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, 2022

OR

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

For the transition period from __________ to__________

Commission file number 001-39143

ALPINE INCOME PROPERTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland **(State or other jurisdiction of incorporation or organization)**	**84-2769895** **(I.R.S. Employer Identification No.)**
1140 N. Williamson Blvd., Suite 140 **Daytona Beach, Florida** **(Address of principal executive offices)**	**32114** **(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)

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

Title of each class:	Trading Symbol	Name of each exchange on which registered:
COMMON STOCK, $0.01 PAR VALUE	PINE	NYSE

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☒

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

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

The number of shares of the registrant's common stock outstanding on April 14, 2022 was 11,832,791.

INDEX

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

ALPINE INCOME PROPERTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	As of	
	(Unaudited) March 31, 2022	December 31, 2021
ASSETS		
Real Estate:		
Land, at Cost	$ 195,953	$ 178,172
Building and Improvements, at Cost	307,985	266,236
Total Real Estate, at Cost	503,938	444,408
Less, Accumulated Depreciation	(18,965)	(15,419)
Real Estate—Net	484,973	428,989
Cash and Cash Equivalents	2,244	8,851
Restricted Cash	691	646
Intangible Lease Assets—Net	64,120	58,821
Straight-Line Rent Adjustment	2,110	1,838
Other Assets	14,588	6,369
Total Assets	$ 568,726	$ 505,514
LIABILITIES AND EQUITY		
Liabilities:		
Accounts Payable, Accrued Expenses, and Other Liabilities	$ 3,981	$ 2,363
Prepaid Rent and Deferred Revenue	1,524	2,033
Intangible Lease Liabilities—Net	6,242	5,476
Long-Term Debt	318,814	267,740
Total Liabilities	330,561	277,612
Commitments and Contingencies—See Note 16		
Equity:		
Preferred Stock, $0.01 par value per share, 100 million shares authorized, no shares issued and outstanding as of March 31, 2022 and December 31, 2021	—	—
Common Stock, $0.01 par value per share, 500 million shares authorized, 11,772,963 shares issued and outstanding as of March 31, 2022 and 11,454,815 shares issued and outstanding as of December 31, 2021	118	114
Additional Paid-in Capital	207,035	200,906
Dividends in Excess of Net Income	(8,779)	(6,419)
Accumulated Other Comprehensive Income	8,754	1,922
Stockholders' Equity	207,128	196,523
Noncontrolling Interest	31,037	31,379
Total Equity	238,165	227,902
Total Liabilities and Equity	$ 568,726	$ 505,514

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

ALPINE INCOME PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except share and per share data)

	Three Months Ended	
	March 31, 2022	March 31, 2021
Revenues:		
Lease Income	$ 10,799	$ 5,890
Total Revenues	10,799	5,890
Operating Expenses:		
Real Estate Expenses	1,092	651
General and Administrative Expenses	1,431	1,030
Depreciation and Amortization	5,672	3,143
Total Operating Expenses	8,195	4,824
Net Income From Operations	2,604	1,066
Interest Expense	1,680	555
Net Income	924	511
Less: Net Income Attributable to Noncontrolling Interest	(118)	(71)
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 806	$ 440
Per Common Share Data:		
Net Income Attributable to Alpine Income Property Trust, Inc.		
Basic	$ 0.07	$ 0.06
Diluted	$ 0.06	$ 0.05
Weighted Average Number of Common Shares:		
Basic	11,662,697	7,565,429
Diluted	13,366,191	8,789,283

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

ALPINE INCOME PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in thousands)

	Three Months Ended	
	March 31, 2022	**March 31, 2021**
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 806	$ 440
Other Comprehensive Income		
Cash Flow Hedging Derivative - Interest Rate Swaps	6,832	676
Total Other Comprehensive Income	6,832	676
Total Comprehensive Income	$ 7,638	$ 1,116

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

ALPINE INCOME PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in thousands, except per share data)

For the three months ended March 31, 2022:

	Common Stock at Par	Additional Paid-in Capital	Dividends in Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2022	$ 114	$ 200,906	$ (6,419)	$ 1,922	$ 196,523	$ 31,379	$ 227,902
Net Income	—	—	806	—	806	118	924
Stock Issuance to Directors	—	79	—	—	79	—	79
Stock Issuance, Net of Equity Issuance Costs	4	6,050	—	—	6,054	—	6,054
Cash Dividend ($0.27 per share)	—	—	(3,166)	—	(3,166)	(460)	(3,626)
Other Comprehensive Income	—	—	—	6,832	6,832	—	6,832
Balance March 31, 2022	$ 118	$ 207,035	$ (8,779)	$ 8,754	$ 207,128	$ 31,037	$ 238,165

For the three months ended March 31, 2021:

	Common Stock at Par	Additional Paid-in Capital	Dividends in Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2021	$ 75	$ 132,878	$ (5,713)	$ (481)	$ 126,759	$ 22,334	$ 149,093
Net Income	—	—	440	—	440	71	511
Stock Issuance to Directors	—	66	—	—	66	—	66
Stock Issuance, Net of Equity Issuance Costs	4	7,647	—	—	7,651	—	7,651
Cash Dividend ($0.24 per share)	—	—	(1,896)	—	(1,896)	(293)	(2,189)
Other Comprehensive Income	—	—	—	676	676	—	676
Balance March 31, 2021	$ 79	$ 140,591	$ (7,169)	$ 195	$ 133,696	$ 22,112	$ 155,808

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

ALPINE INCOME PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Three Months Ended	
	March 31, 2022	**March 31, 2021**
Cash Flow From Operating Activities:		
Net Income	$ 924	$ 511
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,672	3,143
Amortization of Intangible Lease Assets and Liabilities to Lease Income	(101)	(41)
Amortization of Deferred Financing Costs to Interest Expense	125	65
Non-Cash Compensation	79	73
Decrease (Increase) in Assets:		
Straight-Line Rent Adjustment	(294)	(147)
COVID-19 Rent Repayments	23	271
Other Assets	243	27
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, and Other Liabilities	(40)	(350)
Prepaid Rent and Deferred Revenue	(509)	257
Net Cash Provided By Operating Activities	6,122	3,809
Cash Flow From Investing Activities:		
Acquisition of Real Estate, Including Capitalized Expenditures	(66,089)	(22,117)
Net Cash Used In Investing Activities	(66,089)	(22,117)
Cash Flow from Financing Activities:		
Proceeds from Long-Term Debt	62,000	12,500
Payments on Long-Term Debt	(11,000)	—
Cash Paid for Loan Fees	(23)	—
Proceeds From Stock Issuance, Net	6,054	7,651
Dividends Paid	(3,626)	(2,189)
Net Cash Provided By Financing Activities	53,405	17,962
Net Decrease in Cash, Cash Equivalents and Restricted Cash	(6,562)	(346)
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	9,497	1,894
Cash, Cash Equivalents and Restricted Cash, End of Period	$ 2,935	$ 1,548
Reconciliation of Cash to the Consolidated Balance Sheets:		
Cash and Cash Equivalents	$ 2,244	$ 1,548
Restricted Cash	691	—
Total Cash	$ 2,935	$ 1,548

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

ALPINE INCOME PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited, in thousands)

	Three Months Ended	
	March 31, 2022	**March 31, 2021**
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	$ 1,512	$ 482
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Unrealized Gain on Cash Flow Hedge	$ 6,832	$ 676
Right-of-Use Assets and Operating Lease Liability	$ 1,831	$ —

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BUSINESS AND ORGANIZATION

BUSINESS

Alpine Income Property Trust, Inc. (the “Company” or “PINE”) is a real estate company that owns and operates a high-quality portfolio of commercial net lease properties. The terms “us,” “we,” “our,” and “the Company” as used in this report refer to Alpine Income Property Trust, Inc. together with our consolidated subsidiaries.

Our portfolio consists of 129 net leased properties located in 84 markets in 35 states. The properties in our portfolio are primarily subject to long-term, triple-net leases, which generally require the tenant to pay all of the property operating expenses such as real estate taxes, insurance, assessments and other governmental fees, utilities, repairs and maintenance and certain capital expenditures.

The Company has no employees and is externally managed by Alpine Income Property Manager, LLC, a Delaware limited liability company and a wholly owned subsidiary of CTO Realty Growth, Inc. (our “Manager”). CTO Realty Growth, Inc. (NYSE: CTO) is a Maryland corporation that is a publicly traded diversified real estate investment trust (“REIT”) and the sole member of our Manager (“CTO”).

ORGANIZATION

The Company is a Maryland corporation that was formed on August 19, 2019. On November 26, 2019, the Company closed its initial public offering (“IPO”) of shares of its common stock (the “Offering”) as well as a concurrent private placement of shares of common stock to CTO. The price per share paid in the Offering and the concurrent private placement was $19.00 (the “IPO Price”). The Offering raised $142.5 million in gross proceeds from the issuance of 7,500,000 shares of our common stock. We also raised $7.5 million from the concurrent private placement to CTO from the issuance of 394,737 shares of our common stock (“CTO Private Placement”). Included in the Offering was CTO’s purchase of 421,053 shares of our common stock for $8.0 million, representing a cash investment by CTO of $15.5 million. A total of $125.9 million of proceeds from the Offering were utilized to acquire 15 properties in our initial portfolio from CTO. The remaining five properties in our initial portfolio were contributed by CTO in exchange for 1,223,854 units of the operating partnership (the “OP Units”) for a value of $23.3 million based on the IPO Price. As of March 31, 2022, four of the properties included within our initial portfolio have been sold. Subsequent to March 31, 2022, one additional property included within our initial portfolio was sold (see Note 17, “Subsequent Events”). The Company incurred a total of $12.0 million of transaction costs, which included underwriting fees of $9.4 million. Upon completion of the Offering, the CTO Private Placement, and the other transactions executed at the time of our listing on the New York Stock Exchange (the “NYSE”) under the symbol “PINE” (collectively defined as the “Formation Transactions”), CTO owned 22.3% of our outstanding common stock (assuming the OP Units issued to CTO in the Formation Transactions are exchanged for shares of our common stock on a one-for-one basis).

We conduct the substantial majority of our operations through Alpine Income Property OP, LP (the “Operating Partnership”). Our wholly owned subsidiary, Alpine Income Property GP, LLC (“PINE GP”), is the sole general partner of the Operating Partnership. Substantially all of our assets are held by, and our operations are conducted through, the Operating Partnership. As of March 31, 2022, we have a total ownership interest in the Operating Partnership of 87.4%, with CTO holding, directly and indirectly, a 9.1% ownership interest in the Operating Partnership. The remaining 3.5% ownership interest is held by an unrelated third party in connection with the issuance of 479,640 OP Units valued at $9.0 million in the aggregate, or $18.85 per unit. The issuance of 479,640 OP Units includes (i) 424,951 OP Units issued as consideration for the portfolio of nine net lease properties acquired on June 30, 2021 and (ii) 54,689 OP Units issued as consideration for the acquisition of one net lease property on July 12, 2021 (see Note 3, “Property Portfolio”). Our interest in the Operating Partnership generally entitles us to share in cash distributions from, and in the profits and losses of, the Operating Partnership in proportion to our percentage ownership. We, through PINE GP, generally have the exclusive power under the partnership agreement to manage and conduct the business and affairs of the Operating Partnership, subject to certain approval and voting rights of the limited partners. Our Board of Directors (the “Board”) manages our business and affairs.

The Company has elected to be taxed as a REIT for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of the Company's annual REIT taxable income, without regard to the dividends paid deduction or net capital gain, to its stockholders (which does not necessarily equal net income as calculated in accordance with generally accepted accounting principles). As a REIT, the Company is generally not subject to U.S. federal corporate income tax to the extent of its distributions to stockholders. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to U.S. federal income tax on its taxable income at regular corporate rates and generally will not be permitted to qualify for treatment as a REIT for the four taxable years following the year during which qualification is lost unless the Internal Revenue Service grants the Company relief under certain statutory provisions. Such an event could materially adversely affect the Company's net income and net cash available for distribution to stockholders. Even if the Company qualifies for taxation as a REIT, the Company may be subject to state and local taxes on its income and property and federal income and excise taxes on its undistributed income.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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 presented. Actual results could differ from those estimates.

Among other factors, fluctuating market conditions that can exist in the national real estate markets and the volatility and uncertainty in the financial and credit markets make it possible that the estimates and assumptions, most notably those related to PINE's investment in properties, could change materially due to continued volatility in the real estate and financial markets, or as a result of a significant dislocation in those markets.

LONG-LIVED ASSETS

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

PURCHASE ACCOUNTING FOR ACQUISITIONS OF REAL ESTATE SUBJECT TO A LEASE

Investments in real estate are carried at cost less accumulated depreciation and impairment losses, if any. The cost of investments in real estate reflects their purchase price or development cost. We evaluate each acquisition transaction to determine whether the acquired asset meets the definition of a business. Under Accounting Standards Update ("ASU") 2017-01, Business Combinations (Topic 805): *Clarifying the Definition of a Business*, an acquisition does not qualify as a business when there is no substantive process acquired or substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets or the acquisition does not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay. Transaction costs related to acquisitions that are asset acquisitions are capitalized as part of the cost basis of the acquired assets, while transaction costs for acquisitions that are deemed to be acquisitions of a business are expensed as incurred. Improvements and replacements are capitalized when they extend the useful life or improve the productive capacity of the asset. Costs of repairs and maintenance are expensed as incurred.

In accordance with FASB guidance, 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. 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. 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 management believes that it is likely that the tenant will renew the lease upon expiration, in which case the Company amortizes the value attributable to the renewal over the renewal period. The value of in-place leases and leasing costs are 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.

