cash or other deposits posted with utility companies serving the Real Property, or, at Sellers' option, Sellers shall be entitled to receive and retain such refundable cash and deposits, and (C) Purchaser shall credit Seller for any reserves held by Existing Lender under the Existing Loan Documents.

(ii) To the extent any of the Sellers, and not a tenant under any Lease, is obligated to pay taxes or assessments against the Real Property, any taxes paid at or prior to the Closing on account of the real or personal property shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, and any Seller, rather than a tenant under a Lease, is obligated to pay such taxes or assessments, Sellers shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before the Closing and, following the Closing, Purchaser shall pay, or cause to be paid, the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves promptly following the determination thereof.

(iii) To the extent any Seller, and not a tenant under the Lease, is obligated to pay taxes or assessments against a Real Property, Sellers shall receive the entire benefit of any discounts for the prepayment prior to the Closing of any taxes, water rates or sewer rents related to such Real Property.

(iv) Purchaser shall be responsible for the payment of all leasing commissions, referral fees and locator fees that become due and payable on or after the Closing Date for the applicable Real Property for lease extension options or renewals, and for all leasing commissions attributable to leases under which occupancy commences on or after the Closing Date. If, as of the Closing Date, Sellers shall have paid any leasing commissions for which Purchaser is responsible pursuant to the foregoing provisions, Purchaser shall reimburse Sellers therefor at the Closing. Sellers shall be responsible for the payment of all leasing commissions, referral fees and locator fees due

and payable before the Closing Date for the applicable Real Property, and for all leasing commissions attributable to leases under which occupancy commenced prior to the Closing Date. If, as of the Closing Date, Sellers have not paid any leasing commissions for which any of the Sellers is responsible pursuant to the foregoing provisions, Sellers shall give Purchaser a credit therefor at the Closing.

(v) Unpaid or delinquent rent for each Real Property which is delinquent as of the Closing Date ("Delinquent Rent") collected by any of the Sellers or Purchaser after the Closing Date shall be delivered and applied as follows: first to current rent becoming due and payable following the Closing Date and then to Delinquent Rent. Purchaser will make a good faith effort after the Closing to collect all rents in the usual course of Purchaser's operation of the Real Property, but Purchaser will not be obligated to institute any lawsuit or other collection procedures to collect delinquent rents.

(c) Purchaser acknowledges that proceedings for certiorari or other proceedings to determine the assessed value of the Real Property or any real property taxes payable with respect thereto at any Real Property may have been commenced prior to the Effective Date and may be continuing as of the Closing Date. To the extent any Seller, and not a tenant under the Lease, is obligated to pay taxes or assessments against a Real Property, Sellers shall be entitled to control the prosecution of any such proceeding to completion, provided that for any proceeding relating to taxes for the tax year in which the Closing occurs, Purchaser's consent, which shall not be unreasonably withheld, shall be required to settle or compromise any claim related thereto. Sellers shall keep Purchaser informed on a timely basis of all matters with respect to any such proceeding and seek Purchaser's consent and approval as required hereunder. The parties will cooperate with each other and execute any and all documents reasonably requested by the other party in furtherance of the foregoing. Sellers shall be entitled to any awards for the tax years prior to the year in which the Closing occurs. With respect to any awards for the tax year in which the Closing occurs, Sellers shall be entitled to first recover the reasonable costs expended in obtaining such awards and then Sellers and Purchaser shall apportion the remainder of such awards between the period prior to the Closing and the period subsequent to the Closing. Each party shall promptly remit to the other monies received that are to be paid and/or shared as provided herein. The provisions of this Section 4.4(c) shall survive the Closing until all proceedings with respect to the tax year of Closing and prior years are resolved.

(d) The provisions of this Section 4.4 shall survive the Closing; provided that, notwithstanding anything to the contrary in the foregoing, except for Section 4.4(c), all adjustments and prorations (except as to errors caused by misrepresentation) shall be deemed final upon the expiration of one hundred twenty (120) days after the Closing Date, except, with respect to property taxes, if the current tax rate or assessed valuation is not available by such date, adjustments with respect to property taxes shall be made within thirty (30) days after the later to become available of the tax rate and assessed valuation.

(e) Sellers shall be entitled to all cash in the bank accounts for any of the Real Property as of the Closing Date and, to the extent Purchaser is assuming the Existing Loan and

will directly, or indirectly, get the use of the same, the Purchase Price shall be increased by the aggregate amount of any cash reserves being held in connection with the Existing Loan.

(f) Not more than five (5) days and not less than two (2) days prior to the Closing Date, Seller shall deliver to Purchaser a draft prorations statement for Purchaser's reasonable approval.

4.5 Closing Costs.

(a) Sellers shall pay (i) the fees of any counsel representing it in connection with this transaction; (ii) one-half of any escrow fee which may be charged by the Escrow Agent; (iii) any premiums payable to the Title Company for the Title Policy and/or endorsements agreed to by Sellers to satisfy a Purchaser title objection; and (iv) any transfer tax actually deemed payable to the extent the same is customarily payable by sellers in the jurisdiction in which any of the Real Property is located;

(b) Purchaser shall pay or reimburse Seller, as applicable, (i) the fees of any counsel representing Purchaser in connection with this transaction; (ii) the cost of each Updated Survey and any endorsements requested by Purchaser and not part of a title objection; (iii) any assumption fee charged by Existing Lender in connection with the Assumption or Release; (iv) one-half of any escrow fee which may be charged by the Escrow Agent; (v) all recordation fees and transfer taxes actually due and payable in connection with the sale of the Sale Assets to Purchaser other than the tax being paid by Seller pursuant to Section 4.5(a)(iii), and (vii) any fees or similar amounts charged by any tenants under the Leases related to, or as a condition to delivering, the Estoppel Certificates.

(c) All other costs and expenses incident to this transaction and the Closing thereof shall be paid in accordance with customs in the county where each Real Property is located (if such cost or charge relates to such Real Property), or, if not so related, by the party incurring the same.

4.6 Conditions Precedent to Obligation of Purchaser

. The obligation of Purchaser to consummate the transactions hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Sellers 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, those provided for in Section 4.2.

(b) All of the representations and warranties of Sellers contained in this Agreement shall be true and correct as of the Closing Date (provided, however, that, subject to Section 5.4(a), the termination or expiration of any Leases in accordance with the terms of this Agreement prior to Closing shall not affect the obligations of Purchaser under this Agreement in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser).

(c) Sellers shall have delivered executed Estoppel Certificates from the tenants under the Leases to Purchaser in accordance with Section 5.5(d) below and none of such executed Estoppel Certificates shall include a material adverse variance from the statements and information contained in the Estoppel Certificates delivered to such tenants by Sellers or any alleged material default on the part of any Seller.

(d) Sellers shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Sellers as of the Closing Date.

(e) Purchaser shall have obtained the Existing Lender's Consent and the Release.

(f) The Title Company shall be unconditionally prepared to issue the Title Policy in the amount of the Purchase Price allocated to each Real Property as set forth on Schedule 1.2, subject only to the Permitted Liens

4.7 Conditions Precedent to Obligation of Sellers

. The obligation of Sellers to consummate the transactions hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Sellers in their sole discretion:

(a) Sellers shall have received the Purchase Price as adjusted pursuant to and payable in the manner provided for in this Agreement.

(b) Purchaser shall have delivered to Sellers all of the items required to be delivered to Sellers pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.3.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct as of the Closing Date.

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Closing Date.

(e) Purchaser shall have obtained the Existing Lender's Consent and the Release.

4.8 Failure of Condition

. If any condition set forth in Section 4.6 or Section 4.7 is not satisfied or waived on or before the Closing, then the party to this Agreement whose obligations are conditioned upon the satisfaction of such condition (the "Performing Party"), so long as such party's default or non-performance under this Agreement was not the cause of the condition that is unsatisfied, may (a) if such failure of condition constitutes a default under this Agreement, pursue its remedies under Article VI, or (b) if such failure of condition does not constitute a default under this Agreement, terminate this Agreement by written notice delivered at or prior to the Closing Date (with a concurrent copy to the Escrow Agent), whereupon the Earnest Money shall be paid to the Performing Party. Notwithstanding anything to the contrary in this

Agreement, Purchaser acknowledges and agrees that Sellers' failure to deliver the Estoppel Certificates shall not be a default under this Agreement and, upon such failure, Purchaser shall be entitled only to (a) terminate this Agreement and receive back the Earnest Money, (b) waive such failure and proceed to Closing, (c) extend the Closing in accordance with Section 4.1. Upon termination of this Agreement pursuant to this Section 4.8, except with respect to the obligations that survive termination of this Agreement, this Agreement shall be null and void and the parties shall have no further obligation to each other.

ARTICLE V
REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations and Warranties of Sellers

. Sellers hereby make the following representations and warranties to Purchaser as of the Effective Date:

(i) Each of the Sellers has been duly organized and is validly existing and in good standing under the laws of the State of Delaware and is duly authorized and qualified to do business under all applicable laws, regulations, ordinances and orders of any Governmental Authority to carry on its business in the places and in the manner as now conducted and to own the Sale Assets. Each Seller has the full right and authority to enter into this Agreement and to transfer all of the Sale Assets owned by such Seller pursuant to the terms hereof and to consummate or cause to be consummated the transactions contemplated herein, and the person signing this Agreement on behalf of such Seller is authorized to do so.

(ii) There is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending against Sellers, the Sale Assets or the transaction contemplated by this Agreement, which, if adversely determined, would be reasonably be expected to individually or in the aggregate have a material adverse effect on title to the Sale Assets or which would be reasonably be expected to interfere in any material way with the consummation by Sellers of the transaction contemplated by this Agreement.

(iii) Except for the Existing Loan and as set forth in Schedule 5.1(iii) attached hereto, (A) no Seller has sold, pledged, hypothecated or otherwise encumbered all or any portion of the Sale Assets and (B) no other person or entity has any right, title or interest in and to such Real Properties, other than the tenants under the Leases. There are no options, warrants, subscriptions or purchase rights with respect to the Real Properties other than (I) as set forth in Schedule 5.1(iii), and (II) as described in Article XI.

(iv) There are no unrecorded leases (other than the Leases) that affect title to the Real Properties. The Leases are in full force and effect and, to Sellers' knowledge, no Lease has been terminated, amended, modified, supplemented or assigned, other than as provided in the due diligence materials provided to Purchaser by Sellers, and each such Lease reflects the entire leasehold agreement between the applicable Seller, as landlord, and the applicable tenant.

(v) To Sellers' knowledge, no default by any Seller exists under any of the Leases. No Seller has sent written notice of default or event of default to any tenant under a Lease and, to Sellers' knowledge, no default or event of default of any tenant under a Lease exists.

(vi) No Seller has received written notice that such Seller or any Real Property currently is in violation of any Hazardous Substances Laws.

(vii) No Seller has received a written notice from any Governmental Authority alleging the violation of any law or ordinance applicable to the Real Property.

(viii) No Seller has (A) commenced a voluntary case, or, to Sellers' knowledge, had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors or (B) caused, consented to, or, to Sellers' knowledge, suffered, the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceedings, to hold, administer and/or liquidate any of the of the Sale Assets.

(ix) Sellers are not, and will not be, a person or entity with whom Purchaser is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (commonly known as the "USA Patriot Act") and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto (collectively, "Anti-Terrorism Laws"), including without limitation persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

(x) No Seller is a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations thereunder.

(xi) This Agreement has been (and any documents to be executed by Sellers at Closing will be) duly executed and delivered by Sellers and, assuming that this Agreement constitutes the valid and binding obligation of Purchaser, is (and will be) the valid and binding obligation of Sellers, enforceable against Sellers in accordance with its terms, except to the extent that enforceability may be subject to applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and similar laws affecting the enforcement of creditors' rights generally and by equitable principles.

(xii) The consummation of the transaction contemplated by this Agreement will not result in the breach of any other material agreement or contract to which any of the Sellers is a party.

(xiii) All consents and approvals required for the execution, delivery and performance of this Agreement by Sellers have been obtained or will be obtained as of the Closing Date.

(xiv) The Existing Loan Documents are listed on Schedule 5.1 attached hereto (including the outstanding principal balance thereof). True and complete copies of all of the Existing Loan Documents have been delivered to Purchaser. All payments due on the Existing Loan are current through the date of this Agreement, and the borrowers and related parties under the Existing Loan are not in default thereunder (without regard to any notice and/or cure period that may be allowed for various defaults).

5.2 Knowledge Defined

. References to the "knowledge" of Sellers shall refer only to the actual knowledge of Steven R. Greathouse, in his capacity as Senior Vice President-Investments of Consolidated-Tomoka Land Co., and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other Person, including, without limitation, Sellers or any Affiliate of any of them, or to any of their officers, agents, managers, representatives or employees or to impose upon such persons any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains.

5.3 Change of Circumstances.

(a) If any Seller becomes aware of any fact or circumstances which would change or render incorrect, in any material respect, any representation or warranty made by Sellers under this Agreement, whether as of the date given or any time thereafter through the Closing Date and whether or not such representation or warranty was based upon Seller's knowledge and/or belief as of a certain date, Seller will give prompt written notice of such changed fact or circumstance to Purchaser; in which event, unless Seller elects to cause and does cause the representation or warranty to again become true or correct prior to the Closing Date, Purchaser's sole remedies shall be either (i) to terminate this Agreement within five (5) days after written notice of such fact (and in any event no later than at or prior to the Closing Date), in which case the Earnest Money shall be returned to Purchaser and both parties shall be relieved of any further obligations hereunder except as may survive such termination, (ii) to extend the Closing Date for the period of time for Seller to remediate (but in no case beyond the Outside Closing Date), or (iii) to waive any objection to the representation or warranty to the extent it has become untrue or incorrect and to proceed with the Closing without reduction to the Purchase Price (and in such event, the representation and/or warranty shall be deemed modified by the change in circumstance and/or fact). Notwithstanding the foregoing, in the event that any representation or warranty made by Sellers under this Agreement is changed or rendered incorrect as a result of any negligent or wrongful act of Seller or circumstances caused or consented to by Seller in violation of this Agreement, and Seller does not cause the representation or warranty to again become true or correct prior to the Closing Date, then Purchaser shall be entitled to exercise the remedies set forth in Section 6.2 of this Agreement

5.4 Survival of, and Liability with Respect to, Sellers' Representations and Warranties.

(a) The representations and warranties of Sellers set forth in Section 5.1, as updated by the certificate of Sellers to be delivered to Purchaser at Closing in accordance with Sections 4.2(a)(vi), shall survive the Closing for a period of six (6) months from the Closing Date (the "Survival Period"); provided that the representation and warranty set forth in Sections 5.1(i) and 5.1(xi) shall survive in perpetuity.

(b) No claim for a breach of any representation or warranty of Sellers shall be actionable or payable (i) if the breach in question results from or is based on a condition, state of facts or other matter which was actually known to Purchaser prior to the Closing Date, (ii) unless the valid claims for all such breaches collectively aggregate more than $35,000.00 per each of the Real Properties (the "Deductible") and then only to the extent of such excess, and (iii) unless written notice containing a description of the specific nature of such breach shall have been given by Purchaser to Seller prior to the expiration of the Survival Period.

(c) In no event shall (i) Sellers' aggregate liability to Purchaser with respect to (A) any breach of any representation or warranty of Sellers in this Agreement (as modified by the certificate to be delivered by Sellers at Closing pursuant to Section 4.2(a)(vi)), and (B) any other claim whatsoever by Purchaser against Sellers in connection with this Agreement or the sale of the Sale Assets pursuant to this Agreement exceed the amount of the Cap, or (ii) Sellers be liable for consequential, speculative or punitive damages. As used herein, the term "Cap" shall mean, as to each individual Real Property, an amount equal to fifteen percent (15%) of the amount of the Purchase Price allocated to such individual Real Property; provided that in no event will Sellers' liability hereunder for all of the Real Properties in the aggregate exceed $1,500,000.00.

