

## Risk Factors Comparison 2025-02-06 to 2024-02-08 Form: 10-K

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An investment in our securities involves a high degree of risk. You should carefully consider the risks summarized below in this Item 1A, “ Risk Factors ” included in this Annual Report on Form 10- K. These risks include, but are not limited to, the following:

- We are subject to risks related to the ownership of commercial real estate that could affect the performance and value of our properties.
- Adverse changes in U. S., global and local regions or markets that impact our tenants’ businesses may materially and adversely affect us generally and the ability of our tenants to make rental payments to us pursuant to our leases.
- Our business is dependent upon our tenants successfully operating their businesses, and their failure to do so could materially and adversely affect us.
- Our assessment that certain of our tenants’ businesses are insulated from e- commerce pressure may prove to be incorrect, and changes in macroeconomic trends may adversely affect our tenants, either of which could impair our tenants’ ability to make rental payments to us and thereby materially and adversely affect us.
- Properties occupied by a single tenant pursuant to a single lease subject us to significant risk of tenant default.
- Our portfolio has geographic market concentrations that make us susceptible to adverse developments in those geographic markets.
- We are subject to risks related to tenant concentration, and an adverse development with respect to a large tenant could materially and adversely affect us.
- Certain of our tenants are not rated by a recognized credit rating agency or do not have an investment grade rating from such an agency. Leases with unrated or non- investment grade rated tenants may be subject to a greater risk of default.
- The decrease in demand for retail space may materially and adversely affect us.
- We may be unable to renew leases, lease vacant space or re- lease space as leases expire on favorable terms or at all.
- The tenants that occupy our properties compete in industries that depend upon discretionary spending by consumers. A reduction in the willingness or ability of consumers to use their discretionary income in the businesses of our tenants and potential tenants could adversely impact our tenants’ **and potential tenants’ business-businesses** and thereby adversely impact our ability to collect rents and reduce the demand for leasing our properties.
- The vacancy of one or more of our properties could result in us having to incur significant capital expenditures to re- tenant the space.
- We may be unable to identify suitable property acquisitions or developments, which may impede our growth, and our future acquisitions and developments may not yield the returns we expect.
- We face significant competition for tenants, which may adversely impact the occupancy levels of our portfolio or prevent increases of the rental rates of our properties.
- A part of our investment strategy is focused on investing in commercial loans and investments which may involve credit risk or repayment risk.
- **Our origination or acquisition of construction loans exposes us to an increased risk of loss**.
- We may invest in fixed- rate loan investments, and an increase in market interest rates may adversely affect the value of these investments, which could adversely impact our financial condition, results of operations and cash flows.
- The commercial loans or similar financings we may acquire that are secured by commercial real estate typically depend on the ability of the property owner to generate income from operating the property. Failure to do so may result in delinquency and / or foreclosure.
- We may suffer losses when a borrower defaults on a loan and the value of the underlying collateral is less than the amount due.
- We may experience a decline in the fair value of our real estate assets or investments which could result in impairments and would impact our financial condition and results of operations.
- The costs of compliance with or liabilities related to environmental laws may materially and adversely affect us.
- Our properties may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediation.
- Our senior management team is required to operate two publicly traded companies, CTO and our company, which could place a significant strain on our senior management team and the management systems, infrastructure and other resources of CTO on which we rely.
- We have no employees and are entirely dependent upon our Manager for all the services we require, and we cannot assure you that our Manager will allocate the resources necessary to meet our business objectives.
- CTO may be unable to obtain or retain the executive officers and other personnel that it provides to us through our Manager.
- The base management fee payable to our Manager pursuant to the Management Agreement is payable regardless of the performance of our portfolio, which may reduce our Manager’ s incentive to devote the time and effort to seeking profitable investment opportunities for us.
- The incentive fee payable to our Manager pursuant to the Management Agreement may cause our Manager to select investments in more risky assets to increase its incentive compensation.
- There are conflicts of interest in our relationships with our Manager, which could result in outcomes that are not in our best interests.
- Termination of the Management Agreement could be difficult and costly, including as a result of payment of termination fees to our Manager, and may cause us to be unable to execute our business plan, which could materially and adversely affect us.
- The Management Agreement with our Manager and the ROFO Agreement with CTO were not negotiated on an arm’ s- length basis and may not be as favorable to us as if they had been negotiated with unaffiliated third parties.
- Failure to remain qualified as a REIT would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our stockholders.
- Even if we remain qualified as a REIT, we may face other tax liabilities that could reduce our cash flows and negatively impact our results of operations and financial condition.
- Failure to make required distributions would subject us to U. S. federal corporate income tax.
- Complying with REIT requirements may limit our ability to hedge our liabilities effectively and may cause us to incur tax liabilities.
- The prohibited transactions tax may limit our ability to dispose of our properties.
- The ability of the Board to revoke our REIT qualification without stockholder approval may cause adverse consequences to our stockholders.
- Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

Risks Related to Our Income Properties Segment Factors beyond our control can affect the performance and value of our properties. Our core business is the ownership of commercial net leased properties. Accordingly, our performance is subject to risks incident to the ownership of commercial real estate, including: •

inability to collect rents from tenants due to financial hardship, including bankruptcy; • changes in local real estate conditions in the markets where our properties are located, including the availability and demand for the properties we own; • changes in consumer trends and preferences that affect the demand for products and services offered by our tenants; • adverse changes in national, regional and local economic conditions; • inability to lease or sell properties upon expiration or termination of existing leases; • environmental risks, including the presence of hazardous or toxic substances on our properties; • the subjectivity of real estate valuations and changes in such valuations over time; • illiquidity of real estate investments, which may limit our ability to modify our portfolio promptly in response to changes in economic or other conditions; • zoning or other local regulatory restrictions, or other factors pertaining to the local government institutions which inhibit interest in the markets in which our properties are located; • changes in interest rates and the availability of financing; • competition from other real estate companies similar to ours and competition for tenants, including competition based on rental rates, age and location of properties and the quality of maintenance, insurance and management services; • acts of God, including natural disasters and global pandemics, such as the COVID- 19 Pandemic, which impact the United States, which may result in uninsured losses; • acts of war or terrorism, including consequences of terrorist attacks; • changes in tenant preferences that reduce the attractiveness and marketability of our properties to tenants or cause decreases in market rental rates; • costs associated with the need to periodically repair, renovate or re- lease our properties; • increases in the cost of our operations, particularly maintenance, insurance or real estate taxes which may occur even when circumstances such as market factors and competition cause a reduction in our revenues; • changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances including in response to global pandemics whereby our tenants' businesses are forced to close or remain open on a limited basis only; and • commodities prices. The occurrence of any of the risks described above may cause the performance and value of our properties to decline, which could materially and adversely affect us. Our results of operations, as well as the results of operations of our tenants, are sensitive to changes in U. S., global and local regions or markets that impact our tenants' businesses. Adverse changes or developments in U. S., global or regional economic conditions may impact our tenants' financial condition, which may adversely impact their ability to make rental payments to us pursuant to the leases they have with us and may also impact their current or future leasing practices. Adverse economic conditions such as high unemployment levels, rising interest rates, increased tax rates and increasing fuel and energy costs may have an impact on the results of operations and financial conditions of our tenants, which would likely adversely impact us. During periods of economic slowdown and declining demand for real estate, we may experience a general decline in rents or increased rates of default under our leases. A lack of demand for rental space could adversely affect our ability to maintain our current tenants and gain new tenants, which may affect our growth, profitability and ability to pay dividends. Most of our **income** properties are occupied by a single tenant. Therefore, the success of our investments in these properties is materially dependent upon the performance of each property' s respective tenants. The financial performance of any one of our tenants is dependent on the tenant' s individual business, its industry and, in many instances, the performance of a larger business network that the tenant may be affiliated with or operate under. The financial performance of any one of our tenants could be adversely affected by poor management, unfavorable economic conditions in general, changes in consumer trends and preferences that decrease demand for a tenant' s products or services or other factors, including the impact of a global pandemic which affects the United States, over which neither they nor we have control. Our portfolio includes properties leased to single tenants that operate in multiple locations, which means we own multiple properties operated by the same tenant. To the extent we own multiple properties operated by one tenant, the general failure of that single tenant or a loss or significant decline in its business could materially and adversely affect us. At any given time, any tenant may experience a decline in its business that may weaken its operating results or the overall financial condition of individual properties or its business as a whole. Any such decline may result in our tenant failing to make rental payments when due, declining to extend a lease upon its expiration, delaying occupancy of our property or the commencement of the lease or becoming insolvent or **declaring filing for** bankruptcy **protection**. We depend on our tenants to operate their businesses at the properties we own in a manner which generates revenues sufficient to allow them to meet their obligations to us, including their obligations to pay rent, maintain certain insurance coverage, pay real estate taxes, make repairs and otherwise maintain our properties. The ability of our tenants to fulfill their obligations under our leases may depend, in part, upon the overall profitability of their operations. Cash flow generated by certain tenant businesses may not be sufficient for a tenant to meet its obligations to us pursuant to the applicable lease. We could be materially and adversely affected if a tenant representing a significant portion of our operating results or a number of our tenants were unable to meet their obligations to us. We invest in properties leased, in many instances, to tenants engaged in businesses that we believe are generally insulated from the impact of e- commerce. While we believe our assessment to be accurate, businesses previously thought to be resistant to the pressure of the increasing level of e- commerce have ultimately been proven to be susceptible to competition from e- commerce. Overall business conditions and the impact of technology, particularly in the retail industry, are rapidly changing, and our tenants may be adversely affected by technological innovation, changing consumer preferences and competition from non- traditional sources. To the extent our tenants face increased competition from non- traditional competitors, such as internet vendors, their businesses could suffer. There can be no assurance that our tenants will be successful in meeting any new competition, and a deterioration in our tenants' businesses could impair their ability to meet their lease obligations to us and thereby materially and adversely affect us. Additionally, we believe that many of the businesses operated by our tenants are benefiting from macroeconomic trends that support consumer spending, such as low unemployment and positive consumer sentiment. Economic conditions are generally cyclical, and developments that discourage consumer spending, such as increasing unemployment, wage stagnation, decreases in the value of real estate, inflation or increasing interest rates, could adversely affect our tenants, impair their ability to meet their lease obligations to us and materially and adversely affect us. Most of our properties are occupied by a single tenant. Therefore, the financial failure of, or default in payment by, a tenant under its lease is likely to cause