SALES OF REAL ESTATE

When properties are disposed of, the related cost basis of the real estate, intangible lease assets, and intangible lease liabilities, net of accumulated depreciation and/or amortization, and any accrued straight-line rental income balance for the underlying operating leases are removed, and gains or losses from the dispositions are reflected in net income within gains on dispositions of assets. In accordance with the FASB guidance, gains or losses on sales of real estate are generally recognized using the full accrual method.

PROPERTY LEASE REVENUE

The rental arrangements associated with the Company’s property portfolio are classified as operating leases. The Company recognizes lease income on these properties on a straight-line basis over the term of the lease. Accordingly, contractual lease payment increases are recognized evenly over the term of the lease. The periodic difference between lease income recognized under this method and contractual lease payment terms (i.e., straight-line rent) is recorded as a deferred operating lease receivable and is included in straight-line rent adjustment on the accompanying consolidated balance sheets. The Company’s leases provide for reimbursement from tenants for variable lease payments including common area maintenance, insurance, real estate taxes, and other operating expenses. A portion of our variable lease payment revenue is estimated each period and is recognized as rental income in the period the recoverable costs are incurred and accrued.

The collectability of tenant receivables and straight-line rent adjustments is determined based on, among other things, the aging of the tenant receivable, management’s evaluation of credit risk associated with the tenant and industry of the tenant, and a review of specifically identified accounts using judgment. As of March 31, 2022 and December 31, 2021, the Company’s allowance for doubtful accounts totaled $0.3 million.

OPERATING LAND LEASE EXPENSE

The Company is the lessee under operating land leases for certain of its properties, which leases are classified as operating leases pursuant to FASB ASC Topic 842, *Leases*. The corresponding lease expense is recognized on a straight-line basis over the term of the lease and is included in real estate expenses in the accompanying consolidated statements of operations.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank demand accounts, and money market accounts having original maturities of 90 days or less. The Company’s bank balances as of March 31, 2022 and December 31, 2021 include certain amounts over the Federal Deposit Insurance Corporation limits. The carrying value of cash and cash equivalents is reported at Level 1 in the fair value hierarchy, which represents valuation based upon quoted prices in active markets for identical assets or liabilities.

RESTRICTED CASH

Restricted cash totaled $0.7 million at March 31, 2022 which is being held in a capital replacement and leasing commissions reserve account in connection with our financing of six properties.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITY

The Company accounts for its cash flow hedging derivatives in accordance with FASB ASC Topic 815-20, *Derivatives and Hedging*. Depending upon the hedge's value at each balance sheet date, the derivatives are included in either other assets or accounts payable, accrued expenses, and other liabilities on the accompanying consolidated balance sheet at its fair value. On the date each interest rate swap was entered into, the Company designated the derivatives as a hedge of the variability of cash flows to be paid related to the recognized long-term debt liabilities.

The Company documented the relationship between the hedging instruments and the hedged item, as well as its risk-management objective and strategy for undertaking the hedge transactions. At the hedges' inception, the Company assessed whether the derivatives that are used in hedging the transactions are highly effective in offsetting changes in cash flows of the hedged items, and will continue to do so on a quarterly basis.

Changes in fair value of the hedging instruments that are highly effective and designated and qualified as cash-flow hedges are recorded in other comprehensive income and loss, until earnings are affected by the variability in cash flows of the designated hedged items (see Note 10, "Interest Rate Swaps").

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 included in other assets, accounts payable, and accrued expenses and other liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the Credit Facility, hereinafter defined, approximates current market rates for revolving credit arrangements with similar risks and maturities. The Company estimates the fair value of its mortgage note payable and term loans based on incremental borrowing rates for similar types of borrowing arrangements with the same remaining maturity and on the discounted estimated future cash payments to be made for other debt. The discount rate used to calculate the fair value of debt approximates current lending rates for loans and assumes the debt is outstanding through maturity. Since such amounts are estimates that are based on limited available market information for similar transactions, which is a Level 2 non-recurring measurement, there can be no assurance that the disclosed value of any financial instrument could be realized by immediate settlement of the instrument.

FAIR VALUE MEASUREMENTS

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

- Level 1 – Valuation is based upon quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuation is based upon inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include option pricing models, discounted cash flow models and similar techniques.

CONCENTRATION OF CREDIT RISK

There were no tenants who accounted for more than 10% of total revenues during the three months ended March 31, 2022. Certain of the tenants in the portfolio accounted for more than 10% of total revenues during the three months ended March 31, 2021, which tenants included Wells Fargo Bank and Hilton Grand Vacations, representing 14% and 11% of total revenues, respectively.

As of March 31, 2022 and December 31, 2021, 19% and 20%, respectively, of the Company's real estate portfolio, based on square footage, was located in the state of Texas.

NOTE 3. PROPERTY PORTFOLIO

As of March 31, 2022, the Company's property portfolio consisted of 129 properties with total square footage of 3.5 million.

Leasing revenue consists of long-term rental revenue from retail and office properties, which is recognized as earned, using the straight-line method over the life of each lease. Lease payments below include straight-line base rental revenue as well as the non-cash accretion of above and below market lease amortization. The variable lease payments are comprised of percentage rent payments and reimbursements from tenants for common area maintenance, insurance, real estate taxes, and other operating expenses.

The components of leasing revenue are as follows (in thousands):

	Three Months Ended	
	March 31, 2022	**March 31, 2021**
Lease Income		
Lease Payments	$ 9,731	$ 5,446
Variable Lease Payments	1,068	444
Total Lease Income	$ 10,799	$ 5,890

Minimum Future Rental Receipts. Minimum future rental receipts under non-cancelable operating leases, excluding percentage rent and other lease payments that are not fixed and determinable, having remaining terms in excess of one year subsequent to March 31, 2022, are summarized as follows (in thousands):

Year Ending December 31,	**Amounts**
Remainder of 2022	$ 30,798
2023	40,560
2024	39,514
2025	38,013
2026	34,211
2027	31,258
2028 and Thereafter (Cumulative)	109,721
Total	$ 324,075

2022 Activity. During the three months ended March 31, 2022, the Company acquired 16 properties for a combined purchase price of $65.5 million, or a total cost of $66.0 million including capitalized acquisition costs. The properties are located in 12 states, leased to 7 different tenants, and had a weighted average remaining lease term of 9.0 years at the time of acquisition. Of the total acquisition cost, $17.7 million was allocated to land, $41.7 million was allocated to buildings and improvements, $7.5 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and $0.9 million was allocated to intangible liabilities for the below market lease value. The weighted average amortization period for the intangible assets and liabilities was 9.2 years at acquisition. No properties were disposed of during the three months ended March 31, 2022.

2021 Activity. During the three months ended March 31, 2021, the Company acquired five properties for a combined purchase price of $21.9 million, or a total cost of $22.1 million including capitalized acquisition costs. The properties are located in 3 states, leased to 5 different tenants, and had a weighted average remaining lease term of 9.2 years at the time of acquisition. Of the total acquisition cost, $5.4 million was allocated to land, $13.4 million was allocated to buildings and improvements, $3.4 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and $0.1 million was allocated to intangible liabilities for the below market lease value. The weighted average amortization period for the intangible assets and liabilities was 9.2 years at acquisition. No properties were disposed of during the three months ended March 31, 2021.

NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying value and estimated fair value of the Company's financial instruments not carried at fair value on the consolidated balance sheets at March 31, 2022 and December 31, 2021 (in thousands):

	March 31, 2022		December 31, 2021	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and Cash Equivalents - Level 1	$ 2,244	$ 2,244	$ 8,851	$ 8,851
Restricted Cash - Level 1	$ 691	$ 691	$ 646	$ 646
Long-Term Debt - Level 2	$ 318,814	$ 319,346	$ 267,740	$ 272,637

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 tables present the fair value of assets measured on a recurring basis by level as of March 31, 2022 and December 31, 2021 (in thousands). See Note 10, "Interest Rate Swaps" for further disclosure related to the Company's interest rate swaps.

		Fair Value at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2022				
2026 Term Loan Interest Rate Swap (1)	$ 3,782	$ —	$ 3,782	$ —
2027 Term Loan Interest Rate Swap (2)	$ 4,972	$ —	$ 4,972	$ —
December 31, 2021				
2026 Term Loan Interest Rate Swap (1)	$ 945	$ —	$ 945	$ —
2027 Term Loan Interest Rate Swap (2)	$ 977	$ —	$ 977	$ —

(1) Effective May 21, 2021, the Company utilized interest rate swaps to fix LIBOR and achieve a weighted average fixed interest rate of 0.81% plus the applicable spread on the $60.0 million 2026 Term Loan (hereinafter defined) balance.

(2) Effective September 30, 2021, the Company utilized interest rate swaps, inclusive of its redesignation of the existing $50.0 million interest rate swap entered into as of April 30, 2020, to fix LIBOR and achieve a weighted average fixed interest rate of 0.53% plus the applicable spread on the $80.0 million 2027 Term Loan (hereinafter defined) balance. On September 30, 2021, the Company entered into an additional interest rate swap to extend the fixed interest rate through maturity on January 31, 2027.

NOTE 5. INTANGIBLE ASSETS AND LIABILITIES

Intangible assets and liabilities consist of the value of above-market and below-market leases, the value of in-place leases, and the value of leasing costs, based in each case on their fair values. Intangible assets and liabilities consisted of the following as of March 31, 2022 and December 31, 2021 (in thousands):

	As of	
	March 31, 2022	**December 31, 2021**
Intangible Lease Assets:		
Value of In-Place Leases	$ 50,140	$ 45,301
Value of Above Market In-Place Leases	4,022	3,623
Value of Intangible Leasing Costs	21,368	19,066
Sub-total Intangible Lease Assets	75,530	67,990
Accumulated Amortization	(11,410)	(9,169)
Sub-total Intangible Lease Assets—Net	64,120	58,821
Intangible Lease Liabilities:		
Value of Below Market In-Place Leases	(7,379)	(6,397)
Sub-total Intangible Lease Liabilities	(7,379)	(6,397)
Accumulated Amortization	1,137	921
Sub-total Intangible Lease Liabilities—Net	(6,242)	(5,476)
Total Intangible Assets and Liabilities—Net	$ 57,878	$ 53,345

The following table reflects the net amortization of intangible assets and liabilities during the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended	
	March 31, 2022	**March 31, 2021**
Amortization Expense	$ 2,126	$ 1,194
Accretion to Properties Revenue	(101)	(41)
Net Amortization of Intangible Assets and Liabilities	$ 2,025	$ 1,153

The estimated future amortization expense (income) related to net intangible assets and liabilities is as follows (in thousands):

Year Ending December 31,	**Future Amortization Expense**	**Future Accretion to Property Revenue**	**Net Future Amortization of Intangible Assets and Liabilities**
Remainder of 2022	$ 6,870	$ (341)	$ 6,529
2023	8,924	(456)	8,468
2024	8,558	(436)	8,122
2025	7,886	(398)	7,488
2026	6,762	(248)	6,514
2027	5,572	(233)	5,339
2028 and Thereafter	15,914	(496)	15,418
Total	$ 60,486	$ (2,608)	$ 57,878

As of March 31, 2022, the weighted average amortization period of both the total intangible assets and liabilities was 9.0 years.

NOTE 6. OTHER ASSETS

Other assets consisted of the following (in thousands):

	As of	
	March 31, 2022	December 31, 2021
Tenant Receivables—Net of Allowance for Doubtful Accounts [1]	$ 212	$ 790
Accrued Unbilled Tenant Receivables	610	553
Prepaid Insurance	434	616
Deposits on Acquisitions	590	350
Prepaid Expenses, Deposits, and Other	1,755	1,496
Deferred Financing Costs—Net	406	469
Interest Rate Swaps	8,754	2,095
Operating Leases - Right-of-Use Asset [2]	1,827	—
Total Other Assets	$ 14,588	$ 6,369

(1) Includes $0.3 million allowance for doubtful accounts as of March 31, 2022 and December 31, 2021.
(2) See Note 7, "Operating Land Leases" for further disclosure related to the Company's right-of-use asset balance as of March 31, 2022.

NOTE 7. OPERATING LAND LEASES

The Company is the lessee under operating land leases for certain of its properties. FASB ASC Topic 842, *Leases*, requires a lessee to recognize right-of-use assets and lease liabilities that arise from leases, whether qualifying as an operating or finance lease. As of March 31, 2022, the Company's right-of-use assets and corresponding lease liabilities totaled $1.8 million, which balances are reflected within other assets and accounts payable, accrued expenses, and other liabilities, respectively, on the consolidated balance sheets. The right-of-use assets and lease liabilities are measured based on the present value of the lease payments utilizing discount rates estimated to be equal to that which the Company would pay to borrow on a collateralized basis over a similar term, for an amount equal to the lease payments, in a similar economic environment.

The Company's operating land leases do not include variable lease payments and generally provide renewal options, at the Company's election, to extend the terms of the respective leases. Renewal option periods are included in the calculation of the right-of-use assets and corresponding lease liabilities when it is reasonably certain that the Company, as lessee, will exercise the option to extend the lease.

Amortization of right-of-use assets for operating land leases is recognized on a straight-line basis over the term of the lease and is included within real estate expenses in the consolidated statements of operations. Amortization totaled less than $0.01 million during the three months ended March 31, 2022, with no such expense recognized during the three months ended March 31, 2021.