(d) In no event shall Sellers be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the Closing Date and (ii) is expressly permitted under the terms of this Agreement or is covered by the provisions of Section 5.3(a) . If, despite changes or other matters described in the certificate delivered pursuant to Section 4.2(a)(vi), the Closing occurs, Sellers' representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate.

5.5 Covenants of Sellers

. Sellers hereby covenant that during the period commencing on the Effective Date and ending on the earlier to occur of (i) the termination of this Agreement, and (ii) the Closing Date:

(a) Sellers shall operate and maintain the Sale Assets in a manner generally consistent with the manner in which each such Seller has operated and maintained the Sale Assets prior to the date hereof, taking into account preparations for the consummation of the transactions contemplated hereby.

(b) Sellers shall not grant or permit any further security interest, any pledge, any right of first refusal, any right of first offer, any purchase option or any other claim or encumbrance in or with respect the Sale Assets.

(c) To the extent any of the Sellers is required to do so under any Lease, Sellers shall maintain such casualty insurance on the Improvements as is presently in force.

(d) Sellers shall use reasonable efforts to obtain an estoppel certificate substantially in the form attached hereto as Exhibit K, or in the form provided for or required under the applicable Lease (the "Estoppel Certificate"), executed by each tenant under the Leases no earlier than (30) calendar days prior to the Closing Date. Purchaser shall review and approve

or disapprove any tenant changes to the Estoppel Certificate within three (3) Business Days of after receipt of the same, and Purchaser shall be deemed to have received an Estoppel Certificate for such review and approval as of the date on which the applicable Estoppel Certificate is emailed to Eric Finkelstein at the following email address, eric@blackequitiesgroup.com, if the applicable Estoppel Certificate is sent by email to such individual no later than 3:00 pm Pacific time. Purchaser's failure to respond within such 3-Business Day period shall be deemed approval of any changes to such Estoppel Certificate. Sellers or Purchaser shall be entitled to extend the Closing Date in accordance with Section 4.1 above if Sellers are unable to deliver any of the Estoppel Certificates prior to the Closing Date.

(e) Except to the extent any of the Sellers is legally obligated to do so and has disclosed such obligation to Purchaser prior to the Effective Date, none of Sellers shall, without in each instance first obtaining Purchaser's written consent, which, except as to Monetary Title Matters and except as to matters arising after the expiration of the Due Diligence Period, shall not be unreasonably withheld, conditioned or delayed, permit (i) any modification to any existing easements, covenants, conditions, restrictions, or rights of way affecting the Real Property, (ii) the encumbrance of the Real Property with any new easements, covenants, conditions, restrictions, or rights of way affecting the Real Property, (iii) any zoning changes, or any changes to the parking spaces on or appurtenant to, or the vehicular or pedestrian access to, any Real Property, (iv) any alterations to the Real Property, or (v) any new liens or other encumbrances on the Real Property. In the event that Purchaser fails to respond to a request for its consent pursuant to this Section 5.4(e) within a five (5) Business Day period, Purchaser's consent shall be deemed to be granted.

(f) Sellers shall comply with the Existing Loan Documents and any other material contracts relating to any Real Property, and shall not amend, or permit to be amended, any such agreements.

5.6 Representations and Warranties of Purchaser

. Purchaser hereby makes the following representations and warranties to Sellers:

(a) Purchaser has been duly organized and is validly existing under the laws of the State of California. Purchaser has the full right, power and authority to purchase the Sale Assets as provided in this Agreement and to carry out Purchaser's obligations hereunder, and all requisite action necessary to authorize Purchaser to enter into this Agreement and to carry out its obligations hereunder have been, or by the Closing Date will have been, taken. The person signing this Agreement on behalf of Purchaser is authorized to do so.

(b) There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, would be reasonably expected to individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

(c) Purchaser is not, and will not be, a person or entity with whom Seller is restricted from doing business under the Anti-Terrorism Laws, including without limitation persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

5.7 Survival of, and Liability with Respect to, Purchaser's Representations and Warranties

. The representations and warranties of Purchaser set forth in Section 5.5 shall survive Closing for a period of six (6) months; provided, however, the representation set forth in Sections 5.6(a) and 5.6(c) above shall survive in perpetuity.

ARTICLE VI
DEFAULT

6.1 Default by Purchaser

. If the Closing does not occur by reason of any default of Purchaser (other than a default by Purchaser caused by Sellers' default), which is not cured within five (5) Business Days of written notice except for Purchaser's obligations under Section 4.3 for which the cure period shall be two (2) Business Days, Sellers shall be entitled, as their sole remedy, to terminate this Agreement by written notice to Purchaser (with concurrent copy to Escrow Agent) and receive the Earnest Money as liquidated damages for the breach of this Agreement, it being agreed between the parties hereto that the actual damages to Sellers in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof. In such event, this Agreement will terminate, and Purchaser will have no further rights or obligations hereunder, except with respect to obligations that expressly survive termination. Notwithstanding the foregoing, nothing contained herein will limit Sellers' remedies at law, in equity or as herein provided in the event of a breach by Purchaser, after termination hereof, of any obligation that expressly survives termination hereunder.

THE PAYMENT OF THE DEPOSIT TO SELLER AS LIQUIDATED DAMAGES UNDER THE CIRCUMSTANCES PROVIDED FOR HEREIN IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTIONS 3275 OR 3369 OF THE CALIFORNIA CIVIL CODE, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BY SIGNING BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE, THE REASONABLENESS OF THE AMOUNT OF LIQUIDATED DAMAGES AGREED UPON, AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Seller's Initials: /s/ JPA Purchaser's Initials: /s/ RKB

6.2 Default by Seller

. If the Closing does not occur by reason of any default of Sellers (other than a default by Sellers caused by Purchaser's default),which is not cured within five (5) Business Days of written notice except for Sellers' obligations under Section 4.2 for which no cure period shall be applicable and any failure thereunder shall be an immediate default, Purchaser shall be entitled, as its sole remedy, either (a) to receive the return of the Earnest Money (by written notice to Sellers with a concurrent copy to the Escrow Agent), which payments shall operate to terminate this Agreement and release Sellers from any and all liability hereunder, or (b) to enforce specific performance of Sellers' obligations hereunder. Purchaser expressly waives its rights to seek damages in the event of Sellers' default hereunder (except as otherwise provided herein). Purchaser shall be deemed to have elected to terminate this

Agreement and receive back the Earnest Money if Purchaser fails to file suit for specific performance against Sellers on or before forty-five (45) days following the date upon which such Closing was to have occurred. Notwithstanding the foregoing, nothing contained herein will limit Purchaser's remedies at law, in equity or as herein provided in the event of a breach by Sellers, after termination hereof, of any obligation that expressly survives termination hereunder.

6.3 Judicial Reference

. IN THE CASE OF ANY DISPUTE, CONTROVERSY, OR CLAIM ARISING FROM, OUT OF, OR IN CONNECTION WITH, OR RELATING TO, ANY TERM, PROVISION, OR CONDITION OF THIS AGREEMENT, OR ANY BREACH OR ALLEGED BREACH OF THIS AGREEMENT, THE PARTIES SHALL MEET AND CONFER IN AN ATTEMPT TO RESOLVE THEIR DIFFERENCES. AT ANY TIME AFTER FIFTEEN (15) DAYS FOLLOWING NOTICE IN WRITING BY ANY PARTY THAT IT DESIRES TO SO MEET AND CONFER (THE "MEET AND CONFER NOTICE"), ANY PARTY MAY REQUIRE MEDIATION AND THEN, IF THE MEDIATION IS UNSUCCESSFUL, WITHIN FIFTEEN (15) DAYS FROM THE END OF SUCH MEDIATION, JUDICIAL REFERENCE PURSUANT TO THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, *ET SEQ*. BOTH THE MEDIATION AND THE JUDICIAL REFERENCE SHALL BE CONDUCTED BY A JUDGE OF THE JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. ("JAMS") IN ORANGE COUNTY, CALIFORNIA. FOR JUDICIAL REFERENCE, THE PARTIES SHALL AGREE UPON A SINGLE REFEREE WHO SHALL THEN TRY ALL ISSUES, WHETHER OF FACT OR LAW, AND REPORT IN WRITING A FINDING AND JUDGMENT THEREON. IF THE PARTIES ARE UNABLE TO AGREE UPON A REFEREE, EITHER PARTY MAY SEEK TO HAVE ONE APPOINTED, PURSUANT TO SECTIONS 639 AND 640 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. ANY PARTY MAY COMMENCE A REFERENCE BY SENDING A WRITTEN DEMAND FOR REFERENCE TO THE OTHER PARTY. SUCH DEMAND SHALL SET FORTH THE NATURE OF THE MATTER TO BE RESOLVED BY REFERENCE. BOTH PARTIES SHALL MUTUALLY SELECT THE PLACE OF THE REFERENCE. THE SUBSTANTIVE LAW OF THE STATE OF CALIFORNIA SHALL BE APPLIED BY THE REFEREE TO THE RESOLUTION OF THE DISPUTE. THE PARTIES SHALL SHARE EQUALLY ALL INITIAL COSTS OF REFERENCE. HOWEVER, THE PREVAILING PARTY SHALL BE ENTITLED TO REIMBURSEMENT OF ATTORNEY FEES, COSTS, AND EXPENSES INCURRED IN CONNECTION WITH THE REFERENCE. THE PARTIES AGREE THAT EACH PARTY SHALL HAVE THE RIGHT TO CAUSE AN APPEAL TO BE TAKEN FROM THE REFEREE'S DECISION TO A COURT OF COMPETENT JURISDICTION IN THE SAME MANNER AS A JUDICIAL APPEAL ARISING OUT OF AN ORDER OR JUDGMENT FROM A CALIFORNIA SUPERIOR COURT IN A CIVIL ACTION AND ALL OF THE SAME RULES, RIGHTS AND REMEDIES SHALL BE APPLIED TO BOTH PARTIES WITH RESPECT TO ANY SUCH APPEAL INCLUDING MATTERS OF FACT, MATTERS OF LAW, STANDARDS FOR REVIEW AND SUBSTANTIVE AND PROCEDURAL LAWS. JUDGMENT MAY BE ENTERED UPON ANY SUCH FINAL DECISION IN ACCORDANCE WITH APPLICABLE LAW IN ANY COURT HAVING JURISDICTION THEREOF. THE REFEREE (IF PERMITTED UNDER APPLICABLE LAW) OR SUCH COURT MAY ISSUE A WRIT OF EXECUTION TO ENFORCE THE REFEREE'S DECISION. ALSO, IF NO PARTY COMMENCES MEDIATION WITHIN FORTY-FIVE (45) DAYS OF THE MEET AND CONFER NOTICE, THEN THEREAFTER ANY PARTY

MAY REQUIRE JUDICIAL REFERENCE AS AND WHERE ABOVE-DESCRIBED. IF FOR ANY REASON JAMS IN ORANGE COUNTY, CALIFORNIA CANNOT ADMINISTER THE MATTER, THEN SUCH JAMS AS IS SELECTED BY SELLERS IN ANY COUNTY WITHIN A FIFTY (50) MILE RADIUS OF ORANGE COUNTY SHALL BE UTILIZED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IF JAMS DOES NOT EXIST AT THE TIME OF SUCH CONTROVERSY THEN THE AMERICAN ARBITRATION ASSOCIATION ("AAA") SHALL BE UTILIZED IN LIEU OF JAMS. IN THE EVENT THE AAA IS UTILIZED BOTH THE MEDIATION AND THE JUDICIAL REFERENCE SHALL BE CONDUCTED BY A RETIRED JUDGE OF ANY SUPERIOR COURT OF CALIFORNIA AND SHALL BE SELECTED BY THE AAA INDEPENDENT OF THE DESIRE OF ANY PARTY HEREUNDER UNLESS THE PARTIES HEREUNDER MUTUALLY AGREE ON SUCH MEDIATOR OR REFEREE.

Seller's Initials: /s/ JPA Purchaser's Initials: /s/ RKB

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS PROVISION DECIDED BY JUDICIAL REFERENCE AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS PROVISION. IF YOU REFUSE TO SUBMIT TO JUDICIAL REFERENCE AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO DO SO UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS PROVISION TO JUDICIAL REFERENCE.

Seller's Initials: /s/ JPA Purchaser's Initials: /s/ RKB

ARTICLE VII
RISK OF LOSS

7.1 Casualty; Condemnation.

(a) Notice. If, prior to the Closing Date, all or any portion of the Real Property is taken by eminent domain, or is the subject of a pending taking which has not been consummated, or any of the Sale Assets is destroyed or damaged by fire or other casualty, the Sellers shall notify Purchaser in writing of such fact promptly after Sellers have knowledge of the same.

(b) Minor Damage. In the event of any loss, damage or destruction to the Sale Assets or any part thereof prior to Closing that would cost $2,000,000 or less to repair or replace, as estimated by a person or company jointly agreed to by Purchaser and Seller, (i) the Purchase Price shall be reduced by a sum equal to the estimated cost of such repairs plus the estimated lost rental income for the period between Closing and completion of repairs, (ii) the transactions contemplated herein shall be consummated without further reduction of the Purchase Price, and (iii) Seller shall receive such insurance proceeds as are paid on the claim of loss.

(c) Major Damage. If the estimated cost of repairing or replacing any loss, damage or destruction to the Property exceeds $2,000,000, as estimated as aforesaid, Purchaser shall have the right (i) to terminate this Agreement; (ii) to elect to consummate the acquisition of the Sale Assets, in which event the Purchase Price shall be reduced by a sum equal to the estimated cost of such repairs plus the estimated lost rental income for the period between Closing and completion of repairs, the transactions contemplated hereby shall be consummated without further reduction of the Purchase Price, and Sellers shall receive such insurance proceeds as are paid on the claim of loss; or (iii) to consummate the transactions contemplated hereby, and receive all such insurance proceeds after Closing, and in such case, Sellers shall assign to Purchaser its right to receive said proceeds (and credit Purchaser with any deductible related thereto), including rent loss insurance, and there shall be no reduction in the Purchase Price. Any election to be made by Purchaser under this Section 7.1(c) shall be made no later than thirty (30) days from the casualty, or, if later, thirty (30) days after receipt of notice from the insurance company of the amount of insurance proceeds available for restoration.

(d) Condemnation and Eminent Domain. In the event that any condemnation proceedings are instituted, or notice of intent to condemn is given, with respect to the Real Properties or any portion of the Real Properties prior to Closing, Sellers shall promptly notify Purchaser thereof. In the event that such proposed condemnation, in Purchaser's reasonable judgment, could or would have a material adverse effect on the development, use or operation of any Real Property, Purchaser shall have the right to terminate this Agreement. If Purchaser elects to consummate the acquisition of the Sale Assets, Purchaser shall receive any condemnation award or compensation, and Sellers shall assign to Purchaser its right to receive such award or compensation. From and after the date of Purchaser's election to consummate the acquisition, Sellers shall not agree to or accept any compromise or condemnation award without obtaining Purchaser's written approval thereof, which approval may be granted or withheld in Purchaser's sole discretion. In the event any of the Sellers is entitled to receive a compromise or condemnation award under the terms of this Agreement, Purchaser shall not agree to or accept such compromise or condemnation award without Sellers' written approval thereof.

(e) Termination. If this Agreement is terminated by Purchaser pursuant to any provision of this Article 7, the Earnest Money shall be returned to Purchaser, and all rights, obligations and liabilities of the parties under this Agreement shall be extinguished and discharged (except to the extent such obligations and liabilities expressly survive termination pursuant to this Agreement).