a significant **reduction** or complete **reduction in cessation of** our rental revenue from that property and possibly a reduction in the value of the property. We may also experience difficulty or a significant delay in re-leasing or selling such property. This risk is magnified in situations where we lease multiple properties to a single tenant and the financial failure of the tenant's business affects more than a single property. A failure or default by such a tenant could reduce or eliminate rental revenue from multiple properties and reduce the value of such properties, which could materially and adversely affect us. We may experience a decline in the fair value of our real estate assets which could result in impairments and would impact our financial condition and results of operations. A decline in the fair market value of our long-lived assets may require us to recognize an impairment against such assets (as defined by Financial Accounting Standards Board, or the FASB, authoritative accounting guidance) if certain conditions or circumstances related to an asset were to change and we were to determine that, with respect to any such asset, that the cash flows no longer support the carrying value of the asset. The fair value of our long-lived assets depends on market conditions, including estimates of future demand for these assets, and the revenues that can be generated from such assets. If such a determination were to be made, we would recognize the estimated unrealized losses through earnings and write down the depreciated cost of such assets to a new cost basis, based on the fair value of such assets on the date they are considered to be impaired. Such impairment charges reflect non-cash losses at the time of recognition, and subsequent dispositions or sales of such assets could further affect our future losses or gains, as they are based on the difference between the sales price received and the adjusted depreciated cost of such assets at the time of sale. In addition to general, regional, national, and global economic conditions, our operating performance is impacted by the economic conditions of the specific geographic markets in which we have concentrations of properties. Our portfolio includes substantial holdings in **Texas, New Jersey, and Michigan** as of December 31, **2023-2024** (based on square footage). Our geographic concentrations could adversely affect our operating performance if conditions become less favorable in any of the states or markets within such states in which we have a concentration of properties. Such geographic concentrations could be heightened by the fact that our investments may be concentrated in certain areas that are affected by epidemics or pandemics such as COVID-19 more than other areas. We cannot assure you that any of our markets will grow, not experience adverse developments or that underlying real estate fundamentals will be favorable to owners and operators of commercial properties. Our operations may also be affected if competing properties are built in our markets. A downturn in the economy in the states or regions in which we have a concentration of properties, or markets within such states or regions, could adversely affect our tenants operating businesses in those states or regions, impair their ability to pay rent to us and thereby, materially and adversely affect us. We have in the past and may in the future have significant tenant and property concentrations. In the event that a tenant that occupies a significant number of our properties or whose lease payments represent a significant portion of our rental revenue, were to experience financial difficulty or file for bankruptcy **protection**, it could have a material adverse effect on us. As of December 31, **2023-2024**, **35-49** % of our tenants or parent entities thereof (based on annualized straight-line base rent) were not rated or did not have an investment grade credit rating from a recognized rating agency. Leases with non-investment grade or unrated tenants may be subject to a greater risk of default. Unrated tenants or non-investment grade tenants may also be more likely to experience financial weakness or file for bankruptcy **protection** than tenants with investment grade credit ratings. When we consider the acquisition of a property with an in-place lease with an unrated or non-investment grade rated tenant or leasing a property to a tenant that does not have a credit rating or does not have an investment grade rating, we evaluate the strength of the proposed tenant's business at the property level and at a corporate level, if applicable, and may consider the risk of tenant / company insolvency using internally developed methodologies or assessments provided by third parties. If our evaluation of an unrated or non-investment grade tenant's creditworthiness is inaccurate, the default or bankruptcy risk related to the tenant may be greater than anticipated. In the event that any of our unrated tenants were to experience financial weakness or file for bankruptcy **protection**, it could have a material adverse effect on us. As of December 31, **2023-2024**, 100 % of leases based on annualized straight-line base rent were with tenants operating retail businesses. In the future, we intend to acquire additional properties leased to a single tenant operating a retail business at the property. Accordingly, decreases in the demand for leasing retail space may have a greater adverse effect on us than if we had fewer investments in retail properties. The market for leasing of retail space has historically been adversely affected by weakness in the national, regional and local economies, the adverse financial condition of some large retail companies, consolidation in the retail industry, the excess amount of retail space in a number of markets and increasing e-commerce pressure. To the extent that adverse conditions arise or continue, they are likely to negatively affect market rents for retail space and could materially and adversely affect us. Our results of operations depend on our ability to lease our properties, including renewing expiring leases, leasing vacant space and re-leasing space in properties where leases are expiring, and leasing space related to new project development. In leasing or re-leasing our properties, we may be unable to optimize our tenant mix or execute leases on more economically favorable terms than the prior in-place lease. Our tenants may decline, or may not have the financial resources available, to renew their leases, and there can be no assurance that leases that are renewed will have terms that are as economically favorable to us as the expiring lease terms. If tenants do not renew their leases as they expire, we will have to source new tenants to lease our properties, and there can be no assurance that we will be able to find new tenants or that our properties will be re-leased at rental rates equal to or above the previous in-place lease or current average rental rates or that substantial rent abatements, tenant improvement allowances, early termination rights or below-market renewal options will not be offered to attract new tenants. We may experience increased costs in connection with re-leasing our properties, which could materially and adversely affect us. Certain provisions of our leases may be unenforceable. Our rights and obligations with respect to our leases are governed by written agreements. A court could determine that one or more provisions of such an agreement are unenforceable. We could be adversely impacted if this were to happen with respect to a property or group of properties. The bankruptcy or insolvency of any of our tenants could result in the termination of such tenant's lease and material losses to us. The occurrence of a tenant bankruptcy or insolvency in most cases diminishes the income we receive from that tenant's lease or leases, or forces us to re-tenant the affected property as a result of a default of the

in- place tenant or a rejection of a tenant lease by a bankruptcy court. When a tenant files for bankruptcy protection or becomes insolvent, federal law may prohibit us from evicting such tenant based solely upon such bankruptcy or insolvency. In addition, a bankrupt or insolvent tenant may be authorized to reject and terminate its lease or leases with us. Any claims against such bankrupt tenant for unpaid rent or future rent would be subject to statutory limitations that would likely result in our receipt of rental revenues that are substantially less than the contractually specified rent we are owed under the lease or leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full. We may also be unable to re- lease a property in which the in- place lease was not terminated or rejected or to re- lease it on comparable or more favorable terms. As a result, tenant bankruptcies or insolvencies may materially and adversely affect us. During the three months ended March 31, 2023, one of our tenants under three separate master leases filed for bankruptcy protection and ultimately liquidation, resulting in the termination of such master leases, which covered seven convenience store properties. During the year ended December 31, 2023, the Company recorded a \$ 2. 9 million impairment charge representing the provision for losses related to these seven convenience store properties within our income properties segment. The seven leases underlying these seven convenience store properties were rejected as a part of the bankruptcy proceedings during August of 2023. The impairment charge of \$ 2. 9 million is was equal to the estimated sales prices for these seven convenience store properties (as set forth in executed letters of intent at the time the impairment was estimated), less the book value of the assets as of December 31, 2023, less estimated costs to sell. ~~As of~~ **During the year ended December 31, 2023-2024**, the Company ~~is continuing to evaluate potential sales of all seven of~~ **recorded an additional \$ 1. 1 million impairment charge representing the provision for losses related to the same portfolio of** convenience store properties ~~, as well as leasing opportunities within our income properties segment. The impairment charge of \$ 1. 1 million is equal to the estimated sales prices for the these convenience store assets pursuant to letters of intent for sale executed during the year ended December 31, 2024, less the book value of the assets, less estimated costs to sell. Our estimated costs to sell include certain properties property not currently leased improvements, which are estimated at \$ 0. 6 million~~. We may not acquire the properties that we evaluate in our pipeline. We generally seek to maintain a robust pipeline of investment opportunities. Transactions may fail to close for a variety of reasons, including the discovery of previously unknown liabilities or other items uncovered during our diligence process. Similarly, we may never execute binding purchase agreements with respect to properties that are currently subject to non- binding letters of intent, and properties with respect to which we are negotiating may never lead to the execution of any letter of intent. For many other reasons, we may not ultimately acquire the properties in our pipeline. As we continue to acquire properties, we may decrease or fail to increase the diversity of our portfolio. While we generally seek to maintain or increase our portfolio' s tenant, geographic and industry diversification with future acquisitions, it is possible that we may determine to consummate one or more acquisitions that actually decrease our portfolio' s diversity. If our portfolio becomes less diverse, our business will be more sensitive to tenant or market factors, including the bankruptcy or insolvency of tenants, to changes in consumer trends of a particular industry and to a general economic downturn or downturns in a market or particular geographic area. We may obtain only limited warranties when we acquire a property and may only have limited recourse if our due diligence did not identify any issues that may subject us to unknown liabilities or lower the value of our property, which could adversely affect our financial condition and ability to make distributions to you. The seller of a property often sells the property in its “ as is ” condition on a “ where is ” basis and “ with all faults, ” without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will survive for only a limited period after the closing. The acquisition of, or purchase of, properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property, lose rental income from that property or may be subject to unknown liabilities with respect to such properties. Many of the tenants that occupy our properties compete in industries that depend upon discretionary spending by consumers. A reduction in the willingness or ability of consumers to use their discretionary income in the businesses of our tenants and potential tenants could adversely impact our tenants’ business and thereby adversely impact our ability to collect rents and reduce the demand for leasing our properties. Certain properties in our portfolio are leased to tenants operating retail, service- oriented or experience- based businesses. ~~General merchandise~~ **Sporting goods, financial services home improvement, hospitality dollar stores, casual dining**, home furnishings, **pharmacy, consumer electronics** and ~~entertainment~~ **grocery** represent a significant portion of the industries in our portfolio. The success of most of the tenants operating businesses in these industries depends on consumer demand and, more specifically, the willingness of consumers to use their discretionary income to purchase products or services from our tenants. The ability of consumers to use their discretionary income may be impacted by issues including a global pandemic that impacts the United States. A prolonged period of economic weakness, another downturn in the U. S. economy or accelerated dislocation of these industries due to the impact of e- commerce, could cause consumers to reduce their discretionary spending in general or spending at these locations in particular, which could have a material and adverse effect on us. The loss of a tenant, either through lease expiration or tenant bankruptcy or insolvency, may require us to spend significant amounts of capital to renovate the property before it is suitable for a new tenant and cause us to incur significant costs to source new tenants. In many instances, the leases we enter into or assume through acquisition are for properties that are specifically suited to the particular business of our tenants. Because these properties have been designed or physically modified for a particular tenant, if the current lease is terminated or not renewed, we may be required to renovate the property at substantial costs, decrease the rent we charge or provide other concessions in order to lease the property to another tenant. In addition, in the event we decide to sell the property, we may have difficulty selling it to a party other than the tenant due to the special purpose for which the property may have been designed or modified. This potential limitation on our ability to sell a property may limit our ability to quickly modify our portfolio in response to changes in our tenants’ business prospects, economic or other conditions, including tenant demand. These limitations may materially and adversely affect us. We may be unable to identify and complete suitable property acquisitions or developments, which may impede our growth, and our future acquisitions and developments may not yield the returns we expect. Our ability to expand

through acquisitions and developments requires us to identify and complete acquisitions and new property developments that are consistent with our investment and growth strategy and our investment criteria and to successfully integrate newly acquired properties into our portfolio. Our Manager continually evaluates investment opportunities for us, but our ability to acquire or develop new properties on favorable terms and successfully operate them may be constrained by the following significant risks:

- we face competition from commercial developers and other real estate investors with significant capital, including REITs and institutional investment funds, which may be able to accept more risk than we can prudently manage, including risks associated with paying higher acquisition prices;
- we face competition from other potential acquirers which may significantly increase the purchase price for a property we acquire, which could reduce our growth prospects;
- we may incur significant costs and divert management attention in connection with evaluating and negotiating potential acquisitions and developments, including ones that we are unable to complete;
- we may acquire properties that are not accretive to our results of operations upon acquisition, and we may be unsuccessful in managing and leasing such properties in accordance with our expectations;
- our cash flow from an acquired or developed property may be insufficient to meet our required principal and interest payments with respect to debt used to finance the acquisition or development of such property;
- we may discover unexpected issues, such as unknown liabilities, during our due diligence investigation of a potential acquisition or other customary closing conditions may not be satisfied, causing us to abandon an investment opportunity after incurring expenses related thereto;
- we may fail to obtain financing for an acquisition or new property development on favorable terms or at all;
- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and
- we may acquire properties subject to (i) liabilities without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination not revealed in Phase I environmental site assessments or otherwise through due diligence, (ii) claims by tenants, vendors or other persons dealing with the former owners of the properties, (iii) liabilities incurred in the ordinary course of business, and (iv) claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties. If any of these risks are realized, we may be materially and adversely affected. We may be unable to complete acquisitions of properties owned by CTO that are covered by the ROFO Agreement, and any completed acquisitions of such properties may not yield the returns we expect. Although the ROFO Agreement provides us with a right of first offer with respect to certain single-tenant, net leased properties owned by CTO, there can be no assurance that CTO will elect to sell these properties in the future. Even if CTO elects to sell these properties in the future, we may be unable to reach an agreement with CTO on the terms of the purchase of such properties or may not have the funds or ability to finance the purchase of such properties. Accordingly, there can be no assurance that we will be able to acquire any properties covered by the ROFO Agreement in the future. Further, even if we are able to acquire properties covered by the ROFO Agreement, there is no guarantee that such properties will be able to maintain their historical performance, or that we will be able to realize the same returns from those properties as CTO. We compete with numerous developers, owners and operators of net leased properties, many of which are much larger and own properties similar to ours in the same markets in which our properties are located. The size and financial wherewithal of our competitors may allow them to offer space at rental rates below current market rates or below the rental rates we charge our tenants. As a result, we may lose existing tenants or fail to obtain future tenants, and the downward pressure caused by these other owners, operators and developers may cause us to reduce our rental rates or to offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to retain tenants when our leases expire. Competition for tenants could adversely impact the occupancy levels of our portfolio or prevent increases of the rental rates of our properties, which could materially and adversely affect us. Inflation may materially and adversely affect us and our tenants. Increased inflation has in the past and could again in the future have an adverse impact on interest rates, which has negatively impacted the cost of our or our tenants' variable rate debt and would likely negatively impact the cost of any variable rate debt that we obtain in the future. During times when inflation is increasing at a greater rate than the increases in rent provided by our leases, our rent levels will not keep up with the costs associated with rising inflation. Increased costs may have an adverse impact on our tenants if increases in their operating expenses exceed increases they might achieve in revenues, which may adversely affect the tenants' ability to pay rent owed to us. The redevelopment or renovation of our properties may cause us to experience unexpected costs and have other risks that could materially and adversely affect us. We may in the future redevelop, significantly renovate or otherwise invest additional capital in our properties to improve them and enhance the opportunity for achieving attractive risk-adjusted returns. These activities are subject to a number of risks, including risks associated with construction work and risks of cost overruns due to construction delays or other factors that may increase the expected costs of a project. In addition, we may incur costs in connection with projects that are ultimately not pursued to completion. Any of our redevelopment or renovation projects may be financed. If such financing is not available on acceptable terms, our redevelopment and renovation activities may not be pursued or may be curtailed. In addition, such activities would likely reduce the available borrowing capacity on the Credit Facility or any other credit facilities that we may have in place in the future, which would limit our ability to use those sources of capital for the acquisition of properties and other operating needs. The risks associated with redevelopment and renovation activities, including but not necessarily limited to those noted above, could materially and adversely affect us. Our real estate investments are generally illiquid, which could significantly affect our ability to respond to market changes or adverse changes relating to our tenants or in the performance of our properties. The real estate investments made, and expected to be made, by us are relatively difficult for us to sell quickly. As a result, our ability to make rapid adjustments in the size and content of our portfolio in response to economic or other conditions is limited. Illiquid assets typically experience greater price volatility, as a ready market does not exist, and can be more difficult to value. In addition, validating third party pricing for illiquid assets may be more subjective than more liquid assets. As a result, if we are required to quickly liquidate all or a portion of our portfolio, we may realize significantly less than the value at which we have previously recorded our assets. In addition, the Internal Revenue Code of 1986, as amended (the “

Code ”), imposes restrictions on a REIT’ s ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forgo or defer sales of properties that otherwise would be in our best interest. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms, which may materially and adversely affect us. We may not be able to dispose of properties we target for sale to recycle our capital. Although we may seek to selectively sell properties to recycle our capital, we may be unable to sell properties targeted for disposition due to adverse market or other conditions, or not achieve the pricing or timing that is consistent with our expectations. This may adversely affect, among other things, our ability to deploy capital into the acquisition of other properties and the execution of our overall operating strategy, which could, consequently, materially and adversely affect us. The development of new projects and / or properties may cause us to experience unexpected costs and have other risks that could materially and adversely affect us. We may develop new projects to enhance the opportunity for achieving attractive risk- adjusted returns. New project development is subject to a number of risks, including risks associated with the availability and timely receipt of zoning and other regulatory approvals, the timely completion of construction (including risks from factors beyond our control, such as weather, labor conditions or material shortages) and risks of cost overruns due to construction delays or other factors that may increase the expected costs of a project. These risks could result in substantial unanticipated delays and, under certain circumstances, provide a tenant the opportunity to delay rent commencement, reduce rent or terminate a lease. In addition, we may incur costs in connection with projects that are ultimately not pursued to completion. Any new development projects may be financed. If such financing is not available on acceptable terms, our development activities may not be pursued or may be curtailed. In addition, such activities would likely reduce the available borrowing capacity on the revolving credit facility or any other credit facilities that we may have in place in the future, which would limit our ability to use those sources of capital for the acquisition of properties and other operating needs. The risks associated with new project development activities, including but not necessarily limited to those noted above, could materially and adversely affect us. The success of our activities related to new project development in which we will retain an ownership interest is partly dependent on the availability of suitable undeveloped land at acceptable prices. Our success in developing projects that we will retain an ownership interest in is partly dependent upon the availability of undeveloped land suitable for the intended development. The availability of undeveloped land for purchase at acceptable prices depends on a number of factors outside of our control, including the risk of competitive over- bidding on land and governmental regulations that restrict the potential uses of land. If the availability of suitable land opportunities decreases, the number of development projects we may be able to undertake could be reduced. Thus, the lack of availability of suitable land opportunities could have a material adverse effect on our results of operations and growth prospects.

**Risks Related to Our Commercial Loans and Investments**

Segment A part of our investment strategy is focused on investing in commercial loans and investments which may involve credit risk. We have invested in commercial loans secured by commercial real estate and may from time to time in the future opportunistically invest in additional commercial loans secured by commercial real estate or similar financings secured by real estate. Investments in commercial loans or similar financings of real estate involve credit risk with regard to the borrower, the borrower’ s operations and the real estate that secures the financing. The credit risks include, but are not limited to, the ability of the borrower to execute their business plan and strategy, the ability of the borrower to sustain and / or improve the operating results generated by the collateral property, the ability of the borrower to continue as a going concern, and the risk associated with the market or industry in which the collateral property is utilized. Our evaluation of the investment opportunity in a mortgage loan or similar financing includes these elements of credit risk as well as other underwriting criteria and factors. Further, we may rely on third party resources to assist us in our investment evaluation process and otherwise in conducting customary due diligence. Our underwriting of the investment or our estimates of credit risk may not prove to be accurate, as actual results may vary from our estimates. In the event we underestimate the performance of the borrower and / or the underlying real estate which secures our commercial loan or financing, we may experience losses or unanticipated costs regarding our investment and our financial condition, results of operations, and cash flows may be adversely impacted. Our commercial loans and investments segment is also generally exposed to risks associated with real estate investments. Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact the performance of our commercial loans and investments segment by making it more difficult for borrowers to satisfy their debt payment obligations, increasing the default risk applicable to borrowers and making it relatively more difficult for us to generate attractive risk- adjusted returns in our commercial loans and investments segment. Real estate investments are subject to various risks, including the risks described elsewhere in this Form 10- K with respect to the properties that we own directly. Our borrowers may be impacted by these same risks, which may make it more difficult for them to satisfy their debt payment obligations to us.

~~Our origination or acquisition of construction loans exposes us to an increased risk of loss.~~ We have originated, and may in the future, originate or acquire additional construction loans. If we fail to fund our entire commitment on a construction loan or if a borrower otherwise fails to complete the construction of a project, there could be adverse consequences associated with the loan, including, but not limited to: a loss of the value of the property securing the loan, especially if the borrower is unable to raise funds to complete construction from other sources; a borrower claim against us for failure to perform under the loan documents; increased costs to the borrower that the borrower is unable to pay; a bankruptcy filing by the borrower; and abandonment by the borrower of the collateral for the loan. A borrower default on a construction loan where the property has not achieved completion poses a greater risk than a conventional loan, as completion would be required before the property is able to generate revenue. The process of foreclosing on a property is time- consuming, and we may incur significant expense if we foreclose on a property securing a loan under these or other circumstances. Our investments in construction loans require us to make estimates about the fair value of land improvements that may be challenged by the Internal Revenue Service (“ IRS ”). We have originated and may in the future originate or acquire additional construction loans,

the interest from which will be qualifying income for purposes of the REIT income tests, provided that the loan value of the real property securing the construction loan is equal to or greater than the highest outstanding principal amount of the construction loan during any taxable year. For purposes of construction loans, the loan value of the real property is the fair value of the land plus the reasonably estimated cost of the improvements or developments (other than personal property) that will secure the loan and that are to be constructed from the proceeds of the loan. There can be no assurance that the IRS would not challenge our estimate of the loan value of the real property. We may invest in fixed- rate loan investments, and an increase in interest rates may adversely affect the value of these investments, which could adversely impact our financial condition, results of operations and cash flows. Increases in interest rates may negatively affect the market value of our investments, particularly any fixed- rate commercial loans or other financings we have invested in. Generally, any fixed- rate commercial loans or other financings will be more negatively affected by rising interest rates than adjustable- rate assets. Reductions in the fair value of our investments could decrease the amounts we may borrow to purchase additional commercial loans or similar financing investments, which could impact our ability to increase our operating results and cash flows. Furthermore, if our borrowing costs are rising while our interest income is fixed for the fixed- rate investments, the spread between our borrowing costs and the fixed- rate we earn on the commercial loans or similar financing investments will contract or could become negative which would adversely impact our financial condition, results of operations, and cash flows. The commercial loans or similar financings we have acquired and may acquire in the future that are secured by commercial real estate typically depend on the ability of the property owner to generate income from operating the property. Failure to do so may result in delinquency and / or foreclosure. Commercial loans are secured by commercial property and are subject to risks of delinquency and foreclosure and therefore risk of loss. The ability of a borrower to repay a loan secured by an income- producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower' s ability to repay the loan may be impaired. In the event of any default under a commercial loan held directly by us, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the commercial loan, which could have a material adverse effect on our financial condition, operating results and cash flows. In the event of the bankruptcy of a commercial loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee or debtor- in- possession to the extent the lien is unenforceable under state law. Foreclosure of a loan can be an expensive and lengthy process, which could have a substantial negative effect on our anticipated return on the foreclosed commercial loan. If the borrower is unable to repay a mortgage loan or similar financing, our inability to foreclose on the asset in a timely manner, and / or our inability to obtain value from reselling or otherwise disposing of the asset for an amount equal to our investment basis, would adversely impact our financial condition, results of operations, and cash flows. If a borrower defaults on a non- recourse loan, we will only have recourse to the real estate- related assets collateralizing the loan. If the underlying collateral value is less than the loan amount, we will suffer a loss. Conversely, commercial loans we invest in may be unsecured or be secured only by equity interests in the borrowing entities. These loans are subject to the risk that other lenders in the capital stack may be directly secured by the real estate assets of the borrower or may otherwise have a superior right to repayment. Upon a default, those collateralized lenders would have priority over us with respect to the proceeds of a sale of the underlying real estate. In such cases, we may lack control over the underlying asset collateralizing our loan or the underlying assets of the borrower before a default and, as a result, the value of the collateral may be reduced by acts or omissions by owners or managers of the assets. Commercial loans we may invest in may be backed by individual or corporate guarantees from borrowers or their affiliates which guarantees are not secured. If the guarantees are not fully or partially secured, we typically rely on financial covenants from borrowers and guarantors which are designed to require the borrower or guarantor to maintain certain levels of creditworthiness. Should we not have recourse to specific collateral pledged to satisfy such guarantees or recourse loans, we will have recourse as an unsecured creditor only to the general assets of the borrower or guarantor, some or all of which may be pledged as collateral for other lenders. There can be no assurance that a borrower or guarantor will comply with its financial covenants, or that sufficient assets will be available to pay amounts owed to us under our loans and guarantees. Because of these factors, we may suffer additional losses which could have a material adverse effect on our financial condition, operating results and cash flows. Upon a borrower bankruptcy, we may not have full recourse to the assets of the borrower to satisfy our loan. Additionally, in some instances, our loans may be subordinate to other debt of certain borrowers. If a borrower defaults on our loan or on debt senior to our loan, or a borrower files for bankruptcy **protection**, our loan will be satisfied only after the senior debt receives payment. Where debt senior to our loan exists, the presence of inter- creditor arrangements may limit our ability to amend our loan documents, assign our loans, accept prepayments, exercise our remedies (through " standstill " periods), and control decisions made in bankruptcy proceedings. Bankruptcy and borrower litigation can significantly increase collection costs and the time needed for us to acquire title to the underlying collateral (if applicable), during which time the collateral and / or a borrower' s financial condition may decline in value, causing us to suffer additional losses. If the value of collateral underlying a loan declines, or interest rates increase during the term of a loan, a borrower may not be able to obtain the necessary funds to repay our loan at maturity through refinancing because the underlying property revenue cannot satisfy the debt service coverage requirements necessary to obtain new financing. If a borrower is unable to repay our loan at maturity, we could suffer additional loss which may adversely impact our financial condition, operating results and cash flows. As a result of any of the above factors or events, the losses we may suffer could adversely impact our financial condition, results of operations and cash flows. We could fail to continue to qualify as a REIT if the IRS successfully challenges our treatment of any mezzanine loans in which we invest. We may, in the future, originate or acquire mezzanine loans, which are loans secured by equity interests in an entity that directly or indirectly owns real property, rather than by a direct mortgage of the real property. In Revenue Procedure 2003- 65, the IRS established a safe harbor under