The following table reflects a summary of operating land leases, under which the Company is the lessee, for the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended	
	March 31, 2022	March 31, 2021
Operating Cash Outflows	$ 0.01	$ —
Weighted Average Remaining Lease Term	8.5	—
Weighted Average Discount Rate	2.0 %	—

Minimum future lease payments under non-cancelable operating land leases, having remaining terms in excess of one year subsequent to March 31, 2022, are summarized as follows (in thousands):

Year Ending December 31,		
Remainder of 2022	$	192
2023		257
2024		251
2025		192
2026		202
2027		202
2028 and Thereafter		692
Total Lease Payments	$	1,988
Imputed Interest		(161)
Operating Leases – Liability	$	1,827

NOTE 8. ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND OTHER LIABILITIES

Accounts payable, accrued expenses and other liabilities consisted of the following (in thousands):

	As of			
	March 31, 2022		**December 31, 2021**	
Accounts Payable	$	181	$	213
Accrued Expenses		1,049		676
Due to CTO		924		1,301
Interest Rate Swap		—		173
Operating Leases - Liability (1)		1,827		—
Total Accounts Payable, Accrued Expenses, and Other Liabilities	$	3,981	$	2,363

(1) See Note 7, "Operating Land Leases" for further disclosure related to the Company's operating lease liability balance as of March 31, 2022.

NOTE 9. LONG-TERM DEBT

As of March 31, 2022, the Company's outstanding indebtedness, at face value, was as follows (in thousands):

	Face Value Debt		**Stated Interest Rate**	**Maturity Date**
Credit Facility	$	150,000	30-Day LIBOR + [1.35% - 1.95%]	November 2023
2026 Term Loan (1)		60,000	30-Day LIBOR + [1.35% - 1.95%]	May 2026
2027 Term Loan (2)		80,000	30-Day LIBOR + [1.25% - 1.90%]	January 2027
Mortgage Note Payable – CMBS Portfolio		30,000	4.33%	October 2034
Total Debt/Weighted-Average Rate	$	320,000	2.35%	

(1) Effective May 21, 2021, the Company utilized interest rate swaps to fix LIBOR and achieve a weighted average fixed interest rate of 0.81% plus the applicable spread on the $60.0 million 2026 Term Loan (hereinafter defined) balance. See Note 10, "Interest Rate Swaps" for further disclosure related to the Company's interest rate swaps.

(2) Effective September 30, 2021, the Company utilized interest rate swaps, inclusive of the existing $50.0 million interest rate swap entered into as of April 30, 2020, to fix LIBOR and achieve a weighted average fixed interest rate of 0.53% plus the applicable spread on the $80.0 million 2027 Term Loan (hereinafter defined) balance. On September 30, 2021, the Company entered into an additional interest rate swap to extend the fixed interest rate through maturity on January 31, 2027. See Note 10, "Interest Rate Swaps" for further disclosure related to the Company's interest rate swaps.

Credit Facility. On November 26, 2019, the Company and the Operating Partnership entered into a credit agreement (the "Credit Facility Credit Agreement") with a group of lenders for a senior unsecured revolving credit facility (the "Credit Facility") in the maximum aggregate initial original principal amount of up to $100.0 million. The Credit Facility includes an accordion feature that may allow the Operating Partnership to increase the availability under the Credit Facility by an additional $50.0 million, subject to meeting specified requirements and obtaining additional commitments from lenders. BMO Capital Markets Corp. and Raymond James Bank, N.A. are joint lead arrangers and joint bookrunners, with Bank of Montreal ("BMO") as administrative agent. The Credit Facility has a base term of four years, with the ability to extend the base term for one year.

On June 30, 2020, the Company and the Operating Partnership executed the first amendment to the Credit Facility Credit Agreement whereby the tangible net worth covenant was adjusted to be more reflective of market terms.

On October 16, 2020, the Company and the Operating Partnership executed the second amendment to the Credit Facility (the "Second Amendment"), with the addition of two lenders, Huntington National Bank and Truist Bank. As a result of the Second Amendment, the Credit Facility has a total borrowing capacity of $150.0 million with the ability to increase that capacity up to $200.0 million during the term, utilizing an accordion feature, subject to lender approval.

On May 19, 2021, the Company and the Operating Partnership executed the third amendment to the Credit Facility (the "Third Amendment"). Among other things, the Third Amendment revised the Credit Facility Credit Agreement to provide that as of the last day of each fiscal quarter, the Operating Partnership shall not permit the ratio of Unsecured Indebtedness to Borrowing Base Value (as defined in the Credit Facility Credit Agreement) to be greater than 0.60 to 1:00. Prior to the Third Amendment, the Credit Facility Credit Agreement provided that as of the last day of each fiscal quarter, the Operating Partnership could not permit the ratio of Total Indebtedness to Total Asset Value (as defined in the Credit Facility Credit Agreement) to be greater than 0.60 to 1:00.

Pursuant to the Credit Facility Credit Agreement, the indebtedness outstanding under the Credit Facility accrues at a rate ranging from the 30-day LIBOR plus 135 basis points to the 30-day LIBOR plus 195 basis points, based on the total balance outstanding under the Credit Facility as a percentage of the total asset value of the Operating Partnership, as defined in the Credit Facility Credit Agreement. The Credit Facility also accrues a fee of 15 to 25 basis points for any unused portion of the borrowing capacity based on whether the unused portion is greater or less than 50% of the total borrowing capacity.

The Operating Partnership is subject to customary restrictive covenants under the Credit Facility Credit Agreement, the 2026 Term Loan Credit Agreement (hereinafter defined), and the 2027 Term Loan Credit Agreement (hereinafter defined), collectively referred to herein as the "Credit Agreements", including, but not limited to, limitations on the Operating Partnership'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. The Credit Agreements also contain financial covenants covering the Operating Partnership, including but not limited to, tangible net worth and fixed charge coverage ratios.

At March 31, 2022, the current commitment level under the Credit Facility was $150.0 million and the Company had an outstanding balance of $150.0 million. Subsequent to March 31, 2022, the Company exercised its accordion options on the 2026 and 2027 Term Loans to pay down the balance on the Credit Facility by an aggregate of $60.0 million.

2026 Term Loan. On May 21, 2021, the Operating Partnership, the Company and certain subsidiaries of the Company entered into a credit agreement (the "2026 Term Loan Credit Agreement") for a term loan (the "2026 Term Loan") in an aggregate principal amount of $60.0 million with a maturity of five years. Truist Securities, Inc. acted as sole lead arranger and sole book runner, with Truist Bank, N.A. as administrative agent. Truist Bank, N.A., Bank of Montreal, Raymond James Bank, N.A. and Stifel Bank are lenders under the 2026 Term Loan. In addition, the Operating Partnership may request up to three incremental term loan commitments in an aggregate amount not to exceed $100.0 million.

2027 Term Loan. On September 30, 2021, the Operating Partnership, the Company and certain subsidiaries of the Company entered into a credit agreement (the "2027 Term Loan Credit Agreement") for a term loan (the "2027 Term Loan") in an aggregate principal amount of $80.0 million (the "Term Commitment") maturing in January 2027. KeyBanc

Capital Markets Inc., Regions Capital Markets, and U.S. Bank National Association acted as joint lead arrangers, with KeyBanc Capital Markets Inc. as sole book runner, and KeyBank National Association as administrative agent. KeyBank National Association, Regions Bank, U.S. Bank National Association, Bank of Montreal, Raymond James Bank, and The Huntington National Bank are lenders under the 2027 Term Loan. In addition, the Operating Partnership may request up to three incremental term loan commitments in an aggregate amount, together with the Term Commitment, not to exceed $200.0 million.

Mortgage Notes Payable. On June 30, 2021, in connection with the acquisition of six net lease properties from CTO (the "CMBS Portfolio"), the Company assumed an existing $30.0 million secured mortgage, which bears interest at a fixed rate of 4.33%. The mortgage note matures in October 2034 and is prepayable without penalty beginning in October 2024. Additionally, on June 30, 2021, in connection with the acquisition of two net lease properties from an unrelated third party, the Company assumed mortgage notes totaling an aggregate of $1.6 million, which balance was repaid on July 1, 2021.

Long-term debt as of March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	March 31, 2022		December 31, 2021	
	Total	**Due Within One Year**	**Total**	**Due Within One Year**
Credit Facility	$ 150,000	$ —	$ 99,000	$ —
2026 Term Loan	60,000	—	60,000	—
2027 Term Loan	80,000	—	80,000	—
Mortgage Note Payable – CMBS Portfolio	30,000	—	30,000	—
Financing Costs, net of Accumulated Amortization	(1,186)	—	(1,260)	—
Total Long-Term Debt	$ 318,814	$ —	$ 267,740	$ —

Payments applicable to reduction of principal amounts as of March 31, 2022 will be required as follows (in thousands):

Year Ending December 31,	**Amount**
Remainder of 2022	$ —
2023	150,000
2024	—
2025	—
2026	60,000
2027	80,000
2028 and Thereafter	30,000
Total Long-Term Debt - Face Value	$ 320,000

The carrying value of long-term debt as of March 31, 2022 consisted of the following (in thousands):

	Total
Current Face Amount	$ 320,000
Financing Costs, net of Accumulated Amortization	(1,186)
Total Long-Term Debt	$ 318,814

In addition to the $1.2 million of financing costs, net of accumulated amortization included in the table above, as of March 31, 2022, the Company also had financing costs, net of accumulated amortization related to the Credit Facility of $0.4 million which is included in other assets on the consolidated balance sheets. These costs are amortized on a straight-line basis over the term of the Credit Facility and are included in interest expense in the consolidated statements of operations.

The following table reflects a summary of interest expense incurred and paid during the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended	
	March 31, 2022	March 31, 2021
Interest Expense	$ 1,555	$ 490
Amortization of Deferred Financing Costs to Interest Expense	125	65
Total Interest Expense	$ 1,680	$ 555
Total Interest Paid	$ 1,512	$ 482

The Company was in compliance with all of its debt covenants as of March 31, 2022.

NOTE 10. INTEREST RATE SWAPS

The Company has entered into interest rate swap agreements to hedge against changes in future cash flows resulting from fluctuating interest rates related to the below noted borrowings. The interest rate agreements were 100% effective during the three months ended March 31, 2022. Accordingly, the changes in fair value on the interest rate swaps have been classified in accumulated other comprehensive income (loss). The fair value of the interest rate swap agreements are included in other assets and accrued and other liabilities, respectively, on the consolidated balance sheets. Information related to the Company's interest rate swap agreements are noted below (in thousands):

Hedged Item	Effective Date	Maturity Date	Rate	Amount	Fair Value as of March 31, 2022
2026 Term Loan (1)	5/21/2021	5/21/2026	0.81% + applicable spread	$ 60,000	$ 3,782
2027 Term Loan (2)	9/30/2021	11/26/2024	0.53% + applicable spread	$ 80,000	$ 4,009
2027 Term Loan (3)	11/26/2024	1/31/2027	1.60% + applicable spread	$ 80,000	$ 963

(1) Effective May 21, 2021, the Company utilized interest rate swaps to fix LIBOR and achieve a weighted average fixed interest rate of 0.81% plus the applicable spread on the $60.0 million 2026 Term Loan balance.

(2) Effective September 30, 2021, the Company utilized interest rate swaps, inclusive of its redesignation of the existing $50.0 million interest rate swap entered into as of April 30, 2020, to fix LIBOR and achieve a weighted average fixed interest rate of 0.53% plus the applicable spread on the $80.0 million 2027 Term Loan balance.

(3) The interest rate swap agreement hedges the $80.0 million 2027 Term Loan balance under different terms and commences concurrent to the interest rate agreements maturing on November 26, 2024.

NOTE 11. EQUITY

SHELF REGISTRATION

On December 1, 2020, the Company filed a shelf registration statement on Form S-3, relating to the registration and potential issuance of its common stock, preferred stock, warrants, rights, and units with a maximum aggregate offering price of up to $350.0 million. The Securities and Exchange Commission declared the Form S-3 effective on December 11, 2020.

ATM PROGRAM

On December 14, 2020, the Company implemented a $100.0 million "at-the-market" equity offering program (the "2020 ATM Program") pursuant to which the Company may sell, from time to time, shares of the Company's common stock. During the three months ended March 31, 2022, the Company sold 314,671 shares under the 2020 ATM Program for gross proceeds of $6.2 million at a weighted average price of $19.65 per share, generating net proceeds of $6.1 million after deducting transaction fees totaling $0.1 million. During the three months ended March 31, 2021, the Company sold 434,201 shares under the 2020 ATM Program for gross proceeds of $7.9 million at a weighted average price of $18.25 per share, generating net proceeds of $7.8 million after deducting transaction fees totaling $0.1 million.

FOLLOW-ON PUBLIC OFFERING

In June 2021, the Company completed a follow-on public offering of 3,220,000 shares of common stock, which included the full exercise of the underwriters' option to purchase an additional 420,000 shares of common stock. Upon closing, the Company issued 3,220,000 shares and received net proceeds of $54.3 million, after deducting the underwriting discount and expenses.

NONCONTROLLING INTEREST

As of March 31, 2022, CTO holds, directly and indirectly, a 9.1% noncontrolling ownership interest in the Operating Partnership as a result of 1,223,854 OP Units issued to CTO at the time of the Company's Formation Transactions, as further described in Note 1, "Business and Organization." An additional 3.5% noncontrolling ownership interest is held by an unrelated third party in connection with the issuance of 479,640 OP Units valued at $9.0 million in the aggregate, or $18.85 per unit. The issuance of 479,640 OP Units includes (i) 424,951 OP Units issued as consideration for the portfolio of nine net lease properties acquired on June 30, 2021 and (ii) 54,689 OP Units issued as consideration for the acquisition of one net lease property on July 12, 2021.