ARTICLE VIII
COMMISSIONS

8.1 Brokerage Commissions

. If the transaction contemplated by this Agreement is consummated, but not otherwise, Sellers have agreed to pay to CBRE, Inc. (the "Broker") on the Closing Date, a brokerage commission pursuant to a separate written agreement between Seller and Broker. Each party agrees that should any claim be made for brokerage commissions or finder's fees by any broker or finder other than the Broker by, through or on account of any acts of said party or its representatives, said party will indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this paragraph shall survive the Closing or earlier termination of this Agreement.

ARTICLE IX
DISCLAIMERS AND WAIVERS

9.1 No Reliance on Documents

. Except as expressly stated herein, Sellers make no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Sellers or their Affiliates to Purchaser in connection with the transaction contemplated hereby. Purchaser acknowledges and agrees that all materials, data and information delivered by Sellers or its Affiliates to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser, except as otherwise expressly stated herein. Without limiting the generality of the foregoing provisions, Purchaser acknowledges and agrees that (a) any environmental or other report with respect to the Real Property which is delivered by Sellers or their Affiliates to Purchaser shall be for general informational purposes only, (b) Purchaser shall not have any right to rely on any such report delivered by Sellers or their Affiliates to Purchaser, but rather will rely on its own inspections and investigations of the Real Property and any reports commissioned by Purchaser with respect thereto, and (c) neither Sellers, any Affiliate of Sellers nor the person or entity which prepared any such report delivered by Sellers or their Affiliates to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such report.

9.2 DISCLAIMERS

. **EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED THAT SELLERS ARE NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE SALE ASSETS, INCLUDING, BUT NOT LIMITED TO ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE SALE ASSETS WITH LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF THE PROPERTY DOCUMENTS OR ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLERS TO PURCHASER, OR ANY OTHER MATTER OR THING REGARDING THE SALE ASSETS. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON**

THE CLOSING, SELLERS SHALL SELL AND CONVEY THE SALE ASSETS TO PURCHASER AND PURCHASER SHALL ACCEPT THE SALE ASSETS "AS IS, WHERE IS, WITH ALL FAULTS," EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT. PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLERS ARE NOT LIABLE FOR OR BOUND BY, ANY EXPRESSED OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO SALE ASSETS OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE REAL PROPERTIES) MADE OR FURNISHED BY SELLERS, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLERS, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT. IT IS FURTHER UNDERSTOOD AND AGREED THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLERS ARE NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE EXISTING LOAN OR THE EXISTING LOAN DOCUMENTS.

PURCHASER REPRESENTS TO SELLERS THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO THE CLOSING, SUCH INVESTIGATIONS OF THE SALE ASSETS, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS OF THE REAL PROPERTIES, AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE SALE ASSETS AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE REAL PROPERTIES, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLERS OR THEIR AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLERS AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT. PURCHASER REPRESENTS TO SELLERS THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO THE CLOSING, DUE DILIGENCE WITH RESPECT TO THE TERMS OF THE EXISTING LOAN AND THE EXISTING LOAN DOCUMENTS AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE TERMS OF THE EXISTING LOAN AND THE EXISTING LOAN DOCUMENTS, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLERS OR THEIR AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLERS AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT. UPON THE CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, AND ANY TERMS OF THE EXISTING LOAN OR EXISTING LOAN DOCUMENTS MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS AND DUE DILIGENCE, AND PURCHASER, UPON THE CLOSING, SHALL BE DEEMED TO HAVE WAIVED,

RELINQUISHED AND RELEASED SELLERS, SELLERS' AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, EMPLOYEES AND AGENT (COLLECTIVELY, "SELLER PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND EXPENSES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST ANY SELLER PARTIES AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS), THE TERMS OF THE EXISTING LOAN AND EXISTING LOAN DOCUMENTS, AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE SALE ASSETS AND THE TERMS OF THE EXISTING LOAN AND EXISTING LOAN DOCUMENTS, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, EXCLUDING HOWEVER, ANY CLAIMS ASSOCIATED WITH THE BREACH OF ANY COVENANT, REPRESENTATION OR WARRANTY OF SELLERS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY EXHIBIT THERETO, IN ACCORDANCE WITH THE EXPRESS TERMS OF THIS AGREEMENT OR ANY SUCH EXHIBIT.

9.3 Environmental Release.

(a) PURCHASER AND PURCHASER'S AFFILIATES FURTHER COVENANT AND AGREE NOT TO SUE SELLERS AND THE SELLER PARTIES AND RELEASE SELLERS AND THE SELLER PARTIES OF AND FROM AND WAIVE ANY CLAIM OR CAUSE OF ACTION, INCLUDING ANY STRICT LIABILITY CLAIM OR CAUSE OF ACTION, THAT PURCHASER OR PURCHASER'S AFFILIATES MAY HAVE AGAINST SELLERS OR THE SELLER PARTIES UNDER ANY HAZARDOUS SUBSTANCES LAWS (DEFINED BELOW), NOW EXISTING OR HEREAFTER ENACTED OR PROMULGATED, RELATING TO ENVIRONMENTAL MATTERS OR ENVIRONMENTAL CONDITIONS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO THE REAL PROPERTIES AND ARISING AFTER THE CLOSING DATE, INCLUDING CERCLA (DEFINED BELOW) AND RCRA (DEFINED BELOW), OR BY VIRTUE OF ANY COMMON LAW RIGHT, NOW EXISTING OR HEREAFTER CREATED, RELATED TO ENVIRONMENTAL CONDITIONS OR HAZARDOUS SUBSTANCES IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO THE REAL PROPERTIES AFTER THE CLOSING DATE. THE TERMS AND CONDITIONS OF THIS SECTION WILL EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT OR THE CLOSING, AS THE CASE MAY BE, AND WILL NOT MERGE WITH THE CLOSING DOCUMENTS.

(b) As used in this Agreement, "Hazardous Substances" shall mean and include, but shall not be limited to any petroleum product and all hazardous or toxic substances, wastes or substances, any substances which because of their quantitated concentration, chemical, or active, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or

to the environment, including, without limitation, any hazardous or toxic waste or substances which are included under or regulated by any environmental laws, regulations and ordinances, whether federal, state or local and whether now existing or hereafter enacted or promulgated, as such laws may be amended from time to time, including, without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (commonly known as "CERCLA"), as amended, the Superfund Amendments and Reauthorization Act (commonly known as "SARA"), the Resource Conservation and Recovery Act (commonly known as "RCRA"), the Toxic Substance Control Act, the Hazardous Substances Transportation Act, the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, or any other federal, state or local legislation or ordinances applicable to the Real Properties (collectively, "Hazardous Substances Laws").

(c) Seller shall provide Purchaser with a Natural Hazard Disclosure Statement (the "Disclosure Statement") with regard to those Real Properties located in the State of California in a form required by the Act (as hereafter defined) no later than ten (10) days after the Effective Date. Purchaser acknowledges and agrees that nothing contained in the Disclosure Statement releases Purchaser from its obligation to fully investigate and satisfy itself with the condition of the Property, including, without limitation, whether the Property is located in any Natural Hazard Area. Purchaser also agrees that nothing contained in the Disclosure Statement shall entitle or give Purchaser the right to terminate this Agreement; it being agreed that Purchaser has accepted the Property regardless of anything that may be contained in the Disclosure Statement (provided, however, that the foregoing shall not limit Purchaser's right to terminate this Agreement for any reason, or for no reason, prior to the expiration of the Due Diligence Period). Purchaser further acknowledges and agrees that the matters set forth in the Disclosure Statement may change on or prior to the Closing and that Seller has no obligation to update, modify or supplement the Disclosure Statement. Purchaser is solely responsible for preparing and delivering its own Disclosure Statement to subsequent prospective purchasers of the Real Properties located in California. As used herein, the term "Natural Hazard Area" shall mean those areas identified as natural hazard areas or natural hazards in the Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4 and 51183.5, and California Public Resources Code Sections 2621.9, 2694 and 4136, and any successor statutes or laws (the "Act").

9.4 Purchaser's Release

. Without limiting the foregoing and subject to the Seller Warranties, Purchaser hereby specifically waives with respect to matters covered by Sections 9.1, 9.2 and 9.3, the provisions of California Civil Code Section 1542, which provides:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Purchaser hereby acknowledges that Purchaser has carefully reviewed this subsection and discussed its impact with legal counsel, and that the provisions of this subsection are a material part of this Agreement.

9.5 No Financial Representation

. Sellers will cooperate with Purchaser in providing such financial information and income and expense data relating to the Property in connection with Purchaser's due diligence review. Sellers have provided to Purchaser all historical financial information regarding the Real Properties relating to periods of time during which each Seller has owned the Real Properties. Sellers and Purchaser hereby acknowledge that such information has been provided to Purchaser at Purchaser's request solely as illustrative material. Except as otherwise expressly set forth in this Agreement, Sellers make no representation or warranty that such material is complete or accurate or that Purchaser will achieve similar financial or other results with respect to the operations of the Real Properties, it being acknowledged by Purchaser that Sellers' ownership of the Sale Assets and the operation of the Real Properties and allocations of revenues or expenses may be vastly different than Purchaser may be able to attain. Purchaser acknowledges that it is a sophisticated and experienced purchaser of real estate and further that Purchaser has relied upon its own investigation and inquiry with respect to the operation of the Real Properties and releases the Seller Parties from any liability with respect to such historical information.

9.6 Effect and Survival of Disclaimers

. Sellers and Purchaser acknowledge that the compensation to be paid to Sellers for the Sale Assets has been decreased to take into account that the Sale Assets are being sold subject to the provisions of this Article IX. Sellers and Purchaser agree that the provisions of this Article IX shall survive the Closing or any termination of this Agreement.

ARTICLE X
EXISTING LOAN

10.1 Existing Loan

. Purchaser acknowledges that there exists a loan secured by the Sale Assets (the "Existing Loan") made by Wells Fargo Bank, National Association, as Trustee for Morgan Stanley Bank of America Merrill Lynch Trust 2013-C9, Commercial Mortgage Pass-Through Certificates, Series 2013-C9, successor in interest to Bank of America, N.A. (together with any successor thereto, the "Existing Lender"), as evidenced by those certain Promissory Note dated March 8, 2013, as amended, collectively in the original principal amount of $23,100,000.00 in favor of Existing Lender (collectively, the "Existing Note") and secured by, among other things, a separate security instruments listed in Schedule 5.1 (collectively, the "Existing Mortgages"), which Existing Loan was made pursuant to a Loan Agreement of even date therewith (the "Existing Loan Agreement") and further evidenced and/or secured by certain other documents (together with the Existing Note, the Existing Loan Agreement and the Existing Mortgages, the "Existing Loan Documents").

10.2 Purchaser's Obligation

. To induce Sellers to enter into this Agreement, Purchaser has agreed to use commercially reasonable efforts to expeditiously, at Purchaser's sole cost and expense, either (a) obtain (i) the Existing Lender's Consent authorizing Sellers to consummate the transactions contemplated hereby with Purchaser subject to, and with Purchaser assuming, the Existing Loan and the Existing Loan Documents (the "Assumption"), and (ii) the Release.

Such costs and expenses to be paid by Purchaser shall include, without limitation, any assumption fee (not to exceed 0.3% of the outstanding indebtedness of the Existing Loan as of the Closing), application fee, appraisal fees, rating agency fees, servicer fees, due diligence fees ($15,500.00), title insurance fees, recording fees, title endorsements, legal fees and all other fees and expenses payable to or reimbursable to Existing Lender or to any individual or entity working on behalf of Existing Lender in connection with the Assumption, whether or not such fees, costs and expenses are refundable. Purchaser acknowledges that the rights of first refusal applicable to the ROFR Properties may allow other entities to seek to obtain an assumption of the Existing Loan and the necessary Release in connection with its purchase of one or more of the ROFR Properties and that such rights may limit Sellers' ability to obtain, or prevent Sellers from obtaining, the Existing Lender Consent and/or the Release; provided, however, nothing herein shall limit Purchaser's rights or remedies as set forth in Section 10.4 hereof.

10.3 Cooperation

. Promptly after the Effective Date, Purchaser and Sellers shall cooperate in connection with Purchaser's seeking to obtain the Existing Lender Consent and Release. In connection therewith, each of Purchaser and Sellers shall provide Existing Lender with such information, financials and other documentation as Existing Lender reasonably requests. In connection with the Assumption and Release, Purchaser and Sellers shall be required to execute all loan documents reasonably requested by Existing Lender and Purchaser shall be required to take all steps reasonably required by Existing Lender in connection therewith, including without limitation, forming single purpose bankruptcy remote entities, satisfying rating agency requirements, and providing legal opinions. In addition, Purchaser shall cause an entity acceptable to Existing Lender to execute substitute guarantees and indemnities to obtain the Release. Purchaser acknowledges that under no circumstance whatsoever will Sellers agree to allow Purchaser to effectuate the Assumption without obtaining the Release.

10.4 Inability to Obtain Existing Lender's Consent; Disapproval of Assumption by Existing Lender

. Notwithstanding any provision herein to the contrary, if, prior to the Outside Closing Date (the "Loan Consent Date"), Purchaser has not obtained the Existing Lender's Consent, Sellers or Purchaser shall have the right to extend the Closing Date by for one (1) thirty (30) day period by written notice to the other party, provided that if Existing Lender has not delivered Existing Lender's Consent by August 31, 2016, Purchaser or Sellers shall have the right to terminate this Agreement by written notice thereof to the other (with a concurrent copy to the Escrow Agent). Upon such termination of this Agreement, and provided that Purchaser is not otherwise in default under this Agreement, the Earnest Money shall be delivered to Purchaser without the need for further instructions to do so and neither party to this Agreement shall have any further rights or obligations hereunder, except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. Notwithstanding the foregoing in the event that at any time Existing Lender disapproves of the Assumption by Purchaser, Purchaser shall have the right to terminate this Agreement by written notice to Sellers (with a concurrent copy to the Escrow Agent) given prior to 5:00 pm Pacific time on fifth (5th) Business Day after Purchaser receives notice of such disapproval, in which event the Earnest Money shall be returned to Purchaser, this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder, except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement

10.5 Withdrawal of Existing Lender's Consent

. Notwithstanding any provision herein to the contrary, if the Existing Lender's Consent is obtained by Purchaser but is thereafter withdrawn by Existing Lender on or prior to the Closing Date for any reason other than due to the default by Purchaser hereunder, Purchaser shall have the right to terminate this Agreement by written notice to Sellers (with a concurrent copy to the Escrow Agent), given prior to 5:00 pm Pacific time on fifth (5th) Business Day after Purchaser receives notice of such withdrawal, in which event the Earnest Money shall be returned to Purchaser, this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder, except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement.

ARTICLE XI
Rights of First Refusal

11.1 Bank of America ROFR

. Purchaser acknowledges that the ROFR Parties, as tenants under the applicable Leases, have a right of first refusal (each a "ROFR") on the applicable ROFR Properties. Accordingly, in the event a ROFR Party exercises a ROFR with regard to one of the Real Properties, Seller shall be obligated to sell the applicable ROFR Properties to such ROFR Party. In the event Bank of America as a ROFR Party exercises any ROFR Property, Purchaser or Sellers shall have the right to terminate this Agreement by written notice to the other party (with a concurrent copy to the Escrow Agent), given prior to 5:00 pm Pacific time on fifth (5th) Business Day after Purchaser receives notice of such exercise, in which event the Earnest Money shall be returned to Purchaser, Sellers shall reimburse Purchaser for all of its out-of-pocket costs and expenses incurred in connection with the negotiation of this Agreement and costs of due diligence in an amount not to exceed twenty-five thousand dollars ($25,000.00) in the aggregate, and this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder, except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If any ROFR Party (other than Bank of America) elects to exercise its ROFR, Sellers shall have the right to terminate this Agreement by written notice thereof to Purchaser given prior to 5:00 pm Pacific time on fifth (5th) Business Day after such notice is received by Seller and upon such termination, neither party to this Agreement shall have any further rights or obligations hereunder, except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. In the event (u) any ROFR Party (other than Bank of America) exercises a ROFR, (v) all ROFR Parties forego their respective right to purchase the applicable ROFR Property or (w) a ROFR Party defaults in its obligation to purchase the applicable ROFR Property after exercising the ROFR with respect thereto, Purchaser shall be obligated to purchase the applicable ROFR Properties at the Closing as if such ROFR Party never exercised the ROFR with respect thereto; provided, however, (x) the Closing shall be extended, for any period of delay caused by such default by a ROFR Party; and (y) in the event a ROFR Party (other than Bank of America) exercises a ROFR, the Purchase Price shall be adjusted (reduced) by the applicable amount set forth in Schedule 1.2 allocated to the applicable ROFR Property acquired by the ROFR Party

11.2 Notice to BOA

. Within five (5) days following the Effective Date, Sellers shall provide all applicable notices to the ROFR Parties in accordance in accordance with the terms of

the applicable Lease in order to commence the ROFR process, and Purchaser hereby consents to the delivery of all such notices.