which loans secured by a first priority security interest in ownership interests in a partnership or limited liability company owning real property will be treated as real estate assets for purposes of the REIT asset tests, and interest derived from those loans will be treated as qualifying income for both the 75 % and 95 % gross income tests, provided several requirements are satisfied. Although Revenue Procedure 2003- 65 provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. Moreover, our mezzanine loans may not meet all of the requirements for reliance on the safe harbor. Consequently, there can be no assurance that the IRS will not challenge our treatment of such loans as qualifying real estate assets, which could adversely affect our ability to continue to qualify as a REIT . **We may be subject to risks associated with commercial real estate loan participations. Some of our commercial real estate loan investments may be held in the form of participation interests or co- lender arrangements in which we share the loan rights, obligations and benefits with other lenders. With respect to such participation interests, we may require the consent of these parties to exercise our rights under such loans, including rights with respect to amendment of loan documentation, enforcement proceedings upon a default and the institution of, and control over, foreclosure proceedings. In circumstances where we hold a minority interest, we may become bound to actions of the majority to which we otherwise would object. We may be adversely affected by this lack of control with respect to these interests** .

Risks Related to Certain Events, Environmental Matters and Climate Change Natural disasters, terrorist attacks, other acts of violence or war or other unexpected events could materially and adversely affect us. Natural disasters, terrorist attacks, other acts of violence or war or other unexpected events, including a global pandemic that impacts the economy in the United States, could materially interrupt our business operations (or those of our tenants), cause consumer confidence and spending to decrease or result in increased volatility in the U. S. and worldwide financial markets and economies. They also could result in or prolong an economic recession. Any of these occurrences could materially and adversely affect us. In addition, our corporate headquarters and certain of our properties are located in Florida, where major hurricanes have occurred. Depending on where any hurricane makes landfall, our properties in Florida could experience significant damage. In addition, the occurrence and frequency of hurricanes in Florida could also negatively impact demand for our properties located in that state because of consumer perceptions of hurricane risks. In addition to hurricanes, the occurrence of other natural disasters and climate conditions in Florida (and in other states where our properties are located), such as tornadoes, floods, fires, unusually heavy or prolonged rain, droughts and heat waves, could have an adverse effect on our tenants, which could adversely impact our ability to collect rental revenues. If a hurricane, earthquake, natural disaster or other similar significant disruption occurs, we may experience disruptions to our operations and damage to our properties, which could materially and adversely affect us. Terrorist attacks or other acts of violence may also negatively affect our operations. There can be no assurance that there will not be terrorist attacks against businesses within the U. S. These attacks may directly impact our physical assets or business operations or the financial condition of our tenants, lenders or other institutions with which we have a relationship. The U. S. may be engaged in armed conflict, which could also have an impact on the tenants, lenders or other institutions with which we have a relationship. The consequences of armed conflict are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business. Any of these occurrences could materially and adversely affect us. Insurance on our properties may not adequately cover all losses and uninsured losses could materially and adversely affect us. Our leases typically provide that either the landlord or the tenant will maintain property and liability insurance for the properties that are leased from us. If our tenants are required to carry liability and / or property insurance coverage, our tenants are required to name us (and any of our lenders that have a mortgage on the property leased by the tenant) as additional insureds on their liability policies and additional named insured and / or loss payee (or mortgagee, in the case of our lenders) on their property policies. Depending on the location of the property, losses of a catastrophic nature, such as those caused by hurricanes, earthquakes and floods, may be covered by insurance policies that are held by our tenant with limitations such as large deductibles or co- payments that a tenant may not be able to meet. In addition, losses of a catastrophic nature, such as those caused by wind, hail, hurricanes, terrorism or acts of war, may be uninsurable or not economically insurable. In the event there is damage to our properties that is not covered by insurance and such properties are subject to recourse indebtedness, we will continue to be liable for the indebtedness, even if these properties are irreparably damaged. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, may make any insurance proceeds we receive insufficient to repair or replace a property if it is damaged or destroyed. In those circumstances, the insurance proceeds received may not be adequate to restore our economic position with respect to the affected real property and its generation of rental revenue. Furthermore, in the event we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications without significant capital expenditures which may exceed any amounts received pursuant to insurance policies, as reconstruction or improvement of such a property would likely require significant upgrades to meet zoning and building code requirements. The loss of our capital investment in or anticipated future returns from our properties due to material uninsured losses could materially and adversely affect us. The ownership of our properties may subject us to known and unknown environmental liabilities. Under various federal, state and local laws and regulations relating to the environment, as a current or former owner or operator of real property, we may be liable for costs and damages resulting from environmental matters, including the presence or discharge of hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating from such property, as well as costs to investigate or clean up such contamination and liability for personal injury, property damage or harm to natural resources. We may face liability regardless of: • our knowledge of the contamination; • the timing of the contamination; • the cause of the contamination; or • the party responsible for the contamination of the property. There may be environmental liabilities associated with our properties of which we are unaware. We obtain Phase I environmental assessments for properties acquired. Phase I environmental site assessments are limited in scope and therefore may not reveal all environmental conditions affecting a property. Therefore, there could be undiscovered environmental liabilities on the properties we own. Some of our properties use, or may have used in the past, underground tanks for the storage of petroleum- based

products or waste products that could create a potential for release of hazardous substances or penalties if tanks do not comply with legal standards. If environmental contamination exists on our properties, we could be subject to strict, joint and / or several liability for the contamination by virtue of our ownership interest. Some of our properties may contain asbestos- containing materials, or ACM. Environmental laws govern the presence, maintenance and removal of ACM and such laws may impose fines, penalties or other obligations for failure to comply with these requirements or expose us to third- party liability (for example, liability for personal injury associated with exposure to asbestos). Environmental laws also apply to other activities that can occur on a property, such as storage of petroleum products or other hazardous toxic substances, air emissions, water discharges and exposure to lead- based paint. Such laws may impose fines and penalties for violations and may require permits or other governmental approvals to be obtained for the operation of a business involving such activities. The known or potential presence of hazardous substances on a property may adversely affect our ability to sell, lease or improve the property or to borrow using the property as collateral. In addition, environmental laws may create liens on contaminated properties in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which they may be used or businesses may be operated, and these restrictions may require substantial expenditures. In addition, although our leases generally require our tenants to operate in compliance with all applicable laws and to indemnify us against any environmental liabilities arising from a tenant' s activities on the property, we could be subject to strict liability by virtue of our ownership interest. We cannot be sure that our tenants will, or will be able to, satisfy their indemnification obligations, if any, under our leases. Furthermore, the discovery of environmental liabilities on any of our properties could lead to significant remediation costs or to other liabilities or obligations attributable to the tenant of that property or could result in material interference with the ability of our tenants to operate their businesses as currently operated. Noncompliance with environmental laws or discovery of environmental liabilities could each individually or collectively affect such tenant' s ability to make payments to us, including rental payments and, where applicable, indemnification payments. Our environmental liabilities may include property and natural resources damage, personal injury, investigation and clean- up costs, among other potential environmental liabilities. These costs could be substantial. Although we may obtain insurance for environmental liability for certain properties that are deemed to warrant coverage, our insurance may be insufficient to address any particular environmental situation and we may be unable to continue to obtain insurance for environmental matters, at a reasonable cost or at all, in the future. If our environmental liability insurance is inadequate, we may become subject to material losses for environmental liabilities. Our ability to receive the benefits of any environmental liability insurance policy will depend on the financial stability of our insurance company and the position it takes with respect to our insurance policies. If we were to become subject to significant environmental liabilities, we could be materially and adversely affected. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, should our tenants or their employees or customers be exposed to mold at any of our properties, we could be required to undertake a costly remediation program to contain or remove the mold from the affected property. In addition, exposure to mold by our tenants or others could subject us to liability if property damage or health concerns arise. If we were to become subject to significant mold- related liabilities, we could be materially and adversely affected. Our operations and financial condition may be adversely affected by climate change, including possible changes in weather patterns, weather- related events, government policy, laws, regulations and economic conditions. In recent years, the assessment of the potential impact of climate change has begun to impact the activities of government authorities, the pattern of consumer behavior and other areas that impact the business environment in the U. S., including, but not limited to, energy- efficiency measures, water use measures and land- use practices. The promulgation of policies, laws or regulations relating to climate change by governmental authorities in the U. S. and the markets in which we own properties may require us to invest additional capital in our properties. In addition, the impact of climate change on businesses operated by our tenants is not reasonably determinable at this time. While not generally known at this time, climate change may impact weather patterns or the occurrence of significant weather events which could impact economic activity or the value of our properties in specific markets. The occurrence of any of these events or conditions may adversely impact our ability to lease our properties, which would materially and adversely affect us. Risks Related to Other Aspects of our Operation and as a Public Company We are highly dependent on information systems and certain third- party technology service providers, and systems failures not related to cyber- attacks or similar external attacks could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and adversely impact our results of operations and cash flows. Our business is highly dependent on communications and information systems and networks. Any failure or interruption of these systems or networks could cause delays or other problems in our operations and communications. Through our relationship with CTO and our Manager, we rely heavily on CTO' s financial, accounting and other data processing systems. In addition, much of the information technology (“ IT ”) infrastructure on which we rely is managed by a third party and, as such, we also face the risk of operational failure, termination or capacity constraints by this third party. It is difficult to determine what, if any, negative impact may directly result from any specific interruption or disruption of the networks or systems on which our business relies or any failure to maintain performance, reliability and security of our technological infrastructure, but significant events impacting the systems or networks on which our business relies could materially and adversely affect us. Our senior management team operates two publicly traded companies, our company and CTO, and is required to comply with periodic and current reporting requirements under applicable SEC regulations and comply with applicable listing standards of the NYSE. This could place a significant strain on our senior management team and the management systems, infrastructure and other resources of CTO made available to us through our Manager and on which we rely. There can be no assurance that our senior management team will be able to successfully operate

two publicly traded companies. Any failure by our senior management team to successfully operate our company or CTO could materially and adversely affect us. If there are deficiencies in our disclosure controls and procedures or internal control over financial reporting, we may be unable to accurately present our financial statements, which could materially and adversely affect us. As a publicly traded company, we are required to report our financial statements on a consolidated basis. Effective internal controls are necessary for us to accurately report our financial results. Section 404 of the Sarbanes- Oxley Act requires us to evaluate and report on our internal control over financial reporting. However, for as so long as we are a smaller reporting an “emerging growth company” under the JOBS Act that is a non-accelerated filer, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 (b) of the Sarbanes- Oxley Act. We could be an “emerging growth company” through December 31, 2024 (the last day of the fiscal year following the fifth anniversary of the IPO). An independent assessment of the effectiveness of our internal controls could detect problems that our management’s assessment might not. There can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Furthermore, as we grow our business, our internal controls will become more complex, and we may require significantly more resources to ensure our internal controls remain effective. Future deficiencies, including any material weakness, in our internal control over financial reporting which may occur could result in misstatements of our results of operations that could require a restatement, failing to meet our public company reporting obligations and causing investors to lose confidence in our reported financial information, which could materially and adversely affect us. Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make unanticipated expenditures that materially and adversely affect us. Our properties are and will be subject to the Americans with Disabilities Act, or the ADA. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. Compliance with the ADA requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U. S. government or an award of damages to private litigants, or both. While our tenants are and will be obligated by law to comply with the ADA and typically obligated under our leases to cover costs associated with compliance, if required changes involve greater expenditures than anticipated or if the changes must be made on a more accelerated basis than anticipated, the ability of our tenants to cover costs could be adversely affected. We could be required to expend our own funds to comply with the provisions of the ADA, which could materially and adversely affect us. In addition, we are and will be required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. We may be required to make substantial capital expenditures to comply with those requirements and may be required to obtain approvals from various authorities with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions, developments or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Additionally, failure to comply with any of these requirements could result in the imposition of fines by governmental authorities or awards of damages to private litigants. While we intend to only acquire properties that we believe are currently in substantial compliance with all regulatory requirements, these requirements may change, and new requirements may be imposed which would require significant unanticipated expenditures by us and could materially and adversely affect us. We have in the past and may in the future choose to acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets. We have in the past acquired, and may in the future acquire, properties or portfolios of properties through tax deferred contribution transactions in exchange for common or preferred units of limited partnership interest in the Operating Partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors’ ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and / or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