DIVIDENDS

The Company has elected to be taxed as a REIT for U.S. federal income tax purposes under the Code. To qualify as a REIT, the Company must annually distribute, at a minimum, an amount equal to 90% of its taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains, and must distribute 100% of its taxable income (including net capital gains) to eliminate corporate federal income taxes payable by the Company. Because taxable income differs from cash flow from operations due to non-cash revenues and expenses (such as depreciation and other items), in certain circumstances, the Company may generate operating cash flow in excess of its dividends, or alternatively, may need to make dividend payments in excess of operating cash flows. During the three months ended March 31, 2022 and 2021, the Company declared and paid cash dividends on its common stock and OP Units of $0.27 per share and $0.24 per share, respectively.

NOTE 12. COMMON STOCK AND EARNINGS PER SHARE

Basic earnings per common share are computed by dividing net income attributable to the Company for the period by the weighted average number of shares of common stock outstanding for the period. Diluted earnings per common share are determined based on the assumption of the conversion of OP Units on a one-for-one basis using the treasury stock method at average market prices for the periods.

The following is a reconciliation of basic and diluted earnings per common share (in thousands, except share and per share data):

	Three Months Ended	
	March 31, 2022	**March 31, 2021**
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 806	$ 440
Weighted Average Number of Common Shares Outstanding	11,662,697	7,565,429
Weighted Average Number of Common Shares Applicable to OP Units using Treasury Stock Method [(1)]	1,703,494	1,223,854
Total Shares Applicable to Diluted Earnings per Share	13,366,191	8,789,283
Per Common Share Data:		
Net Income Attributable to Alpine Income Property Trust, Inc.		
Basic	$ 0.07	$ 0.06
Diluted	$ 0.06	$ 0.05

(1) Represents shares underlying OP units including (i) 1,223,854 shares underlying OP Units issued to CTO in connection with our Formation Transactions and (ii) 479,640 shares underlying OP Units issued to an unrelated third party in connection with the acquisition of ten net lease properties during the year ended December 31, 2021 (see Note 11, "Equity").

NOTE 13. SHARE REPURCHASES

In March 2020, the Board approved a $5.0 million stock repurchase program (the "$5.0 Million Repurchase Program"). During the first half of 2020, the Company repurchased 456,237 shares of its common stock on the open market for a total cost of $5.0 million, or an average price per share of $11.02, which completed the $5.0 Million Repurchase Program. There were no repurchases of the Company's common stock during the three months ended March 31, 2022.

NOTE 14. STOCK-BASED COMPENSATION

In connection with the closing of the IPO, the Company adopted the Individual Equity Incentive Plan (the "Individual Plan") and the Manager Equity Incentive Plan (the "Manager Plan"), which are collectively referred to herein as the Equity Incentive Plans. The purpose of the Equity Incentive Plans is to provide equity incentive opportunities to members of the Manager's management team and employees who perform services for the Company, the Company's independent directors, advisers, consultants and other personnel, either individually or via grants of incentive equity to the Manager.

On November 26, 2019, the Company granted restricted shares of common stock to each of the inaugural non-employee directors under the Individual Plan. Each of the inaugural non-employee directors received an award of 2,000 restricted shares of common stock on November 26, 2019. The restricted shares will vest in substantially equal installments on each of the first, second and third anniversaries of the grant date. As of December 31, 2021, the first and second increments of this award had vested, leaving 2,668 shares unvested. In addition, the restricted shares are subject to a holding period beginning on the grant date and ending on the date that the grantee ceases to serve as a member of the Board (the "Holding Period"). During the Holding Period, the restricted shares may not be sold, pledged or otherwise transferred by the grantee. Except for the one-time IPO-related grant of these 8,000 restricted shares of common stock, and the quarterly common stock grants to the non-employee directors in lieu of cash retainer fees (pursuant to the directors' annual election under the Company's Non-Employee Director Compensation Policy), the Company has not made any grants under the Equity Incentive Plans. Any future grants under the Equity Incentive Plans will be approved by the compensation committee of the Board. The 2019 non-employee director share awards had an aggregate grant date fair value of $0.2 million. The Company's determination of the grant date 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. Compensation cost is recognized on a straight-line basis over the vesting period and is included in general and administrative expenses in the Company's consolidated statements of operations. Award forfeitures are accounted for in the period in which they occur. During each of the three months ended March 31, 2022 and 2021, the Company recognized stock compensation expense totaling $0.01 million.

A summary of activity for these awards during the three months ended March 31, 2022 is presented below:

Non-Vested Restricted Shares	**Shares**	**Wtd. Avg. Fair Value**
Non-Vested at January 1, 2022	2,668	$ 18.80
Granted	—	—
Vested	—	—
Expired	—	—
Forfeited	—	—
Non-Vested at March 31, 2022	2,668	$ 18.80

As of March 31, 2022, there was $0.03 million of unrecognized compensation cost related to the three-year vest restricted shares, which will be recognized over a remaining period of 0.7 years.

Each member of the Board has the option to receive his or her annual retainer in shares of Company common stock rather than cash. The number of shares awarded to the directors making such election is calculated quarterly by dividing the amount of the quarterly retainer payment due to such director by the trailing 20-day average price of the Company's common stock as of the last business day of the calendar quarter, rounded down to the nearest whole number of shares. During the three months ended March 31, 2022, the expense recognized for the value of the Company's common stock received by non-employee directors totaled $0.07 million, or 3,514 shares, which were issued on April 1, 2022. During the three months ended March 31, 2021, the expense recognized for the value of the Company's common stock received by non-employee directors totaled $0.06 million, or 3,453 shares, which were issued on April 1, 2021.

Stock compensation expense for the three months ended March 31, 2022 and 2021 is summarized as follows (in thousands):

	Three Months Ended	
	March 31, 2022	March 31, 2021
Stock Compensation Expense – Director Restricted Stock	$ 13	$ 12
Stock Compensation Expense – Director Retainers Paid in Stock	66	61
Total Stock Compensation Expense	$ 79	$ 73

NOTE 15. RELATED PARTY MANAGEMENT COMPANY

We are externally managed by the Manager, a wholly owned subsidiary of CTO. Subsequent to the IPO, CTO purchased an aggregate 12,853 shares of PINE common stock in the open market including (i) 4,765 shares purchased during the three months ended March 31, 2022 for $0.09 million, or an average price per share of $18.47 and (ii) 8,088 shares purchased during the year ended December 31, 2021 for $0.1 million, or an average price per share of $17.65. As of March 31, 2022, CTO owns, in the aggregate, 1,223,854 OP Units and 828,643 shares of PINE common stock, inclusive of (i) 394,737 shares of common stock totaling $7.5 million issued in connection with the CTO Private Placement, (ii) 421,053 shares of common stock totaling $8.0 million issued in connection with the IPO, and (iii) 12,853 shares of common stock totaling $0.2 million purchased by CTO subsequent to the IPO. The aggregate 1,223,854 OP Units and 828,643 shares of PINE common stock held by CTO represent an investment totaling $38.6 million, or 15.2% of PINE's outstanding equity, as of March 31, 2022.

Management Agreement

On November 26, 2019, the Operating Partnership and PINE entered into a management agreement with the Manager (the "Management Agreement"). Pursuant to the terms of the Management Agreement, our Manager manages, operates and administers our day-to-day operations, business and affairs, subject to the direction and supervision of the Board and in accordance with the investment guidelines approved and monitored by the Board. We pay our Manager a base management fee equal to 0.375% per quarter of our "total equity" (as defined in the Management Agreement and based on a 1.5% annual rate), calculated and payable in cash, quarterly in arrears.

Our Manager has the ability to earn an annual incentive fee based on our total stockholder return exceeding an 8% cumulative annual hurdle rate (the "Outperformance Amount") subject to a high-water mark price. We would pay our Manager an incentive fee with respect to each annual measurement period in the amount of the greater of (i) $0.00 and (ii) the product of (a) 15% multiplied by (b) the Outperformance Amount multiplied by (c) the weighted average shares. No incentive fee was due for the year ended December 31, 2021.

The initial term of the Management Agreement will expire on November 26, 2024 and will automatically renew for an unlimited number of successive one-year periods thereafter, unless the agreement is not renewed or is terminated in accordance with its terms.

Our independent directors review our Manager's performance and the management fees annually and, following the initial term, the Management Agreement may be terminated annually upon the affirmative vote of two-thirds of our independent directors or upon a determination by the holders of a majority of the outstanding shares of our common stock, based upon (i) unsatisfactory performance by the Manager that is materially detrimental to us or (ii) a determination that the management fees payable to our Manager are not fair, subject to our Manager's right to prevent such termination due to unfair fees by accepting a reduction of management fees agreed to by two-thirds of our independent directors. We may also terminate the Management Agreement for cause at any time, including during the initial term, without the payment of any termination fee, with 30 days' prior written notice from the Board. During the initial term of the Management Agreement, we may not terminate the Management Agreement except for cause.

We pay directly or reimburse our Manager for certain expenses, if incurred by our Manager. We do not reimburse any compensation expenses incurred by our Manager or its affiliates. Expense reimbursements to our Manager are made in cash on a quarterly basis following the end of each quarter. In addition, we pay all of our operating expenses, except those specifically required to be borne by our Manager pursuant to the Management Agreement.

The Company incurred management fee expenses totaling $0.9 million and $0.6 million during the three months ended March 31, 2022 and 2021, respectively. The Company also paid dividends on the common stock and OP Units owned by affiliates of the Manager in the amount of $0.6 million and $0.5 million for the three months ended March 31, 2022 and 2021, respectively.

The following table represents amounts due to (from) CTO (in thousands):

	As of	
Description	**March 31, 2022**	**December 31, 2021**
Management Fee due to CTO	$ 936	$ 913
Other	(12)	388
Total [1]	$ 924	$ 1,301

(1) Included in accrued expenses, see Note 8, "Accounts Payable, Accrued Expenses, and Other Liabilities".

ROFO Agreement

On November 26, 2019, PINE also entered into an Exclusivity and Right of First Offer Agreement with CTO (the "ROFO Agreement"). During the term of the ROFO Agreement, CTO will not, and will cause each of its affiliates (which for purposes of the ROFO Agreement will not include our company and our subsidiaries) not to, acquire, directly or indirectly, a single-tenant, net leased property, unless CTO has notified us of the opportunity and we have affirmatively rejected the opportunity to acquire the applicable property or properties.

The terms of the ROFO Agreement do not restrict CTO or any of its affiliates from providing financing for a third party's acquisition of single-tenant, net leased properties or from developing and owning any single-tenant, net leased property.

Pursuant to the ROFO Agreement, neither CTO nor any of its affiliates (which for purposes of the ROFO Agreement does not include our company and our subsidiaries) may sell to any third party any single-tenant, net leased property that was owned by CTO or any of its affiliates as of the closing date of the IPO or that is developed and owned by CTO or any of its affiliates after the closing date of the IPO, without first offering us the right to purchase such property.

The term of the ROFO Agreement will continue for so long as the Management Agreement with our Manager is in effect.

On April 6, 2021, the Company entered into a purchase and sale agreement with a certain subsidiary of CTO for the purchase of one net lease property for $11.5 million. The acquisition was completed on April 23, 2021.

On April 2, 2021, the Company entered into a purchase and sale agreement with certain subsidiaries of CTO for the purchase of the CMBS Portfolio. The terms of the purchase and sale agreement, as amended on April 20, 2021, provided a total purchase price of $44.5 million for the CMBS Portfolio. The acquisition of the CMBS Portfolio was completed on June 30, 2021.

On January 5, 2022, the Company entered into a purchase and sale agreement with a certain subsidiary of CTO for the purchase of one net lease property for $6.9 million. The acquisition was completed on January 7, 2022.

The entry into these purchase and sale agreements, and subsequent completion of the related acquisitions, are a result of the Company exercising its right to purchase the aforementioned properties under the ROFO Agreement.

Conflicts of Interest

Conflicts of interest may exist or could arise in the future with CTO and its affiliates, including our Manager, the individuals who serve as our executive officers and executive officers of CTO, any individual who serves as a director of our company and as a director of CTO and any limited partner of the Operating Partnership. Conflicts may include, without limitation: conflicts arising from the enforcement of agreements between us and CTO or our Manager; conflicts in the amount of time that executive officers and employees of CTO, who are provided to us through our Manager, will spend on our affairs versus CTO's affairs; and conflicts in future transactions that we may pursue with CTO and its affiliates. We do not generally expect to enter into joint ventures with CTO, but if we do so, the terms and conditions of our joint venture investment will be subject to the approval of a majority of disinterested directors of the Board.

In addition, we are subject to conflicts of interest arising out of our relationships with our Manager. Pursuant to the Management Agreement, our Manager is obligated to supply us with our senior management team. However, our Manager is not obligated to dedicate any specific CTO personnel exclusively to us, nor are the CTO personnel provided to us by our Manager obligated to dedicate any specific portion of their time to the management of our business. Additionally, our Manager is a wholly owned subsidiary of CTO. All of our executive officers are executive officers and employees of CTO and one of our officers (John P. Albright) is also a member of CTO's board of directors. As a result, our Manager and the CTO personnel it provides to us may have conflicts between their duties to us and their duties to, and interests in, CTO.

We may acquire or sell net leased properties that would potentially fit the investment criteria for our Manager or its affiliates. Similarly, our Manager or its affiliates may acquire or sell net leased properties that would potentially fit our investment criteria. Although such acquisitions or dispositions could present conflicts of interest, we nonetheless may pursue and consummate such transactions. Additionally, we may engage in transactions directly with our Manager or its affiliates, including the purchase and sale of all or a portion of a portfolio of assets. If we acquire a net leased property from CTO or one of its affiliates or sell a net leased property to CTO or one of its affiliates, the purchase price we pay to CTO or one of its affiliates or the purchase price paid to us by CTO or one of its affiliates may be higher or lower, respectively, than the purchase price that would have been paid to or by us if the transaction were the result of arm's length negotiations with an unaffiliated third party.