11.3 No ROFR Election

. In the event the ROFR Parties do not exercise any ROFR with respect to any of the ROFR Properties, or the ROFRs are waived or otherwise inapplicable, Purchaser shall purchase the Sale Assets in accordance with all of the terms hereof.

11.4 Elected ROFR Property

. In the event a ROFR Party elects to exercise the ROFR with respect to the applicable ROFR Property (each, an "Elected ROFR Property") and such ROFR Party closes on the purchase of the Elected ROFR Property, and neither Purchaser nor Seller elects to terminate this Agreement in accordance with its rights to do so, such Elected ROFR Property shall be an Excluded Asset for purposes of this Agreement and the Purchase Price shall be reduced by the amount allocable to the Elected ROFR Property as set forth on Schedule 1.2 attached hereto. Purchaser acknowledges that the sale of an Elected ROFR Property to a ROFR Party may result in the defeasance of such Elected ROFR Property from the Existing Loan and may delay the Closing. In no event shall Purchaser be obligated to incur any expenses in connection with the defeasance of an Elected ROFR Property.

ARTICLE XII
RESERVED

ARTICLE XIII
MISCELLANEOUS

13.1 Confidentiality.

(a) Purchaser and its representatives shall use reasonable efforts to hold in strictest confidence all data and information obtained with respect to Sellers, Sellers' Affiliates and their respective business, whether obtained before or after the execution and delivery of this Agreement, and shall not disclose the same to others; provided, however, that it is understood and agreed that Purchaser may disclose such data and information to the employees, consultants, advisors, accountants, investors, lenders and attorneys of Purchaser provided that such persons are advised of the confidentiality provisions of this Agreement and are requested to treat such data and information confidentially, and in all events Purchaser shall be responsible for its employees, consultants, accountants and attorneys' obligation to keep confidential the data and information provided to them pursuant to this Agreement. In the event this Agreement is terminated or Purchaser fails to perform hereunder, Purchaser shall promptly return to Sellers any statements, documents, schedules, exhibits or other written information obtained from Sellers in connection with this Agreement or the transaction contemplated herein but not as a condition to the return of the Deposit to Purchaser as provided by the terms of this Agreement. In the event of a breach or threatened breach by Purchaser or its agents or representatives of this Section 13.1, Sellers shall be entitled to an injunction restraining Purchaser or its agents or representatives from disclosing, in whole or in part, such confidential information (without the requirement to post and bond or other security for such remedy). Nothing herein shall be construed as prohibiting Sellers from pursuing any other available remedy at law or in equity for such breach or threatened breach. This provision shall not be construed to limit Purchaser's

ability to disclose information that (i) is generally available to the public other than as a result of an improper disclosure by a party hereto or its affiliates or representatives, or was available to the public on a non-confidential basis prior to its disclosure by such party, or (b) must be disclosed as a matter of law, including such public disclosure obligations as are required by tax law. The provisions of this Section 13.1 shall survive Closing.

(b) Sellers and their representatives shall use reasonable efforts to hold in strictest confidence all data and information obtained with respect to Purchaser or its respective business, whether obtained before or after the execution and delivery of this Agreement, and shall not disclose the same to others; provided, however, that it is understood and agreed that Sellers may disclose such data and information to the employees, consultants, advisors, accountants, investors, lenders and attorneys of Sellers provided that such persons are advised of the confidentiality provisions of this Agreement and are requested to treat such data and information confidentially, and in all events Sellers shall be responsible for its employees, consultants, accountants and attorneys' obligation to keep confidential the data and information provided to them pursuant to this Agreement. In the event this Agreement is terminated or Sellers fail to perform hereunder, Sellers shall promptly return to Purchaser any statements, documents, schedules, exhibits or other written information obtained from Purchaser in connection with this Agreement or the transaction contemplated herein. In the event of a breach or threatened breach by Sellers or their agents or representatives of this Section 13.1, Purchaser shall be entitled to an injunction restraining Sellers or heir agents or representatives from disclosing, in whole or in part, such confidential information (without the requirement to post any bond or other security for such remedy). Nothing herein shall be construed as prohibiting Purchaser from pursuing any other available remedy at law or in equity for such breach or threatened breach. This provision shall not be construed to limit Sellers' ability to disclose information that (i) is generally available to the public other than as a result of an improper disclosure by a party hereto or its affiliates or representatives, or was available to the public on a non-confidential basis prior to its disclosure by such party, or (b) must be disclosed as a matter of law, including such public disclosure obligations as are required by tax law. The provisions of this Section 13.1 shall survive Closing.

13.2 Public Disclosure

. Any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by Purchaser and Sellers.

13.3 TIME IS OF THE ESSENCE

. **TIME IS OF THE ESSENCE WITH RESPECT TO ALL TIME PERIODS AND DATES FOR PERFORMANCE SET FORTH HEREIN.**

13.4 Discharge of Obligations

. The acceptance of the Deeds, Bill of Sale, Lease Assignments and Assignment and Assumption Agreements by Purchaser shall be deemed to be a full performance and discharge of every representation and warranty made by Sellers herein and every agreement and obligation on the part of Sellers to be performed pursuant to the provisions of this Agreement, except those which are herein specifically stated to survive Closing.

13.5 Assignment

. Purchaser shall not directly or indirectly assign or transfer this Agreement or any of its rights hereunder without Sellers' prior written consent in each instance,

which consent may be granted or withheld in Sellers' sole and absolute discretion, provided that Purchaser may, upon notice to but without the consent of Sellers, assign this Agreement at Closing to one or more special purpose entities in which Purchaser owns directly or indirectly and controls the day-to-day operations thereof. No consent given by Sellers to any assignment shall be construed as a consent to any other assignment, and any unpermitted assignment made by Purchaser shall be void. In the event the rights and obligations of Purchaser shall be assigned as aforesaid, the assignee will be substituted in place of Purchaser in the documents executed or delivered pursuant to this Agreement and shall assume in writing all of Purchaser's duties and obligations hereunder; provided, however, that such assignment and assumption shall not relieve Purchaser of its obligations hereunder and that Purchaser and such assignee shall remain jointly and severally liable for all obligations of the Purchaser hereunder.

13.6 Notices

. Any notice pursuant to this Agreement shall be given in writing and shall be given by personal delivery, or by deposit in the U.S. Mail, certified or registered, return receipt requested, postage prepaid, addressed to the parties at the addresses set forth below, or at such other address as a Party may designate in writing pursuant hereto, or telecopy (fax), email to a party (provided a copy follows by first class mail or by overnight delivery) or any express or overnight delivery service (e.g., FedEx), delivery charges prepaid. Notice shall be deemed to have been given on the date on which notice is delivered, if notice is given by personal delivery or telecopy, and on the date of deposit in the mail, if mailed or deposited with the overnight carrier, if used. Notice shall be deemed to have been received (i) on the date on which the notice is received, if notice is given by telecopy, email or personal delivery, (ii) on the first business day following deposit with an overnight carrier, if used, and (iii) on the second (2nd) day following deposit in the U.S. Mail, if notice is mailed. If escrow has opened, a copy of any notice given to a party shall also be given to Escrow Agent by regular U.S. Mail or by any other method provided for herein. The notice addresses for the parties are:

If to Purchaser:	SBMC Mesmer, L.P. c/o Black Equities Group, Ltd. 433 North Camden Drive, Suite 1070 Beverly Hills, California 90210 Attention: Mr. Robert K. Barth Telephone: (310) 278-6602 Fax: (310) 274-4017 Email Address: bobbarth@blackequitiesgroup.com
with a copy to:	Allen Matkins Leck Gamble Mallory & Natsis LLP 1900 Main Street, 5th Floor Irvine, California 92614-7321 Attention: Mike Joyce Telephone: (949) 553-1313 Fax: (949) 553-8354 Email Address: mjoyce@allenmatkins.com

If to Sellers: c/o Consolidated-Tomoka Land Co.
1530 Cornerstone Blvd, Suite 100
Daytona Beach, FL 32117
Attention: Steven R. Greathouse
Telephone No.: (386) 944-5642
Fax: (386) 274-1223
Email Address: sgreathouse@ctlc.com

with a copy to: Pillsbury Winthrop Shaw Pittman LLP
909 Fannin, Suite 2000
Houston, TX 77010
Attention: James S. Lloyd
Telephone: (713) 276-7607
Email Address: james.lloyd@pillsburylaw.com

If to Title Company: Fidelity National Title Insurance Company
Attn: Ms. Bobbie J. Purdy
Vice President
Fidelity National Title Group, Inc.
555 South Flower Street, Suite 4420
Los Angeles, CA 90071
Phone: (213) 452-7104
Fax: (213) 683-7148
Email Address: bobbie.purdy@fnf.com

13.7 Modifications

. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties hereto.

13.8 Attorneys' Fees

. If there is any litigation to enforce any provisions or rights arising under this Agreement, the unsuccessful party in such litigation, as determined by the court, agrees to pay the successful party, as determined by the court, all costs and expenses, including, but not limited to, reasonable attorneys' fees incurred by the successful party, such fees to be determined by the court. For purposes of this Section 13.8, a party will be considered to be the "successful party" if (a) such party initiated the litigation and substantially obtained the relief which it sought (whether by judgment, voluntary agreement or action of the other party, trial, or alternative dispute resolution process), (b) such party did not initiate the litigation and either (i) received a judgment in its favor, or (ii) did not receive judgment in its favor, but the party receiving the judgment did not substantially obtain the relief which it sought, or (c) the other party to the litigation withdrew its claim or action without having substantially received the relief which it was seeking.

13.9 Calculation of Time Periods

. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to

be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the state in which the Land is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5:00 pm Pacific time unless otherwise noted herein.

13.10 Successors and Assigns

. The terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto.

13.11 Entire Agreement

. This Agreement, including the exhibits and schedules, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

13.12 Further Assurances

. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to each Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement. Without limiting the generality of the foregoing, Purchaser shall, if requested by Sellers, execute acknowledgments of receipt with respect to any materials delivered by Sellers to Purchaser with respect to the Sale Assets. The provisions of this Section 13.12 shall survive each Closing.

13.13 Counterparts and Electronic Signature

. This Agreement may be executed in one or more counterparts, and be delivered by facsimile or electronic transmission, each of which counterparts shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

13.14 Severability

. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

13.15 Applicable Law; WAIVER OF JURY TRIAL

. **THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE SUBSTANTIVE FEDERAL LAWS OF THE UNITED STATES AND THE LAWS OF CALIFORNIA. SELLER AND PURCHASER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN ORANGE COUNTY, CALIFORNIA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDINGS BROUGHT BY THE OTHER IN CONNECTION WITH ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT. PURCHASER AND SELLER AGREE THAT THE PROVISIONS OF THIS SECTION 13.14 SHALL SURVIVE EACH CLOSING OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT.**

13.16 No Third Party Beneficiary

. Except as expressly set forth herein, the provisions of this Agreement and of the documents to be executed and delivered at the Closing are and will be for the benefit of Sellers and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at each Closing.

13.17 Annexes, Exhibits and Schedules

. The annexes, schedules and exhibits attached hereto shall be deemed to be an integral part of this Agreement.

13.18 Captions

. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

13.19 Construction

. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that 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.

13.20 Termination of Agreement

. It is understood and agreed that if either Purchaser or Sellers terminates this Agreement pursuant to a right of termination granted hereunder, such termination shall operate to relieve Sellers and Purchaser from all obligations under this Agreement, except for such obligations as are specifically stated herein to survive the termination of this Agreement.

13.21 Limitation of Liability

. Notwithstanding anything to the contrary in this Agreement or in any document delivered by Sellers in connection with the consummation of the transaction contemplated hereby (other than Section 5.3(e)), it is expressly understood and agreed that Sellers' liability shall be, and is, limited to, and payable and collectible only out of, Sellers' interest in the Sale Assets or the proceeds of the sale thereof, and no other property or asset of any of the Sellers or of any of Sellers' directors, officers, employees, shareholders, members or partners shall be subject to any lien, levy, execution, setoff, or other enforcement procedure for satisfaction of any right or remedy of Purchaser in connection with the transaction contemplated hereby; provided, that if following Closing the proceeds of the sale of the Sale Assets are distributed such that Sellers do not have assets in an amount sufficient to cover Sellers’ liability under this Agreement, then Seller’s liability hereunder shall be payable from such distributed sale proceeds, but not any other property or asset of any of Sellers' directors, officers, employees, shareholders, members or partners.

13.22 Post-Closing Third-Party Claims

. (a) If any claims relating to Sellers' period of ownership of the Sale Assets arise, Sellers and Purchaser shall cooperate in producing documents or materials in connection with such claim. Sellers and Purchaser shall promptly notify each other should either become aware of any such claims so that the parties may contact their insurers in a timely manner and/or provide for a timely defense. Further, Sellers and Purchaser shall cooperate with respect to any discussions with Sellers' insurance company and in connection with the parties' pursuit of claims against their respective insurance companies. Said cooperation, however, shall not entail Sellers incurring any third-party expenses or costs for claims which are Purchaser's responsibility under this Agreement, and to the extent Sellers incur

said expenses or costs, Purchaser shall immediately reimburse Sellers for all of the same, and shall not entail the Purchaser incurring any third-party expenses or costs for claims which are Sellers' responsibility under this Agreement, and to the extent Purchaser incurs said expenses or costs, Sellers shall immediately reimburse Purchaser for all of the same. The provisions of this Section 13.22 shall survive Closing.

13.23 1031 Exchange

. Sellers and Purchaser each acknowledge that the other party may effect a like-kind exchange under Section 1031 of the Code, as amended (the "Code"). Accordingly, Sellers and Purchaser each agree that they will cooperate with the other party to effect a tax-free exchange in accordance with the provisions of Section 1031 of the Code and the regulations promulgated with respect thereto. The party electing to effectuate the 1031 exchange shall be solely responsible for any additional fees, costs or expenses incurred in connection with any like-kind exchange requested by such party, and the other party shall not be required to incur any debt, obligation or expense in accommodating the other party hereunder. In no event shall a party's ability or inability to effect a like-kind exchange, as contemplated hereby, in any way delay the Closing or relieve such party from its obligations and liabilities under this Agreement and in no way shall the other party be held responsible for the same.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

SELLERS:

BLUEBIRD NORTH LA HABRA LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD NORTH WALNUT LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD NORTH YORBA LINDA LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD NORTH LOS ALAMITOS LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD SOUTH GARDEN GROVE LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD SOUTH LAGUNA LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD SOUTH TRABUCO MISSION VIEJO LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD SOUTH PUERTA REAL MISSION VIEJO LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD SOUTH WESTMINSTER LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD WAG BOULDER LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD WAG PALM BAY LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD CAPITAL CIRCLE LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD BWW PHOENIX LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

BLUEBIRD CHASE CHICAGO LLC,
a Delaware limited liability company

By: /s/ John P. Albright
Name: John P. Albright
Title: President and CEO

[SIGNATURES CONTINUED]

PURCHASER:

SBMC MESMER, L.P.,
a California limited partnership

By: /s/ Robert K. Barth
Name: Robert K. Barth
Title: Authorized Signatory

[SIGNATURES CONTINUED]

Solely with respect to its obligations as Escrow Agent:

FIDELITY NATIONAL TITLE INSURANCE COMPANY
By: /s/ Bobbie Purdy
Name: Bobbie Purdy
Title: Sr. Escrow Officer, V.P.
National Commercial Services

EXHIBIT A

DEFINITIONS

"AAA" shall have the meaning set forth in Section 6.3.