Risks Related to Our Relationship with CTO and Our Manager and the Management Agreement Because we are “externally managed,” we do not employ our own personnel, but instead depend upon CTO, our Manager and their affiliates for virtually all of the services we require. Our Manager selects and manages the acquisition and origination of properties and commercial loan investments that meet our investment criteria; administers the collection of rents, monitors lease compliance by our tenants and deals with vacancies and re- letting of our properties; coordinates the sale of our properties; provides financial and regulatory reporting services; communicates with our stockholders, causes us to pay distributions to our stockholders and arranges for transfer agent services; and provides all of our other administrative services. Accordingly, our success is largely dependent upon the expertise and services of the executive officers and other personnel of CTO provided to us through our Manager. Our success depends to a significant degree upon the executive officers and other personnel of CTO that it provides to us through our Manager. In particular, we rely on the services of John P. Albright, President and Chief Executive Officer of our company and CTO and a member of the board of directors of our company and CTO; Matthew M. Philip R. Partridge Mays, Senior Vice President, Chief Financial Officer and Treasurer of our company and CTO; Steven R. Greathouse, Senior Vice President and Chief Investment Officer of our company and CTO; and Daniel E. Smith, Senior Vice President, General Counsel and Corporate Secretary of our company and CTO; and Lisa M. Vorakoun, Senior Vice President and Chief Accounting Officer of our company and CTO. In addition to these executive officers, we also rely on other personnel of CTO that are provided to us through our Manager. We cannot guarantee that all, or any particular one of these executive officers and other personnel of CTO provided to us through our Manager, will remain affiliated with CTO, our Manager and us. We do not separately maintain key person life insurance on any person. Failure by CTO to retain any of its executive officers and other personnel provided to us through our Manager and to hire and retain

additional highly skilled managerial, operational and marketing personnel could have a material adverse effect on our ability to achieve our investment growth objectives and could result in us incurring excess costs and suffering deficiencies in our disclosure controls and procedures or our internal control over financial reporting. We pay substantial fees and expenses to our Manager. These payments increase the risk that you will not earn a profit on your investment. Pursuant to the Management Agreement, we pay significant fees to our Manager. Those fees include a base management fee and an incentive fee, if earned. We will also reimburse our Manager for certain expenses pursuant to the Management Agreement. These payments increase the risk that you will not earn a profit on your investment. We pay our Manager a base management fee pursuant to the Management Agreement, which may be substantial, based on our “total equity” (as defined in the Management Agreement) regardless of the performance of our portfolio of properties. Our Manager’s entitlement to non-performance-based compensation might reduce its incentive to seek profitable investment opportunities for us, which could result in a lower performance of our portfolio and materially adversely affect us. Our Manager has the ability to earn incentive fees based on our total stockholder return exceeding an 8% cumulative annual hurdle rate, which may create an incentive for our Manager to invest in properties with a purchase price reflecting a higher potential yield, that may be riskier or more speculative, or sell an investment prematurely for a gain, in an effort to increase our short-term gains and thereby increase our stock price and the incentive fees to which it is entitled. If our interests and those of our Manager are not aligned, the execution of our business plan and our results of operations could be adversely affected, which could materially and adversely affect the market price of our common stock and our ability to make distributions to our stockholders. 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 management team. However, our Manager is not obligated to dedicate any specific 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 executive officers (John P. Albright) is also a member of the board of directors of our company and the board of directors of CTO. As a result, our Manager and the CTO personnel it provides to us, including our executive officers, may have conflicts between their duties to us and their duties to CTO. In addition to our initial portfolio, we have in the past acquired and may in the future acquire or sell properties that would potentially fit the investment criteria for CTO or its affiliates. Similarly, CTO or its affiliates may acquire or sell 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 **have in the past and** may **in the future** engage in transactions directly with CTO, our Manager or their affiliates. If we acquire a property from CTO or one of its affiliates or sell a 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. If we issue additional equity securities at dilutive prices, the market price of our common stock may be adversely affected, and you could lose some or all of your investment in our common stock. 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. Our Manager’s failure to identify and acquire properties that meet our investment criteria or perform its responsibilities under the Management Agreement could materially and adversely affect our business and our ability to make distributions to our stockholders. Our ability to achieve our objectives depends on, among other things, our Manager’s ability to identify, acquire and lease properties that meet our investment criteria. Accomplishing our objectives is largely a function of our Manager’s structuring of our investment process, our access to financing on acceptable terms and general market conditions. Our stockholders will not have input into our investment decisions. All of these factors increase the uncertainty, and thus the risk, of investing in our common stock. The CTO executive officers and other CTO personnel provided to us through our Manager have substantial responsibilities under the Management Agreement. In order to implement certain strategies, CTO, our Manager or their affiliates may need to hire, train, supervise and manage new employees successfully. Any failure by CTO or our Manager to manage our future growth effectively could have a material adverse effect on us, our ability to maintain our qualification as a REIT and our ability to make distributions to our stockholders. Our Manager’s liability is limited under the Management Agreement, and we have agreed to indemnify our Manager against certain liabilities. As a result, we could experience unfavorable operating results or incur losses for which our Manager would not be liable. Pursuant to the Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder and will not be responsible for any action of the Board in following or declining to follow its directives. Our Manager maintains a contractual, as opposed to a fiduciary relationship, with us. Under the terms of the Management Agreement, our Manager, its officers, members and personnel, any person controlling or controlled by our Manager and any person providing sub-advisory services to our Manager will not be liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary’s stockholders or partners for acts or omissions performed in accordance with and pursuant to the Management Agreement, except those resulting from acts constituting gross negligence, willful misconduct, bad

faith or reckless disregard of our Manager's duties under the Management Agreement. In addition, we have agreed to indemnify our Manager and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Management Agreement, except where attributable to gross negligence, willful misconduct, bad faith or reckless disregard of such person's duties under the Management Agreement. As a result, we could experience unfavorable operating results or incur losses for which our Manager would not be liable. If we fail to renew the Management Agreement, or terminate the agreement, other than for a termination for cause, we are obligated to pay our Manager a termination fee equal to three times the sum of (i) the average annual base management fee earned by our Manager during the 24-month period immediately preceding the most recently completed calendar quarter prior to the termination date and (ii) the average annual incentive fee earned by our Manager during the two most recently completed measurement periods (as defined in the Management Agreement) prior to the termination date. Such a payment would likely be a substantial one-time charge that could render unattractive, or not economically feasible, the termination of our Manager, even if it performed poorly. In addition, any termination of the Management Agreement would end our Manager's obligation to provide us with our executive officers and personnel upon whom we rely for the operation of our business and would also terminate our rights under the ROFO Agreement with CTO, as discussed further herein. As a result of termination of the ROFO Agreement, we would face increased competition from CTO and its affiliates, as well as others, for the acquisition of properties that meet our investment criteria, and our right to acquire certain properties from CTO and its affiliates would be terminated. As a result, the termination of the Management Agreement could materially and adversely affect us. If our Manager ceases to be our manager pursuant to the Management Agreement, counterparties to our agreements may cease doing business with us. If our Manager ceases to be our manager, it could constitute an event of default or early termination event under financing and other agreements we may enter into in the future, upon which our counterparties may have the right to terminate their agreements with us. If our Manager ceases to be our manager for any reason, including upon the non-renewal of the Management Agreement, our business and our ability to make distributions to our stockholders may be materially adversely affected. The Management Agreement with our Manager and the ROFO Agreement with CTO were negotiated between related parties and before our independent directors were elected, and their terms, including the fees payable to our Manager, may not be as favorable to us as if they had been negotiated with unaffiliated third parties. The terms of these agreements may not reflect our long-term best interests and may be overly favorable to CTO, our Manager and their affiliates (other than us and our subsidiaries). Further, we may choose not to enforce, or to enforce less vigorously, our rights under the Management Agreement and the ROFO Agreement because of our desire to maintain our ongoing relationships with our Manager and CTO.

**Risks Related to Our Financing Activities** Our growth depends on external sources of capital, including debt financings, that are outside of our control and may not be available to us on commercially reasonable terms or at all. In order to maintain our qualification as a REIT under the Code, we are required, among other things, to distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we are subject to income tax at the U. S. federal corporate income tax rate to the extent that we distribute less than 100% of our net taxable income. Because of these distribution requirements, we may not have sufficient liquidity from our operating cash flows to fund future capital needs, including any acquisition financing. Consequently, we may rely on third-party sources, including lenders, to fund our capital needs. We may not be able to obtain debt financing on favorable terms or at all. Any additional debt we incur will increase our leverage and likelihood of default. Our access to third-party sources of capital depends, in part, on:

- general market conditions;
- the market's perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT, which would materially and adversely affect us. Our organizational documents have no limitation on the amount of additional indebtedness that we may incur in the future. As a result, we may become highly leveraged in the future, which could materially and adversely affect us. We have entered into certain debt agreements and, in the future, we may incur additional indebtedness to finance future acquisitions and development, redevelopment and renovation projects and for general corporate purposes. There are no restrictions in our charter or bylaws that limit the amount or percentage of indebtedness that we may incur nor restrict the form in which our indebtedness will be incurred (including recourse or non-recourse debt or cross-collateralized debt). A substantial level of indebtedness in the future could have adverse consequences for our business and otherwise materially and adversely affect us because it could, among other things:

- require us to dedicate a substantial portion of our cash flow from operations to make principal and interest payments on our indebtedness, thereby reducing our cash flow available to fund working capital, capital expenditures and other general corporate purposes, including to pay dividends on our common stock as currently contemplated or necessary to satisfy the requirements for qualification as a REIT;
- increase our vulnerability to general adverse economic and industry conditions and limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- limit our ability to borrow additional funds or refinance indebtedness on favorable terms or at all to expand our business or ease liquidity constraints; and
- place us at a competitive disadvantage relative to competitors that have less indebtedness.