In deciding whether to issue additional debt or equity securities, we will rely, in part, on recommendations made by our Manager. While such decisions are subject to the approval of the Board, our Manager is entitled to be paid a base management fee that is based on our "total equity" (as defined in the Management Agreement). As a result, our Manager may have an incentive to recommend that we issue additional equity securities at dilutive prices.

All of our executive officers are executive officers and employees of CTO. These individuals and other CTO personnel provided to us through our Manager devote as much time to us as our Manager deems appropriate. However, our executive officers and other CTO personnel provided to us through our Manager may have conflicts in allocating their time and services between us, on the one hand, and CTO and its affiliates, on the other. During a period of prolonged economic weakness or another economic downturn affecting the real estate industry or at other times when we need focused support and assistance from our Manager and the CTO executive officers and other personnel provided to us through our Manager, we may not receive the necessary support and assistance we require or that we would otherwise receive if we were self-managed.

Additionally, the ROFO Agreement does contain exceptions to CTO's exclusivity for opportunities that include only an incidental interest in single-tenant, net leased properties. Accordingly, the ROFO Agreement will not prevent CTO from pursuing certain acquisition opportunities that otherwise satisfy our then-current investment criteria.

Our directors and executive officers have duties to our company under applicable Maryland law in connection with their management of our company. At the same time, PINE GP has fiduciary duties, as the general partner, to the Operating Partnership and to the limited partners under Delaware law in connection with the management of the Operating Partnership. These duties as a general partner to the Operating Partnership and its partners may come into conflict with the duties of our directors and executive officers to us. Unless otherwise provided for in the relevant partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of loyalty and care and which generally prohibits such general partner from taking any action or engaging in any transaction as to which it has a conflict of interest. The partnership agreement provides that in the event of a conflict between the interests of our stockholders on the one hand and the limited partners of the Operating Partnership on the other hand, PINE GP will endeavor in good faith to resolve the conflict in a manner not adverse to either our stockholders or the limited partners; provided, however, that so long as we own a controlling interest in the Operating Partnership, any such conflict that we, in our sole and absolute discretion, determine cannot be resolved in a manner not adverse to either our stockholders or the limited partners of the Operating Partnership shall be resolved in favor of our stockholders, and we shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the limited partners in connection with such decisions.

NOTE 16. 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 business. The Company is not currently a party to any pending or threatened legal proceedings that we believe could have a material adverse effect on the Company's business or financial condition.

NOTE 17. SUBSEQUENT EVENTS

The Company reviewed all subsequent events and transactions through April 21, 2022 the date the consolidated financial statements were issued.

Term Loans

On April 14, 2022, the Company exercised the 2026 and 2027 Term Loan accordion options for $40.0 million and $20.0 million, respectively, increasing aggregate lender commitments and borrowings to $100.0 million under each Term Loan. The total $60.0 million proceeds were utilized to pay down the Company's Credit Facility.

Property Disposition

On April 14, 2022, the Company completed the sale of the property located in Portland, Oregon, leased to Wells Fargo for a sales price of $38.8 million, representing a gain of $7.0 million. Proceeds from the sale were utilized as part of a reverse 1031 like-kind exchange transaction.

There were no other reportable subsequent events or transactions.

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

When we refer to "we," "us," "our," "PINE," or "the Company," we mean Alpine Income Property Trust, Inc. and its consolidated subsidiaries. References to "Notes to Financial Statements" refer to the Notes to the Consolidated Financial Statements of Alpine Income Property Trust, Inc. included in this Quarterly Report on Form 10-Q. Some of the comments we make in this section are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section below entitled "Special Note Regarding 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 the year ended December 31, 2021.

Special Note Regarding Forward-Looking Statements

This Report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). 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.

Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. These risks and uncertainties include, but are not limited to, the strength of the real estate market; 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 properties; the impact of competitive real estate activity; the loss of any major property tenants; the ultimate geographic spread, severity and duration of pandemics such as the outbreak of COVID-19 and its variants, actions that may be taken by governmental authorities to contain or address the impact of such pandemics, and the potential negative impacts of such pandemics on the global economy and our financial condition and results of operations; 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.

See "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 for further discussion of these risks, as well as additional risks and uncertainties that could cause actual results or events to differ materially from those described in the Company's forward-looking statements. Given these risks and 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. 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.

OVERVIEW

We are a real estate company that owns and operates a high-quality portfolio of commercial properties located in the United States. Our properties are generally leased on a long-term basis and located primarily in, or in close proximity to major metropolitan statistical areas, or MSAs, and in growth markets and other markets in the United States with favorable economic and demographic conditions. Our properties are primarily leased to industry leading, creditworthy tenants, many of which operate in industries we believe are resistant to the impact of e-commerce or defensive in nature against economic uncertainty or disruption. The properties in our portfolio are primarily triple-net leases which generally require the tenant to pay all of the property operating expenses such as real estate taxes, insurance, assessments and other governmental fees, utilities, repairs and maintenance and certain capital expenditures. Our portfolio consists of 129 net leased retail and office properties located in 84 markets in 35 states. Fifteen properties in our portfolio are long-term ground leases where we are the lessor to the tenant.

Twenty properties, representing our initial portfolio, were acquired from CTO Realty Growth, Inc. (“CTO”) in the formation transactions, utilizing $125.9 million of proceeds from our initial public offering of our common stock (the “IPO”) and the issuance of 1,223,854 units of our operating partnership (the “OP Units”) that had an initial value of $23.3 million based on the IPO price of $19.00 per share (the “IPO Price”). As of March 31, 2022, four of the properties included within our initial portfolio have been sold. Subsequent to March 31, 2022, one additional property included within our initial portfolio was sold (see Note 17, “Subsequent Events”).

We seek to acquire, own and operate primarily freestanding, commercial real estate properties located in the United States leased primarily pursuant to triple-net, long-term leases. We focus on investments primarily in retail properties. We target tenants in industries that we believe are favorably impacted by current macroeconomic trends that support consumer spending, such as strong and growing employment and positive consumer sentiment, as well as tenants in industries that have demonstrated resistance to the impact of the growing e-commerce retail sector or who use a physical presence as a component of their omnichannel strategy. We also seek to invest in properties that are net leased to tenants that we determine have attractive credit characteristics, stable operating histories and healthy rent coverage levels, are well-located within their respective markets and have rents at-or-below market rent levels. Furthermore, we believe that the size of our company allows us, for at least the near term, to focus our investment activities on the acquisition of single properties or smaller portfolios of properties that represent a transaction size that most of our publicly-traded net lease REIT peers will not pursue on a consistent basis.

Our objective is to maximize cash flow and value per share by generating stable and growing cash flows and attractive risk-adjusted returns through owning, operating and growing a diversified portfolio of high-quality net leased commercial properties with strong long-term real estate fundamentals. The 129 properties in our portfolio are 100% occupied and represent 3.5 million of gross rentable square feet. As of March 31, 2022, our leases have a weighted-average remaining lease term of 7.8 years based on annualized base rent.

Our strategy for investing in income-producing properties is focused on factors including, but not limited to, long-term real estate fundamentals, including those markets experiencing significant economic growth. We employ a methodology for evaluating targeted investments in income-producing properties which includes an evaluation of: (i) the attributes of the real estate (e.g., location, market demographics, comparable properties in the market, etc.); (ii) an evaluation of the existing tenant(s) (e.g., credit-worthiness, property level sales, tenant rent levels compared to the market, etc.); (iii) other market-specific conditions (e.g., tenant industry, job and population growth in the market, local economy, etc.); and (iv) considerations relating to the Company’s business and strategy (e.g., strategic fit of the asset type, property management needs, alignment with the Company’s structure, etc.).

The Company has no employees and is externally managed by Alpine Income Property Manager, LLC, a Delaware limited liability company and a wholly owned subsidiary of CTO (our “Manager”). CTO is a Maryland corporation that is a publicly traded diversified REIT and the sole member of our Manager.

COMPARISON OF THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

The following presents the Company's results of operations for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 (in thousands):

	Three Months Ended			
	March 31, 2022	March 31, 2021	$ Variance	% Variance
Revenues:				
Lease Income	$ 10,799	$ 5,890	$ 4,909	83.3%
Total Revenues	10,799	5,890	4,909	83.3%
Operating Expenses:				
Real Estate Expenses	1,092	651	441	67.7%
General and Administrative Expenses	1,431	1,030	401	38.9%
Depreciation and Amortization	5,672	3,143	2,529	80.5%
Total Operating Expenses	8,195	4,824	3,371	69.9%
Net Income from Operations	2,604	1,066	1,538	144.3%
Interest Expense	1,680	555	1,125	202.7%
Net Income	924	511	413	80.8%
Less: Net Income Attributable to Noncontrolling Interest	(118)	(71)	(47)	(66.2)%
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 806	$ 440	$ 366	83.2%

Revenue and Direct Cost of Revenues

Revenue from our property operations during the three months ended March 31, 2022 and 2021, totaled $10.8 million and $5.9 million, respectively. The $4.9 million increase in revenues is reflective of the Company's volume of acquisitions. The direct costs of revenues for our property operations totaled $1.1 million and $0.7 million for the three months ended March 31, 2022 and 2021, respectively. The $0.4 million increase in the direct cost of revenues is also attributable to the Company's expanded property portfolio.

General and Administrative Expenses

The following table represents the Company's general and administrative expenses for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 (in thousands):

	Three Months Ended			
	March 31, 2022	March 31, 2021	$ Variance	% Variance
Management Fee to Manager	$ 936	$ 638	$ 298	46.7%
Director Stock Compensation Expense	79	73	6	8.2%
Director & Officer Insurance Expense	96	129	(33)	(25.6)%
Additional General and Administrative Expense	320	190	130	68.4%
Total General and Administrative Expenses	$ 1,431	$ 1,030	$ 401	38.9%

General and administrative expenses totaled $1.4 million and $1.0 million during the three months ended March 31, 2022 and 2021, respectively. The $0.4 million increase is primarily attributable to growth in the Company's equity base, which led to increased management fee expenses totaling $0.3 million.

Depreciation and Amortization

Depreciation and amortization expense totaled $5.7 million and $3.1 million during the three months ended March 31, 2022 and 2021, respectively. The $2.5 million increase in the depreciation and amortization expense is reflective of the Company's expanded property portfolio.

Interest Expense

Interest expense totaled $1.7 million and $0.6 million during the three months ended March 31, 2022 and 2021, respectively. The $1.1 million increase in interest expense is attributable to the higher average outstanding debt balance during the three months ended March 31, 2022 as compared to the same period in 2021. The overall increase in the Company's long-term debt was primarily utilized to fund acquisitions of properties during 2021 and year to date 2022.

Net Income

Net income totaled $0.9 million and $0.5 million during the three months ended March 31, 2022 and 2021, respectively. The increase in net income is attributable to the factors described above.

LIQUIDITY AND CAPITAL RESOURCES

Cash totaled $2.9 million at March 31, 2022, including restricted cash of $0.7 million, see Note 2 "Summary of Significant Accounting Policies" under the heading Restricted Cash for the Company's disclosure related to its restricted cash balance at March 31, 2022.

Long-Term Debt. As of March 31, 2022, the Company had an outstanding balance of $150.0 million on the Credit Facility. Subsequent to March 31, 2022, the Company exercised its accordion options on the 2026 and 2027 Term Loans to pay down the balance on the Credit Facility by an aggregate of $60.0 million. See Note 9, "Long-Term Debt" for the Company's disclosure related to its long-term debt balance at March 31, 2022.

Acquisitions and Investments. As noted previously, the Company acquired 16 properties during the three months ended March 31, 2022 for an aggregate purchase price of $65.5 million, as further described in Note 3, "Property Portfolio".

ATM Program. During the three months ended March 31, 2022, the Company sold 314,671 shares under the 2020 ATM Program for gross proceeds of $6.2 million at a weighted average price of $19.65 per share, generating net proceeds of $6.1 million.

Capital Expenditures. As of March 31, 2022, the Company had no commitments related to capital expenditures for the maintenance of fixed assets, such as land, buildings, and equipment.

We believe we will have sufficient liquidity to fund our operations, capital requirements, maintenance, and debt service requirements over the next twelve months and into the foreseeable future, with cash on hand, cash flow from our operations, proceeds from the completion of the sale of assets utilizing the reverse like-kind 1031 exchange structure, $79.8 million of availability remaining under the 2020 ATM Program, and $60.0 million of available capacity on the existing $150.0 million Credit Facility, based on our current borrowing base of properties, and subsequent pay down of the Credit Facility with proceeds from the exercise of the accordion options on the 2026 and 2027 Term Loans.

The Board and management consistently review the allocation of capital with the goal of providing the best long-term return for our stockholders. These reviews consider various alternatives, including increasing or decreasing regular dividends, repurchasing the Company's securities, and retaining funds for reinvestment. Annually, the Board reviews our business plan and corporate strategies, and makes adjustments as circumstances warrant. Management's focus is to continue our strategy of investing in net leased properties by utilizing capital that we raise and available borrowing capacity from the Credit Facility to increase our portfolio of income-producing properties, providing stabilized cash flows with strong risk-adjusted returns primarily in larger metropolitan areas and growth markets.

Non-GAAP Financial Measures

Our reported results are presented in accordance with GAAP. We also disclose FFO and AFFO, both of which are non-GAAP financial measures. We believe these two non-GAAP financial measures are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs.