"Affiliate" shall mean, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with, or any general partner or managing member in, such specified Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or other beneficial interest, by contract or otherwise; and the terms "controlling" and "controlled" have the meanings correlative to the foregoing.

"Agreement" shall have the meaning set forth in the initial paragraph.

"Anti-Terrorism Laws" shall have the meaning set forth in Section 5.1(v).

"Assumption" shall have the meaning set forth in Section 10.2.

"Books and Records" shall have the meaning set forth in Section 1.1(i).

"Broker" shall have the meaning set forth in Section 8.1.

"Business Day" shall mean any day other than a Saturday, Sunday or legal holiday under the laws of the State in which the applicable Land is located.

"Cap" shall have the meaning set forth in Section 5.3(c).

"CERCLA" shall have the meaning set forth in Section 9.3(b).

"Closing" shall have the meaning set forth in Section 4.1.

"Closing Date" means the date that is fifteen (15) days after delivery of Existing Lender's Consent, subject to the extension under Section 4.1.

"Closing Statement" shall have the meaning set forth in Section 4.2(a)(vii).

"Code" means the Internal Revenue Code of 1986, as amended.

"Current Rent Roll" shall have the meaning set forth in Section 4.2(a)(ix).

"Deductible" shall have the meaning set forth in Section 5.3(b).

"Delinquent Rent" shall have the meaning set forth in Section 4.4(b)(vi).

"Deposit" shall have the meaning set forth in Section 1.4.

"Dispute Resolution" shall have the meaning set forth in Section 6.3.

"Due Diligence Period" shall have the meaning set forth in Section 3.3.

"Earnest Money" shall have the meaning set forth in Section 1.4.

"Effective Date" shall have the meaning set forth in the initial paragraph.

"Elected ROFR Property" shall have the meaning set forth in Section 11.1(b).

"Environmental Indemnity" shall mean that certain Environmental Indemnity Agreement dated as March 8, 2013, executed by the Loan Parties, in connection with the Existing Loan for the benefit of Existing Lender, as the same has been amended, restated, replaced, supplemented or otherwise modified from time to time.

"Escrow Agent" shall mean Fidelity National Title Insurance Company, or such other title company of national standing as shall be reasonably acceptable to Seller.

"Excluded Assets" shall have the meaning set forth in Section 1.6.

"Existing Lender" shall have the meaning set forth in Section 10.1.

"Existing Lender's Consent" shall have the meaning set forth in Section 4.3(a)(iv).

"Existing Loan" shall have the meaning set forth in Section 10.1.

"Existing Loan Agreement" shall have the meaning set forth in Section 10.1.

"Existing Loan Documents" shall have the meaning set forth in Section 10.1.

"Existing Mortgage" shall have the meaning set forth in Section 10.1.

"Existing Note" shall have the meaning set forth in Section 10.1.

"Existing Survey" shall have the meaning set forth in Section 2.5.

"Governmental Authority" shall mean any domestic governmental, quasi-governmental, regulatory, administrative or judicial agency, body or entity.

"Hazardous Substances" shall have the meaning set forth in Section 9.3(b).

"Hazardous Substances Laws" shall have the meaning set forth in Section 9.3(b).

"Improvements" shall have the meaning set forth in Section 1.1(c).

"Land" shall have the meaning set forth in Section 1.1(b).

"Leases" shall have the meaning set forth in Section 1.1(e).

"Licenses and Permits" shall have the meaning set forth in Section 1.1(g).

"Loan Consent Date" shall have the meaning set forth in Section 10.4.

"Loan Parties" shall mean the Sellers, as borrowers, under the Existing Loan Documents and Consolidated-Tomoka Land Co., as signatory under the Environmental Indemnity Agreement.

“Meet and Confer Notice” shall have the meaning set forth in Section 6.3.

"Operating Agreements" shall have the meaning set forth in Section 1.1(f).

"Other Intangibles" shall have the meaning set forth in Section 1.1(h).

"Outside Closing Date" shall mean July 31, 2016.

"Permitted Liens" shall mean those matters set forth on Exhibit F.

"Person" shall mean any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Personal Property" shall have the meaning set forth in Section 1.1(d).

"Purchase Price" shall have the meaning set forth in Section 1.2.

"Purchaser" shall have the meaning set forth in the initial paragraph.

"Real Property" Shall have the meaning set forth in Section 1.1(b).

"Release" shall have the meaning set forth in Section 4.3(a)(v).

"Rental Agreement" shall have the meaning set forth in Section 11.1(b).

"ROFR" shall have the meaning set forth in Section 11.1(b).

"ROFR Parties" shall be those parties that have a ROFR on the ROFR Properties, as set for on Schedule 11.1(b).

"ROFR Properties" shall mean those properties set forth on Schedule 11.1(b).

"Sale Assets" shall have the meaning set forth in Section 1.1.

“SBKFC” shall have the meaning set forth in Section 1.2(a).

"Security Deposits" shall have the meaning set forth in Section 1.1(e).

"Seller" shall have the meaning set forth in the initial paragraph.

"Seller Indemnified Parties" shall have the meaning set forth in Section 3.2.

"Seller Parties" shall have the meaning set forth in Section 9.2.

"Survival Period" shall have the meaning set forth in Section 5.3(a).

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Title Commitment" and "Title Commitments" shall have the meaning set forth in Section 2.2.

"Title Company" shall mean Fidelity National Title Insurance Company, or such other title company of national standing as shall be reasonably acceptable to Seller.

"Title Objections" shall have the meaning set forth in Section 2.3.

"Title Policy" means an owner's policy of title insurance with respect to all or any portion of the Sale Assets.

"Updated Survey" shall have the meaning set forth in Section 2.5.

"USA Patriot Act" shall have the meaning set forth in Section 5.1(v).

"Violations" shall mean violations of law, or municipal ordinances, orders, designations or requirements whatsoever noted in or issued by any Governmental Authority

"Warranties" shall have the meaning set forth in Section 1.1(j).

"Winter Park Property" shall have the meaning set forth in Section 1.2(a).

"Winter Park Property ROFR" shall have the meaning set forth in Section 1.2(a).

EXHIBIT B

LEGAL DESCRIPTIONS OF LAND

13952 Brookhurst St., Garden Grove, CA (099-344-11):

8850 Bolsa Ave., Westminster, CA (107-412-39):

299 Ocean Street, Laguna Beach, CA (641-253-27):

200 Lemon Ave., Walnut, CA (8720-024-054):

200 E. La Habra Blvd., La Habra, CA (022-172-35, 36):

26821 Trabuco Rd., Mission Viejo, CA (808-141-15):

11262 Los Alamitos Blvd., Los Alamitos, CA (222-081-03):

19601 Yorba Linda Blvd., Yorba Linda, CA (349-281-03):

27571 Puerta Real, Mission Viejo, CA (761-111-06):

2870 28th Street, Boulder, CO (R0515693):

Lot 1, Thompson Subdivision Replat A, as per the plat recorded August 18, 2009 at Reception No. 3024296, City and County of Boulder, State of Colorado.

1160 Malbar Road SE, Palm Bay, FL (29-37-04-MZ):

Parcel A: A portion of Tract Q, Port Malabar Unit Fifty-Seven, as recorded in Plat Book 30, Page 67, Public Records of Brevard County, Florida, being more particularly described as follows: Commence at the Southeast corner of said Tract Q, also being the West right of way of Interstate 95, and run S 89 degrees 48 minutes 00 seconds W, along the South line of Tract Q, a distance of 1572.45 feet to the East right of way line of San Filippo Drive; thence run N 0 degrees 45 minutes 08 seconds W, along said East right of way line, a distance of 512.02 feet to the Point of Beginning of the herein described parcel; thence continue N 0 degrees 45 minutes 08 seconds W a distance of 319.30 feet to the Southerly right of way line of Malabar Road, as it presently exists; thence run N 54 degrees 32 minutes 45 seconds E a distance of 42.55 feet; thence run S 89 degrees 28 minutes 56 seconds E a distance of 175.34 feet thence departing the Southerly right of way line of said Malabar Road run S 0 degrees 36 minutes 52 seconds E a distance

of 303.60 feet; thence run N 89 degrees 14 minutes 38 seconds E a distance of 149.50 feet; thence run S 0 degrees 31 minutes 04 seconds W a distance of 34.30 feet; thence run N 89 degrees 28 minutes 56 seconds W a distance of 101.50 feet; thence run S 85 degrees 32 minutes 59 seconds W a distance of 111.98 feet; thence run N 89 degrees 28 minutes 56 seconds W a distance of 145.10 feet to the Point of Beginning.

and

Parcel B: A portion of Tract Q, Port Malabar Unit Fifty-Seven, as recorded in Plat Book 30, Page 67, Public Records of Brevard County, Florida, being more particularly described as follows: Commence at the Southeast corner of said Tract Q, also being the West right of way of Interstate Highway 95, and run S 89 degrees 48 minutes 00 seconds W, along the South line of Tract Q, a distance of 1572.45 feet to the East right of way line of San Filippo Drive; thence run N 0 degrees 45 minutes 08 seconds W, along said East right of way line, a distance of 439.32 feet to the Point of Beginning of the herein described parcel; thence continue N 0 degrees 45 minutes 08 seconds W a distance of 72.70 feet; thence run S 89 degrees 28 minutes 56 seconds E a distance of 145.10 feet; thence run N 85 degrees 32 minutes 59 seconds E a distance of 111.98 feet; thence run S 89 degrees 28 minutes 56 seconds E a distance of 101.50 feet; thence run S 0 degrees 31 minutes 04 seconds W a distance of 82.38 feet; thence run N 89 degrees 28 minutes 56 seconds W a distance of 356.55 feet to the Point of Beginning.

LESS AND EXCEPT FROM THE ABOVE Parcels A and B, that portion conveyed to Lowe's home Centers, Inc., a North Carolina corporation, by that certain Special Warranty Deed recorded in Official Records Book 5744, Page 287, and that certain Quit-Claim Deed recorded in Official Records Book 5744, Page 333, of the Public Records of Brevard County, Florida.

TOGETHER WITH those non-exclusive and perpetual easements for ingress, egress, drainage and utilities as set forth in that certain Easement and Maintenance Agreement, recorded in Official Records Book 3877, Page 3665, re-recorded in Official Records Book 3897, Page 1468, of the Public Records of Brevard County, Florida.

TOGETHER WITH that non-exclusive and perpetual easement for ingress, egress, cross access, drainage, utility and landscape, as set forth in that certain Declaration and Grant of Easements, Covenants, Conditions and Restrictions, recorded in Official Records Book 3877, Page 3734, of the Public Records of Brevard County, Florida.

1875 Capital Circle, Tallahassee, FL (11-21-05-00E-003.1):

PARCEL 1:

Commence at a concrete monument marking the Northeast corner of Section 21 (also the Northwest corner of Section 22), Township 1 North, Range 1 East, Leon County, Florida, and run South 89 degrees 55 minutes 05 seconds West along the Section line 2979.56 feet to the Southeasterly right of way boundary of County Road No. 151 (Centerville Road), thence South 59 degrees 43 minutes 02 seconds West along said Southeasterly right of way boundary 7.78 feet to the old Easterly right of way boundary of State Road No. 261 (Capital Circle) said point lying on a curve concave to the Northeasterly, thence Southeasterly along said old right of way and curve with a radius of 2816.49 feet, through a central angle of 32 degrees 05 minutes 13 seconds, for an arc distance of 1577.30 feet (the chord of said arc being South 25 degrees 38 minutes 23 seconds East 1556.77 feet), thence South 41 degrees 41 minutes 00 seconds East along said old right of way boundary 896.48 feet to a point of curve to the right, thence

along said old right of way and curve with a radius of 2343.12 feet, through a central angle of 18 degrees 36 minutes 50 seconds, for an arc distance of 761.21 feet (chord of said arc being South 32 degrees 28 minutes 40 seconds East 757.87 feet), thence leaving said old Easterly right of way boundary run thence North 51 degrees 58 minutes 58 seconds East 23.57 feet to a set ½ diameter iron rod and cap LB#0732 on the new Easterly right of way of said State Road 261, said point being the Point of Beginning. From said Point of Beginning, thence leaving said right of way run North 51 degrees 58 minutes 58 seconds East 197.44 feet to a found concrete monument #LB732, thence North 38 degrees 02 minutes 19 seconds West 219.51 feet to a found 5/8 inch iron pin and cap LS#6745, thence North 51 degrees 39 minutes 56 seconds East 128.53 feet to a found 1 inch iron pipe, thence South 38 degrees 09 minutes 48 seconds East 366.30 feet, to a found one half inch iron pin & cap #LB732, thence South 51 degrees 59 minutes 41 seconds West 98.02 feet to a found one half inch pin #LB732, thence North 38 degrees 01 minutes 02 seconds West 58.80 feet to a found concrete monument #LB732, thence South 51 degrees 58 minutes 58 seconds West 258.27 feet to a found one half inch iron pin on the said new Easterly right of way of said State Road No. 261, thence North 19 degrees 21 minutes 20 seconds West along said right of way 92.10 feet to the Point of Beginning.

TOGETHER WITH that non-exclusive and perpetual easement for ingress, egress and surface and stormwater drainage as set forth in that instrument recorded in Official Records Book 1336, Page 455, of the Public Records of Leon County, Florida.

PARCEL 2:

Commence at a concrete monument marking the Northeast corner of Section 21 (also the Northwest corner of Section 22), Township 1 North, Range 1 East, Leon County, Florida, and run South 89 degrees 55 minutes 05 seconds West along the Section line 2979.56 feet to the Southeasterly right of way boundary of County Road No. 151 (Centerville Road), thence South 59 degrees 43 minutes 02 seconds West along said Southeasterly right of way boundary 7.78 feet to the old Easterly right of way boundary of State Road No. 261 (Capital Circle), said point also lying on a point of curve concave to the Northeasterly, thence Southeasterly along said right of way curve with a radius of 2816.49 feet, through a central angle of 32 degrees 05 minutes 13 seconds, for an arc distance of 1577.30 feet (the chord of said arc being South 25 degrees 38 minutes 23 seconds East 1556.77 feet), thence South 41 degrees 41 minutes 00 seconds East along said right of way boundary 896.48 feet to a point of curve to the right, thence along said right of way curve with a radius of 2343.12 feet, through a central angle of 18 degrees 36 minutes 50 seconds, for an arc distance of 761.21 feet (the chord of said arc being South 32 degrees 28 minutes 40 seconds East 757.87 feet) to a concrete monument #1254, thence leaving said old right of way boundary run thence North 51 degrees 58 minutes 58 seconds East 23.57 feet to an iron pin LB#732 lying on the new right of way boundary of said State Road 261 (Capital Circle), thence South 19 degrees 21 minutes 20 seconds East along said right of way a distance of 92.10 feet to a concrete monument LB#732 for the POINT OF BEGINNING. From said POINT OF BEGINNING continue South 19 degrees 21 minutes 20 seconds East along said right of way a distance of 190.53 feet to a concrete monument LB#732, thence South 68 degrees 06 minutes 40 seconds East along said right of way 46.04 feet to a concrete monument LB#732 lying on the new Northwesterly right of way boundary of Miccosukee Road, thence North 52 degrees 38 minutes 51 seconds East along said right of way a distance of 237.75 feet to a concrete monument LB#732, thence South 15 degrees 57 minutes 29 seconds East along said right of way a distance of 3.51 feet to a concrete monument LB#732, thence North 53 degrees 24 minutes 25 seconds East along said right of way a distance of 18.62 feet to a concrete monument LB#732, thence North 47 degrees 55 minutes 36 seconds East along said right of way a distance of 41.26 feet to a concrete monument LB#732, thence leaving said right of way boundary run North 38 degrees 01 minute 02 seconds West 223.90 feet, thence South 51 degrees 58 minutes 58 seconds West 258.30 feet to the POINT OF BEGINNING.