The agreements governing our indebtedness place restrictions on us and our subsidiaries, reducing our operational flexibility and creating risks associated with default and noncompliance. The agreements governing the Credit Facility, the 2026 Term Loan, the 2027 Term Loan and any other indebtedness that we may incur in the future contain or may contain covenants that place restrictions on us and our subsidiaries. These covenants may restrict, among other activities, our and our subsidiaries' ability to:

- merge, consolidate or transfer all or substantially all of our or our subsidiaries' assets;
- sell, transfer, pledge or encumber our stock or the ownership interests of our subsidiaries;
- incur additional debt or issue preferred stock;
- make certain investments;
- make certain

expenditures, including capital expenditures; • pay dividends on or repurchase our capital stock; and • enter into certain transactions with affiliates. These covenants could impair our ability to grow our business, take advantage of attractive business opportunities or successfully compete. Our ability to comply with financial and other covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. A breach of any of these covenants or covenants under any other agreements governing our indebtedness could result in an event of default. Any cross- default provisions in our debt agreements could cause an event of default under one debt agreement to trigger an event of default under our other debt agreements. Upon the occurrence of an event of default under any of our debt agreements, our lenders could elect to declare all outstanding debt under such agreements to be immediately due and payable. If we were unable to repay or refinance the accelerated debt, our lenders could proceed against any assets pledged to secure that debt, including foreclosing on or requiring the sale of any properties securing that debt, and the proceeds from the sale of these properties may not be sufficient to repay such debt in full. Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in any property subject to mortgage debt. Future borrowings may be secured by mortgages on our properties. Incurring mortgage and other secured debt obligations increases our risk of losses because defaults on secured indebtedness may result in foreclosure actions initiated by lenders and ultimately our loss of the properties securing any loans for which we are in default. If we are in default under a cross- defaulted mortgage loan, we could lose multiple properties to foreclosure. For U. S. federal income tax purposes, a foreclosure of any of our properties would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code. As we execute our business plan, we may assume or incur new mortgage indebtedness on our properties. Any default under any mortgage debt obligation we incur may increase the risk of our default on our other indebtedness, including indebtedness under our Credit Facility, the 2026 Term Loan and the 2027 Term Loan, which could materially and adversely affect us. Increases in interest rates have and will likely continue to increase our interest costs on our variable rate debt and could adversely impact our ability to refinance existing debt or sell assets. Current and future borrowings under our Credit Facility, the 2026 Term Loan and the 2027 Term Loan will bear interest at variable rates. Recent increases in interest rates have increased our interest payments and reduced our cash flow available for other corporate purposes, and we expect this trend to continue in the near term. In addition, rising interest rates could limit our ability to refinance debt when it matures and increase interest costs on any debt that is refinanced. Further, an increase in interest rates could increase the cost of financing, thereby decreasing the amount third parties are willing to pay for our properties, which would limit our ability to dispose of properties when necessary or desired. In addition, we may enter into hedging arrangements in the future. Our hedging arrangements may include interest rate swaps, caps, floors and other interest rate hedging contracts. Our hedging arrangements could reduce, but may not eliminate, the impact of rising interest rates, and they could expose us to the risk that other parties to our hedging arrangements will not perform or that the agreements relating to our hedges may not be enforceable.

Risks Related to Our Organization and Structure We are a holding company with no direct operations, and we ~~will~~ rely on funds received from the Operating Partnership to pay our obligations and make distributions to our stockholders. We are a holding company and ~~will~~ conduct substantially all of our operations through the Operating Partnership. We ~~will do~~ not have, apart from an interest in the Operating Partnership, any independent operations. As a result, we ~~will~~ rely on distributions from the Operating Partnership to make any distributions we declare on shares of our common stock. We ~~will~~ also rely on distributions from the Operating Partnership to meet ~~any of~~ our obligations, including any tax liability on taxable income allocated to us from the Operating Partnership. In addition, because we are a holding company, your claims as stockholders are structurally subordinated to all existing and future creditors and preferred equity holders of the Operating Partnership and its subsidiaries. Therefore, in the event of a bankruptcy, insolvency, liquidation or reorganization of the Operating Partnership or its subsidiaries, assets of the Operating Partnership or the applicable subsidiary will be available to satisfy our claims to us as an equity owner therein only after all of their liabilities and preferred equity have been paid in full. As of December 31, ~~2023~~ **2024**, we owned ~~91-92~~ **8-3** % of the OP Units issued by the Operating Partnership. However, in connection with our future acquisition activities or otherwise, we may issue additional OP Units to third parties. Such issuances would reduce our ownership in the Operating Partnership. Certain provisions of Maryland law could inhibit changes in control of our company. Certain “ business combination ” and “ control share acquisition ” provisions of the Maryland General Corporation Law, or the MGCL, may have the effect of deterring a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then- prevailing market price of our common stock. Pursuant to the MGCL, the Board has by resolution exempted business combinations between us and any other person. Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of our stock. However, there can be no assurance that these exemptions will not be amended or eliminated at any time in the future. Our charter and bylaws and Maryland law also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest. Certain provisions in the partnership agreement of the Operating Partnership may delay, defer or prevent unsolicited acquisitions of us. Provisions in the partnership agreement of the Operating Partnership may delay, defer or prevent unsolicited acquisitions of us or changes of our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions include, among others: • redemption rights of qualifying parties; • transfer restrictions on OP Units; • our ability, as general partner, in some cases, to amend the partnership agreement and to cause the Operating Partnership to issue units with terms that could delay, defer or prevent a merger or other change of control of us or the Operating Partnership without the consent of the limited partners; and • the right of the limited partners to consent to transfers of the

general partnership interest and mergers or other transactions involving us under specified circumstances. The partnership agreement of the Operating Partnership and Delaware law also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest. Our charter contains stock ownership limits, which may delay, defer or prevent a change of control. In order for us to maintain our qualification as a REIT, no more than 50 % in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals during the last half of any calendar year, and at least 100 persons must beneficially own our stock during at least 335 days of a taxable year of 12 months or during a proportionate portion of a shorter taxable year. “ Individuals ” for this purpose include natural persons, private foundations, some employee benefit plans and trusts and some charitable trusts. To assist us in complying with these limitations, among other purposes, our charter generally prohibits any person from directly or indirectly owning more than 9.8 % in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. These ownership limitations could have the effect of discouraging a takeover or other transaction in which holders of our common stock might receive a premium for their shares over the then prevailing market price or which holders might believe to be otherwise in their best interests. Our charter’s constructive ownership rules are complex and may cause the outstanding shares owned by a group of related individuals or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than these percentages of the outstanding shares by an individual or entity could cause that individual or entity to own constructively in excess of these percentages of the outstanding shares and thus violate the share ownership limits. Our charter also provides that any attempt to own or transfer shares of our common stock or preferred stock (if and when issued) in excess of the stock ownership limits without the consent of the Board or in a manner that would cause us to be “ closely held ” under Section 856 (h) of the Code (without regard to whether the shares are held during the last half of a taxable year) will result in the shares being automatically transferred to a trustee for a charitable trust or, if the transfer to the charitable trust is not automatically effective to prevent a violation of the share ownership limits or the restrictions on ownership and transfer of our shares, any such transfer of our shares will be null and void. The Board may change our strategies, policies or procedures without stockholder consent, which may subject us to different and more significant risks in the future. Our investment, financing, leverage and distribution policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, are determined by the Board. These policies may be amended or revised at any time and from time to time at the discretion of the **board Board of directors** without notice to or a vote of our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated. Under these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business and growth. In addition, the Board may change our policies with respect to conflicts of interest, provided that such changes are consistent with applicable legal requirements. We may have assumed unknown liabilities in connection with the Formation Transactions, which, if significant, could materially and adversely affect us. As part of the Formation Transactions, we acquired our initial portfolio from CTO, subject to existing liabilities, some of which may have been unknown at the time of the IPO and may remain unknown. Unknown liabilities might include claims of tenants, vendors or other persons dealing with such entities prior to the IPO (that had not been asserted or threatened prior to the IPO), tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. Any unknown or unquantifiable liabilities that we assumed in connection with the Formation Transactions for which we have no or limited recourse could materially and adversely affect us. Our rights and the rights of our stockholders to take action against our directors and executive officers are limited, which could limit your recourse in the event of actions not in your best interest. Our charter limits the liability of our present and former directors and executive officers to us and our stockholders for money damages to the maximum extent permitted under Maryland law. Under current Maryland law, our present and former directors and executive officers will not have any liability to us or our stockholders for money damages other than liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active and deliberate dishonesty by the director or executive officer that was established by a final judgment and is material to the cause of action. As a result, we and our stockholders have limited rights against our present and former directors and executive officers, which could limit your recourse in the event of actions not in your best interest. Conflicts of interest exist or could arise in the future between the interests of our stockholders and the interests of holders of Operating Partnership units, which may impede business decisions that could benefit our stockholders. Conflicts of interest exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and the Operating Partnership or any partner thereof, on the other. 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, as the general partner of the Operating Partnership, has fiduciary duties and obligations to the Operating Partnership and its limited partners under Delaware law and the partnership agreement of the Operating Partnership in connection with the management of the Operating Partnership. The fiduciary duties and obligations of the general partner to the Operating Partnership and its partners may come into conflict with the duties of our directors and executive officers to our company. The Operating 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, the general partner 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 the general partner, in its sole and absolute discretion, determines cannot be resolved in a manner not adverse to either our stockholders or the limited partners of the Operating Partnership are resolved in favor of our stockholders, and the general partner will not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the limited partners in connection with such decisions. In addition, to the extent permitted by applicable law, the partnership agreement will provide for the indemnification of the general partner and our officers, directors, employees and any other persons the general partner may designate from and against any and all claims that

relate to the operations of the Operating Partnership as set forth in the partnership agreement in which any indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that: ● the act or omission of the indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; ● the indemnitee actually received an improper personal benefit in money, property or services; or ● in the case of any criminal proceeding, the indemnitee had reasonable cause to believe that the act or omission was unlawful. Similarly, the general partner of the Operating Partnership and our officers, directors, agents or employees, will not be liable for monetary damages to the Operating Partnership or the limited partners for losses sustained or liabilities incurred as a result of errors in judgment or mistakes of fact or law or of any act or omission so long as any such party acted in good faith. We could increase or decrease the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval, which could prevent a change in our control and negatively affect the market price of our common stock. The Board, without stockholder approval, has the power under our charter to amend our charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue, to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and set the terms of such newly classified or reclassified shares. As a result, we may issue series or classes of common stock or preferred stock with preferences, distributions, powers and rights, voting or otherwise, that are senior to the rights of holders of our common stock. Any such issuance could dilute our existing common stockholders' interests. Although the Board has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest. The Operating Partnership has in the past and may in the future issue additional OP Units without the consent of our stockholders, which could have a dilutive effect on our stockholders. The Operating Partnership has in the past and may in the future issue additional OP Units to third parties without the consent of our stockholders, which would reduce our ownership percentage in the Operating Partnership and may have a dilutive effect on the amount of distributions made to us by the Operating Partnership and, therefore, the amount of distributions we may make to our stockholders. Any such issuances, or the perception of such issuances, could materially and adversely affect the market price of our common stock. We are an "emerging growth company" and a "smaller reporting company," and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies will make shares of our common stock less attractive to investors. We are an "emerging growth company" as defined in the JOBS Act. We will remain an "emerging growth company" until the earliest to occur of (i) the last day of the fiscal year during which our total annual gross revenue equals or exceeds \$1.235 billion (subject to adjustment for inflation), (ii) December 31, 2024 (the last day of the fiscal year following the fifth anniversary of the IPO); (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt securities and (iv) the date on which we are deemed to be a "large accelerated filer" under the Exchange Act. We intend to take advantage of exemptions from various reporting requirements that are applicable to most other public companies, whether or not they are classified as "emerging growth companies," including, but not limited to, an exemption from the provisions of Section 404 (b) of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. An attestation report by our auditor would require additional procedures by them that could detect problems with our internal control over financial reporting that are not detected by management. If our system of internal control over financial reporting is not determined to be appropriately designed or operating effectively, it could require us to restate financial statements, cause us to fail to meet reporting obligations and cause investors to lose confidence in our reported financial information, all of which could lead to a significant decline in the market price of our common stock. The JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in the Securities Act of 1933, as amended (the "Securities Act") for complying with new or revised accounting standards. However, we have chosen to "opt out" of this extended transition period and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for all public companies that are not emerging growth companies. Our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable. We are also a "smaller reporting company," as defined in Regulation S-K under the Securities Act and may benefit from take advantage of certain of the scaled disclosures available to smaller reporting companies. We may not be certain if the reduced disclosure requirements applicable to smaller reporting companies even after we are no longer an "emerging growth company." We cannot predict if investors will find our common stock less attractive because we intend to rely on certain of these exemptions and benefits under the JOBS Act. If some investors find our common stock less attractive as a result, there may be a less active, liquid and / or orderly trading market for our common stock and the market price and trading volume of our common stock may be more volatile and decline significantly. We have incurred new costs as a result of becoming a public company, and such costs may increase when we cease to be an "emerging growth company." As a public company, we incur significant legal, accounting, insurance and other expenses, including costs associated with public company reporting requirements. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect compliance with these public reporting requirements and associated rules and regulations to increase expenses, particularly after we are no longer an emerging growth company, although we are currently unable to estimate these costs with any degree of certainty. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, which could result in our incurring additional costs applicable to public companies that are not emerging growth companies. Risks Related to Our Qualification and Operation as a REIT We believe that our organization and method of operation have enabled us to meet the requirements for qualification and taxation as a REIT and we intend to continue to be organized and operate in such