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

We compute FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as GAAP net income or loss adjusted to exclude extraordinary items (as defined by GAAP), net gain or loss from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets and real estate related depreciation and amortization, including the pro rata share of such adjustments of unconsolidated subsidiaries. To derive AFFO, we modify the NAREIT computation of FFO to include other adjustments to GAAP net income related to non-cash revenues and expenses such as straight-line rental revenue, amortization of deferred financing costs, amortization of above- and below-market lease related intangibles, non-cash compensation, and other non-cash income or expense. Such items may cause short-term fluctuations in net income but have no impact on operating cash flows or long-term operating performance. We use AFFO as one measure of our performance when we formulate corporate goals.

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

Reconciliation of Non-GAAP Measures (in thousands, except share data):

	Three Months Ended	
	March 31, 2022	March 31, 2021
Net Income	$ 924	$ 511
Depreciation and Amortization	5,672	3,143
Funds From Operations	$ 6,596	$ 3,654
Adjustments:		
Straight-Line Rent Adjustment	(294)	(147)
COVID-19 Rent Repayments	23	271
Non-Cash Compensation	79	73
Amortization of Deferred Financing Costs to Interest Expense	125	65
Amortization of Intangible Assets and Liabilities to Lease Income	(101)	(41)
Other Non-Cash (Income) Expense	24	(6)
Recurring Capital Expenditures	—	(19)
Adjusted Funds From Operations	$ 6,452	$ 3,850
Weighted Average Number of Common Shares:		
Basic	11,662,697	7,565,429
Diluted	13,366,191	8,789,283

Other Data (in thousands, except per share data):

	Three Months Ended			
	March 31, 2022		March 31, 2021	
FFO	$	6,596	$	3,654
FFO per Diluted Share	$	0.49	$	0.42
AFFO	$	6,452	$	3,850
AFFO per Diluted Share	$	0.48	$	0.44

OFF-BALANCE SHEET ARRANGEMENTS

None.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates include those estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the Company's financial condition or results of operations. Our most significant estimate is as follows:

Purchase Accounting for Acquisitions of Real Estate Subject to a Lease. As required by GAAP, 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. 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. The assumptions underlying the allocation of relative fair values are based on market information including, but not limited to: (i) the estimate of replacement cost of improvements under the cost approach, (ii) the estimate of land values based on comparable sales under the sales comparison approach, and (iii) the estimate of future benefits determined by either a reasonable rate of return over a single year's net cash flow, or a forecast of net cash flows projected over a reasonable investment horizon under the income capitalization approach. The underlying assumptions are subject to uncertainty and thus any changes to the allocation of fair value to each of the various line items within the Company's consolidated balance sheets could have an impact on the Company's financial condition as well as results of operations due to resulting changes in depreciation and amortization as a result of the fair value allocation. The acquisitions of real estate subject to this estimate totaled 16 properties for a combined purchase price of $65.5 million for the three months ended March 31, 2022 and five properties for a combined purchase price of $21.9 million for the three months ended March 31, 2021.

See Note 2, "Summary of Significant Accounting Policies", for further discussion of the Company's accounting estimates and policies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K. As a result, pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation, as required by Rules 13(a)-15 and 15(d)-15 of the Securities Exchange Act of 1934 (the "Exchange Act") was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act). Based on that evaluation, the CEO and CFO have concluded that the design and operation of the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and to provide reasonable assurance that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. 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 three months ended March 31, 2022, 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 business. The Company is not currently a party to any pending or threatened legal proceedings that we believe could have a material adverse effect on the Company's business or financial condition.

ITEM 1A. RISK FACTORS

As of March 31, 2022, there have been no material changes in our risk factors from those set forth under the heading Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K"). The risks described in the 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.

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

Not applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 5. OTHER INFORMATION

Not applicable

ITEM 6. EXHIBITS

(a) Exhibits:

Exhibit 3.1	Articles of Amendment and Restatement of Alpine Income Property Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 3, 2019).
Exhibit 3.2	Second Amended and Restated Bylaws of Alpine Income Property Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 22, 2021).
Exhibit 4.1	Specimen Common Stock Certificate of Alpine Income Property Trust, Inc. (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-11/A (File No. 333-234304) filed with the Commission on October 29, 2019).
Exhibit 10.1	Real Estate Purchase and Sale Agreement dated January 28, 2022. †*
Exhibit 10.2	First Amendment to the Purchase and Sale Agreement dated March 1, 2022. †*
Exhibit 10.3	Second Amendment to the Purchase and Sale Agreement dated March 15, 2022. †*
Exhibit 31.1	Certification filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification filed pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certification furnished 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 furnished pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	Inline XBRL Instance Document
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† Filed Herewith

* Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10). The omitted information is not material and is the type of information that the Company customarily and actually treats as private and confidential.

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.

	ALPINE INCOME PROPERTY TRUST, INC. (Registrant)
April 21, 2022	By: /s/ John P. Albright **John P. Albright** **President and Chief Executive Officer** **(Principal Executive Officer)**
April 21, 2022	By: /s/ Matthew M. Partridge **Matthew M. Partridge, Senior Vice President and** **Chief Financial Officer and Treasurer** **(Principal Financial Officer)**
April 21, 2022	By: /s/ Lisa M. Vorakoun **Lisa M. Vorakoun, Vice President and** **Chief Accounting Officer** **(Principal Accounting Officer)**

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. REDACTED INFORMATION IS INDICATED BY [****].

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into effective as of the _28th_ day of January, 2022, by and between **[****]** (the "**Seller**") and **Alpine Income Property OP, LP,** a Delaware limited partnership (the "**Buyer**").

W I T N E S S E T H:

WHEREAS, Seller is the owner or ground lessee of those certain nine (9) parcels of land described on **Exhibit A** attached hereto and incorporated herein by reference, together with all building improvements thereon (collectively, the "**Land**"); and

[****]; and

WHEREAS, Buyer desires to purchase the Land and related personal property as herein described from Seller, and Seller desires to sell the same to Buyer, on the terms and conditions set forth hereinafter; and

[****]; and

[****]

NOW THEREFORE, in consideration of the Deposit (as defined below) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. SALE OF THE PROPERTY. Subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following property (collectively, the "**Property**"):

a. Real Property. The Land together with (i) all improvements located thereon ("**Improvements**"), and (ii) all of Seller's right, title and interest, if any, without warranty except as otherwise provided herein, in and to the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in any way appertaining thereto (collectively, the "**Real Property**").

b. Leases and Lease Deposits**.** All of Seller's right, title and interest in and to all leases of the Real Property (collectively, the "**Leases**"), and all prepaid rents and deposits, security or otherwise, paid to and held by Seller pursuant to such Leases (collectively, the "**Lease Deposits**").

c. Tangible Personal Property**.** All of Seller's right, title and interest in and to the equipment, machinery, furniture, furnishings, supplies and other tangible personal property, if any, owned by Seller and now or hereafter located in and used in connection with the operation, ownership or management of the Real Property, but specifically excluding any items of personal property owned by tenants at or on the Real Property and further excluding any items of personal property owned by third parties and leased to Seller (collectively, the "**Tangible Personal Property**").

d. Intangible Personal Property**.** All of Seller's right, title and interest in and to all intangible personal property related to the Real Property and the Improvements, including, without limitation, all to the extent assignable: all trade names and trademarks associated with the Real Property and the Improvements, including the name of the Real Property; contract rights related to the construction, operation or management of the Real Property, if any (collectively, the "**Contracts**") (but Seller's right, title and interest therein shall only be assigned to the extent Seller's obligations thereunder are expressly assumed by Buyer pursuant to this Agreement); governmental permits, approvals and licenses, if any (to the extent assignable and without cost to Seller) (collectively, the "**Intangible Personal Property"**).

e. Ground Leased Parcels. The three (3) parcels of the Land located in Edgewater, Maryland, Glen Burnie, Maryland and Baton Rouge, Louisiana (the "**Ground Leased Parcels**") are each subject to ground leases wherein Seller is the lessee (collectively, the "**Ground Leases**" or "**Ground Lease**" if referring to one). As to those three (3) parcels, Seller will not convey fee title to Buyer but, instead, will assign to Buyer all of Seller's right, title and interest as lessee under each respective Ground Lease.

f. **[****]**

2. PURCHASE PRICE; PAYMENT OF PURCHASE PRICE.

a. Purchase Price. The aggregate total purchase price for the Property shall not exceed Forty-Eight Million One Hundred Two Thousand Five Hundred Sixty-Four and 00/100 Dollars ($48,102,564.00) (the "**Purchase Price**"), and the specific price for each such parcel of Real Property is set forth on **Exhibit C**, attached hereto and incorporated herein by reference. The Purchase Price, as may be adjusted, shall be payable by Buyer to Seller at the Closing (as hereinafter defined), subject to prorations and other credits provided for in this Agreement.

b. Deposit. The Purchase Price shall be paid in the following manner: Simultaneously with the execution of this Agreement, Buyer shall deliver to **[****]** (the "**Escrow Agent**"), an earnest money deposit in the amount of Five Hundred Thousand and 00/100 Dollars ($500,000.00) (the "**Deposit**") which shall be payable by wire transfer of immediately available United States funds. The Deposit shall be deposited by Escrow Agent in a non-interest bearing account at a federally insured depositary institution, to be held by Escrow Agent in escrow pending Closing or other disbursement in accordance with the terms of this Agreement. In the event that the Buyer fails to make the Deposit within three (3) days of the Effective Date, Seller shall have the right to terminate this Agreement upon written notice to Buyer at any time thereafter (but prior to the date that Buyer delivers the Deposit).

c. Payment. On the Closing Date (as hereinafter defined), and subject to the terms of this Agreement, Buyer shall pay to Seller the Purchase Price by wire transfer of immediately available United States funds as directed by Seller. The Deposit shall be applied to the Purchase Price at Closing (and in the event Closing on the Additional Properties occurs later, a portion of the Deposit shall be applied at the first Closing and a portion of the Deposit shall be applied to the second Closing. The amount of the Deposit to be allocated and applied to each of the Additional Properties shall be as follows

[****]

3. INSPECTION PERIOD; DUE DILIGENCE MATERIALS; TERMINATION.

a. Inspection Period. **[****]**

b. Seller Deliveries. Seller shall deliver to Buyer customary due diligence materials in Seller's possession, including but not limited to true and complete copies of the Contracts, fully executed copies of the Ground Leases (including all exhibits, site plans, amendments and/or modifications thereto), leases, and copies of surveys, site plans, studies and environmental reports, to the extent that such items are in Seller's possession or control, all available architectural, structural, mechanical, and electrical "as-built" plans and specifications with respect to the Improvements, together with copies of all building permits and Certificates of Occupancy, a current rent roll for each Property (certified to be true and correct by Seller), and other written or graphic material of any kind or nature whatsoever related to the Property (collectively, "**Due Diligence Materials**") within seven (7) days after the Effective Date. In the event that this Agreement is amended to include any of the Additional Properties, Seller shall deliver Seller Deliverables for such Additional Properties within seven (7) days after the effective date of such amendment to this Agreement.

c. Return of Due Diligence Materials. In the event that the transaction contemplated herein fails to close for any reason whatsoever, Buyer hereby agrees that Buyer shall immediately deliver to Seller, at Buyer's cost and expense and at no cost or expense to Seller: (a) a list setting forth the names of all persons or entities who conducted investigations, examinations, tests or inspections of or with respect to the Property on behalf of or at the instance of Buyer (b) the Due Diligence Materials without retaining copies thereof, unless destroyed by Buyer in lieu of delivering to Seller, and (c) any keys to the Property provided to Buyer. All inspections, examinations and studies of the Property shall be at Buyer's sole cost and expense. All of Buyer's duties and obligations under this Section 3 shall survive the termination of this Agreement or the closing of the transaction contemplated by this Agreement.

d. Termination Notice. Should Buyer determine during the Inspection Period (or the Additional Properties Inspection Period, as the case may be) that Buyer does not desire to purchase the Property (or the Additional Property), then Buyer may terminate this Agreement by, prior to the expiration of the Inspection Period (or the Additional Properties Inspection Period, as the case may be), delivering written notice to Seller of Buyer's desire to terminate this Agreement, whereupon (i) this Agreement shall become null, void and of no further effect, (ii) the parties shall be relieved of all obligations hereunder (except for those duties and obligations that expressly survive the termination of this Agreement), and (iii) the Deposit shall be returned to Buyer. Should Buyer not timely provide written notice of the termination of this Agreement, then this Agreement shall continue in full force and effect, and Buyer shall be deemed to have accepted the condition of the Property (or the Additional Property, as the case may be) and irrevocably waived its right to terminate this Agreement (and to receive a return of the Deposit) for any reason whatsoever other than for (i) Seller's subsequent default hereunder or (ii) the non-occurrence of the condition to closing set forth in Section 6 of this Agreement or (iii) pursuant to the terms of Section 4.

e. Service Contracts. Prior to the expiration of the Inspection Period (or the Additional Properties Inspection Period, as the case may be), Buyer shall notify Seller of which Contracts, if any, Buyer wishes to have assigned to it at the Closing (any such contracts, the "**Service Contracts**"). All Contracts other than the Service Contracts shall be terminated by Seller on or prior to the Closing Date at no cost to Buyer. Notwithstanding the foregoing, in all events, all management and leasing agreements shall be terminated on or before the Closing at no cost or liability to Buyer.