TOGETHER WITH that non-exclusive and perpetual easement for access, ingress, egress and stormwater drainage as set forth in that certain Dedication of Easements for Ingress, Egress, Access, Drainage and Covenant for Maintenance Responsibilities, recorded in Official Records Book 1336, Page 455, of the Public Records of Leon County, Florida.

TOGETHER WITH that non-exclusive and perpetual easement for access, ingress, egress and stormwater drainage as set forth in that certain Easement Agreement between Capital Circle Partners and CNL Retail Joint venture, recorded in Official Records Book 1833, Page 2097, of the Public Records of Leon County, Florida.

TOGETHER WITH that non-exclusive and perpetual easement for access, ingress, egress and rights of capacity to the stormwater management facility as set forth in that certain Stormwater Drainage Agreement, recorded in Official Records Book 1833, Page 2089, of the Public Records of Leon County, Florida.

5606 Montrose Blvd., Chicago, IL (13-17-232-052-0000):

PARCEL 1:

LOTS 16 AND 17 IN WILLIAM H. BRITIGAN'S SECOND ADDITION TO PORTAGE PARK OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOT 18 IN WILLIAM H. BRITIGAN'S SECOND ADDITION TO PORTAGE PARK OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 19 IN WILLIAM H. BRITIGAN'S SECOND ADDITION TO PORTAGE PARK OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 20, 21, 22, 23 AND 24 IN WILLIAM H. BRITIGAN'S SECOND ADDITION TO PORTAGE PARK OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 13-17-232-035-0000

13-17-232-036-0000

13-17-232-045-0000

13-17-232-052-0000

Commonly known as: 4400-20 N. Central Avenue, Chicago, Illinois

2700 W. North Lane, Phoenix AZ (149-16-410-C):

Lot 3 of PREMIER METRO 2011, according to the plat recorded in Book 1095 of Maps, Page 27, Maricopa County, Arizona.

EXHIBIT C-1

Recorded at Request of and
When Recorded Mail to:

_____
_____
_____

Until a change is requested, all
tax statements shall be sent to the following address:

_____
_____
_____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CORPORATION GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES:

Documentary Transfer Tax is **$[_____]** computed on full value of property conveyed.
City of _____, County of Orange.

APN: _____

FOR VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, _____, a Delaware limited liability company ("Grantor"), hereby grants to _____, a _____, the real property located in the County of _____, State of California, described in Exhibit A attached hereto and made a part hereof, together with the tenements, easements, rights of way and appurtenances belonging or in any way appertaining to the same, and the improvements thereon (the "Property").

This conveyance is made subject to non-delinquent taxes and assessments and those encumbrances set forth in Exhibit B attached hereto. Grantor disclaims any and all express or implied warranties regarding the Property other than the implied warranty stated in subparagraph 1 of Section 1113 of the California Civil Code.

Dated: _____ 2016

Grantor:

[TBI],
a Delaware limited liability company,

By:
Name:
Title:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

}ss:

STATE OF
COUNTY OF ___

On ___ before me, ___, a Notary Public, personally
(here insert name and title of the officer)
appeared ___
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Florida that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)

EXHIBIT C-2

FORM OF COLORADO SPECIAL WARRANTY DEED

Recording requested by

and when recorded please return to:

_____

_____

_____

Attn: _____

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made this ____ day of _____, 2016, by BLUEBIRD WAG BOULDER LLC, a Delaware limited liability company ("**Grantor**"), in favor of _____ ("**Grantee**"), whose mailing address is _____.

WITNESSETH, that the Grantor, for and in consideration of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey, and confirm, unto the Grantee and its successors and assigns forever, all of the real property, together with improvements, situate, located in the County of Boulder, State of Colorado, described on **Exhibit "A"** attached hereto and incorporated herein by this reference (the "**Property**");

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the Property, with the hereditaments and appurtenances and with all of Grantor's interest, if any, in and to (i) any and all minerals and mineral rights of any kind and nature whatsoever, and (ii) water, ditches, wells, reservoirs and drains, water and sewer taps, water credits, and all water, ditch, well, reservoir and drainage rights, which are appurtenant to, located on, now or hereafter acquired under or above or used in connection with the Property;

TO HAVE AND TO HOLD the Property above bargained and described with the appurtenances, unto Grantee, its successors and assigns forever. And Grantor, for itself, and its successors and assigns, does covenant and agree that Grantor shall and will WARRANT THE TITLE AND FOREVER DEFEND the Property in the quiet and peaceable possession of Grantee, its heirs, successors, transferees and assigns,

against all and every person or persons lawfully claiming the whole or any part thereof by, through or under Grantor, subject to all current taxes and assessments and all easements, encumbrances and existing matters of record as of the date hereof.

NOTE: THIS IS A DEED MADE SOLELY FOR THE PURPOSE OF AN AFFILIATE TRANSFER. NO DOCUMENTARY FEE IS REQUIRED IN CONNECTION WITH THIS DEED PURSUANT TO C.R.S. §39-13-102(2)(A).

[signature pages follow]

IN WITNESS WHEREOF, Grantor has caused its name to be hereunto subscribed on the day and year first above written.

GRANTOR:

BLUEBIRD WAG BOULDER LLC,
a Delaware limited liability company

By:

Name:

Title:

STATE OF FLORIDA
ss.
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____ as _____ of BLUEBIRD WAG BOULDER LLC, a Delaware limited liability company, on behalf of said limited liability company.

WITNESS my hand and official seal.

My commission expires:

otary Public

(NOTARIAL SEAL)

EXHIBIT C-3

FORM OF ARIZONA SPECIAL WARRANTY DEED

Recording requested by

and when recorded please return to:

_____

_____

_____

Attn: _____

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made this ____ day of _____, 2016, by BLUEBIRD BWW PHOENIX LLC, a Delaware limited liability company ("**Grantor**"), in favor of _____ ("**Grantee**"), whose mailing address is _____.

WITNESSETH, That Grantor, for and in consideration of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto Grantee, its successors and assigns forever, all the real property, together with improvements, located in the County of Maricopa, State of Arizona, described on **Exhibit A**, attached hereto and incorporated herein by this reference (the "**Property**");

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the Property, with the hereditaments and appurtenances and with all of Grantor's interest, if any, in and to (i) any and all minerals and mineral rights of any kind and nature whatsoever, and (ii) water, ditches, wells, reservoirs and drains, water and sewer taps, water credits, and all water, ditch, well, reservoir and drainage rights, which are appurtenant to, located on, now or hereafter acquired under or above or used in connection with the Property;

TO HAVE AND TO HOLD the Property above bargained and described with the appurtenances, unto Grantee, its successors and assigns forever. And Grantor, for itself, and its successors and assigns, does covenant and agree that Grantor shall and will WARRANT THE TITLE AND FOREVER DEFEND the Property in the quiet and peaceable possession of Grantee, its heirs, successors, transferees and assigns, against all and every person or persons lawfully claiming the whole or any part thereof by, through or

under Grantor, subject to all current taxes and assessments and all easements, encumbrances and existing matters of record as of the date hereof.

NOTE: THIS IS A DEED MADE SOLELY FOR THE PURPOSE OF AN AFFILIATE TRANSFER. NO AFFIDAVIT OF PROPERTY VALUE OR FILING FEE IS REQUIRED IN CONNECTION WITH THIS DEED PURSUANT TO A.R.S. §11-1134 B7.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused its name to be hereunto subscribed on the day and year first above written.

GRANTOR:

BLUEBIRD BWW PHOENIX LLC,
a Delaware limited liability company,

By: _____
Name:_____
Title:_____

STATE OF FLORIDA
ss.
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____ as _____ of _____, a _____.

WITNESS my hand and official seal.

My commission expires:

otary Public

(NOTARIAL SEAL)

EXHIBIT C-4

FORM OF FLORIDA SPECIAL WARRANTY DEED

THIS INSTRUMENT WAS PREPARED BY AND SHOULD BE RETURNED TO: _____ _____ _____ _____ Tax Parcel I.D. No.:	**SPACE ABOVE THIS LINE FOR RECORDER'S USE**

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made and executed as of the ____ day of _____, 2016, by [[[**BLUEBIRD CAPITAL CIRCLE LLC]]]**, a Delaware limited liability company (hereinafter referred to as the "**Grantor**") to _____, whose mailing address is _____ (hereinafter referred to as the "**Grantee**");

W I T N E S S E T H:

That the Grantor, for and in consideration of the sum of TEN DOLLARS ($10.00) and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged by these presents does grant, bargain, sell, alien, remise, release, convey, and confirm unto the Grantee those certain pieces, parcels or tracts of land situated in Leon County, Florida, to wit:

> Legal description is contained on **Exhibit A** attached hereto and made a part hereof (the "**Property**").

TOGETHER WITH all the tenements, hereditaments, easements and appurtenances thereto belonging or in anywise appertaining. This conveyance is made subject to ad valorem real property taxes and assessments accruing subsequent to December 31, 2012, all applicable zoning ordinances, regulations, easements and restrictions of record, if any, the reference to which will not operate to reimpose same, and tenants in possession, as tenants only.

TO HAVE AND TO HOLD the Property in fee simple forever.

AND the Grantor does hereby covenant with and warrant to the Grantee that the Grantor is lawfully seized of the Property in fee simple; that the Grantor has good right and lawful authority to sell and convey the Property; and that the Grantor fully warrants the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under the Grantor, but against none other.

IN WITNESS WHEREOF, the Grantor has caused the deed to be executed and delivered the day and year first above written.

Signed, sealed and delivered in the presence of:

GRANTOR:

[[[BLUEBIRD CAPITAL CIRCLE LLC]]],
a Delaware limited liability company

By:_____
Name:_____
Title:_____

_____
Printed Name: _____

_____
Printed Name: _____

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____, _____ of BLUEBIRD CAPITAL CIRCLE LLC, a Delaware limited liability company, for and on behalf of said limited liability company. He is personally known to me.

[NOTARY SEAL]

Printed/typed name:
Notary Public-State of Florida
My Commission expires:

EXHIBIT C-5

FORM OF ILLINOIS WARRANTY DEED

THIS INSTRUMENT PREPARED BY:

_____
_____
_____
_____

AFTER RECORDING RETURN TO:
_____
_____
_____
Attention: _____

MAIL TAX BILLS TO:
_____
_____
_____

[This space reserved for recording data.]

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made and entered into as of _____ ___, 2016, by and between **BLUEBIRD CHASE CHICAGO LLC**, a Delaware limited liability company having an address at c/o Consolidated-Tomoka Land Co., 1530 Cornerstone Blvd, Suite 100, Daytona Beach, FL 32117 ("Grantor") and _____, a _____ having an address at _____ ("Grantee").

FOR AND IN CONSIDERATION of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby SELL and CONVEY to Grantee the real estate located in the County of Cook, State of Illinois, as more particularly described on **EXHIBIT A** attached hereto and incorporated herein by this reference, together with all and singular the rights, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, subject to all deeds, liens, leases, encumbrances and exceptions of record, all municipal and zoning ordinances, recorded easements, covenants, rights-of-way and building restrictions of record (the "Permitted Exceptions").

Grantor, for itself and its successors and assigns, shall and will **WARRANT and DEFEND** the title to the Property unto the Grantee and the Grantee's successors and assigns FOREVER against the lawful claims of all persons claiming by, through or under Grantor but none other, excepting, however, the general taxes for 2012 and thereafter, and the Permitted Exceptions.

This Deed represents a transaction exempt under the provisions of ¶E, 35 ILCS 200/31-45 of the Real Estate Transfer Tax Law and the Cook County Real Property Transfer Tax Ordinance.

Dated: _____, 2016Signed: _____

IN WITNESS WHEREOF, the Grantor has caused its name to be signed to these presents by its duly authorized officer or representative as of the date first above written.

GRANTOR:

BLUEBIRD CHASE CHICAGO LLC,
a Delaware limited liability company

By:_____
Name:_____
Title_____

STATE OF FLORIDA)
) SS
COUNTY OF VOLUSIA)

The foregoing Special Warranty Deed was acknowledged before me this ____ day of _____, 2016 by _____, _____ of **BLUEBIRD CHASE CHICAGO LLC**, a Delaware limited liability company, on behalf of said limited liability company.

Notary Public

My commission expires

EXHIBIT D

FORM OF BILL OF SALE

BILL OF SALE
[LOCATION]

_____, a Delaware limited liability company ("Seller"), for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration received, does hereby sell, assign, grant and convey to _____ ("Purchaser"), all equipment, supplies, furniture, fixtures, furnishings, appliances and other personal property (the "Personal Property") owned by Seller and used in connection with the maintenance and operation of the real property described on Exhibit A attached hereto.

This bill of sale is made without representation, warranty or recourse, and conveys only the interest, if any, of Seller in the Personal Property. The Personal Property is conveyed to Purchaser "AS IS, WHERE IS."

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed effective as of the _____ day of _____, 2016.

SELLER:

_____,
a Delaware limited liability company

By:
Name:
Title:

EXHIBIT E

FORM OF ASSIGNMENT OF LEASES

ASSIGNMENT AND ASSUMPTION OF LEASE
([LOCATION])

This Assignment and Assumption of Lease (the "Assignment"), dated as of _____, 2016 (the "Effective Date"), is by and between _____, a Delaware limited liability company ("Assignor"), and _____, a _____ ("Assignee").

WHEREAS, Assignor is presently the holder of the lessor's interest under the lease, as amended, [including the Guaranty attached thereto] (collectively, the "Lease") listed on Exhibit A attached hereto and by this reference incorporated herein. The Lease affects the real property described on Exhibit B attached hereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. As of the Effective Date, Assignor hereby assigns, conveys, transfers and sets over unto Assignee all of Assignor's right, title and interest in, to and under the Lease, including, without limitation, all of Assignor's right, title and interest in and to security, cleaning or other deposits and in and to any claims for rent, arrears rent or any other claims arising under the Lease against any lessee thereunder arising after the Effective Date, subject to the rights of the lessees under the Lease.

2. Assumption. Assignee hereby assumes and agrees to pay all sums, and perform, fulfill and comply with all covenants and obligations, which are to be paid, performed, fulfilled and complied with by the lessor under the Lease, from and after the Effective Date.

3. Assignee's Indemnification of Assignor. Assignee shall and does hereby indemnify Assignor against, and agrees to hold Assignor harmless of and from, all liabilities, obligations, actions, suits, proceedings or claims, and all losses, costs and expenses, including but not limited to reasonable attorneys' fees, arising as a result of any act, omission or obligation of Assignee arising or accruing with respect to the Lease and occurring or alleged to have occurred after the Effective Date.

4. Assignor's Indemnification of Assignee. Assignor shall and does hereby indemnify Assignee against, and agrees to hold Assignee harmless of and from, all liabilities, obligations, actions, suits, proceedings or claims, and all losses, costs and expenses, including but not limited to reasonable attorneys' fees, arising as a result of any act, omission or obligation of Assignor arising or accruing with respect to the Lease and occurring or alleged to have occurred on or prior to the Effective Date.