a manner. However, we cannot assure you that we will remain qualified as a REIT. Moreover, our qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the U. S. federal income tax laws. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy such requirements. If we fail to qualify as a REIT in any taxable year, we will face serious tax consequences that will substantially reduce the funds available for distributions to our stockholders because: ● we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to U. S. federal income tax at regular corporate rates (currently 21 %); ● we could be subject to increased state and local taxes; and ● unless we are entitled to relief under certain U. S. federal income tax laws, we could not re- elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT. In addition, if we fail to remain qualified as a REIT, we will no longer be required to make distributions. As a result of all these factors, our failure to remain qualified as a REIT could impair our ability to expand our business and raise capital, and it would adversely affect our business, financial condition, results of operations or ability to make distributions to our stockholders and the trading price of our common stock. Even if we remain qualified for taxation as a REIT, we may be subject to certain U. S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure and state or local income, property and transfer taxes. In addition, under partnership audit procedures, the Operating Partnership and any other partnership that we may form or acquire may be liable at the entity level for tax imposed under those procedures. Further, any taxable REIT subsidiaries (“ TRSs ”) that we may form in the future will be subject to regular corporate U. S. federal, state and local taxes. Moreover, several provisions of the Code regarding the arrangements between a REIT and its TRS entities function to ensure that such TRS entities are subject to an appropriate level of U. S. federal income taxation. Any of these taxes would decrease cash available for distributions to stockholders, which, in turn, could materially adversely affect our business, financial condition, results of operations or ability to make distributions to our stockholders and the trading price of our common stock. We intend to continue to operate in a manner so as to maintain our qualification as a REIT for U. S. federal income tax purposes. In order to maintain our qualification as a REIT, we generally are required to distribute at least 90 % of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year to our stockholders. To the extent that we satisfy this distribution requirement but distribute less than 100 % of our REIT taxable income, we will be subject to U. S. federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4 % nondeductible excise tax on the amount, if any, by which dividends we pay in a calendar year are less than the sum of 85 % of our ordinary income, 95 % of our capital gain net income and, 100 % of our undistributed income (as defined under the excise tax rules from prior years). Complying with REIT requirements may cause us to forego otherwise attractive opportunities or liquidate otherwise attractive investments. To maintain our qualification as a REIT for U. S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our stock. In order to meet these tests, we may be required to forego investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our performance. In particular, we must ensure that at the end of each calendar quarter, at least 75 % of the value of our assets consists of cash, cash items, government securities and qualified real estate assets. The remainder of our investment in securities (other than government securities, securities of TRSs and qualified real estate assets) generally cannot include more than 10 % of the outstanding voting securities of any one issuer or more than 10 % of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5 % of the value of our assets (other than government securities, securities of TRSs and qualified real estate assets) can consist of the securities of any one issuer, no more than 20 % of the value of our total assets can be represented by the securities of one or more TRSs and no more than 25 % of our assets can be represented by debt of “ publicly offered REITs ” (i. e., REITs that are required to file annual and periodic reports with the SEC under the Exchange Act), unless secured by real property or interests in real property. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders. The relative lack of experience of our Manager in operating under the constraints imposed on us as a REIT may hinder the achievement of our investment objectives. The Code imposes numerous constraints on the operations of REITs that do not apply to other investment vehicles. Our qualification as a REIT depends upon our ability to meet requirements regarding our organization and ownership, distributions of our income, the nature and diversification of our income and assets and other tests imposed by the Code. Any failure to comply could cause us to fail to satisfy the requirements associated with qualifying for and maintaining REIT status. Our Manager has relatively limited experience operating under these constraints, which may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objectives. As a result, we cannot assure you that our Manager will be able to operate our business under these constraints. If we fail to qualify as a REIT for any taxable year, we will be subject to U. S. federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax. The REIT provisions of the Code may limit our ability to hedge our liabilities. Any income from a hedging transaction we enter into to manage risk of interest rate changes, price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets, if properly identified under applicable Treasury Regulations, does not constitute “ gross income ” for purposes of the 75 % or 95 % gross income tests applicable to REITs. In addition, certain income from

hedging transactions entered into to hedge existing hedging positions after any portion of the hedged indebtedness or property is extinguished or disposed of will not be included in income for purposes of the 75 % and 95 % gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions will likely be treated as non-qualifying income for purposes of both the 75 % and 95 % gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRSs would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in a TRS generally will not provide any tax benefit, except for being carried forward against future taxable income of such TRS. Our ability to provide certain services to our tenants may be limited by the REIT rules or may have to be provided through a TRS. As a REIT, we generally cannot provide services to our tenants other than those that are customarily provided by landlords, nor can we derive income from a third party that provides such services. If we forego providing such services to our tenants, we may be at a disadvantage to competitors that are not subject to the same restrictions. However, we can provide such non- customary services to tenants or share in the revenue from such services if we do so through a TRS, though income earned by such TRS will be subject to U. S. federal corporate income tax. A REIT' s net income from prohibited transactions is subject to a 100 % tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We may be subject to the prohibited transaction tax equal to 100 % of net gain upon a disposition of real property. Although a safe harbor to the characterization of the sale of real property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or may conduct such sales through any TRS that we may form, which would be subject to U. S. federal corporate income tax. We may pay taxable dividends in our common stock and cash, in which case stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock. We may satisfy the 90 % distribution test with taxable distributions of our common stock. The IRS has issued Revenue Procedure 2017- 45 authorizing elective cash / stock dividends to be made by “ publicly offered REITs. ” Pursuant to Revenue Procedure 2017- 45, the IRS will treat the distribution of stock pursuant to an elective cash / stock dividend as a distribution of property under Section 301 of the Code (i. e., a dividend), as long as at least 20 % of the total dividend is available in cash and certain other parameters detailed in the Revenue Procedure are satisfied. If we made a taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for U. S. federal income tax purposes. As a result, stockholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U. S. stockholder sells the common stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non- U. S. stockholders, we may be required to withhold U. S. federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. If we made a taxable dividend payable in cash and our common stock and a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock. We do not currently intend to pay taxable dividends using both our common stock and cash, although we may choose to do so in the future. Our charter provides that the Board may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines in good faith that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U. S. federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders. Any ownership of a TRS we may form in the future will be subject to limitations and our transactions with a TRS will cause us to be subject to a 100 % penalty tax on certain income or deductions if those transactions are not conducted on arm' s- length terms. Overall, no more than 20 % of the value of a REIT' s assets may consist of stock or securities of one or more TRS entities. A TRS will be subject to applicable U. S. federal, state and local corporate income tax on its taxable income, and its after tax net income will be available for distribution to us but is not required to be distributed to us. In addition, several provisions of the Code regarding the arrangements between a REIT and its TRS entities function to ensure that the TRS is subject to an appropriate level of U. S. federal income taxation. The Code also imposes a 100 % excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm' s- length basis. We will monitor the value of our respective investments in any TRS that we may form for the purpose of ensuring compliance with TRS ownership limitations and will structure our transactions with any TRS on terms that we believe are arm' s length to avoid incurring the 100 % excise tax described above. There can be no assurance, however, that we will be able to comply with the 20 % limitation or to avoid application of the 100 % excise tax. You may be restricted from acquiring or transferring certain amounts of our common stock. The stock ownership restrictions of the Code for REITs and the 9. 8 % share ownership limit in our charter may inhibit market activity in our capital stock and restrict our business combination opportunities. In order for us to maintain our qualification as a REIT, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50 % in value of our issued and outstanding capital stock at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our shares of capital stock under this requirement. Additionally, at least 100 persons must beneficially own our shares of capital stock during at least 335 days of each taxable year other than our initial REIT taxable year. To help ensure that we meet these tests, our charter restricts the acquisition and ownership of shares of our capital stock. Our charter, with certain exceptions, requires our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by the Board, our charter prohibits any person from beneficially or constructively

owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our shares of capital stock. The Board may not grant an exemption from this restriction to any person if such exemption would result in our failing to qualify as a REIT. This as well as other restrictions on transferability and ownership will not apply, however, if the Board determines in good faith that it is no longer in our best interests to continue to qualify as a REIT. The maximum U. S. federal income tax rate applicable to “qualified dividend income” payable to U. S. stockholders that are taxed at individual rates is 20% (plus the 3.8% surtax on net investment income, if applicable). Dividends payable by REITs, however, generally are not eligible for the reduced rates on qualified dividend income. However, for taxable years beginning before January 1, 2026, ordinary REIT dividends constitute “qualified business income” and thus a 20% deduction is available to individual taxpayers with respect to such dividends, resulting in a 29.6% maximum U. S. federal income tax rate (plus the 3.8% surtax on net investment income, if applicable) for individual U. S. stockholders. However, to qualify for this deduction, the stockholder receiving such dividends must hold the dividend-paying REIT stock for at least 46 days (taking into account certain special holding period rules) of the 91-day period beginning 45 days before the stock becomes ex-dividend, and cannot be under an obligation to make related payments with respect to a position in substantially similar or related property. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are taxed at individual rates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock. We may be subject to adverse legislative or regulatory tax changes, in each instance with potentially retroactive effect, that could reduce the market price of our common stock. At any time, the U. S. federal income tax laws governing REITs, or the administrative interpretations of those laws may be amended. We cannot predict when or if any new U. S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U. S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in the U. S. federal income tax laws, regulations or administrative interpretations which, in turn, could materially adversely affect our ability to make distributions to our stockholders and the trading price of our common and preferred stock. If the Operating Partnership failed to qualify as a partnership for U. S. federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences. We believe that the Operating Partnership will be treated as a partnership for U. S. federal income tax purposes. As a partnership, the Operating Partnership will not be subject to U. S. federal income tax on its income. Instead, each of its partners, including us, will be allocated, and may be required to pay tax with respect to, its share of the Operating Partnership’s income. We cannot assure you, however, that the IRS will not challenge the status of the Operating Partnership or any other subsidiary partnership in which we own an interest as a partnership for U. S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating the Operating Partnership or any such other subsidiary partnership as an entity taxable as a corporation for U. S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of the Operating Partnership or any subsidiary partnership to qualify as a partnership could cause such partnership to become subject to U. S. federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners, including us.