4. SURVEY AND TITLE.

a. Survey. Prior to the expiration of the Inspection Period (or the Additional Properties Inspection Period, as the case may be), Buyer may cause a licensed surveyor to prepare an ALTA survey of the Property (or the Additional Properties) (each a "**Survey**"), at Buyer's cost, and to provide copies of the Survey to Buyer and Seller. Buyer shall have until the expiration of the Inspection Period (or the Additional Properties Inspection Period, as the case may be) to approve the Survey or to notify Seller in writing of its objections thereto, if any (each notice being a "**Survey Objection**"). Buyer's failure to timely provide a Survey Objection to Seller shall be deemed a waiver of Buyer's right to object to any matters related to the applicable Survey. If Buyer raises any Survey Objection(s), then Seller may, but shall have no obligation, to cure and remove such Survey Objection(s) on or before the Closing Date, at Seller's expense. If Seller notifies Buyer within three (3) business days of receipt of any Survey Objection ("**Seller's Survey Notification**") that Seller is unwilling or unable to cure the applicable Survey Objection or fails to timely provide a Seller's Survey Notification on or before the Closing Date, then Seller shall not be in default hereunder, and Buyer shall have as its sole and exclusive remedy, the option to (i) terminate this Agreement by providing Seller with written notice of its intent to do so no later than the earlier of five (5) business days after Buyer's receipt of Seller's Survey Notification or the Closing Date (failure to timely provide such notice to Seller shall be deemed a waiver of Buyer's right to terminate under this Section 4(a)), or (ii) waive such defects and proceed to close the transaction contemplated herein, accepting the Property as it then is and without setoff or reduction in the Purchase Price. In the event Buyer shall timely elect to terminate because of an uncured Survey Objection, then Escrow Agent shall return the Deposit to Buyer, and the parties hereto shall be relieved of all rights and obligations hereunder, except for those rights and obligations which expressly survive the termination of this Agreement.

b. Title. Within ten (10) days of the Effective Date, Seller will deliver to Buyer a commitment or binder for issuance of an owner's title insurance policy for the Real Property issued by **[****]** ("**Title Company**"). Prior to the expiration of the Inspection Period (or the Additional Properties Inspection Period, as the case may be), Buyer shall conduct a title examination of the title insurance commitment or binder. Buyer shall have until the expiration of the Inspection Period (or the Additional Properties Inspection Period, as the case may be) to provide Seller with written notice of Buyer's objections to the title of the Property, if any (the "**Title Objections**"). Buyer's failure to timely provide Title Objections to Seller shall be deemed a waiver of Buyer's right to object to any matters related to the title to the Property (or the Additional Properties). If Buyer raises any Title Objections, then Seller may, but shall have no obligation, to cure and remove such Title Objections on or before the Closing Date at Seller's expense. If Seller notifies Buyer within three (3) business days of receipt of the Title Objections ("**Seller's Title Notification**") that Seller is unwilling or unable to cure the Title Objections on or before the Closing Date, or fails to timely provide a Seller's Title Notification, then Seller shall not be in default hereunder, and Buyer shall have as its sole and exclusive remedy, the option to (i) terminate this Agreement by providing Seller with written notice of its intent to do so no later than the earlier of three (3) business days after Buyer's receipt of Seller's Title Notification or the Closing Date (failure to timely provide such notice to Seller shall be deemed a waiver of Buyer's right to terminate under this Section 4(b)), or (ii) waive such defects and proceed to close the transaction contemplated herein, accepting title to the Property (or the Additional Properties) as it then is and without setoff or reduction in the Purchase Price. In the event Buyer shall timely elect to terminate because of an uncured Title Objection, then Escrow Agent shall return the Deposit to Buyer, and the parties hereto shall be relieved of all rights and obligations hereunder, except for those rights and obligations which expressly survive the termination of this Agreement. Notwithstanding the foregoing, Seller shall, at Closing, (x) execute an owner's affidavit in form and substance reasonably acceptable to the Title Company to allow the Title Company to delete the so-called "standard exceptions," (y) provide authority documents of Seller necessary to allow the Title Company to satisfy all Schedule B-1 authority requirements, and (z) remove any monetary lien arising by, through or under Seller that is capable of being removed by the payment of money. Seller hereby agrees that it shall not enter into any new title matter (or consent to any such new matter) during the term of this Agreement without Buyer's prior written consent.

c. Later Exception. In the event that an exception unacceptable to Purchaser is filed of record subsequent to the date of the title insurance commitment or binder and prior to Closing (a "Later Exception"), Buyer shall send written notice of such Later Exception to Seller. Buyer shall have the right to postpone the Closing for up to ten (10) days for Seller to satisfy, release, cure, or remove such Later Exception. If Seller is unable to cure, remove, bond off, or otherwise dispose of the Later Exception, Buyer may in its sole discretion either (i) terminate this Agreement and receive the Deposit; or (ii) waive such objection to the Later Exception and proceed with the Closing; provided, however, if any such Later Exception was entered into by Seller without Buyer's consent in violation of the preceding paragraph, it shall be a Seller default hereunder.

5. [****]

6. [****]

7. [****]

8. ADJUSTMENTS AND PRORATIONS. Seller hereby represents and warrants that all ad valorem taxes and assessments and other expenses relating to the Property, including all utilities, are required to be paid by the Tenants, and accordingly, there shall be no prorations of any such taxes, costs and expenses related to the Property at Closing.

No prorations will be made in relation to any insurance premiums for insurance carried by Seller, and Seller's insurance policies will not be assigned to Buyer.

Actual collected rent for the month in which Closing occurs shall be prorated as of the Closing Date, and rents collected after Closing shall first be applied to amounts then owed to Buyer, with any remainder paid to Seller up to the amount, if any, owed to Seller by the particular tenant. In addition, Buyer shall receive credit toward the Purchase Price in the amount of all security deposits, if any, which are being held by Seller under the Leases pursuant to the terms of the Leases. Seller shall not be liable for, and Buyer hereby releases Seller, and agrees to indemnify, defend and hold harmless Seller and every individual and entity affiliated with Seller and all of their respective officers, directors, shareholders, employees, agents and independent contractors from, any and all liability for any claims relating to any such rents arising from said Leases post-Closing. Seller shall be permitted to pursue any Tenant for any past-due rents due and owing prior to Closing if and to the extent that such past due rents are not collected by Buyer and remitted to Seller within 60 days of Closing.

9. DELIVERY OF POSSESSION; CASUALTY. Possession of the Property will be delivered to Buyer on the Closing Date, subject to the rights of tenants under the Leases. If prior to the Closing Date there shall occur damage to the Property caused by fire or other casualty, then the Closing shall take place as provided herein, and Seller shall assign to Buyer all rights to insurance proceeds and claims, if any, available as a result of such destruction or damage; provided, however, if such damage permits the Tenant to terminate the applicable Lease pursuant to the terms of such Lease, then Buyer shall be permitted to terminate this Agreement, whereupon the Deposit shall be returned to Buyer, and the parties hereto shall have no further rights or obligations hereunder, except as expressly set forth herein to survive Closing.

10. CONDEMNATION. If, prior to the Closing Date, all or a substantial part of the Property is taken by any governmental authority under its power of eminent domain, Buyer shall take title to the Property at Closing without any abatement or adjustment in the Purchase Price, in which event Seller shall unconditionally assign its rights in the condemnation award to Buyer (or Buyer shall receive the condemnation award from Seller if it has already been paid to Seller prior to Closing); provided, however, if such condemnation permits the Tenant to terminate the applicable Lease pursuant to the terms of such Lease, then Buyer shall be permitted to terminate this Agreement, whereupon the Deposit shall be returned to Buyer, and the parties hereto shall have no further rights or obligations hereunder, except as expressly set forth herein to survive Closing.

11. DEFAULT; REMEDY.

If the purchase and sale of the Property contemplated hereby is not consummated in accordance with the terms and provisions of this Agreement due to circumstances or conditions which constitute a default by Seller under this Agreement, Buyer shall have the option, as its sole and exclusive remedy, to (a) waive such default, (b) terminate this Agreement by written notice to Seller, receive a refund of the Deposit, and recover liquidated damages in the amount equal to the Deposit, or (c) seek specific performance of this Agreement.

If the purchase and sale of the Property contemplated hereby is not consummated in accordance with the terms and provisions of this Agreement due to circumstances or conditions which constitute a default by Buyer under this Agreement, Seller shall have as its sole and exclusive remedy to terminate this Agreement by written notice to Buyer and upon such termination the Deposit shall immediately be paid to Seller as liquidated damages.

Except as expressly provided herein, if either Buyer or Seller elects to obtain from Escrow Agent the Deposit as set forth above, upon termination of this Agreement and Escrow Agent's disposition of the Deposit pursuant to the terms of this Section 11, this Agreement shall be deemed null and void and of no further force or effect, and no party hereto shall thereafter have any rights, duties, liabilities, or obligations whatsoever hereunder (except for those rights, duties, liabilities, or obligations that are stated herein to survive the termination of this Agreement).

12. [****]

13. ESCROW AGENT. The parties agree that Escrow Agent shall have no liability under this Agreement except to account for the Deposit as specified herein, and except for Escrow Agent's gross negligence. Without limiting the generality of the foregoing, Escrow Agent shall not be liable for any loss or damage resulting from any of the following: any defects or conditions of title to the Property; the legal effect of any instrument exchanged by the parties hereto; any default, error, action or omission of any other party; any good faith act or forbearance by Escrow Agent; any loss or impairment of the funds deposited in escrow in the course of collection or while on deposit with a trust company, bank, savings bank or savings association resulting from failure, insolvency or suspension of such institution or while in transit by wire transfer or otherwise; or Escrow Agent complying with any legal process, writs, orders, judgments and decrees of any court, whether issued with or without jurisdiction, and whether or not subsequently vacated, modified, set aside or reversed. Upon disbursement of the Deposit, Escrow Agent shall be relieved of all further liability and responsibility in connection with the Agreement and the escrow. In the event any demand is made upon Escrow Agent concerning the Deposit, or at any time for any cause or for no cause, Escrow Agent, at its election and in its sole discretion, may cause the Deposit to be delivered to a court of competent jurisdiction to determine the rights of Seller and Buyer, or to interplead Seller and Buyer by an action brought in any such court. Deposit by Escrow Agent into such court of the Deposit shall relieve Escrow Agent of all further liability and responsibility in connection with this Agreement and the escrow.

14. MISCELLANEOUS. It is further agreed as follows:

a. Notice. All notices, demands, requests, consents, approvals or other communications (the "**Notices**") required or permitted to be given by this Agreement shall be in writing and shall be either personally delivered, or sent via FedEx or other regularly scheduled overnight courier or sent by United States mail, registered or certified with return receipt requested, properly addressed and with the full postage prepaid, or sent by email. Said Notices shall be deemed received and effective on the earlier of (i) the date actually received (which, in the case of Notices sent by overnight courier, shall be deemed to be the day following delivery of such Notices to such overnight courier), or (ii) three (3) business days after being placed in the United States Mail as aforesaid, or (iii) the date of acknowledgement of receipt of any email notice by the recipient.

Said Notices shall be sent to the parties hereto at the following addresses, unless otherwise notified in writing:

[****]:	[****]
[****]:	[****]
To Buyer:	c/o Alpine Income Property Trust, Inc. 1140 N. Williamson Boulevard, Suite 140 Daytona Beach, FL 32114 Attention: Steven R. Greathouse Email: sgreathouse@ctlc.com
[****]:	[****]

b. **[****]**

c. Entire Agreement; Amendment. This Agreement, together with all exhibits hereto and documents referred to herein, if any, constitutes the entire understanding among the parties hereto, and supersedes any and all prior agreements, arrangements and understandings among the parties hereto. This Agreement may not be amended, modified, changed or supplemented, nor may any obligations hereunder be waived, except by a writing signed by the party to be charged or by its agent duly authorized in writing or as otherwise permitted herein.

d. Binding Effect. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, representatives, successors and permitted assigns of the parties hereto.

e. Assignment. Buyer's rights hereunder may be assigned in whole, but not in part (other than the conveyance of a specific parcel of Land to such assignee as provided herein), provided that written notice of the assignment including detailed contact information for the assignee is delivered to Seller within three (3) business days of the assignment. In the event of a permitted assignment, Buyer shall not be relieved of any of its duties, obligations or liabilities hereunder, instead Buyer, as assignor, and Buyer's assignee shall therefore be jointly and severally liable hereunder until such time as Closing occurs, at which time assignor Buyer shall be released for all liability hereunder. Any attempted assignment or transfer in violation of this provision shall be null and void *ab initio*.

f. Captions; Gender. Captions are included solely for convenience of reference and shall not be considered in the interpretation of this Agreement. Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine or neuter gender is used herein, such gender shall be used as the context deems appropriate.

g. Time is of the Essence. Time is of the essence of this Agreement. Anywhere a day certain is stated for payment or for performance of any obligation, the day certain so stated enters into and becomes a part of the consideration for this Agreement. If any date set forth in this Agreement shall fall on, or any time period set forth in this Agreement shall expire on, a day which is a Saturday, Sunday, federal or state holiday, or other non-business day, such date shall automatically be extended to, and the expiration of such time period shall automatically to be extended to, the next day which is not a Saturday, Sunday, federal or state holiday or other non-business day.

h. Survival. Except as otherwise expressly provided herein, no term, provision, condition, obligation, representation or warranty set forth herein shall survive the Closing or earlier termination of this Agreement.

i. Confidentiality. Buyer acknowledges that Buyer may become privy to confidential information of Seller, in addition to information regarding certain physical characteristics of the Property learned by Buyer in the course of its examination of the Property. Buyer therefore agrees to take all steps to ensure that any information with regard to Seller, the Property and/or to this transaction, which information is obtained by Buyer or any of its employees, officers, agents, counsel, accountants or representatives, shall remain confidential and shall not be disclosed or revealed to outside sources. The provisions of this paragraph shall survive termination of this Agreement.

j. Governing Law. This Agreement and each and every related document is to be governed by, and construed in accordance with, the laws of the State of Delaware as to any contract issues arising out of this Agreement and with the laws of the State where the Property is located if any issues related to any specific property.