5. Binding Effect. This Assignment shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

6. Counterparts. The parties agree that this Assignment may be executed by the parties in one or more counterparts and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date set forth above.

ASSIGNOR:

_____,
a Delaware limited liability company

By:
Name:
Its:

ASSIGNEE:

_____,
a _____

By:
Name:
Title:

EXHIBIT F

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Agreement") dated as of _____, 2016 (the "Effective Date"), is by and between _____, a Delaware limited liability company ("Assignor"), and _____, a _____ ("Assignee").

WHEREAS, Assignor, as Seller, and_____, as Purchaser ("Original Purchaser"), have entered into that certain Purchase Agreement and Escrow Instructions dated as of _____, 2016 [as modified by amendment dated _____,] (collectively,]the "Purchase Agreement"), providing for, among other things, the transfer and sale by Assignor to Original Purchaser of Operating Agreements, Licenses and Permits, Book and Records and Other Intangibles (capitalized terms used herein and otherwise not defined shall have the meaning given in the Purchase Agreement); and

WHEREAS, Original Purchaser assigned its right, title and interest in and to the Purchase Agreement to Assignee pursuant to that certain [Assignment of Purchase Agreement and Escrow Instructions] dated as of _____, 2016; and

WHEREAS, Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the Operating Agreements, Licenses and Permits, Book and Records and Other Intangibles including, without limitation, as more particularly listed in Exhibit A attached hereto (collectively, the "Assigned Contracts");

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Assignor does hereby convey and assign to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Assigned Contracts, without warranty, representation or recourse; provided, however, that to the extent the assignment of any Assigned Contract shall require the consent of any other party or the payment of any money or fee, this Agreement shall not constitute a contract to assign the same or any rights or liabilities thereunder if an attempted assignment thereof would cause a breach of the terms of the Assigned Contract, and the assignment of such Assigned Contract shall not be effective unless and until the consent of such other party shall have been obtained and payment of such fee shall have been made by Assignee.

2. Binding Agreement. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

3. Interpretation. If there is any conflict as to the terms of this Agreement and the Purchase Agreement, the terms of the Purchase Agreement shall prevail.

4. Governing Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State where the Property is located applicable to contracts made and performed entirely therein.

5. Headings. The headings of this Agreement are for reference only and shall not limit or define the meaning of any provision of this Agreement.

6. Counterparts. The parties agree that this Agreement may be executed by the parties in one or more counterparts and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement as of the date set forth above.

ASSIGNOR:

_____,
a Delaware limited liability company

By:
Its:

ASSIGNEE:

_____,
a _____

By:
Name:
Title:

EXHIBIT G

NON-FOREIGN PERSON CERTIFICATE

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 [_____] (the "Transferee") that withholding of tax is not required upon the disposition of a U.S. real property interest by **[_____]**, a [_____] ("Property Owner"), which is a direct or indirect subsidiary of _____ (the "Transferor"), the undersigned hereby certify the following on behalf of Property Owner and Transferor:

1. The Transferor is not (i) a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii) or (ii) a foreign corporation, foreign partnership, foreign trust or foreign estate (as such terms are defined in the Internal Revenue Code and Treasury Regulations).

2. The Transferor's Federal employer identification number is _____.

3. The Transferor's address is: _____.

4. Property Owner is not foreign corporation, foreign partnership, foreign trust or foreign estate (as such term is defined in the Internal Revenue Code and Treasury Regulations).

5. Property Owner 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 ON BEHALF OF PROPERTY OWNER AND TRANSFEROR.

[signature appears on the next page]

DATED: _____, 2016

[**TRANSFEROR]**

By:
Its:

[PROPERTY OWNERS]

By:
Name:
Title:

EXHIBIT H

SELLERS' CLOSING CERTIFICATE

For valuable consideration, receipt of which is acknowledged, _____, a _____ ("Seller"), hereby certifies to _____, a _____ ("Purchaser"), that all representations and warranties made by Seller in section 5.1 of the Purchase Agreement (the "Purchase Agreement") dated _____, 2016, between Seller and Purchaser, are true and correct on and as of the date of this Certificate. This Certificate is executed by Seller and delivered to Purchaser pursuant to the Purchase Agreement.

Dated: _____, 2016.

SELLER:

,
a

By:
Name:
Its:

EXHIBIT I

TENANT NOTICE LETTER

_____, 2016

_____
_____
_____
_____
Attention: _____

Re: Lease dated as of _____ (the "Lease") by and between _____, a _____ ("Landlord"), and _____, a _____, and relating to the leased premises (the "Premises") in the building located at [_____, _____, _____] (the "Building")

Ladies and Gentlemen:

Please be advised that Landlord has sold the Building, including the Premises, to _____, a _____ ("Purchaser"), as of the date set forth above, and in connection with such sale Landlord has assigned and transferred its interest in the Lease, including your security deposit (if any), to Purchaser. Accordingly, all of your obligations under the Lease from and after the date of this notice (including your obligations to pay rent and fulfill your insurance requirements) shall be performable to and for the benefit of Purchaser.

The address of Purchaser for all purposes under the Lease is:

_____
_____
_____
_____

If you have any questions about the sale, please contact _____, at (___) ___-____. Thank you.

Very truly yours,

[_____]

By:
Its:

EXHIBIT J

PURCHASER'S CLOSING CERTIFICATE

For valuable consideration, receipt of which is acknowledged, _____, a _____ ("Purchaser"), hereby certifies to _____, a _____ ("Seller"), that all representations and warranties made by Purchaser in section 5.6 of the Purchase Agreement (the "Purchase Agreement") dated _____, 2016, between Seller and Purchaser, are true and correct on and as of the date of this Certificate. This Certificate is executed by Purchaser and delivered to Seller pursuant to the Purchase Agreement.

Dated: _____, 201__.

PURCHASER:

,
a

By:
Name:
Its:

EXHIBIT K

FORM OF ESTOPPEL CERTIFICATE

To: _____
_____
_____
_____

Re: Lease dated _____, _____ between _____, a _____ ("Landlord"), and _____, a _____ ("Tenant"), with respect to premises located at _____

The undersigned hereby certifies to _____ ("Purchaser"), as follows:

l. The undersigned is the "Tenant" under the above-referenced lease ("Lease") covering the above-referenced Premises ("Premises"). The following is a true and correct list of all amendments, modifications and supplements to the Lease (collectively, the "Lease Modifications"): _____

For purposes hereof, all references to the "Lease" shall include the original lease agreement and all of the Lease Modifications thereto.

2. The Lease constitutes the entire agreement between Landlord and Tenant with respect to the Property and the Lease has not been modified, changed, altered or amended in any respect except as set forth above. The Lease is in full force and effect.

3. The term of the Lease commenced on _____, _____, and, taking into account any previously exercised options and all exercised renewal terms, will expire on _____,_____. Tenant has accepted possession of the Premises and is the actual occupant in possession and has not sublet, assigned or hypothecated Tenant's leasehold interest, except as follows: _____. All improvements to be constructed on the Premises by Landlord have been completed and accepted by Tenant and Landlord has paid in full all construction allowances and any allowances and inducements payable to Tenant, regardless whether the same are currently due and payable, except as follows: _____.

4. As of the date of this Estoppel Certificate, there exists no breach or default, nor state of facts which, with notice, the passage of time, or both, would result in a breach or default on the part of either Tenant or to the best knowledge of Tenant, Landlord.

5. Tenant is currently obligated to pay rent in monthly installments of $_____ per month as base rent and $_____ per month as operating costs, common area expenses, taxes and other pass-throughs (collectively, "Operating Expenses and Taxes") (taking into account all Consumer Price Index adjustments and other adjustments pursuant to the terms of the Lease),

and monthly installments of base rent and Operating Expenses and Taxes have been paid through _____, 201__.

6. No base rent or Operating Expenses and Taxes have been paid more than one (1) month in advance. Tenant has no claim or defense against Landlord under the Lease and is asserting no offsets or credits against either the rent or Landlord. Tenant has no claim against Landlord for any security or other deposits except $_____ which was paid pursuant to the Lease.

7. Tenant has no option or preferential right to purchase all or any part of the Premises (or the real property of which the Premises are a part) nor, except as expressly provided in the Lease, any right or interest with respect to the Premises other than as Tenant under the Lease.

8. Tenant has no option, right of first offer or right of first refusal to lease or occupy any other space within the property of which the Premises are a part, except as set forth in the Lease. Tenant has no right to renew or extend the terms of the Lease, except as set forth in the Lease.

9. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States, or any state thereof, or any other action brought under said bankruptcy laws with respect to Tenant.

This Estoppel Certificate is made to Purchaser in connection with the prospective purchase by Purchaser or Purchaser's assignee, of the property of which the Premises is a part. This Estoppel Certificate may be relied on by Purchaser, its lenders, joint venture partners, successors and assigns, and any other party who acquires an interest in the Premises in connection with such purchase and their respective lenders.

Dated this _____ day of _____, 201__

"TENANT"

By:
Name:
Its:

EXHIBIT L

PERMITTED LIENS

Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Purchase and Sale Agreement to which this Exhibit F is attached.

1. Liens, encumbrances, defects, exceptions, easements, rights of way, restrictions, covenants, claims or other matters contained in the current Title Policy, which is appended to this Exhibit L.

2. Liens for real estate taxes or assessments special or otherwise, not due and payable, or real estate taxes or assessments which are being apportioned hereunder.

3. The Leases.

4. All liens incurred by Purchaser.

5. All liens in connection with the Existing Loan.

6. All other matters that Purchaser shall have agreed or be deemed to have waived as Permitted Liens pursuant to Article II of the Agreement.

CURRENT TITLE POLICY

[See attached]

EXHIBIT M

WINTER PARK PROPERTY ROFR

[See attached]

AGREEMENT OF RIGHT OF FIRST REFUSAL

This Agreement of Right of First Refusal (this "**Agreement**"), effective as of _____, 2016 by and between SBKFC HOLDINGS, LLC, a Colorado limited liability company ("**Grantor**"), and CONSOLIDATED-TOMOKA LAND CO., a Florida corporation ("**Grantee**"), is entered into with reference to the following facts:

A. Pursuant to that certain Purchase and Sale Agreement dated _____, 2016 (the "**Purchase Agreement**") by and between Grantee, as seller, and SBMC Mesmer, L.P., a California limited partnership, as purchaser, Grantor has purchased from Grantee those certain real properties described in the Purchase Agreement (the "**Purchased Properties**").

B. Grantor is the owner of that certain real property having an address of 4250 Aloma Avenue, Winter Park, Florida and described on Exhibit A attached hereto and hereby incorporated by reference (the "**Property**").

C. As additional consideration for Grantee's sale of the Purchased Properties to Grantor, Grantor agreed to provide Grantee with a right of first refusal to purchase the Property on the terms and conditions of this Agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, each to the other in hand paid, the receipt and sufficiency of such consideration being acknowledged, the parties hereby agree as follows:

1. Right of First Refusal.

(a) Subject to and upon the terms and conditions hereinafter set forth, Grantor hereby grants to Grantee the exclusive, irrevocable and continuing right of first refusal to purchase the Property (the "**Right of First Refusal**") in the event that Grantor receives a bona fide offer of sale or transfer of the Property from a person or entity not related to or affiliated with Grantor (or any of its members) (a "**Third Party Offer**"), which offer Grantor desires to accept. For purposes of this Agreement, an offer from a person or entity not related to or affiliated with Grantor (or any of its members) to purchase all of the ownership interest in Grantor, or such ownership interest such that a Change of Control (as hereafter defined) of Grantor would occur, shall be considered a Third Party Offer to purchase the Property and shall be subject to Grantee's Right of First Refusal. As used herein, "**Change of Control**" shall mean a change in the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of Grantor, whether through ownership of voting securities, by contract or otherwise.

(b) If at any time or times Grantor receives a Third Party Offer, which offer Grantor desires to accept, Grantor shall give written notice thereof to Grantee (a "Notice of Offer"). Grantor shall segregate the price and terms for the Property from the price and other terms connected with any additional property or properties that are included in the Third Party Offer, such that Grantee can purchase the Property separate from such additional property or properties. The delivery of such Notice of Offer to Grantee shall constitute an offer by Grantor to Grantee

(herein called the "**ROFR Offer**") to effect a transfer of the Property in favor of Grantee of the same type and on the same terms for the Property as set forth in the Third Party Offer. Each Notice of Offer shall include true and complete copies of any term sheets, letters of intent, and proposed agreement of purchase or other agreement relating to such Third Party Offer. Grantor shall promptly provide to Grantee upon written request any additional information in Grantor's possession as may be reasonably requested by Grantee concerning the Third Party Offer; provided, however, neither the request nor delivery of such additional information shall be deemed to delay the delivery of the Notice of Offer.

(c) Grantee's Right of First Refusal shall be exercised, if at all, by Grantee giving written notice of the exercise thereof to Grantor within thirty (30) calendar days after Grantee's receipt of the Notice of Offer. Failure of Grantee to affirmatively exercise Grantee's Right of First Refusal within such thirty (30) day period shall be deemed conclusively to be an election not to exercise Grantee's Right of First Refusal with regard to such ROFR Offer.

(d) If Grantee rejects, or is deemed to have rejected, the ROFR Offer, Grantor may proceed with the transaction described in the Notice of Offer in accordance with the terms of the Third Party Offer. Should the terms of the original Third Party Offer presented in such Notice of Offer ever be amended or modified in any material respect, then such modification or amended terms shall constitute a new Third Party Offer hereunder and the new Third Party Offer shall be the subject of a new Notice of Offer in the manner hereinabove provided, and Grantee's Right of First Refusal hereunder shall apply thereto and the time period for exercise of Grantee's Right of First Refusal shall be thirty (30) days commencing on Grantee's receipt of such new Notice of Offer. Any agreement entered into between Grantor and any third party offeror that activates Grantee's Right of First Refusal under this Agreement shall be expressly subject to such Grantee's Right of First Refusal.

(e) If Grantor does not consummate a proposed sale or transfer described in a Notice of Offer within six (6) months after the date on which Grantee notifies (or is deemed to have notified) Grantor of Grantee's election not to exercise Grantee's Right of First Refusal, then all of the restrictions hereof shall thenceforth apply again to such Third Party Offer as though no written Notice of Offer had been given by Grantor to Grantee.

2. Notices. All notices to be given under this Agreement shall be in writing and shall be effective upon the earlier of: (i) receipt, (ii) refusal to accept delivery by Grantor or Grantee, whichever is the entity to which the notice is being delivered, or (iii) one (1) day after being deposited with a national recognized overnight courier service for next day delivery, addressed to the parties as set forth below. For purposes hereof, the addresses of the parties shall be:

If to Grantor: c/o Black Equities Group, Ltd.
433 North Camden Drive, Suite 1070
Beverly Hills, California 90210
Attention: Mr. Robert K. Barth
Telephone: (310) 278-6602
Fax: (310) 274-4017
Email Address: bobbarth@blackequitiesgroup.com

with a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP
1900 Main Street, 5th Floor
Irvine, California 92614-7321
Attention: Mike Joyce
Telephone: (949) 553-1313
Fax: (949) 553-8354
Email Address: mjoyce@allenmatkins.com

If to Grantee: c/o Consolidated-Tomoka Land Co.
1530 Cornerstone Blvd, Suite 100
Daytona Beach, FL 32117
Attention: Steven R. Greathouse
Telephone No.: (386) 944-5642
Fax: (386) 274-1223
Email Address: sgreathouse@ctlc.com

with a copy to: Pillsbury Winthrop Shaw Pittman LLP
909 Fannin, Suite 2000
Houston, TX 77010
Attention: James S. Lloyd
Telephone: (713) 276-7607
Email Address: james.lloyd@pillsburylaw.com

Either party shall have the right from time to time and at any time, upon at least ten (10) days prior written notice thereof in accordance with the provisions hereof, to change its respective address and to specify any other address within the continental United States of America; provided, however, notwithstanding anything herein contained to the contrary, the notice of address change shall not be effective unless received and such address may not consist of only a post office box.