**Risks Related to Our Common Stock** The market value of our common stock is subject to various factors that may cause significant fluctuations or volatility. As with other publicly traded securities, the market price of our common stock depends on various factors, which may change from time to time and / or may be unrelated to our financial condition, results of operations or cash flows. These factors may cause significant fluctuations or volatility in the market price of our common stock. These factors include, but are likely not limited to, the following:

- our financial condition and operating performance and the financial condition or performance of other similar companies;
- actual or anticipated differences in our quarterly or annual operating results **than as compared to expected results**;
- changes in our revenues, Funds From Operations (“FFO”), Adjusted Funds From Operations (“AFFO”), or earnings estimates or recommendations by securities analysts;
- publication of research reports about us or the real estate industry generally;
- increases in market interest rates, which may lead investors to demand a higher distribution yield for shares of our common stock, and could result in increased interest expense on our debt;
- adverse market reaction to any increased indebtedness we incur in the future;
- actual or anticipated changes in our and our tenants’ businesses or prospects, including as a result of the impact of a global pandemic, such as the COVID-19 Pandemic;
- the current state of the credit and capital markets, and our ability and the ability of our tenants to obtain financing on favorable terms;
- conflicts of interest with CTO and its affiliates, including our Manager;
- the termination of our Manager or additions and departures of key personnel of our Manager;
- increased competition in our markets;
- strategic decisions by us or our competitors, such as acquisitions, divestments, spin-offs, joint ventures, strategic investments or changes in business or growth strategies;
- the passage of legislation or other regulatory developments that adversely affect us or our industry;
- adverse speculation in the press or investment community;
- actions by institutional stockholders;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- investor confidence in the stock and bond markets, generally;
- changes in tax laws;
- equity issuances by us (including the issuances of OP Units), or common stock resales by our stockholders, or the perception that such issuances or resales may occur;
- volume of average daily trading and the amount of our common stock available to be traded;
- changes in accounting principles;
- failure to maintain our qualification as a REIT;
- failure to comply with the rules of the NYSE or maintain the listing of our common stock on the NYSE;
- terrorist acts, natural or man-made disasters, including global pandemics impacting the United States, or threatened or actual armed conflicts; and
- general market and local, regional and national economic conditions, including factors unrelated to our operating performance and prospects.

No assurance can be given that the market price of our common stock will not fluctuate or decline significantly in the future or that holders of shares of our

common stock will be able to sell their shares when desired on favorable terms, or at all. From time to time in the past, securities class action litigation has been instituted against companies following periods of extreme volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources. There can be no assurance that we will be able to make or maintain cash distributions, and certain agreements relating to our indebtedness may, under certain circumstances, limit or eliminate our ability to make distributions to our common stockholders. We intend to make cash distributions to our stockholders in amounts such that all or substantially all of our taxable income in each year, subject to adjustments, is distributed. Our ability to continue to make distributions in the future may be adversely affected by the risk factors described in this Annual Report on Form 10-K. We can give no assurance that we will be able to make or maintain distributions and certain agreements relating to our indebtedness may, under certain circumstances, limit or eliminate our ability to make distributions to our common stockholders. We can give no assurance that rents from our properties will increase, or that future acquisitions of real properties or other investments will increase our cash available for distributions to stockholders. In addition, any distributions will be authorized at the sole discretion of the Board, and their form, timing and amount, if any, will depend upon a number of factors, including our actual and projected results of operations, FFO, AFFO, liquidity, cash flows and financial condition, the revenue we actually receive from our properties, our operating expenses, our debt service requirements, our capital expenditures, prohibitions and other limitations under our financing arrangements, our REIT taxable income, the annual REIT distribution requirements, applicable law and such other factors as the Board deems relevant. If we do not have sufficient cash available for distributions, we may need to fund the shortage out of working capital or borrow to provide funds for such distributions, which would reduce the amount of proceeds available for real estate investments and increase our future interest costs. Our inability to make distributions, or to make distributions at expected levels, could result in a decrease in the per share trading price of our common stock. The market price of our common stock could be adversely affected by our level of cash distributions. We believe the market price of the equity securities of a REIT is based primarily upon the market's perception of the REIT's growth potential, its current and potential future cash distributions, whether from operations, sales or refinancing, and its management and governance structure and is secondarily based upon the real estate market value of the underlying assets. For that reason, our common stock may trade at prices that are higher or lower than our net asset value per share. To the extent we retain operating cash flows for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our common stock. If we fail to meet the market's expectations with regard to future operating results and cash distributions, the market price of our common stock could be adversely affected. Increases in market interest rates may result in a decline in the market price of our common stock. One of the factors that we believe influences the market price of our common stock is the distribution yield on the common stock (as a percentage of the market price of our common stock) relative to market interest rates. Additional increases in market interest rates, which have increased recently but are still currently at low levels relative to certain historical rates, may lead prospective purchasers of shares of our common stock to expect a higher distribution yield. Additionally, higher interest rates have in the past and are expected to continue to increase our borrowing costs and potentially decrease our cash available for distribution. Thus, higher market interest rates could cause the market price of our common stock to decline. Future issuances of debt securities, which would rank senior to shares of our common stock upon our liquidation, and future issuances of equity securities (including preferred stock and OP Units), which would dilute the holdings of our then-existing common stockholders and may be senior to shares of our common stock for the purposes of making distributions, periodically or upon liquidation, may materially and adversely affect the market price of our common stock. In the future, we may issue debt or equity securities or incur other borrowings. Upon liquidation, holders of our debt securities and other loans and shares of our preferred stock will receive a distribution of our available assets before holders of shares of our common stock. We are not required to offer any debt or equity securities to existing stockholders on a preemptive basis. Therefore, shares of our common stock that we issue in the future, directly or through convertible or exchangeable securities (including OP Units), warrants or options, will dilute the holdings of our then-existing common stockholders and such issuances or the perception of such issuances may reduce the market price of our common stock. Our preferred stock, if issued, would likely have a preference on distribution payments, periodically or upon liquidation, which could limit our ability to make distributions to holders of shares of our common stock. Because our decision to issue debt or equity securities or otherwise incur debt in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or impact of our future capital raising efforts. Thus, holders of shares of our common stock bear the risk that our future issuances of debt or equity securities or our incurrence of other borrowings may materially and adversely affect the market price of shares of our common stock and dilute their ownership in us. Sales of substantial amounts of our common stock in the public markets or the perception that they might occur, could reduce the price of our common stock and may dilute the voting power of our then-existing common stockholders and such common stockholders' ownership interest in us. Sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect the market price of our common stock and may make it more difficult for our then-existing common stockholders to sell their shares of common stock at a time and price that such common stockholders deem appropriate. The shares of our common stock that we **have** sold in the IPO **and subsequent public offerings** may be resold immediately in the public market unless they are held by "affiliates," as that term is defined in Rule 144 under the Securities Act. The common stock purchased by CTO in the CTO Private Placement and in the IPO and the shares of common stock underlying the OP Units issued in the Formation Transactions are "restricted securities" within the meaning of Rule 144 under the Securities Act and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including the exemptions contained in Rule 144. As a result of the registration rights agreement that we entered into with CTO, the shares of our common stock purchased by CTO in the CTO Private Placement may be eligible for future sale without restriction. Sales of a substantial number of such shares, or the perception that such sales may occur, could cause the market price of our common stock to fall or make it more difficult for our

then- existing common stockholders to sell their common stock at a time and price that such common stockholders deem appropriate. In addition, our charter provides that we may issue up to 500, 000, 000 shares of common stock and 100, 000, 000 shares of preferred stock, \$ 0. 01 par value per share. Moreover, under Maryland law and as is provided in our charter, a majority of our entire board of directors will have the power to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue without stockholder approval. Future issuances of shares of our common stock or securities convertible or exchangeable into common stock may dilute the ownership interest of our common stockholders. Because our decision to issue additional equity or convertible or exchangeable securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future issuances. In addition, we are not required to offer any such securities to existing stockholders on a preemptive basis. Therefore, it may not be possible for existing stockholders to participate in such future issuances, which may dilute the existing stockholders' interests in us. General Risk Factors

Cybersecurity risks and cyber incidents could adversely affect our business and disrupt operations. Cyber incidents can result from deliberate attacks or unintentional events. These incidents can include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. The result of these incidents could include, but are not limited to, disrupted operations, misstated financial data, liability for stolen assets or information, increased cybersecurity protection costs, litigation and reputational damage. Should any such cyber incidents or similar events occur, our assets, particularly cash, could be lost and, as a result, our ability to execute our business and pursue our investment and growth strategy could be impaired, thereby materially and adversely affecting us. We may become subject to litigation, which could materially and adversely affect us. We may become subject to litigation, in connection with our operations, securities offerings and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We generally intend to vigorously defend ourselves. However, we cannot be certain of the ultimate outcomes of any claims that may arise in the future and which are presently not known to us. Resolution of these types of matters against us may result in our having to pay significant fines, judgments or settlements, which, if uninsured, or if the fines, judgments and settlements exceed insured levels, could materially and adversely impact our earnings and cash flows, thereby materially and adversely affecting us. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could materially and adversely impact us, expose us to increased risks that would be uninsured and materially and adversely impact our ability to attract directors and officers. If we fail to maintain effective disclosure controls and procedures, we may not be able to meet applicable reporting requirements, which could materially and adversely affect us. As a publicly traded company, we are subject to the informational requirements of the Exchange Act and are required to file reports and other information with the SEC. In addition, we are required to maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file with, or submit to, the SEC is recorded, processed, summarized and reported, within the time periods specified in the SEC' s rules and forms. They include controls and procedures designed to ensure that information required to be disclosed in reports filed with, or submitted to, the SEC is accumulated and communicated to management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosure. Effective disclosure controls and procedures are necessary for us to provide reliable reports, effectively prevent and detect fraud and to operate successfully as a public company. Designing and implementing effective disclosure controls and procedures is a continuous effort that requires significant resources and devotion of time. We may discover deficiencies in our disclosure controls and procedures that may be difficult or time consuming to remediate in a timely manner. Any failure to maintain effective disclosure controls and procedures or to timely effect any necessary improvements thereto could cause us to fail to meet our reporting obligations (which could affect the listing of our common stock on the NYSE). Additionally, ineffective disclosure controls and procedures could also adversely affect our ability to prevent or detect fraud, harm our reputation and cause investors to lose confidence in our reports filed with, or submitted to, the SEC, which would likely have a negative effect on the trading price of our common stock. An epidemic or pandemic (such as the outbreak and worldwide spread of COVID- 19), and the measures that international, federal, state and local governments, agencies, law enforcement and / or health authorities implement to address it, may precipitate or materially exacerbate one or more of the other risks, and may significantly disrupt our tenants' ability to operate their businesses and / or pay rent to us or prevent us from operating our business in the ordinary course for an extended period. An epidemic or pandemic could have a material and adverse effect on or cause disruption to our business or financial condition, results of operations, cash flows and the market value and trading price of our securities due to, among other factors: ● A complete or partial closure of, or other operational issues with, our portfolio as a result of government or tenant action; ● Declines in or instability of the economy or financial markets may result in a recession or negatively impact consumer discretionary spending, which could adversely affect retailers and consumers; ● A reduction of economic activity may severely impact our tenants' business operations, financial condition, liquidity and access to capital resources and may cause one or more of our tenants to be unable to meet their obligations to us in full, or at all, to default on their lease, or to otherwise seek modifications of such obligations; ● The inability to access debt and equity capital on favorable terms, if at all, or a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations, pursue acquisition and development opportunities, refinance existing debt, reduce our ability to make cash distributions to our stockholders and increase our future interest expense; ● **A general decline in business activity and demand for real estate transactions would adversely affect our ability to successfully execute our investment strategies or expand our portfolio;** ● **A significant reduction in our cash flows could impact our ability to continue paying cash dividends to our stockholders at expected levels or at all;** ● **The financial impact could negatively affect our future compliance with financial and other covenants of our debt instruments, and the failure to comply with such covenants**

could result in a default that accelerates the payment of such debt; and • The potential negative impact on the health of on CTO' s employees or members of the Board or CTO' s board of directors, particularly if a significant number are impacted, or the impact of government actions or restrictions,<sup>48</sup>