k. Property Sold "As Is". IT IS UNDERSTOOD AND AGREED BY BUYER THAT SELLER HAS NOT MADE AND IS NOT NOW MAKING, AND IT SPECIFICALLY DISCLAIMS AND NEGATES ANY AND ALL COVENANTS, WARRANTIES, REPRESENTATIONS OR GUARANTEES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE (OTHER THAN AS OTHERWISE EXPRESSLY REPRESENTED PURSUANT TO AND AS LIMITED BY THIS AGREEMENT OR THE

DOCUMENTS DELIVERED AT CLOSING), WITH RESPECT TO THE PROPERTY, INCLUDING BUT NOT LIMITED TO, WARRANTIES, REPRESENTATIONS OR GUARANTIES AS TO (I) MATTERS OF TITLE, (II) ENVIRONMENTAL MATTERS RELATING TO THE PROPERTY OR ANY PORTION THEREOF, (III) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER, RESERVOIRS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER AND EARTHQUAKE FAULTS AND THE RESULTING DAMAGE OF PAST AND/OR FUTURE EARTHQUAKES, (IV) WHETHER, AND THE EXTENT TO WHICH THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREAS, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD, (V) DRAINAGE, (VI) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORING, (VII) ZONING TO WHICH THE PROPERTY OR ANY PORTION THEREOF MAY BE SUBJECT, (VIII) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, WATER, SEWAGE, GAS AND ELECTRIC, (IX) USAGE OF ADJOINING PROPERTY, (X) ACCESS TO THE PROPERTY OR ANY PORTION THEREOF, (XI) THE VALUE, COMPLIANCE WITH ANY PLANS AND SPECIFICATIONS, SIZE, LOCATION, LAND USE, DESIGN, QUALITY, DESCRIPTION, SUITABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, (XII) COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE FEDERAL, STATE OR LOCAL ORDINANCES, CODES OR SIMILAR LAWS, BUILDING, FIRE OR ZONING ORDINANCES, CODES OR OTHER SIMILAR LAWS, (XIII) THE EXISTENCE OR NON-EXISTENCE OF UNDERGROUND STORAGE TANKS, (XIV) ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE LAND, (XV) THE POTENTIAL FOR FURTHER DEVELOPMENT OF THE PROPERTY, (XVI) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENT AFFECTING THE PROPERTY, (XVII) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE (BUYER AFFIRMING THAT BUYER HAS NOT RELIED ON SELLER'S SKILL OR JUDGMENT TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE), (XVIII) TAX CONSEQUENCES (INCLUDING, BUT NOT LIMITED TO, THE AMOUNT, USE OR PROVISIONS RELATING TO ANY TAX CREDITS), (XIX) THE INCOME TO BE DERIVED FROM THE PROPERTY, OR (XX) THE EXISTENCE OF ANY VIEW FROM THE PROPERTY OR THAT ANY EXISTING VIEW WILL NOT BE OBSTRUCTED IN THE FUTURE. ADDITIONALLY, NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF OF BUYER

ACKNOWLEDGES THAT NO PERSON HAS MADE, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE DOCUMENTS TO BE DELIVERED AT CLOSING, ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF SELLER SHALL BE VALID OR BINDING UPON SELLER UNLESS EXPRESSLY SET FORTH HEREIN OR IN THE DOCUMENTS TO BE DELIVERED AT CLOSING. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION EXCEPT WITH RESPECT TO A BREACH OF ANY REPRESENTATION OR WARRANTY EXPRESSLY SET FORTH HEREIN. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENT, REPRESENTATION OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON EXCEPT WITH RESPECT TO A BREACH OF ANY REPRESENTATION OR WARRANTY EXPRESSLY SET FORTH HEREIN. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, THE SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS WITH ALL FAULTS AND LIMITATIONS." BUYER HAS FULLY REVIEWED THE DISCLAIMER AND WAIVERS EXPRESSLY SET FORTH IN THIS AGREEMENT WITH ITS COUNSEL AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF.

SUBJECT TO A CLAIM FOR THE BREACH OF ANY OF THE REPRESENTATIONS AND WARRANTIES OF SELLER, WHETHER EXPRESSLY SET FORTH HEREIN OR IN ANY DOCUMENT DELIVERED IN CONNECTION WITH CLOSING, WHICH CLAIM(S) IS EXPRESSLY RESERVED TO BUYER, BUYER HEREBY RELEASES SELLER FROM ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES WHICH BUYER OR ANY PARTY RELATED TO OR AFFILIATED WITH BUYER HAS OR MAY HAVE ARISING FROM OR RELATED TO ANY MATTER OR THING RELATED TO THE PHYSICAL CONDITION OF THE PROPERTY, ANY CONSTRUCTION DEFECTS, ANY ERRORS OR OMISSIONS IN THE DESIGN OR CONSTRUCTION OF THE PROPERTY, AND ANY ENVIRONMENTAL CONDITIONS AT, IN, OR UNDER THE PROPERTY, AND BUYER WILL NOT

LOOK TO SELLER IN CONNECTION WITH THE FOREGOING FOR ANY REDRESS OR RELIEF; PROVIDED, HOWEVER, IN NO EVENT SHALL THE FOREGOING PROHIBIT BUYER FROM RAISING AS A DEFENSE IN ANY CLAIM AGAINST BUYER THAT SELLER WAS THE OWNER OR GROUND LESSEE OF THE PROPERTY DURING THE TIME THAT SUCH CLAIM AROSE. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING. BUYER HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS AND DEALING WITH REAL ESTATE, THAT ENABLES BUYER TO EVALUATE THE MERIT AND RISKS OF THE TRANSACTION CONTEMPLATED HEREBY. BUYER IS NOT IN A DISPARATE BARGAINING POSITION VIS-A-VIS SELLER. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR ANY TERMINATION HEREOF.

l. Waiver. No claim of waiver, consent, or acquiescence with respect to any provision of this Agreement shall be made against any party hereto except on the basis of a written instrument executed by or on behalf of such party. However, the party for whose unilateral benefit a condition is herein inserted shall have the right to waive such condition.

m. Counterparts; Facsimile/Electronic Mail. This Agreement (and any amendment hereto) may be executed via facsimile or email (PDF) and in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

n. Rule of Construction. Seller and Buyer have experience with the subject matter of this Agreement, have been represented by counsel and have each fully participated in the negotiation and drafting of this Agreement. Accordingly, this Agreement shall be construed without regard to the rule that ambiguities in a document are to be construed against the drafter.

o. Effective Date. The date of the later of Buyer and Seller’s signatures shall be the “Effective Date.”

p. No Reliance on Documents. Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller or its agents to Buyer in connection with the transaction contemplated hereby. Buyer acknowledges and agrees that all materials, data and information delivered by Seller to Buyer in connection with the transaction contemplated hereby are provided to Buyer as a convenience only and that any reliance on or use of such materials, data or information by Buyer shall be at the sole risk of Buyer, except as otherwise expressly stated herein. Neither Seller nor any of its members, nor the person or entity which prepared any report or reports delivered by Seller to Buyer, shall have any liability to Buyer for any inaccuracy in or omission from any such reports.

q. Jury Trial. Each party hereby knowingly and voluntarily waives the right to a jury trial in any action, proceeding, or permissive counterclaim involving any matters whatsoever arising out of or in any way connected with the Property or this Agreement.

r. No Recording. This Agreement shall not be recorded by Buyer in the real estate records of any county where any portion of the Property is located, or otherwise.

s. Tax Deferred Exchange. Each party acknowledges and agrees that the other may engage in an exchange of like-kind property, using a qualified intermediary, pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, in connection with the Property. Each party agrees to cooperate with any such like-kind exchange; provided (i) such party shall not be required to execute any instrument that increases such party's obligations or decrease its rights under this Agreement, (ii) such party shall not be required to incur any liability, cost or expense, and (iii) such party shall not be required to take title to any other property. Such party agrees to consent to the other party's assignment of this Agreement to a qualified intermediary in order to facilitate such like-kind exchange so long as such assignment does not adversely affect such party's rights hereunder, and such party agrees that it will have no recourse whatsoever against any qualified intermediary to whom this Agreement is assigned; provided the other party's assignment of this Agreement to a qualified intermediary shall not result in the other party being released from its obligations and liabilities hereunder. In no event, however, may any exchange delay the Closing.

[*REMAINDER OF PAGE INTENTIONALLY BLANK. SIGNATURE PAGES FOLLOW.*]

IN WITNESS WHEREOF, each of the undersigned have caused this Agreement to be executed on its behalf by its members, officers or agents thereunto on the dates below, but effective as of the Effective Date.

SELLER:
[****]

BUYER:

Alpine Income Property OP, LP,
a Delaware limited partnership

By: Alpine Income Property GP, LLC,
a Delaware limited liability company,
its general partner

By: Alpine Income Property Trust, Inc.,
a Maryland corporation,
its sole member

By: /s/ Steven R. Greathouse
Name: Steven R. Greathouse
Its: Senior Vice President-Chief Investment Officer
Date: January 27, 2022

The undersigned hereby acknowledges receipt of the Deposit referenced above and agrees to hold the same in accordance with the terms of this Agreement.

ESCROW AGENT:

[****]

EXHIBIT A

[****]

EXHIBIT A-1

[****]

EXHIBIT B

[****]

EXHIBIT B-1

[****]

EXHIBIT C

[****]

EXHIBIT C-1

[****]

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. REDACTED INFORMATION IS INDICATED BY [****].

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "Amendment") is made as of March 1, 2022, by and between by and between **[****]** (the "Seller"), and **ALPINE INCOME PROPERTY OP, LP**, a Delaware limited partnership ("Buyer").

RECITALS

WHEREAS, Seller and Buyer entered into that certain Purchase and Sale Agreement dated effective as of January 28, 2022 (the "Agreement"), regarding the purchase and sale of those certain nine (9) parcels of land and related improvements thereon, as more particularly described in the Agreement; and

WHEREAS, Seller and Buyer desire to amend the Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing recitals (which are incorporated herein by this reference), and the covenants, terms and conditions contained herein and in the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

AGREEMENT

1. Defined Terms. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

2. **[****]**.

3. **[****]**

4. Full Force and Effect. Except as specifically amended hereby, the Agreement remains in full force and effect and is hereby ratified by the parties hereto. In the event that any of the terms or conditions of the Agreement conflict with this Amendment, the terms and conditions of this Amendment shall control. Any references to the "Agreement" in the Agreement or any document delivered in connection therewith shall be deemed to mean the Agreement as amended hereby.

5. Counterparts; Signatures. This Amendment may be executed and delivered by PDF, email or facsimile signatures and in several or separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original agreement, and all such separate counterparts shall constitute but one and the same agreement.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year first above.

<u>**SELLER**</u>:

[****]

<u>**BUYER**</u>:

ALPINE INCOME PROPERTY OP, LP, a Delaware limited partnership

By: Alpine Income Property GP, LLC, a Delaware limited liability company, its General Partner

By: Alpine Income Property Trust, Inc., a Maryland corporation, its Sole Member

By: /s/ Steven R. Greathouse
Steven R. Greathouse
SVP and Chief Investment Officer

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. REDACTED INFORMATION IS INDICATED BY [****].

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made as of March 15, 2022, by and between by and between **[****]** (the "Seller"), and **ALPINE INCOME PROPERTY OP, LP**, a Delaware limited partnership ("Buyer").

RECITALS

WHEREAS, Seller and Buyer entered into that certain Purchase and Sale Agreement dated effective as of January 28, 2022, as amended by that certain First Amendment to Purchase and Sale Agreement made as of March 1, 2022 (collectively, the "Agreement"), regarding the purchase and sale of nine (9) parcels of land and related improvements thereon, as more particularly described in the Agreement; and

WHEREAS, Seller and Buyer desire to amend the Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing recitals (which are incorporated herein by this reference), and the covenants, terms and conditions contained herein and in the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

AGREEMENT

1. Defined Terms. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

2. **[****]**

3. **[****]**

4. Closing. The Closing shall occur on March 25, 2022.

5. **[****]**

6. Full Force and Effect. Except as specifically amended hereby, the Agreement remains in full force and effect and is hereby ratified by the parties hereto. In the event that any of the terms or conditions of the Agreement conflict with this Amendment, the terms and conditions of this Amendment shall control. Any references to the "Agreement" in the Agreement or any document delivered in connection therewith shall be deemed to mean the Agreement as amended hereby.

7. Counterparts; Signatures. This Amendment may be executed and delivered by PDF, email or facsimile signatures and in several or separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original agreement, and all such separate counterparts shall constitute but one and the same agreement.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year first above.

<u>**SELLER**</u>:

[****]

<u>**BUYER**</u>:

ALPINE INCOME PROPERTY OP, LP, a
Delaware limited partnership

By: Alpine Income Property GP, LLC, a
Delaware limited liability company, its
General Partner

By: Alpine Income Property Trust, Inc., a
Maryland corporation, its Sole Member

By: /s/ Steven R. Greathouse
Name: steven R. Greathouse
Title: SVP-Chief Investment Officer

EXHIBIT A

[****]

Exhibit 31.1

CERTIFICATIONS

I, John P. Albright, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alpine Income Property Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 21, 2022

By: /s/ John P. Albright
John P. Albright
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Matthew M. Partridge, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alpine Income Property Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 21, 2022

By: /s/ Matthew M. Partridge
Matthew M. Partridge, Senior Vice President,
Chief Financial Officer and Treasurer
(Principal Financial 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 Alpine Income Property Trust, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2022, 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: April 21, 2022

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 Alpine Income Property Trust, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew M. Partridge, Senior Vice President, Chief Financial Officer, and Treasurer 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: April 21, 2022

By: /s/ Matthew M. Partridge
Matthew M. Partridge, Senior Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)