3. Governing Law. The interpretation and enforcement of this Agreement shall be governed by the substantive law of the State of California, without the application of its conflict of law rules.

4. Scope. Except to the extent expressly provided otherwise in this Agreement, this Agreement shall apply to any proposed sale by Grantor of all or any part of or interest or estate in the Property.

5. Covenants Running with Land. The covenants under this Agreement shall run with, and be binding on, the Property and all present and future owners thereof, and reference herein to Grantor include such present and future owners and tenants.

6. Memorandum. This Agreement shall not be recorded. Grantor and Grantee acknowledge and agree that contemporaneously with the execution of this Agreement, Grantor shall execute and deliver to Grantee the Memorandum of Right of First Refusal attached hereto as Exhibit B (the "**Memorandum**"), which Memorandum may be recorded by Grantee.

7. No Partnership. Neither anything contained in this Agreement, nor any act of any party, shall be deemed or construed by the parties, or either of them, or by any third person, to create the relationship of principal and agent, partnership, or joint venture, or of any association between or among the parties. Both parties acknowledge and agree that neither party has any advantage over the other party and the negotiation of this Agreement or under the provisions of this Agreement, and that there is no fiduciary or special relationship between the parties.

8. Successors and Assigns. This Agreement and all of its terms and provisions shall be binding upon and shall inure to the benefit of Grantor, its successors and permitted assigns and Grantee, its successors and permitted assigns.

9. Time of Essence. Time is of the essence with respect to all provisions of this Agreement.

10. Modifications. This Agreement may not be modified or amended orally or in any manner other than by an agreement in writing signed by Grantor and Grantee.

11. Counterparts. This Agreement may be executed in any number of separate documents that shall be counterparts hereof, each of which shall have the same force and effect of the original instrument. If executed in separate counterparts, all counterparts shall constitute but one and the same instrument.

12. Strict Performance. No waiver or waivers by either party of any breach, default, liability or non-performance by the other party shall be deemed or construed to be a waiver of any other term, condition, or liability for the breach or default thereof. Failure on the part of either party to declare the other party in default, no matter how long such failure may continue, shall not be deemed to be a waiver by such party of any of its rights hereunder.

[*Remainder of page intentionally left blank; signature page immediately follows.*]

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

GRANTOR:

SBKFC HOLDINGS, LLC,
a Colorado limited liability company

By
Name
Title

GRANTEE:

CONSOLIDATED-TOMOKA LAND CO.,
a Florida corporation

By
Name
Title

Exhibit A
The Property

Exhibit B
Memorandum of Right of First Refusal

PREPARED BY:
AND AFTER RECORDED, MAIL TO:

MEMORANDUM OF RIGHT OF FIRST REFUSAL

This Memorandum of Right of First Refusal (this "**Memorandum**") is executed this _____ day of _____, 2016 by SBKFC HOLDINGS, LLC, a Colorado limited liability company, with an address of _____ ("**Grantor**"), in favor of CONSOLIDATED-TOMOKA LAND CO., a Florida corporation, having an address of 1530 Cornerstone Blvd., Suite 100, Daytona Beach, FL 32117 (together with its successors and assigns, "**Grantee**") with reference to the following facts:

WHEREAS, Grantor owns certain property more particularly described on Exhibit A attached (the "**Property**"), which Property is located at 4250 Aloma Avenue, Winter Park, Florida.

WHEREAS, Grantor and Grantee entered into that certain Agreement of Right of First Refusal, dated as of on or about even date herewith (the "**Agreement**"), pursuant to which Grantor granted to Grantee a right of first refusal to purchase the Property, upon the terms and conditions described in the Agreement (the "**Right of First Refusal**").

WHEREAS, Grantor and Grantee have executed this Memorandum to provide third parties with notice of the existence of the Right of First Refusal.

NOW THEREFOR, the parties to this Memorandum, intended to be legally bound, agree as follows:

1.The recitals above are incorporated by reference into this paragraph as if set forth in full.

2.Grantor and Grantee agree that this Memorandum is intended to provide notice to third parties of the existence of the Right of First Refusal and Grantor's agreement not to further encumber the Property, except as provided in the Agreement. This Memorandum is not a complete summary of the Agreement or the Right of First Refusal, and shall not amend or modify the Agreement or the Right of First Refusal. Provisions in this Memorandum shall not be used in interpreting the provisions of the Agreement. In the event of a conflict between the terms of this Memorandum and the Agreement, the Agreement shall control.

3.This Memorandum shall be interpreted in accordance with the laws of the State of Florida (without regard to principals of conflicts of laws). Neither the rule against perpetuities nor any similar law of the State of Florida shall apply to this Memorandum, the Right of First Refusal, or the Agreement.

[*Remainder of page intentionally blank. Signature page immediately follows.*]

IN WITNESS WHEREOF, Grantor has executed this Memorandum of Right of First Refusal as of the date and year first above written.

GRANTOR:

SBKFC HOLDINGS LLC,
a Colorado limited liability company

By:

Name:
Title:

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me,
(insert name of notary)
, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

SCHEDULE 1

SELLERS

Seller	*Address*	*City*	*State*	*APN*
Bluebird South Garden Grove LLC	13952 Brookhurst St.	Garden Grove	CA	099-344-11
Bluebird South Westminster LLC	8850 Bolsa Ave.	Westminster	CA	107-412-39
Bluebird South Laguna LLC	299 Ocean Ave.	Laguna Beach	CA	641-253-27
Bluebird North Walnut LLC	200 S. Lemon Ave.	Walnut	CA	8720-024-054
Bluebird North La Habra LLC	200 E. La Habra Blvd.	La Habra	CA	022-172-35, 36
Bluebird South Trabuco Mission Viejo LLC	26821 Trabuco Rd.	Mission Viejo	CA	808-141-15
Bluebird North Los Alamitos LLC	11262 Los Alamitos Blvd.	Los Alamitos	CA	222-081-03
Bluebird North Yorba Linda LLC	19601 Yorba Linda Blvd.	Yorba Linda	CA	349-281-03
Bluebird South Puerta Real Mission Viejo LLC	27571 Puerta Real	Mission Viejo	CA	761-111-06
Bluebird WAG Boulder LLC	2870 28th Street	Boulder	CO	R0515693
Bluebird WAG Palm Bay LLC	1160 Malbar Road SE	Palm Bay	FL	29-37-04-MZ
Bluebird Capital Circle LLC	1875 Capital Circle	Tallahassee	FL	11-21-05-00E-003.1
Bluebird Chase Chicago LLC	5606 Montrose Blvd.	Chicago	IL	13-17-232-052-0000
Bluebird BWW Phoenix LLC	2700 W. North Lane	Phoenix	AZ	149-16-410-C

SCHEDULE 1.1(d)

LEASES

1. Lease dated as of December 13, 2012 between Bluebird South Garden Grove LLC, as landlord, and Bank of America, National Association;

2. Lease dated as of December 13, 2012 between Bluebird South Westminster LLC, as landlord, and Bank of America, National Association;

3. Lease dated as of December 13, 2012 between Bluebird South Laguna LLC, as landlord, and Bank of America, National Association;

4. Lease dated as of January 3, 2013 between Bluebird North Walnut LLC, as landlord, and Bank of America, National Association;

5. Lease dated as of January 3, 2013between Bluebird North La Habra LLC, as landlord, and Bank of America, National Association;

6. Lease dated as of December 13, 2012 between Bluebird South Trabuco Mission Viejo LLC, as landlord, and Bank of America, National Association;

7. Lease dated as of January 3, 2013 between Bluebird North Los Alamitos LLC, as landlord, and Bank of America, National Association;

8. Lease dated as of January 3, 2013 between Bluebird North Yorba Linda LLC, as landlord, and Bank of America, National Association;

9. Lease dated as of December 13, 2012 between Bluebird South Puerta Real Mission Viejo LLC, as landlord, and Bank of America, National Association;

10. Lease dated February 16, 2011, as amended by the First Amendment of Lease dated December 13, 2011, between Bluebird WAG Boulder LLC, as landlord, and Walgreen Co., as tenant;

11. Lease dated July 23, 1998, as amended by the First Amendment of Lease dated January 25, 2007 and the Second Amendment of Lease dated August 30, 2013, by and between Bluebird WAG Palm Bay LLC, as landlord, and Walgreen Co., as tenant;

12. Lease dated July 13, 1995, as amended by the Lease Amendment No. 1 dated February 28, 1996 and the Second Amendment to Lease dated June 15, 2011, between Bluebird Capital Circle LLC, as landlord, and Holiday CS, L.L.C., as tenant;

13. Ground Lease dated December 11, 2009, as amended by the First Amendment to Ground Lease dated December 2, 2010, between Bluebird Chase Chicago LLC, as landlord, and JPMorgan Chase Bank, N.A., as tenant; and

14. Ground Lease Agreement dated June 29, 2011 between Bluebird BWW Phoenix LLC, as landlord, and Blazin Wings, Inc., as tenant.

SCHEDULE 1.1(e)

OPERATING AGREEMENTS

None.

SCHEDULE 1.2

PURCHASE PRICE ALLOCATIONS

Address	*City*	*State*	*Purchase Price Allocation*
13952 Brookhurst St.	Garden Grove	CA	$3,505,945.00
8850 Bolsa Ave.	Westminster	CA	$3,322,276.00
299 Ocean Ave.	Laguna Beach	CA	$2,762,136.00
200 S. Lemon Ave.	Walnut	CA	$2,528,560.00
200 E. La Habra Blvd.	La Habra	CA	$2,346,902.00
26821 Trabuco Rd.	Mission Viejo	CA	$1,858,964.00
11262 Los Alamitos Blvd.	Los Alamitos	CA	$1,800,618.00
19601 Yorba Linda Blvd.	Yorba Linda	CA	$1,706,754.00
27571 Puerta Real	Mission Viejo	CA	$1,352,675.00
2870 28th Street	Boulder	CO	$9,757,219.00
1160 Malbar Road SE	Palm Bay	FL	$6,900,842.00
1875 Capital Circle	Tallahassee	FL	$7,175,983.00
5606 Montrose Blvd.	Chicago	IL	$4,151,496.00
2700 W. North Lane	Phoenix	AZ	$2,429,629.00

SCHEDULE 2.5

EXISTING SURVEYS

Address	*Surveyor*	*Survey Date*	*Project/Job No.*
13952 Brookhurst St., Garden Grove, CA	Idyllwild Land Surveying	2/19/2013 (last revised 3/6/2013)	3952-2013
8850 Bolsa Ave., Westminster, CA	Idyllwild Land Surveying	2/19/2013 (last revised 2/23/2013)	8850-2013
299 Ocean Ave., Laguna Beach, CA	Site Tech Inc.	2/29/2013 (last revised 2/26/2013)	13-CO-06
200 S. Lemon Ave., Walnut, CA	JRN Civil Engineers	2/26/2013 (last revised 2/28/2013)	12544
200 E. La Habra Blvd., La Habra, CA	Idyllwild Land Surveying	2/19/2013 (last revised 2/25/2013)	200-2013
26821 Trabuco Rd., Mission Viejo, CA	Idyllwild Land Surveying	2/19/2013 (last revised 2/25/2013)	26821-2013
11262 Los Alamitos Blvd.. Los Alamitos, CA	Idyllwild Land Surveying	2/19/2013 (last revised 3/11/2013)	11282-13
19601 Yorba Linda Blvd., Yorba Linda, CA	Site Tech Inc.	2/29/2013 (last revised 2/26/2013)	13-CO-07
27571 Puerta Real, Mission Viejo, CA	Site Tech Inc.	2/16/2013 (last revised 3/6/2013)	13-CO-05
2870 28th Street, Boulder, CO	Drexel, Barrell & Co.	12/29/2010 (last revised 2/20/2013)	4509-7A

1160 Malbar Road SE, Palm Bay, FL	Creech Engineers, Inc.	2/22/2013 (last revised 2/27/2013)	13024.00
1875 Capital Circle, Tallahassee, FL	A.D. Platt and Associates, Inc.	2/20/2013 (last revised 3/6/2013)	10042
5606 Montrose Blvd., Chicago, IL	M M Surveying Co.	2/15/2013 (last revised 3/11/2013)	79273
2700 W. North Lane, Phoenix, AZ	Northsight	8/17/2012 (last revised 3/8/2013)	02818-06

SCHEDULE 5.1

EXISTING MORTGAGES

1. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird North La Habra LLC, as grantor, for the benefit of Existing Lender, as beneficiary;

2. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird North Walnut LLC, as borrower, for the benefit of Original Lender, as beneficiary;

3. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird North Yorba Linda LLC, as borrower, for the benefit of Original Lender, as beneficiary;

4. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird North Los Alamitos LLC, as borrower, for the benefit of Original Lender, as beneficiary;

5. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird South Garden Grove LLC, as borrower, for the benefit of Original Lender, as beneficiary;

6. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird South Laguna LLC, as borrower, for the benefit of Original Lender, as beneficiary;

7. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird South Trabuco Mission Viejo LLC, as borrower, for the benefit of Original Lender, as beneficiary;

8. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird South Puerta Real Mission Viejo LLC, as borrower, for the benefit of Original Lender, as beneficiary;

9. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird South Westminster LLC, as borrower, for the benefit of Original Lender, as beneficiary;

10. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird WAG Boulder LLC, as borrower, for the benefit of Original Lender, as beneficiary;

11. the Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 8, 2013 from Bluebird WAG Palm Bay LLC, as mortgagor, for the benefit of Original Lender, as mortgagee;

12. the Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 8, 2013 from Bluebird Capital Circle LLC, as mortgagor, for the benefit of Original Lender, as mortgagee;

13. the Deed of Trust, Assignment of Leases, Fixture Filing and Security Agreement dated as of March 8, 2013 from Bluebird BWW Phoenix LLC, as borrower, for the benefit of Original Lender, as beneficiary;

14. the Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 8, 2013 from Bluebird Chase Chicago LLC, as mortgagor, for the benefit of Original Lender, as mortgagee.

SCHEDULE 5.1(iii)

ENCUMBRANCES

None.

SCHEDULE 11.1(b)

ROFR PROPERTIES

ROFR Party	*Address*	*City*	*State*
Bank of America, N.A.	13952 Brookhurst St.	Garden Grove	CA
Bank of America, N.A.	8850 Bolsa Ave.	Westminster	CA
Bank of America, N.A.	299 Ocean Ave.	Laguna Beach	CA
Bank of America, N.A.	200 S. Lemon Ave.	Walnut	CA
Bank of America, N.A.	200 E. La Habra Blvd.	La Habra	CA
Bank of America, N.A.	26821 Trabuco Rd.	Mission Viejo	CA
Bank of America, N.A.	11262 Los Alamitos Blvd.	Los Alamitos	CA
Bank of America, N.A.	19601 Yorba Linda Blvd.	Yorba Linda	CA
Bank of America, N.A.	27571 Puerta Real	Mission Viejo	CA
Walgreens	2870 28th Street	Boulder	CO
Walgreens	1160 Malbar Road SE	Palm Bay	FL
JPMorgan Chase Bank	5606 Montrose Blvd.	Chicago	IL

Exhibit 31.1

CERTIFICATIONS

I, John P. Albright, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consolidated-Tomoka Land Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2016

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

Exhibit 31.2

CERTIFICATIONS

I, Mark E. Patten, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consolidated-Tomoka Land Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2016

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

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Consolidated-Tomoka Land Co. (the "Company") on Form 10-Q for the period ended March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. Albright, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2016

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

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Consolidated-Tomoka Land Co. (the "Company") on Form 10-Q for the period ended March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark E. Patten, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2016

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